

MENORA MIVTACHIM INSURANCE LTD

TOP FOR APARTMENTS Home and Contents Insurance Policy

**המהדורה הקובעת הנה המהדורה שנכתבה בעברית
The determining edition is the Hebrew edition**

This policy is worded in the masculine
form but refers to men and women alike
Edition: july 2016

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TOP FOR APARTMENTS

Home and Contents Insurance Policy

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TOP FOR APARTMENTS

Home and Contents Insurance Policy

This policy is a contract between
Menora Mivtachim Insurance Ltd. (hereinafter - "the Insurer")
And
The insured whose name is specified in the specifications
(hereinafter - the "Insured")

Whereby the Insurer agrees to make indemnity payments to the Insured for on the occurrence of an insured event during the period of insurance, within the limits of liability, in consideration of payment of the insurance premiums. The insurance premiums, the insurance period and insurance amounts quoted in the specification, which constitutes an integral part of this policy.

In this policy -

- a. **"Apartment Building"** – a home registered as an apartment building in the Land Registry and a home that is not registered in such manner, provided that it contains at least two apartments.
- b. **"Family members"** - spouse, children, parents or other relatives of the Insured who live with him on a permanent basis in the apartment.
- c. **"Bank"** - a banking corporation authorized to act under the Banking (Licensing) Law, 5741 - 1981.
- d. **"Apartment"** - the apartment or home structure mentioned in the specification and whose primary use is residential, including balconies, plumbing (including gas piping), sewage and plumbing installations, heating installations, air conditioning systems, water heaters, solar water heating systems, telephone and power systems belonging to the apartment and gates, fences and paved roads belonging to the apartment and all fixed parts of the apartment or parts attached thereto in a permanent manner; and if the apartment is in an apartment building - also including the Insured's share in the common property of the apartment building and any special attachments to the apartment (including storeroom).
- e. **"Unoccupied Apartment"** - an apartment that is unoccupied for more than 60 consecutive days or not lived in regularly for more than 60 consecutive days, unless a longer period was expressly agreed and specified in the specification where only for a period exceeding the apartment shall be deemed as unoccupied, and pursuant to the terms of agreement.
- f. **"Domestic employee"** – an employee working directly under the Insured.

Chapter 1 - Home Insurance

This chapter is in effect only if expressly stated in the specification

1. The insurance event

The insurance event is loss or damage caused to the apartment during the insurance period as a result of one or more of the risks listed below:

- a. Fire, lightning, thunder and smoke that is an unusual and irregular phenomenon;
- b. An explosion or fire;
- c. Wind exceeding 30 knots, including rain falling at the time, snow or hail, and excluding rainwater leaking through the walls or ceiling or their absorption therein;
- d. Aircraft crash, objects falling from an aircraft, supersonic boom caused by an aircraft;
- e. Contact or collision between a vehicle and the apartment;
- f. Malicious acts, excluding:
 - 1) Malicious acts committed on an unoccupied apartment;
 - 2) Malicious acts committed by the Insured or his family, or with their consent;
 - 3) Malicious acts committed by people living in the apartment with the Insured's permission or his consent;
- g. Theft, robbery, burglary, or attempted to perpetrate them, except when the apartment is unoccupied;
- h. Illegal gathering and rioting;
- i. An earthquake including a tsunami generated by an earthquake, provided that the Insured did not waive coverage against this risk, in the manner provided in Article 5a to the Supervision of Insurance Business (Conditions of a Contract to Insure Homes and their Contents) Regulations, 5746 – 1986; in respect of the deductible in damage as a result of this risk, earthquakes that occurred for 72 consecutive hours after the initial earthquake, shall be considered as a single event;
- j. A flood or flooding from an external water source excluding a tsunami as provided in paragraph (i).

The Insured may, during the proposal stage, by explicit notification that is documented by the Insurer and be specified in the specification, waive the coverage provided in paragraph (g).

2. Risks not covered

This chapter does not cover loss or damage caused by one or more of the following causes:

- a. War, enemy actions, terrorist attacks;
- b. Civil war, rebellion, military or popular uprising, revolution;
- c. Ionizing radiation, radioactive contamination, nuclear reactions, nuclear material or nuclear waste;

- d. Seizure, requisitioning, confiscation, destruction or demolition of property by the government, the military, local authority, or a person acting under the law.

2a. Calculation of the compensation

- a. Indemnity payments owed to the Insured under this chapter shall be calculated and paid according to the value of the loss or damage to the apartment, however, no payment will be made of an amount exceeding the sum of the specified in the specifications as the apartment's insurance sum, all subject to the provisions of section 2 of Chapter 6 below.
- b. The indemnity payments will be calculated in a manner that brings the Insured, to the extent possible, to the state he would have been in, had the insured event never occurred.
- c. The indemnity payments paid pursuant to this chapter, subject to the provisions of subsection (a), shall also include:
 - 1) Expenses for the services provided by architects, appraisers, building consultants, engineers and contractors, and legal costs incurred in order to repair, renovate or reconstruct the apartment or part thereof, provided that prior notice was given to the Insurer.
 - 2) Expenses for clearing the debris, cleaning the apartment, its plastering and re-connecting to the electricity, telephone, water, gas and sewage systems.
 - 3) Compensation for loss of income from rent of the apartment or rental expenses for the purpose of the residence of the Insured and his family, as long as the apartment is not suitable for living as determined by a licensing engineer, as defined by the Engineers and Architects Law, 5718 – 1958 (hereinafter - the Engineers and Architects Law); compensation under this paragraph shall be calculated as customary rent for an apartment similar to the apartment insured under this policy, for a maximum period of 12 months, commencing on the date of occurrence of the insured event, or a maximum amount not exceeding 15% of the insurance amount, the lower of the two, even if the total compensation exceeds the amount of apartment's insurance; payment for rental costs under this section is contingent on reasonable evidence that the rent for the alternative place of residence was indeed spent in practice.

2b. Non-applicability of underinsurance

Article 60 of the Insurance Contract Law, 5741 – 1981 (hereinafter - the Insurance Contract Law), shall not apply to this chapter.

3. Expansion of the insurance for water damage and damage from other liquids to the apartment

- a. If expressly stated in the specifications, this chapter will be expanded to also include coverage for loss or damage first discovered during the insurance period and caused to the apartment structure, as a

result of escape or leakage of water or any other liquid from the plumbing and heating installations of the apartment or of another property in the apartment building, including splitting, blockage or overflowing of water heaters and piping, but not:

- 1) cost of the water.
 - 2) wear, corrosion and rust caused to water heaters, pipes and plumbing installations themselves.
 - 3) loss or damage caused when the apartment was unoccupied.
- b. Pursuant to paragraph (a) above, in respect of damage from “another property in the apartment building”, unless expressly stated otherwise in the specification, the coverage is limited to only one event during the insurance period.

c. Indemnity payments

Pursuant to the provisions of section 1 in Chapter 6 – General conditions for all chapters of the policy, upon the occurrence of an insured event to the apartment, the Insurer may compensate the Insured by way of repair, according to one of the two options listed below, as elected by the Insured and as noted on the proposal form:

Option A: Repair the damage through a service provider – in the event the Insured selected the option of repairing the damage to the apartment through a service provider whose name is indicated in the specification, the Insured shall give immediate notice to the service provider, and the repair will be carried out by the service provider.

Option B: Repair the damage through a plumber at the Insured’s discretion – in the event the Insured selected the option of repairing the damage to the apartment through a plumber of his choice, he will be entitled to make the repairs using a plumber he selected, and submit a claim for indemnification for the costs of the repair, provided that he allow the Insurer to inspect the damage before its repair.

Chapter 2 - Additional Insurance Amount for the Apartment Building

This chapter is in effect only if expressly stated in the specification

1. The insurance event

The insurance event is damage to an apartment in the apartment building, which is owned by the Insured or leased to him in a long term lease, as a result of an earthquake risk as provided in section 1(i) of Chapter 1 - Home Insurance, at a rate no less than 70% of the amount of insurance of the apartment, as specified in the specification, and according to the determination of a real estate appraisers, as defined in the Real Estate Appraisers Law, 5761 – 2001, or a registered engineer, as defined in the Engineers and Architects Law, as applicable, or if a result of the damage caused as stated above, a demolition order is issued to the apartment building.

- 2.** If noted in the specifications, coverage under this chapter shall be expanded to include, in addition to earthquake risks, an insurance event as defined in section 1 above, caused as a result of one or more of the risks listed in section 1 of chapter 1 above.

3. Calculation of the compensation

- a. After the occurrence of an insurance event, the indemnity payments owed to the Insured under this chapter shall be calculated and paid according to the amount of additional insurance mentioned in the specification, all subject to the provisions of section 2 of Chapter 6 below.
- b. The amount of the additional insurance will be equal to 100% at least of the insurance amount specified in the policy specification.

4. Non-applicability of underinsurance

Article 60 of the Insurance Contract Law shall not apply to this chapter.

Chapter 3 - Contents Insurance

This chapter is in effect only if expressly stated in the specification

In respect of this policy, "contents" shall mean – any thing and any object found in the apartment, that is owned by, in the possession of or under the responsibility of the Insured or his family members and with the exception of:

- a. Motor vehicles, caravans, trailers, vessels and aircraft;
- b. Animals;
- c. Securities, bonds, share certificates, accompanying documents;
- d. Contracts, liability documents, deeds of sale, papers and documents of all kinds;
- e. Gold, silver or precious metal, when in raw state, diamonds and precious stones that are not part of piece of jewelry;
- f. Weapons, ammunition and explosives;
- g. Manuscripts, plans, sketches, drawings, models, patterns;
- h. Financial records and other businesses records;
- i. Equipment and inventory used only for business purposes, unless otherwise specified in the specification;
- j. Checks, traveler's checks, postal orders, promissory notes and bills of all kinds, airline tickets, cruise tickets, credit cards and lottery tickets.
- k. Things or objects found in the garden, in the stairwell, on fences or paved roads that are part of the apartment, provided they are not usually to be found outside the apartment; Coverage under this section for the things or objects which are usually found outside the apartment will be limited to 2% of the contents insurance;

1. The insurance event

The insurance event is loss or damage caused to the contents during the insurance period as a result of one or more of the risks listed below:

- a. Fire, lightning, thunder and smoke that is an unusual and irregular phenomenon;
- b. An explosion or fire;
- c. Wind exceeding 30 knots, including rain falling at the time, snow or hail, and excluding rainwater leaking through the walls or ceiling or their absorption therein;
- d. Aircraft crash, objects falling from an aircraft, supersonic boom caused by an aircraft;
- e. Contact or collision between a vehicle and the apartment;
- f. Malicious acts, excluding:
 - 1) Malicious acts committed on an unoccupied apartment;
 - 2) Malicious acts committed by the Insured or his family, or with their consent;

- 3) Malicious acts committed by people living in the apartment with the Insured's permission or his consent;
- g. Theft, robbery, burglary, or attempted to perpetrate them, except:
 - 1) When the apartment is unoccupied;
 - 2) Business contents when the apartment is not used for residential purposes only;
 - 3) If committed by a member of the family of the Insured or by a person living in the apartment with the Insured's permission or his consent;
 - 4) Contents found on an open terrace, a roof or a floor on the ground floor and is not usually to be found outside the apartment;
- h. Illegal gathering and rioting;
- i. An earthquake including a tsunami generated by an earthquake, provided that the Insured did not waive coverage against this risk, in the manner provided in Article 5a to the Supervision of Insurance Business (Conditions of a Contract to Insure Homes and their Contents) Regulations, 5746 – 1986; in respect of the deductible in damage as a result of this risk, earthquakes that occurred for 72 consecutive hours after the initial earthquake, shall be considered as a single event;
- j. A flood or flooding from an external water source excluding a tsunami as provided in paragraph (i).

