

RULES FOR THE ACTIVITY ON SETTLEMENT OF CLAIMS IN “AIG BULGARIA INS. & REINS. CO.” EAD

I. ACCEPTANCE AND FILING OF CLAIMS

Claims under insurance contracts concluded with “AIG Bulgaria Ins. & Reins. Co.” EAD, hereinafter called “Insurer”, as well as any other documents, requests, appeals and similar, which are relevant to claims already filed, shall be accepted by one of the following means:

1. by fax – 02/930 93 31;
2. by mail at the following address – city of Sofia 1000, 4 Iskar Str. to the attention of “Settlement of claims”;
3. by e-mail: aig.bulgaria@aig.com or claims.aig.bulgaria@aig.com;
4. in the office of the Insurer /in writing/ at the following address – city of Sofia 1000, 4 Iskar Str.

The notification shall be made in writing in the form provided by the Insurer upon signing of the insurance contract or after occurrence of the insured event upon request of the Insured or third injured party or in case there is no such form for the respective type of insurance or the Insured or the third injured party has not obtained the form, the notification shall be made in a free wording containing the following information:

- name of the insured /”The Insured”/;
- name of the notifier;
- number of the insurance policy;
- address of the property insured;
- phone and/or mobile phone for contacts;
- name of the agent /broker/;
- type of insured event;
- date and hour of occurrence of the event;
- detailed description of the loss or damage;
- approximate assessment of the amount of the loss or damage;
- other insurance contracts which cover the damaged property – insurance companies and the amounts insured under the contracts concluded with them;
- date and signature, when applicable for the respective way of notification.

Each notification sent by the Insured or the third injured party shall be filed with incoming number in the register of incoming correspondence of the Insurer and such number shall also indicate the date of receiving of the notification by the Insurer.

The communication with the clients shall be carried out by the Insurer via letters, by e-mail, phone or in person at the office of the Insurer at the aforesaid address.

Upon occurrence of an insured event, the Insured is obliged to notify the Insurer within 7 days period of becoming aware thereof, unless the contract provides for a different adequate term. In case of insurance against theft or robbery, the notification term is 24 hours as of becoming aware of the event. The notification term as per the two previous sentences shall not be applicable for third injured parties.

The Insurer shall be entitled to refuse payment in case the Insured has not fulfilled his/her obligations to notify the Insurer within the aforesaid terms with the aim of hindering the Insurer in establishing the circumstances, under which the event has occurred, or where such non-fulfilment has made impossible the establishment by the Insurer of the said circumstances.

Any notification for an insurance claim shall be filed in internal computer system of the Insurer and a unique number for each claim-file shall be given. The Insured and the third injured party shall be informed of that number.

II. COLLECTION OF EVIDENCE

Upon occurrence of the insured event, the Insured, respectively the third injured party shall be obliged to submit the documents required by the Insurer, which are directly related to the ascertainment of the event and the amount of damages.

For proving the grounds and the amount of the claim for the different types of insurances the Insured, respectively the third injured party shall present the following documents, including but not limited to: a valid insurance policy and all endorsement thereof, if any; documents proving the payment of the insurance premium within the agreed terms; identification documents /identity document, company legal standing/ and documents certifying the capacity of the person and his/her right to receive the indemnity claimed; documents certifying the insurance interest /notary deeds, sale and purchase contracts, invoices, customs declarations, rent or lease agreements and other documents related to the ascertainment of the grounds and the amount of the claim/; documents issued by respective authority proving the occurrence of the insured event such as certificate from the Fire and Breakdown Safety Regional Service, Internal Affairs Regional Directorate, hydro meteorological and meteorological service, other central and local authorities; documents proving events for which no competent authority is in charge of – breakdown statement, witness statements, protest letter to the person who caused the damages /when such person is known/ with the purpose of ensuring the subrogation rights of the Insurer; documents proving the fulfillment of the obligations of the Insured regarding compliance with the special requirements for production, storage, transportation and exploitation of the insured property and the instructions of the competent authorities; bank account to which the indemnity should be paid. The Insurer shall be entitled, complying with the provision of Art.105, paragraph 5 of the Insurance Code, to require and receive from the Insured, respectively the third injured party other documents and/or materials not mentioned above, which are directly or indirectly related to the insured event and may be useful for ascertaining the grounds for payment of the insurance indemnity and/or its amount.