The Insured may, during the proposal stage, by explicit notification that is documented by the Insurer and be specified in the specification, waive the coverage provided in paragraph (g) or for items stated in sections 5 (h) and 5 (i) below, in whole or in part;

2. Risks not covered

This chapter does not cover loss or damage caused by one or more of the following causes:

- a. War, enemy actions, terrorist attacks;**
- b. Civil war, rebellion, military or popular uprising, revolution;**
- c. Ionizing radiation, radioactive contamination, nuclear reactions, nuclear material or nuclear waste;**
- d. Seizure, requisitioning, confiscation, destruction or demolition of property by the government, the military, local authority, or a person acting under the law.**

3. Calculation of the compensation

- (1) Indemnity payments owed to the Insured under this chapter shall be calculated and paid according to the value of the loss or damage; however, no payment will be made of an amount exceeding the sum of the specified in the specifications as the content's insurance

sum, all subject to the provisions of section 2 of Chapter 6 below. The indemnity payments due to the loss of damage to several items shall not exceed the amount specified in the specifications, if specified, as the insurance amount of the items.

- (1) The indemnity payments will be calculated in a manner that brings the Insured, to the extent possible, to the state he would have been in, had the insured event never occurred.
- (3) The indemnity payments paid shall also include loss or damage to the clothing and personal belongings of the Insured's household employees when found in an apartment in an amount not exceeding 5% of the insurance amount in respect of contents.

4. Underinsurance

In the event that at the time of execution of the insurance contract, the amount of contents insurance is lower than value of the contents by 15% or less, the Insurer's liability shall go down by the relative rate equal to the ratio between the amount of insurance and the value of the contents at the time of execution of the contract; any item has a separate insurance amount set for it in the specifications, is subject to this condition separately; This provision shall not apply to the liability limits set out in the policy or in the event the contents insurance amount is determined by the Insurer or anyone on his behalf.

5. Limitation of liability of the Insurer concerning specific content items

If special insurance amounts for the content items listed below are not explicitly mentioned in the specification, the indemnity payments for loss or damage for each of them will be up to the following amounts:

- (2) Cash or gift certificates - **up to 0.5% of the contents insurance amount;**
- (b) Money - **up to 10% of the contents insurance amount;**
- (c) Sculptures, photographs, works of art, antiques and collections of historical, scientific or artistic value - **up to 10% of the contents insurance amount;**
- (d) Carpets - **up to 10% of the contents insurance amount;**
- (e) Furs - **up to 10% of the contents insurance amount;**
- (f) Stamp collection - **up to 5% of the contents insurance amount;**
- (g) Coins collection - **up to 5% of the contents insurance amount;**
- (h) Jewelry and gold - **up to 10% of the contents insurance amount;**
- (i) Wristwatches - **up to 10% of the contents insurance amount.**

The amounts of the items in sections a through i, if they are within the limits specified in each of them, shall not be subject to Article 60 of the Insurance Contract Law.

6. Coverage for part of the contents outside the apartment

- (a) clothing, jewelry and personal items of the Insured and his family, will be covered when outside the apartment, against the risks included in this section, except for the risk of theft, but not when they are located in any vehicle, or when they are outside to Israel.
- (b) Compensation under this section is limited to 5% of contents insurance amount.

7. Water damage insurance for contents

- (a) If expressly stated in the specifications, this chapter will be expanded to also include coverage for loss or damage first discovered during the insurance period and caused to the contents, as a result of escape or leakage of water or any other liquid from the plumbing and heating installations of the apartment or of another property in the apartment building, including splitting, blockage or overflowing of water heaters and piping, but not:
 - (1) cost of the water.**
 - (2) wear, corrosion and rust caused to water heaters, pipes and plumbing installations themselves.**
 - (3) loss or damage caused when the apartment was unoccupied for more than 60 days.**
- (b) Pursuant to paragraph (a) above, in respect of damage from "another property in the apartment building", unless expressly stated otherwise in the specification, the coverage is limited to only one event during the insurance period.

Chapter 4 - Liability Insurance

This chapter is in effect only if expressly stated in the specification

a. **Third Party Liability Insurance**
Coverage is in effect only if expressly stated in the specification.

1. The insurance event

An insurance event is the liability of the Insured or his family, including his household employees, to pay a third party in accordance with the Torts Ordinance [New Version], subject to the limits of liability stated in the specifications due to an accident that occurred in Israel or in the "territories" as defined in the Law for Amending and Extending the Validity of Emergency Regulations (Judea and Samaria – Jurisdiction in Offenses and Legal Aid), 5767 – 2007, and causing:

- (a) death, illness, injury, physical impairment, mental deficiency or mental impairment;
- (b) the damage or loss to the property of a third party.

2. Handling of claims

- (a) The Insurer may, and at the request of a third party – he is obliged to, pay the third party the indemnity payments which the Insurer owes the Insured, and provided that the Insured was notified in writing as provided in subsection (b), and the Insured did not object to as specified in said section; However, any argument the Insured may have against the Insured he shall also have against third parties.
- (b) In the event that a third-party demanded from the Insurer indemnity payments under subsection (a), the Insurer shall inform the Insured in writing within 7 business days of the demand of such demand and that unless the Insured shall note his objection to the payment of the indemnity within 30 days, the Insurer will pay the third party the indemnity payments he owes the Insured, if he is obliged to make them.
- (c) The Insurer may take upon itself or manage on behalf of the Insured the defense in all claims and the Insured will give the Insurer, at its request, the assistance required for the Insurer to settle the claim of any third party.
- (d) In the event of a claim or claims against the Insured arising from one insurance event or a series of events that can be attributed to one source or one cause, and are covered under this chapter of the policy, the Insurer may pay the Insured the full insurance amount under this chapter, and after such payment the Insurer shall be exempt from the management

of the said claim or claims and the Insurer shall not bear any further liability in connection therewith, except for court costs determined by a court or reasonable expenses incurred in connection with these claims.

3. Coverage of legal expenses

In the event of a claim for indemnity payments under this chapter, the Insurer shall bear reasonable legal expenses the Insurer must incur due to his liability, even beyond the limit of liability under this chapter.

4. Exclusions to liability towards third parties

The Insurer will not be liable to indemnify the Insured due to an amount levied upon him or incurred by him if the cause of which is due to one of the following:

- (a) Liability towards employees where there is between them and the Insured an employer-employee relationship;**
- (b) Damage caused to the family of the Insured or to a household employee of the Insured;**
- (c) The Insured's liability towards a third party related directly to the profession or occupation of the Insured, unless coverage for this activity has been explicitly noted in the specification;**
- (d) The Insured's professional liability or liability arising from products manufactured, handled, marketed or maintained by the Insured as part of any business activity;**
- (e) A vehicle as defined in the Compensation of Victims of Traffic Accidents Law, 5735 – 1975, a crane, lifting apparatus, aircraft, watercraft, motorized vessels used for travel;**
- (f) The use of weapons;**
- (g) Animals that are not domestic pets, a dangerous dog or dangerous breed, as defined by Supervision and Regulation of Dogs Law, 5763 – 2002;**
- (h) Use of a swimming pool that contains a filtration system, jacuzzi or sauna outside the apartment structure, unless otherwise specified in the specification;**
- (i) Performance of works in the apartment by a professional and the duration of work exceeds two weeks from the start of actual work;**
- (j) Claims filed against the Insured in a court outside Israel's borders.**

5. Non-applicability of underinsurance

Article 60 of the Insurance Contract Law shall not apply to this chapter.

b. Employers liability insurance for household employees

Coverage is in effect only if expressly stated in the specification.

1. The insurance article

The **Insurer** will indemnify the **Insured** under this chapter, up to the **limits of the Insurer's liability for the insurance event and the insurance period**, in respect of amounts which the Insured shall be obliged to pay to any of his household employees (as defined below) as compensation under **law**, due to an **insured event** that occurred during the **insurance period** specified in the **specification**, subject to the **policy's** conditions and restrictions, including deductibles. In addition, the **Insurer** will indemnify the **Insured** for all reasonable legal costs, in the defense against a claim for compensation for an **insured event** and even exceeding the limit of liability.

2. Definitions

- a. The Law – the Torts Ordinance (New Version), 5728 – 1968.
- b. Insurance event – physical, emotional or mental harm or death resulting from an accident or illness to one or more employees of the Insured's household, in the direct service of the Insured and receiving payment from him, which occurred during or because of his work in the insured apartment.
- c. Reasonable legal expenses -
 - (1) reasonable expenses, necessary for defense against the claim, minus the deductible.
 - (2) reasonable litigation expenses, necessary for defense against investigative procedures, minus the deductible.
- d. **Household Employee** – an employee in the service of the Insured, whether residing in the insured apartment, or not.
- e. Limits of liability – the amounts noted in the specification as limits of liability per insurance event, and for the insurance period, in respect of this chapter.

3. Exclusions

The Insurer will not be liable under this chapter for:

- (1) An undertaking or liability the Insured or a family member assumed according to an agreement, unless such an undertaking or liability was imposed on the Insured even in the absence of such an agreement.**
- (2) Any amount demanded from the Insured by the National Insurance Institute.**
- (3) Any amount the payment of which is imposed on him by the National Insurance Institute for on insurance event and which he paid, or that was imposed on him by the National Insurance Institute but was not paid due to non-compliance with a provision or provisions**

of the National Insurance Law (Consolidated Version), 5728 – 1968 (hereinafter: the “National Insurance Law”) or its regulations or because the claim was not served to him at all.

- (4) Any amount, the Insured will be obliged to pay due to an Insured event within the framework of this policy to compensate an employee, in respect of which the Insured is not required to pay national insurance benefits or the National Insurance Institute will not recognize as an occupational accident. In such cases, the Insurer shall compensate the Insured for such claims only in excess of what might have been paid by the National Insurance Institute in accordance with the National Insurance Law.
- (5) Any liability in respect of youth employed against the laws and/or regulations concerning the employment of youth, or not in accordance with them.
- (6) Any liability whose insurance is mandated under any law for the use of a motor vehicle and/or any liability insured under compulsory motor vehicle insurance, including bodies and institutions that are exempt from the obligation of insurance pursuant to the Motor Vehicle Insurance Ordinance [New Version].
- (7) Liability for the use of a scooter of any kind.
- (8) Liability for the use of bicycles and/or scooters and/or all auxiliary motors.
- (9) Sillicosis or asbestosis.
- (10) An insurance event that occurred to an employee of the Insured who is not a household employee, but is employed by the Insured for the purpose of the Insured’s business in the apartment, unless an expansion was purchased for business activities in the apartment.
- (11) Liability for gross negligence of the Insured accompanied by a mental element of recklessness that caused or contributed to the occurrence of the Insured event.
In this regard, “gross negligence” means: a serious deviation from the standard of care of a reasonable Insured.

Chapter 5 - Extensions and Additional Coverage

Definitions

Regarding this policy the following terms shall have the meaning set forth alongside them:

- a. **"Geographical area"** – the territory of the State of Israel or the "territories" as defined in the Law for Amending and Extending the Validity of Emergency Regulations (Judea and Samaria – Jurisdiction in Offenses and Legal Aid) – 2007.

1. Expansion for insurance of terrorist acts

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

If expressly stated in the specification, if coverage was purchased under Chapter 1 and/or Chapter 3, the coverage in respect of the chapters that were purchased will be expanded to include compensation for loss or physical damage caused directly or indirectly to the Insured's property, as defined below, when in the apartment, as a result of a terrorist act.

b. Definitions

- (1) **"Terrorism"** - sabotage or action detrimental to the Insured property committed with violence for political ends, or for the purpose of intimidating the public or in part by a person or body of persons, whether they are acting on behalf of or in connection with any organization, and whether or not, hostile to the State of Israel and due to this hostility.
- (2) **"The insured property"** - the apartment structure if insured under Chapter 1 - Home Insurance, or the contents if insured under Chapter 3 - Contents Insurance.
- (3) **"The Law"** - the Property Tax and Compensation Fund Law, 5721 – 1961 and its regulations.
- (4) **"Physical Damage"** - tangible damage to Insured property. For the avoidance of doubt, it is hereby clarified that physical damage does not include any kind of depreciation and inability to use.

c. Prerequisite for the Insurer's liability

A prerequisite for the Insurer's liability under this chapter is the existence of explicit approval of the Israel Police

or the Ministry of Defense or the Director of the Property Tax and Compensation Fund as defined by law on all of its amendments, confirming that the damage was caused directly by an act of terrorism as defined in the law.

d. Indemnity payments

Indemnity payments payable to the Insured for an insurance event covered under this chapter shall be as specified below:

- (1) Coverage under this Chapter shall be for the amount of excess damage, above the amount of compensation that the Insured is entitled to receive under the Law.**
- (2) For the avoidance of doubt, the Insurer shall not be responsible for any amount the Insured is entitled to under the Law that has not been paid to the Insured by the Property Tax and Compensation Fund, due to failure to comply with any provision of the Law or because the claim was not submitted to the Property Tax and Compensation Fund.**
- (3) The total indemnity payments payable under this part shall not exceed the total amount of insurance specified in the specification in respect of this chapter.**

e. Exclusions

This chapter does not cover loss or damage:

- (1) Caused or resulting from requisition, confiscation or seizure of the Insured property or the premises in which it is located.**
- (2) Consequential of any kind, except as stated in the policy regarding the loss of rent or rent expenses for residential purposes due to the insured event.**
- (3) Incurred due to an insurance event arising from or caused, directly or indirectly by use of chemical, biological or nuclear materials.**
- (4) That is glass or windows breakage, if only these were damaged.**

f. The remaining terms of coverage according to these chapters, if purchased, will continue to apply.

2. Expansion for insurance of warehouse, swimming pool, gardens and auxiliary buildings.

This coverage is in effect only if expressly stated in the specification.

a. If this expansion was purchased and noted explicitly in the specification, and subject to the following terms, coverage under Chapter 1 is expanded to also include coverage for loss or damage to a warehouse, swimming pool and other auxiliary buildings, including damage to the irrigation system, trees, shrubs, plants and lawns, as a result of one or more of the risks listed below:

- (1) fire, lightning, explosion.
- (2) aircraft crash, falling objects from an aircraft.
- (3) the collision of a vehicle, **unless the vehicle is driven by the Insured or his family member.**
- (4) earthquake, including a tsunami generated by an earthquake, **if coverage was purchased for earthquake risks under Chapter 1- Home Insurance, and it was stated in the specification.**

b. The maximum amount the **Insurer** will pay as indemnity payments according to this expansion **shall not exceed a maximum of 0.5% of the home insurance amount**, per insurance event, and **shall not exceed a total of 2% of the home insurance amount** under Chapter 1 - Home Insurance, for the total **insured events** during the insurance period, **unless explicitly stated otherwise in the specification.**

c. Exclusions

Loss or damage to the pool plumbing, furnace room/ machines and all damage caused by the pool plumbing is not covered under this policy.

For the avoidance of doubt, pipelines transporting liquids from the furnace room/ machinery to and from the pool, and from the furnace room/ machinery to the apartment and from it, is covered.

3. Expansion of insurance for accidental breakage of sanitary tools, granite countertops and glass

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

Loss or damage as a result of accidental breakage to:

- (1) Glass affixed in any windows, doors and frames, including mirrors.
- (2) Baths, toilets, washing basins, sinks and granite countertops in the kitchen and baths, constituting part of the **apartment.**

b. Definitions

“**Breakage**” - running throughout the entire thickness of the item insured.

c. The insurance amount

- (1) The indemnity payments, **including assembly and installation of the lost or damaged property**, shall not exceed the insurance amount for this coverage.
- (2) The maximum amount the **Insurer** will pay as indemnity payments according to this coverage shall not exceed a maximum of **1% of the home insurance amount**, per insurance event, and **shall not exceed a total of 2% of the home insurance amount** under Chapter 1 - Home Insurance, for the total **insured events** during the insurance period, **unless explicitly stated otherwise in the specification.**
- (3) The Insurer’s liability for loss or damage covered under this expansion is on the basis of first loss.

d. Exclusions

According to this expansion, coverage does not include compensation for:

- (1) **loss of or damage to frames, inlays, coatings, decorations and inscriptions of any kind.**
- (2) **damage to cracked or defective property item.**
- (3) **transfer or evacuation expenses.**
- (4) **an insured event caused by a malicious act of the Insured or his family or anyone living in an apartment with their consent, including with their assistance or permission.**
- (5) **an insurance event caused directly by a process of repair or renovation.**

4. Expansion for an “all risks” insurance for the structure

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

Loss or **accidental physical damage** for any reason, which occurred during the **insurance period**, to the insured property in accordance with Chapter 1, unless expressly excluded in the exclusions section below.

Regarding this coverage, “**physical damage**” means tangible damage to Insured property. For the avoidance of doubt, it is

hereby clarified that physical damage does not include any kind of depreciation and inability to use.

b. The insurance amount

- (1) The amount of insurance for this coverage shall stand at 20,000 ILS per event and per insurance period, unless stated otherwise in the specification.
- (2) The Insurer's liability for loss or damage covered under this expansion is on the basis of first loss.

c. Exclusions

This expansion does not cover:

- (1) **damage resulting from displacement and/or land subsidence and/or flaws in the design and/or construction and/or poor workmanship.**
- (2) **damage caused during or due to cleaning, renovation, repair or painting, including as part of renovation work.**
- (3) **scratches and/or splitting of coating/ cladding.**
- (4) **consequential damage.**
- (5) **damage as a result of malicious acts committed by the Insured or his family, or with their consent;**
- (6) **a covered insured event or for which coverage could have been purchased under another chapter and/or expansion of this policy.**
- (7) **damage due to moth, insects, worms, scale insects, rodents (including by scratch, bite or gnawing), moisture, gradual destruction, atmospheric or climatic factors of gradual effect, depreciation, wear and tear, rust.**
- (8) **loss or damage as a result of breach of trust, fraud, dishonesty and deceit.**
- (9) **structural damage to the apartment belonging to a business activity.**
- (10) **breakage (including cracks) of: glass, toilets, sinks, marble countertops and ceramics, and the like.**
- (11) **breakdown of a mechanical and/or electrical and/or electronic system, etc., including a computerized system for a "Smart House".**
- (12) **damage to the pool and/or jacuzzi and/or sauna and their attachments.**
- (13) **damage due to leakage of rainwater through the walls**

or ceiling or their absorption in them;

- (14) damage due to malicious actions perpetrated in an unoccupied apartment;
- (15) damage due to malicious acts committed by the Insured or his family, or with their consent;
- (16) loss due to malicious acts committed by people living in the apartment with the Insured's permission or with his consent;
- (17) damage due to theft, robbery, burglary, or attempts to perpetrate them, when the apartment is unoccupied;
- (18) damage due to war, enemy actions, terrorist attacks;
- (19) damage due to civil war, rebellion, military or popular uprising, revolution;
- (20) damage resulting from ionizing radiation, radioactive contamination, nuclear reactions, nuclear material or nuclear waste;
- (21) damage due to the seizure, requisitioning, confiscation, destruction or demolition of property by the government, the military, local authority, or a person acting under the law.

5. Expansion for an "all risks" insurance for the contents

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

Loss or **accidental physical damage** for any reason, which occurred in the **apartment** during the **insurance period**, to the insured contents in accordance with Chapter 3, unless expressly excluded in the exclusions section below.

Regarding this coverage, "physical damage" means tangible damage to Insured property. For the avoidance of doubt, it is hereby clarified that physical damage does not include any kind of depreciation and inability to use.

b. The insurance amount

- (1) The amount of insurance for this coverage shall stand at 20,000 ILS per event and per insurance period, unless stated otherwise in the specification.
- (2) The Insurer's liability for loss or damage covered under this expansion is on the basis of first loss.

c. Exclusions

This expansion does not cover:

- (1) a covered insured event or for which coverage could have been purchased under another chapter and/or expansion of this policy.**
- (2) direct damage of mechanical failure or electrical or electronic malfunction.**
- (3) scratches or cracking of coating of furniture or household refrigerators or any coatings, including enamel coatings.**
- (4) damage caused during or due to cleaning, renovation, repair or painting, including as part of renovation works.**
- (5) damage due to moth, insects, worms, scale insects, rodents (including by scratch, bite or gnawing), moisture, gradual destruction, atmospheric or climatic factors of gradual effect, depreciation, wear and tear, rust.**
- (6) damage resulting from displacement and/or land subsidence and/or flaws in the design and/or construction and/or poor workmanship.**
- (7) damage to eyeglasses, contact lenses, hearing aids and dentures.**
- (8) damage cell phones and their accessories, including devices that include cell phones, handheld devices and satellite navigation devices, tablets, laptops and the like.**
- (9) consequential damage.**
- (10) damage due to malicious acts committed by the Insured or his family, or with their consent;**
- (11) damage to contents belonging to the business activity in the apartment.**
- (12) damage to jewelry, cameras, camera lenses, film cameras, musical instruments and/or other valuables.**
- (13) damage as a result of breach of trust, fraud, dishonesty and deceit.**
- (14) breakage (including cracks) of: glass, toilets, sinks, marble countertops and ceramics, and the like.**
- (15) breakdown of a mechanical and/or electrical and/or electronic system, etc., including a computerized system for a "Smart House".**
- (16) loss or damage as a result of malicious acts perpetrated when the apartment is unoccupied;**
- (17) loss or damage as a result of malicious acts perpetrated by people living in the apartment with the Insured's**

permission or with his consent;

- (18) damage due to theft, robbery, burglary or attempts to perpetrate them when the apartment is unoccupied;
- (19) damage due to theft, robbery, burglary or attempts to perpetrate them if committed by a member of the family of the Insured or by a person who lives in the apartment with the Insured's permission or with his consent;
- (20) damage due to theft, robbery, burglary or attempts to perpetrate them, to contents found in an open terrace, a roof or a floor on the ground floor and are not usually to be found outside the apartment;
- (21) damage due to leakage of rainwater through the walls or ceiling or the absorption in them;
- (22) damage due to the war, enemy actions, terrorist attacks;
- (23) damage due to the civil war, rebellion, military or popular uprising, revolution;
- (24) damage resulting from ionizing radiation, radioactive contamination, nuclear reactions, nuclear material or nuclear waste;
- (25) damage due to the seizure, requisitioning, confiscation, destruction or demolition of property by the government, the military, local authority, or a person acting under the law.

6. Expansion for accidental breakage insurance for stationary home electronic equipment

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

Accidental breakage to home electronic equipment items, which by its nature is stationary only, for non-professional use, as follows: televisions, plasma screens LCD, etc., sound systems, VCRs, tape recorders, personal computer, printer, scanner, fax machine, DVD and projectors, belonging to the **Insured** and that are part of the **insured contents of the apartment**, provided that the damage occurred when located in the Insured apartment.

b. This coverage does not include:

- 1. damage caused by or as a result of mechanical or electrical breakage or mechanical or electrical malfunction and electricity damage including an electrical short circuit or high voltage.