The Insurer shall be obliged after filing of the claim to notify in writing the Insured or the third injured party about all evidence which should be presented additionally to the above mentioned for proving the grounds and the amount of the claim.

The Insurer shall notify the Insured of the additional evidence which the latter shall submit not later than 45 days following the submission of the evidence, specified in these Rules, where such evidence has not been envisaged under the insurance contract at the moment of its conclusion, and which are necessary in order to establish the grounds for and the amount of the claim of the Insured. Additional evidence may be required by the Insurer from the third injured party only in case the necessity of such evidence could not have been envisaged as of the date of filing the claim, and not later than 45 days as of the date of submission of the evidence required upon filing of the claim.

It shall not be allowed to demand evidence, which the Insured, respectively the third injured party could not obtain because of any statutory obstacle or a lack of a statutory standing to ensure its obtaining, as well as such evidence that may be reasonably considered as having no substantial importance for the establishment of the claim in grounds and amount, and is intended to cause unjustified delay and prolongation of the procedure for the settlement of claims.

The Insured, respectively the third injured party shall submit the evidence required by the Insurer in original /in case so required by legislation in force/, as a copy certified as prescribed by law or as a copy certified by the Insured or the third injured party after an employee of the Insurer has checked the copy with the original. In the latter case the Insurer shall be entitled to make a note on the back side of the original that the original has been presented to the Insurer.

III. ASSESSMENT OF DAMAGES INCURRED AND SPECIFICATION OF THE AMOUNT OF INDEMNITY

Upon occurrence of the insured event, the Insured shall allow the Insurer to make an inspection of the damaged property.

According to the circumstances the Insurer shall be entitled at its discretion to send expert/s/ loss adjusters to establish the occurrence of the insured event and specify the amount of the damages incurred. The expert/s/ loss adjusters shall be chosen from a list prepared by the Insurer which shall be updated when necessary. The Insurer shall notify the Insured or the third injured party about the date, hour and place for carrying out the inspection with the purpose to provide an opportunity for them to attend the inspection. A protocol shall be prepared for the findings of the inspection made, which shall be signed by the expert/s/ loss adjusters. The Insurer and the third injured party shall be also entitled to sign the protocol. The Insured, respectively the third injured party shall be entitled to present their opinion about the findings in the protocol itself.

The indemnity shall be equal to the amount of the damage incurred on the date of occurrence of the event. The Insurer shall not owe indemnity for lost profit, unless otherwise agreed in the insurance contract.

In case two or more insurance contracts have been concluded for one and the same property right having one and the same covered insurance risks, and the total of the separate insured amounts exceeds the actual value of the property insured, the Insurer shall be liable for the proportion of the insured amount to the total insured amounts of all insurances. The Insured shall be obliged to inform the Insurer of the presence of other insurance contracts as well, indicating the other insurers and the insured amounts in accordance with the contracts concluded with them.

In case the agreed insured amount is less than the actual or the recovery value of the insured property and the insured property is perished or is damaged, the indemnity shall be specified according to the proportion of the insured amount to the actual or the recovery value, respectively. In the case where an insurance contract has been concluded with a covenant against first risk, the full damage amount shall be compensated, insofar as it does not exceed the insured amount.

In case of overinsurance the Insurer shall owe indemnity to the amount of the actual, or the recovery value, respectively, of the property insured.

In specifying the amount of the indemnity due to the Insured the Insurer shall take into consideration the change in the risk level for which the Insured has not notified the Insurer as well as the circumstances resulting in the occurrence of the insured event due to insufficient measures on behalf of the Insured for storage and protection of the property.

In specifying the amount of the indemnity due to the Insured the Insurer shall be entitled to deduct from the amount of the indemnity calculated the residual value of the damaged property, the compensation received by the Insured from the person who caused the damages and the unpaid insurance premiums under the contract.

The Insured shall be obliged to take measures for the protection of the insured property from damages, to follow the instructions of the Insurer and the competent authorities for elimination of the sources of risk, and to allow the Insurer to make inspections.

Upon violation of the obligations under the preceding sentence and in the case of occurrence of an insured event, the Insurer may accordingly reduce the insurance indemnity due. In case the occurrence of the insured event results from non-fulfilment of the said obligations, the Insurer may refuse payment only in case that this is explicitly stated in the contract.