2. damage to plasma screens, LCD, and TVs over 50" and/or an overhead projector, unless stated otherwise in the specification.
3. damage to cathode-ray tube and other tubes, being out of the TV set.
4. damage to the magnetic head of a video system and printer print heads.
5. damage to records, CDs, tapes, disks and drives of any type and any type of means of storage, including information stored on them.
6. damage to electrical appliances that are mobile or movable of any kind or are for professional use.
7. due to moth, insects, worms, scale insects, rodents, moisture, rust, decay, gradual wear and the effect of normal climatic conditions.
8. loss of or damage during or due to assembly, construction, repair or dismantling of the insured property.
9. data recovery.
10. consequential damage.
11. damage resulting from an act of malice by the Insured or his family or anyone living in an apartment with the Insured's permission or consent.
12. depreciation, wear and tear.
13. impairment.

c. Indemnity payments

1. The maximum amount the **Insurer** will pay as indemnity payments under this coverage **shall not exceed 12,000 ILS per item, unless otherwise expressly stated in the specifications.**
2. The indemnity payments under this expansion will be calculated as follows:
 - (a) in respect of appliances whose age on the date of the **insured event** is five years or less - the indemnity payments will be calculated according to the **replacement value** or based on the **indemnity value**, at the election of the Insured regarding the contents coverage under Chapter 3 of this policy.
 - (b) in respect of appliances whose age on the date of the **insured event** is over 5 years, the indemnity payments will be calculated according to the **indemnity value.**

For the purpose of this section, “**indemnity value**” - the actual value of the assets upon the occurrence of the **insured event** taking into account wear and tear and subject to the terms of this **policy**.

7. Expansion of the insurance for third party liability in respect of accidental firing from a gun held with a license and “all risks” insurance for said gun

This coverage is in effect only if expressly stated in the specification.

a. Definitions

- (1) “**The Insured**” – the person whose details are noted in the specification as the Insured person according to this coverage, who upon the occurrence of the insurance event held the insured gun.
- (2) “**The Insured Gun**” - a private gun held by the Insured with a valid license, whose information and license details are noted in the specification.

7a. Insurance for third party liability in respect of accidental firing from a gun

- a. Subject to the conditions and exclusions set forth in Chapter 4a – Third Party Liability, and subject to the deductible in respect of this expansion, the exclusion specified in section 4(f) of Chapter 4a shall be restricted, so that Chapter 4a shall be expanded to cover third party liability in respect of an accidental event of unintentional firing of the Insured Gun, when held by the Insured during the insurance period and within the geographic area, causing:

- (1) **physical harm, death, illness, injury or physical, emotional or mental harm except for harm to the Insured’s family and/or his household employees.**
- (2) **damage to property, except for property owned by the Insured or under the Insured’s responsibility and/or his family members and/or household employees;**

b. Deductible

The amount which the Insured will bear out of the indemnity payments and expenses for the settlement of claims and legal costs to be paid by the Insurer according to this expansion.

c. Maintaining safety conditions

The Insured must comply with all the provisions of the law applicable to the maintenance, preservation and use of weapons, including those in the license to carry a gun, and he must take reasonable measures to prevent the insurance event.

7b. "All risks" insurance for the insured gun

- a. **The insurance event:** loss or **accidental physical damage** for any reason, to the **insured gun**, which occurred in the **geographical area**, during the **insurance period**, unless expressly excluded in the exclusions section below.

Regarding this coverage, **"physical damage"** means tangible damage to Insured property. For the avoidance of doubt, it is hereby clarified that physical damage does not include any kind of depreciation and inability to use.

b. Indemnity payments

Indemnity payments will be equal to the repair cost - in case of partial damage, or according to the market value of the gun according to indemnity value - in case of full damage, in no event more than the gun's insurance amount, **as noted in the specification.**

For the purposes of this section "indemnity value" - the actual value of the assets upon the occurrence of the **insured event** taking into account wear and tear and subject to the terms of this **policy.**

c. Exclusions

The Insurer shall not be responsible for:

1. **damage caused directly or indirectly by or resulting from: gradual damaging, moisture, rust, atmospheric or climatic factors, breakage of any kind, cleaning, repair or renovation.**
2. **Loss or damage to a firearm due to non - compliance with the provisions of the "Firearm Law, 5709-1949" and/or the instructions of the Ministry of Public Security or any other government agency in charge of this issue), in connection with the possession of a firearm.**
3. **damage the gun's mechanism.**
4. **damage due to an act of malice or criminal act of the Insured or anyone on his behalf.**
5. **A firearm which the Insured does not have a valid permit for.**
6. **A firearm serving the Insured in his business or position**

including his occupation as soldier policeman, guard, security guard, member of the security forces.

d. Deductible

The Insured shall bear the deductible as noted in the specification, for any damage to the gun, covered under all risks covered according to this section.

e. Police notification

The Insured shall notify the police in any case of loss of the gun.

8. Insurance of bicycle and/or domestic lawn mower

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

Loss of or physical damage within the **geographical area**, to a bicycle and/or domestic lawn mower, belonging to the **Insured** or to a member of his **family**, due to one or more of the following risks:

- (1) accidental damage to the bicycle and/or lawnmower.
- (2) theft of the bicycle and/or lawnmower in its entirety.

Regarding this coverage, **“physical damage”** means tangible damage to Insured property. For the avoidance of doubt, it is hereby clarified that physical damage does not include any kind of depreciation and inability to use.

b. Exclusions

Coverage under this section shall not apply to:

- 1. during transport, when the bike is not being led through a standard car installation, properly tied and secured.**
- 2. bicycle with an auxiliary motor of any kind and electric bicycles.**
- 3. damage to the tire/s only.**
- 4. Theft of bicycle parts and/or of lawn mower parts.**
- 5. damage arising from the use of bicycles during racing, competition, loan or rental.**
- 6. natural wear and tear, depreciation and amortization or any type of breakdowns.**
- 7. lawnmower operated by a driver.**
- 8. bicycle and/or lawnmower that do not belong to the Insured or his family.**
- 9. malicious actions to the bicycles and/or lawnmower caused by the Insured or his family or by a person who**

lives in an apartment with the Insured's permission or with his consent.

c. The insurance amount

The maximum amount the **Insurer** will pay as indemnity payments under this coverage **shall not exceed 3,000 ILS**, for all **insured events** during the insurance period, **unless expressly stated otherwise in the specifications.**

9. Expansion of the insurance for garden furniture and equipment

This coverage is in effect only if expressly stated in the specification.

- a. The **policy** is expanded to cover damage to portable garden furniture owned by the Insured when on the **Insured's** balconies or premises situated outside the **apartment**, as a result of the **risks of fire, lightning and explosion alone.**
- b. The maximum amount paid by the **Insurer** for this expansion shall not exceed 5% **of the contents insurance amount – Chapter 3, unless stated otherwise in the specification.**

10. Coverage for the costs of recovery of documents

This coverage is in effect only if expressly stated in the specification.

- a. **If expressly stated in the specification,** the policy will be expanded to cover reasonable and necessary expenses incurred in practice by the **Insured** or his **family**, to recover personal documents and certificates that were damaged due to an **insured event** covered under Chapter 3 of this policy.
- b. The maximum amount paid by the **Insurer** for this expansion for the entire **insurance period** shall not exceed 2% of the insurance sum for Chapter 3 or 7500 ILS, the lower of the two.

11. Expansion for an "all risks" insurance for jewelry and valuables

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

- (1) physical damage or loss caused to **jewelry and other valuables** belonging to the **Insured** or to a member of his **family**, when they are located in the apartment or

temporarily outside it, within the **geographic area**.

Regarding this coverage, "Jewelry and valuables" shall mean items that fall within one of the categories below, in respect of which details were noted in the specifications:

- (a) jewelry, gold and watches belonging to the Insured.
- (b) stamps, coins and medals collections belonging to the Insured.
- (c) pictures, rugs and works of art belonging to the Insured.
- (d) furs.
- (e) cameras, camcorders and DVD, personal laptop computer.
- (f) Musical instruments.

Regarding this coverage, "**physical damage**" means tangible damage to Insured property. For the avoidance of doubt, it is hereby clarified that physical damage does not include any kind of depreciation and inability to use.

- (2) If expansion for this coverage was purchased as provided in section 12 of this Chapter and **subject to its conditions**, and if explicitly noted in the specification, the insured event will be expanded to include coverage for loss or damage as described above occurring outside the **geographical area**.

b. The insurance amount

The Insurer's liability regarding any of the categories listed in the definition of "jewelry and valuables," above, will be in accordance with a detailed evaluation prepared by an expert valuator or proof of purchase of the item for insurance, made and furnished to the Insurer before the occurrence of the insured event.

In the event that no such evaluation or reference was furnished, unless stated otherwise in the specifications, the Insurer's liability for the item under this expansion will not exceed 2% of the **contents insurance amount**. The Insurer's liability in respect of the total items damaged in an insurance event, shall not exceed 10% of the **contents insurance amount**.

c. Property not covered under this expansion:

- (1) **property used for the business or profession of the Insured.**
- (2) **gold, silver or other precious metals used as raw material, as well as precious stones and gemstones that are not set in jewelry.**
- (3) **musical Instruments in venues including discos, and**

clubs.

(4) loss or damage to the contents of a safe deposit box.

d. Exclusions

This expansion shall not apply to:

1. items under subsection (b) of the definition of "Jewelry and valuables" (collections of stamps, coins and medals), and pursuant to subsection (c) of said definition (pictures, rugs and artwork), when they are located outside the Insured apartment, unless stated otherwise in the specification. For the avoidance of doubt, the remaining items will be covered when they are located in the apartment and when temporarily outside the apartment, within the geographic area.
2. loss or damage as a result of moth, insects, worms, gradual destruction, moisture, rust and corrosion, atmospheric or climatic factors with a gradual impact.
3. loss or damage as a result of depreciation and amortization.
4. loss or damage as a result of a breach of trust, fraud, dishonesty and deceit.
5. loosening caused to a clasp, holder or base.
6. loss or damage as a result of a mechanical, electronic or electrical failure.
7. loss or damage resulting from or due to cleaning, renovation or painting.
8. loss or damage as a result of overstretching of the spring or internal damage to the watch.
9. mechanical failure of any kind.
10. breakage or damage to the mechanism and/or the glass of a watch or its coating.
11. malfunctions of any kind and any cessation of activity for any reason whatsoever of cameras, video cameras and musical instruments, with the exception of damage caused directly by lightning.
12. damage to a camera lens, when there is no damage to the device or the entire accessory.
13. loss or damage caused to property in an unmanned parked car and/or damage caused to property when transported or shipped.

14. **damage to stings and a scratch or bite or injury damage or the external crushing of a musical instrument.**
15. **loss or damage caused to property when not in the possession of the Insured.**
16. **loss or damage caused when the apartment is unoccupied.**
17. **theft or embezzlement by a tenant of the Insured or a member of his family or household employee of such tenant.**
18. **loss or damage caused outside the geographical area, unless an expansion was purchased under section 12 below and it was noted in the specification.**

e. **Indemnity payments**

1. the indemnity payments for loss of or damage to jewelry, gold, art, stamps, coins, and medals if the item lost is part of a set or a pair of items, will be limited to the proportional covered material share of the item lost or damaged in a set or a pair of such items.
2. The indemnity payments due to an insurance event caused to stamps, coins, medals and musical instruments will be according to an assessment made by an expert appraiser before the occurrence of the insured event, which was attached to the policy, and in the absence of such a valuation - according to market prices.
3. The indemnity payments for cameras and video cameras will be calculated based on:
 - (a) for cameras and video cameras who on the date of occurrence of the **insured event** were five years old or less – the indemnity payments will be calculated according to the **replacement value** or based on the **indemnity value**, as elected by the Insured in respect of the coverage for contents under Chapter 2 of this policy.
 - (b) for cameras and video cameras that on the date of occurrence of the **insured event** were more than five years old – the indemnity payments will be calculated according to the **indemnity value**.
4. The indemnity payments for laptop computers and tablets:
 - (a) for mobile computers and tablets who on the date of occurrence of the **insured event** were three years old or less – the indemnity payments will be calculated

according to the **replacement value** or based on the **indemnity value**, as elected by the Insured in respect of the coverage for contents under Chapter 2 of this policy.

- (b) for mobile computers and tablets that on the date of occurrence of the **insured event** were more than three years old – the indemnity payments will be calculated according to the **indemnity value**.

For the purposes of this section "**indemnity value**" - the actual value of assets at the time of occurrence of the insured event while taking into account wear and tear and subject to the terms of this policy.

12. Expansion for an "all risks" insurance for valuables outside the geographical area

This coverage is in effect only if expressly stated in the specification.

If expansion was purchased under section 11, if expressly stated in the **specifications**, coverage will be extended under section 12 above, to include coverage for **jewelry and other valuables** belonging to the **Insured** or his **family**, even when they are temporarily located outside the **geographical area** provided that the Insured will carry them next to his person or deposit them in a safe or in another secure location, whenever he is outside the geographical area.

13. Expansion of the insurance for business activity in the apartment

This coverage is in effect only if expressly stated in the specification.

- a. **If expressly stated in the specification, if the coverage was purchased in accordance with Chapter 3 and/or 4a and/or 4b, the coverage may be expanded, as follows, in respect of the chapters purchased:**

- (1) The coverage under Chapter 3 of the **policy** will be expanded to cover loss or damage, except for theft, incurred to business contents in the apartment during the **insurance period**.
- (2) Exclusion 4(c) of Chapter 4a shall be limited, and the coverage under Chapter 4a of the **policy** will be expanded to cover third party liability in respect of an insurance event the apartment to an employee of the Insured who is not a household employee, but is employed by the Insured for the Insured's business in the apartment.
- (3) Coverage under Chapter 4b of the **policy** will be expanded

to cover also the legal liability of the **Insured** in respect of an insurance event that occurred in the apartment, in respect of one employee only - unless stated otherwise in the specification – employed by him for **his business activities in the apartment**, in secretarial work, as assistant and/or for cleaning work.

The remaining terms of coverage according to these chapters, if purchased, will continue to apply.

b. **Definitions**

- (1) **Business activity** – the Insured’s business activity conducted in his apartment insured in accordance with this **policy**, as defined in the specification, and provided that the **Insured** lives in this apartment.
- (2) **Business contents** - contents, as **described in the specification**, which is used for the purpose of business of the **Insured**, including medical equipment, furniture, equipment and stationary electronic equipment such as a desktop computer, office equipment, scanner, fax machine, printer and copier, excluding business inventory.

c. **Insurance amounts of and limits of liability**

- (1) The expansion under subsection a(1) does not increase the amount of **the contents insurance**, unless noted otherwise in the specification.
- (2) The Insurer’s liability for coverage in respect of the expansion under subsection a(2) above is limited to total of 500,000 ILS, unless noted otherwise in the specifications in respect of such expansion.
- (3) The Insurer’s liability for coverage in respect of the expansion under subsection a(3) above, is limited to total of 500,000 ILS, unless noted otherwise in the specifications in respect of such expansion.

14. Expansion of the insurance for certain items outside the apartment

This coverage is in effect only if expressly stated in the specification.

- (1) Coverage under Chapter 3 of the policy will be expanded to cover loss or accidental physical damage or resulting from theft of a “shtreimel” hat, “spodik” hat, hair wigs for women, prayer shawl and phylacteries, owned by the **Insured and his family**, when outside the apartment, in the **geographic area** in accordance with the terms of Chapter 3.

In respect of this expansion, “**physical damage**” means tangible damage to the Insured property. For the avoidance of doubt, it is hereby clarified that physical damage does not include any kind of depreciation and inability to use of any kind.

- (2) **Unless otherwise noted in the specification, compensation under this section is limited to 2% of the contents insurance, and no more than 2,000 ILS per item and per insurance event, minus wear and tear, and subject to the deductible listed in the specification.**

15. Insurance of contents of a bank safe

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

Loss or accidental physical damage which occurred to **the insured property** when locked in a bank safe in the **geographic area** during the **insurance period**.

Definitions:

For the purposes of this coverage “the insured property” – the contents of a safe registered in the name of the **Insured** at a bank described in the **specification**, including valuables whose descriptions and values are detailed in an assessment, securities, stocks, bonds, debentures and valuable documents, cash, gift certificates, checks and bills.

In respect of this expansion, “**physical damage**” means tangible damage to the Insured property. For the avoidance of doubt, it is hereby clarified that physical damage does not include any kind of depreciation and inability to use of any kind.

b. Exclusions

The Insurer will not pay indemnity payments for:

- 1. Fracture, depreciation, wear and tear, destruction due to non-operation, moths, insects, worms, rodents, aphids, moisture, mold, rusting, gradual wear and tear, atmospheric or climatic factors that have a gradual effect.**
- 2. Theft by use of a key (or copying thereof) of the safe as described in the specification, unless the key has been obtained as a result of threat or violence or fraud or theft.**
- 3. A mysterious unexplained disappearance of the insured property or a shortage that cannot be attributed to**

accidental physical damage.

4. The value of the information stored in documents, maps, plans, video recording and photography and any damage resulting from the loss of such value.
5. Consequential damage caused to the Insured, his family or a beneficiary resulting from the insurance event including a change in the exchange rate of securities or changes in currency value.
6. Damage to inventory and/or raw materials used in the Insured's business.
7. Defect resulting from the nature of the insured property.
8. Damage resulting from an earthquake, unless an expansion under the policy was purchased.

c. **The indemnity payments**

Indemnity payments in respect of this expansion shall not exceed the insurance amount specified in respect of this expansion.

d. **Non-applicability of underinsurance**

Article 60 of the Insurance Contract Law shall not apply to this chapter

16. Expansion of the insurance for a home photovoltaic device for generating electricity (hereinafter – the PV device)

This coverage is in effect only if expressly stated in the specification.

- a. For an additional premium as specified in the specification and **subject to the conditions of coverage listed below**, Chapter 1 Home Insurance is expanded to include coverage for accidental breakage and/or damage to the home PV device installed and connected with a permanent connection to the roof of the insured apartment, resulting from one or more of the risks listed in Chapter 1 section 1 of the **policy**, except for the risk of theft (with no signs of forced entry).

In respect of this expansion, covered "breakage" is only such causing the PV device to be unable to provide any energy to the power grid of Israel Electric Corporation Limited.

- b. The insurance amount to cover the PV device is as registered in the specification.

c. **Exclusions**

(1) All of the exclusions to coverage that apply under Chapter 1 - Home Insurance, will also apply to this expansion.

- (2) The coverage on the basis of this expansion does not include:
 - (a) coverage for consequential damage.
 - (b) damage caused directly or indirectly due to:
 - 1) gradual land subsidence of the apartment building or of the building infrastructure.
 - 2) damage caused by a process of repair or renovation of the insured property.
 - 3) loosening of the anchoring of the device to the structure.

17. Expansion of the insurance for electronic equipment and computer systems

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

If expressly stated in the specification, and subject to the conditions of this coverage below, the policy will be expanded to include coverage as follows:

- (1) Coverage for loss or **accidental physical damage to the insured property caused in the apartment (unless stated otherwise in the specification)**, for any reason not expressly excluded;

In respect of this expansion, “**physical damage**” means tangible damage to the Insured property. For the avoidance of doubt, it is hereby clarified that physical damage does not include any kind of depreciation and inability to use of any kind.

- (2) Reasonable and necessary expenses incurred in practice by the **Insured** or his **family**, for recovery of **data stored on data storage media damaged due to the insured** event covered under Chapter 3 of this policy.

b. In respect of this coverage, the “insured property” means:

- (1) **Electronic equipment** - appliances, machinery and electrical, mechanical and/or electronic equipment belonging to the **Insured** or his **family**, including electric typewriters, adding machines, computers, PCs, word processing computers, laptop, tablet, telefax and fax machines, electronic telephone exchanges, electronic control devices, including peripheral equipment used by the above except for pocket calculators, beepers, cell phones and their accessories, appliances including cell phones, handheld devices and satellite navigation devices and the like.

- (2) **Data storage systems** - external means of storing data and information including, cards, magnetic tapes, CDs and discs, which belong to the **Insured** or his **family**, except for the information stored in them.

c. Indemnity payments for loss or damage to property

The Insurer may, at its discretion, select one or more of these methods of compensation:

- (1) **Replacing the insured property or parts thereof** - the indemnity payments in case of replacing the **insured property** shall be the replacement cost of the **insured property** with property of the same type and quality of the property lost or damaged and with the same production or operation capacity **but not enhanced**.
- (2) **Repair** - in cases where the damaged insured item can be repaired, the **Insurer** will pay all necessary expenses to return the item within a reasonable time, to a state of operation similar to its state on the eve of the occurrence of the **insured event**. In addition, the Insurer will pay the costs of dismantling and reassembling incurred for the purpose of carrying out the repairs and regular freight costs to the **apartment**, if any.

In the event the cost of return to proper operating condition would entail the replacement of electric winding, or of parts worn due to their use, appropriate deduction will be made for wear and tear.

The Insurer will not pay for modifications, additions, improvements or renovations that will be carried out when making the repairs covered under this insurance.

- (3) **Payment for loss in the event of a total loss** - if an item from the **insured property** has been destroyed, the **Insurer** will pay the actual monetary value of the item as it was close to the occurrence of the **insurance event**, and in any event no more than the insurance amount noted in the **specification** in respect of the item in question.

In respect of this coverage, "total loss" means the complete destruction of the insured item or a state where the cost of repairing the item, as specified in subsection (2) above, exceeds or is equal to the actual value of the item before the occurrence of the **insurance event**.

d. Indemnity payments for restoring information stored in means of data storage

- (1) The **Insurer** shall compensate the **Insured** for the expenses of restoring the information stored in the means of data storage, provided that such restoring is possible and would be carried out within 6 months from the occurrence of the insured event or a longer period if the Insurer expressly agreed to it in writing.
- (2) The **Insurer's** liability shall not exceed **20% of the insurance amount** in respect of this expansion, for all insured events during the **insurance period**.
- (3) **The Insured must comply precisely and completely with the manufacturer's instructions.**

e. Exclusions

The insurance under this section does not apply to:

- 1. Expenses for temporary repairs of any kind, unless they are part of the final cost of the repairs covered under this chapter.**
- 2. Loss or damage caused directly or indirectly as a result of defects or flaws that existed on the date of this policy's entry into effect, unless they were not known to the Insured at that time.**
- 3. Loss or damage caused directly or indirectly from failure or irregularity in the power supply, unless there is an orderly proper UPS system or the like, to which the devices are connected On-Line, and provided that this system was installed by an authorized installer and underwent periodic inspections in accordance with the manufacturer's instructions.**
- 4. Loss or damage due to wear and tear, wear, corrosion, rust of any part of the insured property, whether caused naturally or due to normal use or normal work or whose cause is gradual deterioration and/or breakdown, or caused by scratches to painted or polished surfaces. This exclusion is limited to the part that has been lost or damaged as a result of these causes.**
- 5. Consequential damage.**
- 6. Any loss or damage to software.**
- 7. Any loss or damage to games of any type, and any loss or damage caused due to them.**
- 8. Any loss or damage due to the value of information, including its deletion.**

9. All expenses related to maintenance of the insured property. This exclusion also applies to expenses in respect of parts that were replaced as part of maintenance works.
10. All costs involved in and related to repairing operational defects and/or their removal, except for defects created due to an insurance event covered under this policy.
11. Loss of or damage to one or more of the following: magnetic or optical heads, light bulbs, tubes, films.
12. Any expense arising from one or more of the following: flaws in programming, in punching, sorting, retrieval, construction, changes resulting from an exchange or cancellation of records and files.
13. An incident that occurred outside the apartment.
14. Malicious damage.
15. Loss due to strikes or lockouts.
16. Loss or damage as a result of moth, insects, worms, aphids, humidity, gradual wear and tear, atmospheric or climatic factors that have a gradual effect.
17. Cleaning, repair or renovation.
18. Mechanical or electrical malfunction of any kind.
19. Theft or embezzlement by a tenant of the Insured or a member of his family or a household employee of such tenant.
20. The equipment used for the business of the Insured, or belonging to the Insured's business, unless otherwise stated in the specification.
21. Even if the coverage was expanded to cover loss or damage outside the apartment in the geographical area, the policy does not cover loss or damage to equipment during transport or shipping that was not accompanied by the Insured or a person acting on his behalf.
22. Breakage or damage to cell phones.