In case franchise/deductible is agreed upon under the insurance contract the Insured shall undertake part of the liability according to the provisions of the contract.

The payment of the indemnity due shall be effected on the basis of original invoices presented or expert evaluation. The Insurer shall keep the right to check the authenticity of the invoices and whether they correspond to the market conditions.

The Insurer may, having the consent of the Insured, repair the damages incurred by the latter in kind as the term for repairing damages may not exceed 45 days from the date, on which the Insured has fulfilled cumulatively his/her obligations to file his/her claim, allow the Insurer to make an inspection of the damaged property /if such inspection is requested/ and present all documents required by the Insurer, directly related to the ascertainment of the event and the amount of damages.

The Insurer and the Insured, respectively the third injured party may sign an agreement for final settlement of their relations regarding the claims filed.

IV. PAYMENT OF INSURANCE INDEMNITY

Within a time period of up to 15 days following the submission by the Insured, respectively the third injured party of all evidence required by the Insurer under the terms and conditions of these Rules, the Insurer shall specify and pay the amount of the insurance indemnity or refuse to pay the indemnity stating the relevant arguments. In case of payment of indemnity which is less than the amount claimed by the Insured, respectively the third injured party, the Insurer shall be obliged to justify its decision for that.

Within the limits of the insured amount the Insurer shall separately indemnify the Insured for the expenses he/she has incurred to limit the damages, acting with due care, in accordance with the circumstances of the case, even if his/her efforts have remained without result.

In case an insured event has occurred prior to full payment of the insurance premium by the Insured, the Insurer may deduct the amount of unpaid premium from the amount of insurance indemnity due to the Insured.

In case of partial loss of insured property, the latter shall be considered insured until the expiry of the insurance contract term for an amount equal to the difference between the initial insurance amount and the insurance indemnity paid, unless otherwise provided for in the insurance contract.

The claims settlement procedure for insurance contracts signed by the Insurer shall be finalized by preparing a report for a claim payment from the employee who is responsible for the settlement of the relevant claim. When the indemnity to be paid exceeds the authorization limits of the Claims Manager the report shall be first approved by the General Manager and then it shall be sent to the accounting department for effecting the payment of the insurance indemnity. The indemnities shall be paid by the Insurer via bank transfer to bank accounts of the Insured, respectively the third injured parties for which bank accounts the Insurer has been notified in writing. In case the report contains a reasonable refusal for payment of the insurance indemnity, the Insurer shall notify the Insured, respectively the third injured party in the manner and within the term specified in these Rules.

By payment of the insurance indemnity the Insurer shall subrogate into the rights of the Insured against the person who caused the damages up to the amount of the indemnity paid and the usual expenses incurred for specifying the indemnity.

In case after payment of the insurance indemnity the stolen or lost property is found, the Insured shall be obliged to transfer the property right to the Insurer or to a person specified in writing by the Insurer. In case the Insured wishes to keep the property found, he/she shall pay back to the Insurer the indemnity received.

V. APPEALS

In case of disagreement with the specified amount of the paid indemnity or the grounds of refusal for payment of insurance indemnity within a term of 14 days as of the date of

receiving of the indemnity by the Insured, respectively the third injured party or receiving the reasonable refusal for payment of indemnity, the Insured, respectively the third injured party may file an appeal in writing to the general manager of the Insurer for reviewing the case. Each appeal shall be filed with incoming number in the register of incoming correspondence of the Insurer and such number shall also indicate the date of receiving of the appeal by the Insurer. Submitting of appeals shall be made in the manner specified in these Rules.

The general manager of the Insurer shall consider the appeal and shall prepare an opinion in writing as the term for notification of the Insured, respectively the third injured party about the decision taken shall not be longer than 21 days as of receiving the appeal by the Insurer.

The Insured, respectively the third injured party shall be entitled to refer to an objective and impartial authority for out-of court settlement of disputes in all cases of disagreement with the Insurer in relation with the contract. The right to judicial claims shall not be restricted.

VI. OTHERS

1. These Rules shall not apply to settlement of claims on high risk insurances.
2. These Rules have been adopted by a resolution of the Board of Directors of the Insurer on 26.10.2006.