18. Expansion for warehouse contents

This coverage is in effect only if expressly stated in the specification.

a. The insurance event

If expressly stated in the specification, the coverage under chapter 3 will be expanded to include compensation for loss or physical damage to the contents insured, while in a warehouse or auxiliary structure found outside the apartment, **in the geographic area**, and not permanently attached to the apartment insured as a result of the risks listed below:

1. Fire, lightning, thunder and smoke that is an unusual and irregular phenomenon;
2. An explosion or fire;
3. Aircraft crash, objects falling from an aircraft, supersonic boom caused by an aircraft;
4. Contact or collision between a vehicle and the apartment;
5. Malicious acts, excluding:
 1. **Malicious acts committed on an unoccupied apartment;**
 2. **Malicious acts committed by the Insured or his family, or with their consent;**
 3. **Malicious acts committed by people living in the apartment with the Insured's permission or his consent;**
6. Theft perpetrated in the course of a burglary, except for:
 1. **When the apartment is unoccupied;**
 2. **Business contents when the apartment is not used for residential purposes only;**
 3. **If committed by a member of the family of the Insured or by a person living in the apartment with the Insured's permission or his consent;**

In respect of this section:

"Burglary" means, theft in the course of entry into a closed and locked warehouse, made with force and violence, leaving visible marks indicating the fact, at the point of entry or exit from the warehouse.

"Theft" – as defined in Article 413b of the Penal Law, 5737 – 1977 only.

7. Illegal gathering and rioting.

- b. Unless otherwise noted in the specification, compensation under this section is limited to 10% of the contents**

insurance, and no more than 20,000 ILS per item and per insurance event for the entire insurance period, subject to the deductible listed in the specification.

c. Exclusions

The Insurer shall not pay insurance benefits in respect of:

- (1) Loss or damage to business contents;
- (2) Lost or damage to cash, electric and electronic equipment, jewelry and valuables of any kind.

19. Expansion of coverage for repairs to sealing system in the apartment structure ceiling as a result of moisture – “Dry Roof”

This coverage is in effect only if expressly stated in the specification.

a. Definitions

- (1) **“The Service Provider”** - as defined in the specification.
- (2) **“The Call center”** - a call center operated by the Service Provider as defined in the specification. The Call center will operate 7 days a week, 24 hours a day, except on the eve of Yom Kippur (from 14:00) to for two hours after the end of the fast and except for New Year’s eve and Passover eve.
- (3) **“Working Day”** - Sunday through Thursday that is not holiday eve or a holiday or a sabbatical by law.
- (4) **“The CPI”** - the Consumer Price Index published monthly by the Central Bureau of Statistics or by any other body empowered by the state to do so.
- (5) **“The Base Index”** - for this letter of service, the CPI published on July 15th 2015.

b. The scope of coverage

- 1. Subject to payment of deductibles, limits of liability and the rest of the terms of the letter of this expansion, the Insured is entitled to the repair of the waterproofing system in the building’s roof, resulting from the penetration of moisture from the building’s roof. The repair will include repair or renovation of required sealing, by accepted means of sealing only, until complete cessation of water penetration.**
- 2. The repairs will be provided by skilled professionals, sent for the purpose of providing the service.**
3. The repairs will not include:

- (1) Replacement or repair of piping of any kind.
- (2) Construction work and repair of constructive elements.
- (3) Damages resulting from inadequate sealing.

c. Exclusions

Coverage does not include:

- (1) Repair of faulty sealing in penetration of rainwater or any water from external walls (casing) including moisture from external windows and doors causing moisture including as a result of the entry of rainwater or other liquids.
- (2) Repair of faulty sealing in the sealing system of balconies/paved roofs of the apartment, whether these are open or closed balconies.

d. Deductible

- 1) In the event of receiving service under this expansion, the Insured shall pay deductibles in the amount of 490 (four hundred and ninety) ILS (including VAT), unless stated otherwise in the specification.
- 2) The deductible will be paid by the Insured to a representative of the Service Provider providing the service in practice, against a duly issued tax invoice.
- 3) The deductible will be paid for the repair of every source of damage separately, but not more than 3 deductibles per event and up to 5 deductibles in the course of the insurance period.
- 4) **Idle call:** For the call of a service not covered under the expansion or in the event the insured ordered service under this expansion but it transpires that repairs are not required or the Insured refused to have the Service Provider representative carry out the repairs, the Insured will pay the Service Provider a **total of 103 ILS (one hundred and three) ILS, plus VAT, unless stated otherwise in the specification.**
- 5) **The deductible specified in this expansion, will be linked to the consumer price index, starting from June 2016 up to the known index on the date of beginning of the policy. For the avoidance of doubt, no indexation will be made of the deductible throughout the coverage period.**

e. Manner of receipt of the service

- 1) In the event the Insured requires repair services under this expansion, he will turn via telephone to the call center, will identify by name, policy number with the company (if known)

and any other detail needed to identify him as an Insured entitled to receive the services under this letter of service, as well as the date he first discovered the existence of the damage caused as a result of the lack of sealing.

- 2) In the event the Insured is entitled to services under this expansion, the Service Provider undertakes to arrange a visit of its representatives to the Insured apartment no later than four working days after approval of the Insured's eligibility for services, and in case of emergency, the Service Provider undertakes to reach the apartment no later than 24 hours after the Insured's call for service. In the event that weather conditions do not allow for the execution of the repair, an alternative date shall be scheduled.

f. Warranty

For the provision of services and/or quality of services a warranty shall be given by the Service Provider for the damage repaired by the Service Provider only for a period of 12 months from the date of the service being provided for the first time. Under the warranty the Service Provider will perform a repeat repairing of returning damage without collecting an additional deductible from the Insured.

Chapter 6 - General Conditions for all Policy Chapters

1. Methods of compensation

The Insurer may, at its discretion, select one or more of these methods of compensation:

- a. Payment of loss or damage value in cash;
- b. Repair of the apartment or the contents lost or damaged and reinstating them to their state on the eve of the occurrence of the loss or damage;
- c. Replacing the contents or parts thereof or replacing parts of the apartment with items of the same kind and quality to those lost or damaged and in respect of jewelry, subject to the consent of the Insured and provided they can be identified or replaced by identical jewels.

2. Indexation of the insurance amounts

- a. The insurance amounts determined in this policy will vary based on the difference in the Consumer Price Index published by the Central Bureau of Statistics (hereinafter – the CPI), last published before the beginning of the insurance period and the index last published before the occurrence of the insured event except for the insurance amounts under Chapter 1 that shall change according to changes in the price index of input in residential building published by the Central Bureau of Statistics (hereinafter - the building index), last published before the beginning of the insurance period and the building index last published before the occurrence of the insured event.
- b. If during the insurance period the amount of insurance shall increase at the request of the Insured, and not as a result from linkage to the index or the building index, each such increase shall constitute an additional basic sum subject to the linkage terms described above, and the base for increase shall be the index or the building index, as applicable, last published before the effective date of increase.

3. Linkage and interest on the indemnity payments

- a. The indemnity payments due to the Insured following the occurrence of an insured event will vary depending on changes in the index last published before the occurrence of the insured event and the index last published before the payment to the Insured, except for indemnity payments

under Chapter 1 that will vary depending on changes in the building index, last published before the occurrence of the insured event and the building index last published before payment to the Insured.

- b. The indemnity payments shall bear interest at the rate prescribed under the definition of "Linkage and interest differentials" in Article 1 of the Adjudication of Interest and Linkage Law, 5721 – 1961 (hereinafter - the Interest Adjudication Law), after 30 days of delivery of a claim for payment of indemnity payments under this policy; this provision shall not derogate from the authority of the court under said Law.

4. Reinstatement value

- a. Upon the occurrence of an insured event to the apartment or the contents the indemnity payments will be according to the reinstatement value of the apartment or the contents, **unless the Insured waived this coverage and it was documented by the Insurer and noted in the policy specification.** In this regard, "reinstatement" - reestablishing, repair or replacement by new property of the same type of quality of the property lost or damaged.
- b. Indemnity payments according to reinstatement value due to an insurance event are contingent on the re-construction or repair or replacement of lost or damaged property by the Insured, without changes in the quality and type of property compared to the property lost or damaged; in the event the lost or damaged property was not rebuilt, repaired or replaced, the indemnity payments shall be based on the value of indemnity.
- c. In the event that a separate insurance amount was set for an item from the contents, the indemnity payments for the loss or damage caused it shall not exceed the amount prescribed for it in the specification.
- d. In the event that a separate insurance amount was not set for an item from the contents, but the specification states that the indemnity payments shall be based on reinstatement value, the indemnity payments for loss or damage incurred shall be according to reinstatement value.
- e. Indemnity payments shall not be paid at reinstatement value for loss or damage to clothing only.

Indemnity payments under this section shall be paid according to the value of the new asset on the date of reinstatement, or according to its value as new on the day of payment of the

- indemnity payments, the earlier of the two dates.
- f. Reinstatement must begin within a reasonable time after the occurrence of the loss or damage, and in any case must be completed in respect of the apartment within 12 months from the date of occurrence of the insured event and in respect of the contents - within 90 days of the occurrence of the insured event; in the event that completing the reinstatement within the period prescribed is not possible for reasons beyond the Insured's control, the reinstatement execution period will be extended in coordination between the Insured and the Insurer.
 - g. The Insurer's liability under this section shall not exceed the amount of insurance specified in the specification regarding the apartment, contents, or item, as applicable.

5. A claim for indemnity payments

- a. Upon the occurrence of an insurance event, the Insured shall notify the Insurer immediately after learning of it.
- b. A claim for payment of indemnity payments under the policy will be documented by the Insurer; this shall not prevent the Insurer from demanding that the claim be submitted in writing.
- c. The Insured must provide the Insurer, within a reasonable time after being so requested, the information and documents required to clarify the liability and its scope, and if not in his possession, he must help the Insurer obtain them, if possible.
- d. The Insurer, immediately after receiving notice from the Insured regarding the insurance event, will take the necessary steps to ascertain its liability.
- e. Indemnity payments shall be paid within 30 days of the date on which the Insurer had the information and documents necessary to ascertain its liability.

6. Notice to the police in cases of malicious acts, burglary, robbery or theft

The Insured must notify the police in every case of loss or damage arising in his opinion from malicious acts, burglary, robbery or theft.

7. Finding property

- a. In the event that stolen property was found before indemnity payments were made under this policy, the property will be returned to the Insured and the Insurer shall not pay indemnity payments unless the property returned was damaged.
- b. In the event that stolen property was found after indemnity payments were made in its respect, the Insurer shall notify

the Insured or vice versa; the recovered property will pass on to the ownership of the Insurer unless the Insured notified the Insurer within 30 days of the notice of the Insurer or the Insured, as applicable, that he wishes to receive the recovered property in return for the repayment of the indemnity payments to the Insurer in said period.

8. Advance and undisputed payments

- a. Upon the occurrence of an insured event the Insured shall be entitled to receive an advance payment from the Insurer or financial commitment that will allow him to receive service to repair the damage or loss, on account of the money he shall receive from the Insurer under the terms of this policy;
- b. In the event that the Insurer had paid an advance on indemnity payments, this advance will be deducted from the final amount to be paid to the Insured; Calculation of the deduction will be done while linking the advance to the index or the building index, as applicable, from the date of payment of the advance until the final payment.
- c. Indemnity payments that are undisputed will be paid within 30 days of the day the Insured submits a claim in accordance with section 5b for the payment of the indemnity payments, and they may be claimed separately from the other payments.

9. Returning the insurance amounts to their previous sum

- a. After the payment of indemnity payments to the Insured due to an insurance event, the Insurer will return the scope of its liability pursuant to this policy back to its previous state as it was immediately before the occurrence of the insured event.
- b. The Insurer may charge additional premiums for the return of the insurance to its previous state from the date of occurrence of an insurance event until the end of the insurance period; For purposes of calculating the insurance premiums the Insured must pay for the restoration of the insurance amount to its previous state, only the indemnity payments paid by the Insurer in practice will be taken into account.
- c. Below is the formula for calculating the premiums for the restoration of the insurance amounts to their previous state

B C

A * ---*---

D E

A = annual insurance premiums

B = claim amount minus the deductible

C = the number of days remaining from the date of the damage until the date of end of the insurance

D = the insurance amount

E = 365

10. Deductible

- a. Upon the occurrence of an insured event covered under this policy, the deductible amount will be deducted from the indemnity payments prescribed in the specification for each claim.
- b. If a deductible amount was determined for a particular insured event as a percentage of the insurance amount, the deductible amount will be calculated separately for each chapter of the policy.
- c. Without prejudice to subsections a and b, upon the occurrence of an insured event covered under Chapters 1 and 3 of this policy, the Insured will be charged for one of the deductibles, which shall not exceed the higher of the amounts set out in the specification.

11. Payment of insurance premiums and other fees

- a. Premiums and any other amounts due from the Insured to the Insurer in connection with this policy will be paid in the manner and time set forth in the specification.
- b. In respect of this policy, the premiums are the total payments the Insurer may charge the Insured, all according to the specification.
- c. In the event that any amount due from the Insured to the Insurer was not paid on time, the amount in arrears shall bear interest at a fixed rate as determined in the Interest Adjudication Law and in accordance with changes in an index between the index last published before the date designated for payment and the index last published before the actual payment date.
- d. In the event that any amount arrears was not paid within fifteen days after the Insurer demanded from the Insured to pay it in writing, the Insurer may notify the Insured in writing that the insurance will be canceled after 21 additional days, if the amount in arrears is not paid beforehand; If a beneficiary other than the Insured was set, and the determination was irrevocable, the Insurer may cancel the insurance if the

beneficiary has been given notice as to the said arrears and the beneficiary has not paid the amount in arrears within fifteen days of the time said notice was delivered to him.

- e. The cancellation of insurance under this section shall not derogate from the Insured's obligation to pay the amount in arrears for the period until the cancellation of the above, as well as the Insurer's expenses.

12. Disclosure and changes concerning a material fact

- a. This policy was issued based on the answers given by the Insured, in writing or in any other manner documented by the Insurer, to the questions asked in the proposal that served as the basis for the policy, and based on the assumption of the Insurer that the Insured answered complete and honest answers to the questions asked, did not conceal with fraudulent intent anything he knows that is material to the Insurer in order to assess the risks insured and has taken measures to prevent damages which the Insurer demanded to be taken to alleviate the risks insured in accordance with this policy.
- b. A material fact is a fact in respect of which a question was posed in the insurance proposal in writing or in any other manner documented by the Insurer; And without limitation these matters as well:
 - (1) in respect of the apartment: the address of the apartment, the apartment value, type of building, construction material, location of the apartment building, security measures of any type, age of the apartment, apartment size, number of rooms, number of people living there permanently, special modifications and additions;
 - (2) in respect of the contents: a description of items comprising the content, content value, details of the electric appliances: their type, their manufacturer, their age and value, and details of valuables;
 - (3) in respect of the apartment and contents: damage occurred in the last three years as a result of risks covered under this policy as well as details of previous Insurers who insured or refused to insure the apartment or the contents, in the last three years.
- c. In the event the Insured did not respond full and honest answers to questions on material matters, or concealed from the Insurer with fraudulent intent a material fact, or did not take steps to alleviate the insured as required by the Insurer in accordance with this policy, the Insurer shall follow the

provisions of the Insurance Contracts Law; This section shall not prejudice the Insurer's right to any remedy given to it by law.

- d. The Insured shall notify the Insurer throughout the policy period of any change in a material matter, immediately upon becoming aware of it; If the Insured did not disclose such change to the Insurer, the Insurer may cancel the policy or reduce the scope of its liability under the provisions of the Insurance Contracts Law.

13. Cancellation of the policy

- a. The Insured may cancel the policy at any time before the end of the insurance period, at his discretion; The insurance will be canceled on the date the notice was delivered to the Insurer or at a later date as requested by the Insured.
- b. Without prejudice to the Insurer's rights under law, the Insurer may cancel the insurance before the end of the insurance period due to fraud on the part of the Insured or due to lack of proper disclosure of information when asked about it before issuing the policy, provided that notice of the fact, which will include the reasons for the cancellation, is sent to the Insured via registered mail 30 days at least before the date on which the insurance will be canceled.
- c. In the event the Insured announced the cancellation of the policy as stated in subsection a or the Insurer announced the cancellation of the policy as stated in subsection b, the Insurer will return to the Insured at the earliest possible time and no later than 14 days from the date on which the cancellation came into effect, the relative share of the insurance premiums paid; The said relative share shall be calculated by multiplying the premiums that the Insurer collected by the ratio between the number of days remaining, at the cancellation date, until the conclusion of the original insurance period, and the number of days in the original insurance period.
- d. All amounts returned under this section will vary depending on changes in the index between the index published before the date of payment of insurance premiums and the index last published before the return of the premiums; If the premiums were paid in installments, each amount will change
- e. depending on changes in the index from the index published prior to the date of payment and the index last published before the refund of the premiums.
- f. Notwithstanding the provisions of this section, a mortgaged policy shall be canceled 30 days after giving notification of cancellation to the beneficiary.

14. Double insurance

- a. If the apartment or the contents were insured against the risks included in this policy by more than one Insurer for overlapping periods, the Insured shall notify the Insurer immediately after the double insurance was made or immediately upon becoming aware of it.
- b. In case of double insurance the Insurers are responsible separately towards the Insured for the full amount, and among themselves they will bear the payment of indemnity payments according to the ratio of the amounts of insurance.

15. Replacement of the apartment

- a. In the event the Insured replaced the apartment during the policy period and moved to another apartment (hereinafter - the new apartment) the Insured may, by notice to the Insurer and with his consent, transfer the coverage pursuant to this policy to the new apartment and the coverage for the apartment and contents will remain in effect in the new apartment, according to the Insured's notice under the terms of the existing policy; Notwithstanding the provisions of this subsection, coverage for contents will be in effect in both apartments for a period of up to 3 days.
- b. In the event that the value of new apartment or new content is higher than the value of the apartment or the contents on the day of move to the new apartment, the Insured will increase accordingly the insurance sums and will pay the Insurer within 30 days from said day the relative premium differences for the increase in the amounts of insurance; Calculation of premiums for increased insurance amounts will take into account the increase in value of the apartment or the contents from the beginning of the insurance period to the date of the move.
- c. In the event that the value of new apartment or new content is lower than the value of the apartment or the contents on the day of move to the new apartment, the Insured will decrease accordingly the insurance sums and will receive from the Insurer within 30 days from said day the relative premium differences for the decrease in the amounts of insurance; Calculation of premiums for the decreased insurance amounts will take into account the decrease in value of the apartment or the contents from the beginning of the insurance period to the date of the move.

16. Subrogation

- a. In the event the Insured had, due to an insurance event, the right to compensation or indemnity against a third person,

not by virtue of an insurance contract, the right passes to the Insurer once he has paid the Insured the insurance payments and in the scope paid.

- b. The Insurer may not exercise the right passed to him under this clause in a manner impairing the right of the Insured to collect from the third person compensating in excess of the benefits received from the Insurer.
- c. If the Insured receives from the third party compensation or indemnity that is owed to the Insurer under this section, he must transfer it to the Insurer; in the event of a compromise, waiver or any other act impairing the right passed on to the Insurer, he shall compensate him for it.
- d. This provision shall not apply if the Insured event was caused unintentionally by a person who the Insured would likely have not sued for compensation or indemnification by reason of kinship or work relations or for relations between tenant and landlord and the tenant and the provided that the landlord and tenant waived the right of subrogation against each other.

17. Prescription

The prescription period of the claim for compensation pursuant to this policy will be in accordance with the prescribed period in the Insurance Contracts Law.

18. Consequential damage

The Insurer shall not be liable for any consequential damage caused to the Insured or a beneficiary, as a result of the risks covered by the policy, unless otherwise provided by this policy.

19. Notices

- a. A notice by the Insured or the beneficiary to the Insurer shall be delivered to the Insurer in one of the following manners:
 - (1) To the address of the Insurer's office, as indicated in the heading of this policy or to any other address in Israel to be informed by the Insurer, to the Insured or the beneficiary, from time to time;
 - (2) The office of the insurance agent recorded in the policy - at the address as set forth therein or any other address in Israel to be informed by said insurance broker or Insurer, to the Insured or the beneficiary, from time to time.
- b. A notice by the Insured or the beneficiary to the Insurer may be delivered in another matter than as stated in subsection (a), which the Insurer shall notify the Insured or beneficiary from time to time.



Letters of Service for Home Insurance

Edition - 7/2016

Letters of Service

Coverage is in effect only if specifically indicated in the specification

Emergency Services

Emergency services provided 24 hours a day. Malfunctions in plumbing, sewage systems, electrical systems and opening locked doors at the home by a locksmith.

“Complementary Plumbing” Service

Supplementary service for the repair of water damage as a result of faulty waterproofing.

Details of the coverage and conditions, including deductibles, are specified in the service.

Letter of Service - Emergency Services

Coverage is in effect only if expressly stated in the specification.

1. in this letter of service the following terms shall have the special meaning alongside them:

- 1.1 **"The Company"** – Menora Mivtachim Insurance Limited.
- 1.2 **"The Insurance Policy"** - a policy of the Company for an apartment and/or its contents, under which coverage was purchase under this letter of service.
- 1.3 **"Insured"** – a holder of a valid insurance policy.
- 1.4 **"The Service Provider"** - as defined in the specification.
- 1.5 **"The Apartment"** – the Insured's address under the Insurance Policy.
- 1.6 **"The Call center"** - a national call center operated by the Service Provider 24 hours a day, excluding Yom Kippur.

2. **The emergency services which the recipient of the service is entitled to under this letter of service are as follows:**

2.1 Plumbing repairs in the system transporting hot and cold water;

- 2.1.1 In the event of a water leak **when the leaking pipe is external** (exposed), a temporary repair will be carried out to stop the leak.
- 2.1.2 In the event of a water leak when **the leaking pipe is hidden or internal**, and to the extent that for the repair, opening walls or flooring is not required, the damaged section will be cut off from the water system in the apartment.
- 2.1.3 In the event of a water leak from the hot water heater or furnace facilities, the water heater in the apartment will be disconnected.
- 2.1.4 For the avoidance of doubt, the service does not include repair of malfunctions in the hot and cold water system, which is part of external devices that are not part of the plumbing of the apartment, including various washing systems (such as a dishwasher, washing machine) and/or filtration devices, cooling and heating of drinking water (for example: various water bars, refrigerator, coffee machine).

2.2 Opening a blockage in the sewage or waste water system using a "spring":

- 2.2.1 In the event of a blockage in the sewage or waste

water system, an attempt will be made to unblock the waste water system 2" or sewage 4" inside the apartment itself.

- 2.2.2 The service does not include the opening of blockages in common lines and the sewage pools.
- 2.2.3 In any case, the repair will include an attempt to open using a manual "spring" only, to the extent possible.

2.3 Handling malfunctions in the electrical system;

- 2.3.1 The services include handling malfunctions that cause a general power outage in the apartment: locating the source of the malfunction, its isolation and the restoration of the power system.
- 2.3.2 The service does not include repair of malfunctions that are under the responsibility of the IEC.

2.4 Opening locked doors:

- 2.4.1 In the event of the locking of exterior doors and interior doors of the rooms where a person is trapped, the opening of the lock will be performed by a suitable key or breaking the door with the approval of the recipient of the service.
- 2.4.2 The service includes handling of opening and breaking in only, and does not include repairs to damage created by the break-in, such as damage to the crossbar, breaking the lock and so on.

3. Warranty

- 3.1 For the provision of services and/or quality of services a warranty shall be given by the Service Provider for the damage repaired by the Service Provider only for a period of 12 months from the date of the service being provided for the first time.
- 3.2 Under the warranty the Service Provider will perform a repeat repairing of returning damage without collecting an additional deductible from the Insured.

4. Unsubscribing

- 4.1 In the event of the replacing of an apartment, a subscriber may replace/ transfer the subscription, from the subscribed apartment to the new apartment, anytime his subscription period is in force.
- 4.2 The representations and obligations of the subscriber under this letter of service, and the rights and obligations of the service provider in respect of the subscribed person's apartment – will apply to the new apartment.
- 4.3 It will be clarified that that subscription fees are part of the insurance premiums for the policy under which the

subscription is purchased. Accordingly, in the event of the exhaustion of the policy, the subscriber will not be entitled to a premium refund also in respect of the subscription fee element for this letter of service.

5. The provisions of the policy regarding cancellation shall also apply to this letter of service.

6. The Insurance Company's Liability

The insurance company will be liable for the services provided as part of this letter of service.

7. General

7.1 In the event the recipient of the service needed emergency services as stated in this letter of expansion, he will turn via telephone to the call center of the Service Provider as defined in the specification, will identify by name, address, policy number with the company (if known) and ID number and describe the problem in detail and as accurately as possible.

7.2 The services will be offered 24 hours a day, all year round, except on the eve of Yom Kippur (from 14:00) to for two hours after the end of the fast.

7.3 The services will be offered through skilled professionals, sent for the provision of the services.

7.4 Service will be provided inside the State of Israel or the "territories" as defined in the Law for Amending and Extending the Validity of Emergency Regulations (Judea and Samaria – Jurisdiction in Offenses and Legal Aid), 5767 – 2007.

7.5 In cases where the service cannot be performed by the Service Provider, the recipient of the service will be directed to a private service provider funded by the Service Provider. For the avoidance of doubt, in any case, the referral shall be made by the service call center and after prior approval and coordination.

7.6 If the service will require replacement parts, the recipient of the service will be charged for the cost of the spare parts in accordance with the Levi Yitzchak "parts and labor" tariff.

8. Deductible

8.1 In any case of receipt of service under this letter of service, the service recipient will pay a deductible of 120 ILS (one hundred and twenty ILS) including VAT, unless otherwise stated in the specification.

8.2 The deductible specified in this letter of service, will be linked to the consumer price index, starting from June 2015 up to the known index on the date of beginning of the policy, accompanied by this letter of service. For the avoidance of doubt, no indexation will be made of the deductible throughout the coverage period.

"Complementary Plumbing" – Expansion for service for pipe damage

Coverage is in effect only if expressly stated in the specification.

1. Definitions

In this letter of service the following terms shall have the special meaning alongside them:

- 1.1 **"The Insured Apartment"** – the Insured's apartment insured under the Insurance Policy whose details are listed in the specification.
- 1.2 **"The Policy"** - a policy of the Company for the insurance of an apartment and/or its contents, under which coverage was purchase under this letter of service.
- 1.3 **"The Company"** – Menora Mivtachim Insurance Limited.
- 1.4 **"The Insured"** – anyone listed as an insured party in the specifications or deemed as an insured party under the policy.
- 1.5 **"The Service Provider"** - as defined in the specification.
- 1.6 **"The Call center"** - a call center operated by the Service Provider as defined in the specification. The Call center will operate 7 days a week, 24 hours a day, except on the eve of Yom Kippur (from 14:00) to for two hours after the end of the fast and except for New Year's eve and Passover eve.
- 1.7 **"Working Day"** - Sunday through Thursday that is not holiday eve or a holiday or a sabbatical by law.
- 1.8 **"The CPI"** - the Consumer Price Index published monthly by the Central Bureau of Statistics or by any other body empowered by the state to do so.
- 1.9 **"The Base Index"** - for this letter of service, the CPI published on July 15th 2015.
- 1.10 **"Agreed Price List"** – the Levi Yitzchak apartments and renovation pricelist updated to the date the damage occurred.

2. The services

Subject to payment of deductibles, limits of liability and the rest of the terms of the letter of service listed below, the Insured is entitled under this letter of service to the following services:

- 2.1. Repair of water damage caused to the Insured's apartment as defined in the insurance policy, as a result of the penetration of water and/or other fluids originating from faulty or incomplete sealing in the apartment, including and not limited to:
 - a. Moisture in the bathrooms and toilets, sealing around the bath, sinks, washbasins etc.
 - b. Moisture in kitchens, water penetration through granite

- countertops in the kitchen or into service cabinets, etc.
- c. Sealing problems in the apartment flooring treated using grout.

For the avoidance of doubt this service is complementary service in excess to coverage the subject of section 3 of Chapter 1 of the policy, and does not replace the said coverage.

2.2. The repair will include:

- d. Repair or renewal of the required sealing, by using accepted methods and sealants in market for these purposes until complete cessation of water penetration.
- e. Repair of the accompanying damage caused **to the insured apartment and/or linked to the building's adjacent structures** as a result of missing or inadequate sealing, using accepted methods and materials in the market for these purposes.
- f. The Service Provider reserves the right to decide whether to repair the actual damage, or compensate the Insured with money for the damage caused to him, in accordance with the cost of the repair in accordance with the agreed price list.

2.3. **Limit of liability**

The scope of services per one event shall not exceed a total cost of 18,500 ILS (eighteen thousand five hundred ILS) according to the agreed price list.

2.4. **The services will not include:**

- a. **Repair, replacement or compensation for damage to the sanitary appliances themselves, including sinks, wash basins, bathtubs, shower stalls, and so on.**
- b. **Repair, replacement or compensation for damage to tiles, ceramics, marble tiles and marble surfaces (including marble in the kitchen).**

2.5. **Exclusions for the coverage:**

This letter of service does not apply:

- (1) **In the event of moisture resulting from the absorption of rainwater or any water from external walls (casing) and the ceilings of the insured apartment including moisture from external windows and doors, open and closed balconies.**
- (2) **Damage that occurred in an unoccupied apartment, unless an expansion was purchased and noted in**

the specification for an unoccupied apartment. In this regard, "an unoccupied apartment" - as defined in the policy.

(3) If the damage occurred before the entry into force of this letter of service.

(4) For damage to the contents of the apartment.

2.6. The services will be provided by the Service Provider through skilled professionals.

3. Payment of deductible by the Insured

3.1 In the event of receiving service under this letter of service, the Insured shall pay deductibles as follows:

(a) For the repair or renovation of the sealing, until stopping the penetration of water, and repairing the moisture except for its plastering and paint, a deductible of 120 ILS shall apply, unless stated otherwise in the specification.

(b) If in addition to the provisions of section 3.1 (a) repairs will also be carried out for damages to the structure and/or structures adjacent to it, including plastering and paint, a deductible of up to 490 ILS shall apply, unless stated otherwise in the specification.

3.2 If the cost of repair, according to the agreed price list, will be lower than the deductible, the Insured will pay the lower of the two. In any case the payment to the Service Provider shall not exceed the price of the service in accordance with the agreed list price.

3.3 The Service Provider undertakes to update the Insured of the cost of repairs/ deductible, before providing the service, and to have him sign an authorization form for the performing of the sealing work. In the event the Insured did not sign the authorization form, no repair will be made and the Insured will be charged for an idle call as described in section 3.4 below.

3.4 Idle call: For a visit only of a representative of the Service Provider to the Insured's apartment, in the event the representative was not asked by the Insured to perform the service at the end of the examination, or if according to the results of the examination the damage is not covered by the letter of service, the Insured will pay the Service Provider a total of 120 (one hundred and twenty) ILS, unless stated otherwise in the specification.

3.5 The deductible will be paid by the Insured to the actual

Service Provider, against a tax invoice.

3.6 These amounts include VAT.

3.7 The deductible will be paid for the repair of every damage separately.

3.8 The Insured will not be entitled to any payment from the Company if he elected to receive service which is the subject of this letter of service not through the Service Provider.

3.9 The deductible specified in this letter of service, will be linked to the consumer price index, starting from June 2015 up to the known index on the date of beginning of the policy, accompanied by this letter of service. For the avoidance of doubt, no indexation will be made of the deductible throughout the coverage period.

4. Manner of receipt of the service

4.1 In the event the Insured requires any of the services, he will turn via telephone to the call center as defined in the specification, will identify by name, policy number with the company (if known) and any other detail needed to identify him as an Insured entitled to receive the services under this letter of service.

4.2 The Service Provider undertakes to arrange a visit of its representatives to the Insured apartment no later than three working days after receiving the call.

5. Warranty

5.1 For the provision of services and/or quality of services a warranty shall be given by the Service Provider for the damage repaired by the Service Provider only for a period of 12 months from the date of the service being provided for the first time.

5.2 Under the warranty the Service Provider will perform a repeat repairing of returning damage without collecting an additional deductible from the Insured.

6. General

6.1 The Insured shall report to the call center upon first discovering the existence of the damage caused as a result of inadequate waterproofing or sealing.

6.2 Service will be provided inside the State of Israel or the "territories" as defined in the Law for Amending and Extending the Validity of Emergency Regulations (Judea and Samaria – Jurisdiction in Offenses and Legal Aid), 5767 – 2007.

7. The effect of the letter of service

- 7.1 This letter of service will be in effect as long as the policy is in force, unless the letter service has been canceled by the Insured.
- 7.2 Upon the termination of the policy, including by way of cancellation by the Company or the Insured, the letter of service will also be canceled without need for specific notice to the Insured by the Service Provider on the cancellation of the service.
- 7.3 Notwithstanding the provisions of section 7.1 the Insured will be entitled to service, provided he prove that the damage occurred and was discovered before the expiration of the policy.

8. Unsubscribing

- 8.1 In the event of the replacing of an apartment, a subscriber may replace/ transfer the subscription, from the subscribed apartment to the new apartment, anytime his subscription period is in force.
- 8.2 The representations and obligations of the subscriber under this letter of service, and the rights and obligations of the service provider in respect of the subscribed person's apartment – will apply to the new apartment.
- 8.3 It will be clarified that that subscription fees are part of the insurance premiums for the policy under which the subscription is purchased. Accordingly, in the event of the exhaustion of the policy, the subscriber will not be entitled **to a premium refund also in respect of the subscription fee element for this letter of service.**

9. The provisions of the policy regarding cancellation shall also apply to this letter of service.

10. The Insurance Company's Liability

Insurance company will be liable for the services
provided as part of this letter of service.

11. Jurisdiction and the applicable law

Any dispute which may arise between the Insured and the Service Provider and/or the Company, only a court in Israel shall be competent to hear, according to Israeli law.