

TRANSLATION

In the case of any discrepancy between the text of this document and the original policy issued in Hebrew, the latter will prevail.



MIGDAL MORTGAGE

HOME BUILDINGS INSURANCE POLICY



Migdal Insurance Company Ltd.

Translation

Home buildings insurance connected to a mortgage – for the entire duration of the mortgage

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In the case of any discrepancy between the text of this document and the original policy issued in Hebrew, the latter will prevail.

MIGDAL MORTGAGE

**Home buildings insurance policy connected to a mortgage in accordance with the
Supervision of Insurance Business Regulations (Home Buildings and Contents
Insurance Contract Conditions) – 1986.**

(April 2022 edition)

**This policy is a contract between Migdal Insurance Company Ltd.
(Hereinafter “the insurer”)**

and

**The insured whose name is stated in the schedule
(Hereinafter “the insured”)**

**According to which the insurer agrees, in consideration of the premium, to pay
indemnity for insured events, as defined in the policy, which occur during the
period of insurance, up to the sums insured. The premium, the period of insurance
and the sums insured stated in the schedule constitute an integral part of this
policy.**



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Definitions for this policy –

- “Apartment building” -** A building registered as an apartment building in the land registry or a building containing two or more apartments which is not registered as aforementioned;
- “Family members” -** The spouse, children, parents or other family members of the insured, living permanently with the insured in the home;
- “Home building” -** The structure of the apartment or the house stated in the schedule whose main use is residential, including balconies, plumbing apparatus (including gas plumbing), sewage and drainage facilities, central heating appliances, air conditioning systems, boilers, solar energy systems for heating water, telephone and electricity apparatus belonging to the home, gates, fences and paved surfaces belonging to the home and all of the permanent fixtures and fittings of the home; and if the home is in an apartment building – also including the share of the insured in the common parts of the apartment building as well as any special annexes to the home (including storerooms);
- “Unoccupied home” -** A home which has been unoccupied for more than 60 consecutive days or has not been lived in on a regular basis for more than 60 days;
- “Domestic staff member” -** An employee in the direct service of the insured who lives in the insured home.
- “Continuity of the insurance for the entire duration of the mortgage”** This policy shall be automatically renewed by the insurer at the end of each annual period of insurance for an additional period of a year (hereinafter: “automatic renewal of the policy”), until the end of the duration of the mortgage on the home insured under this policy (hereinafter: “the mortgage period”), subject to all of the terms, conditions and exclusions of the policy and subject to the following conditions:
- A. The insured shall receive an updated policy schedule shortly before the renewal date of the policy.



- B. In any case where the premium for the renewing policy is increased or where the policy conditions are amended to the detriment of the insured, the insurer shall notify the insured at least 30 days before the renewal date of the policy.
- C. Notwithstanding the aforementioned, the insurer shall be entitled, at its discretion, not to renew the policy at the end of any annual period of insurance, for any reason, provided that prior notice to this effect is sent to the insured and to the mortgage bank at least 30 days before the expiry of the period of insurance.
- D. Notwithstanding the aforementioned if the mortgage period ends and neither of the parties notifies the other party that they wish to terminate the automatic renewal of the policy, the policy shall be automatically renewed, subject to all of the terms, conditions and exclusions of the policy and to the conditions appearing in clauses B and C above, *mutatis mutandis*.



SECTION A – HOME BUILDINGS INSURANCE

1. The insured event

The insured event is loss or damage caused to the home during the period of insurance as a consequence of one or more of the following perils:

- A. Fire, lightning, thunder as well as smoke which is an extraordinary phenomenon and not a regular phenomenon.
- B. Explosion or conflagration.
- C. Wind whose speed exceeds 30 knots including rain falling at the same time, snow and hail, **other than the seepage of rainwater via walls or ceilings, or its absorption therein.**
- D. Falling aircraft, items falling from aircraft, supersonic boom caused by aircraft.
- E. Collision or impact of vehicles into the home.
- F. Malicious damage **other than:**
 - 1) **Malicious damage to an unoccupied home.**
 - 2) **Malicious damage caused by the insured or family members of the insured, or with their consent.**
 - 3) **Malicious damage caused by individuals living in the home with the permission or consent of the insured.**
- G. Theft, robbery, burglary or attempt thereof, **other than when the home is unoccupied. The insured is entitled at the stage of submitting the proposal form, by express notice that will be documented by the insurer and will be stated in the schedule, to waive the cover referred to in this clause (paragraph G).**
- H. Riots, strikes and civil commotion.
- I. Earthquake including tsunami which is created by an earthquake, **provided that the insured has not waived the cover against this peril, in the manner stated in Regulation 5A of the Supervision of Insurance Business Regulations (Home Buildings and Contents Insurance Contract Conditions) – 1986 (hereinafter: “the regulations”).**

For the purpose of the deductible for damage as a consequence of this peril, all earthquakes which occur within a period of 72 consecutive hours after the first earthquake is registered will be considered to be a single event.



- J. Flood or inundation from an external source of water, other than tsunami as stated in clause I.**

2. Excluded perils

This policy does not cover loss or damage occurring as a consequence any of the following causes:

- A. War, hostilities, acts of terrorism.**
- B. Civil war, rebellion, military or civil uprising, revolution.**
- C. Ionising radiation, radioactive pollution, nuclear processes, nuclear material or nuclear waste.**
- D. Seizure, expropriation, confiscation, destruction or the demolition of property by the government, the military, a local authority or anyone acting in accordance with the law.**

3. Calculation of indemnity

- A. The indemnity payments due to the insured in accordance with this section will be calculated and paid in accordance with the value of the loss or damage to the home building, however no payment will be made in excess of the sum insured stated in the schedule as the buildings sum insured, all subject to clause 3 (“Indexation of the sums insured”) in Section F – General conditions applicable to all sections of the policy.**
- B. The indemnity payments will be calculated in such a way as to bring the insured, as far as possible, to the situation which would have applied were it not for the occurrence of the insured event.**
- C. The indemnity payments payable under this section will also include, subject to that stated in sub-clause (A):**
 - 1) Expenses for services rendered by architects, surveyors, building consultants, engineers and contractors, as well as legal expenses incurred for the purpose of the repair, renovation or reconstruction of the home or part thereof, on condition that prior notice is submitted to the insurer;**
 - 2) Expenses for the removal of debris, cleaning the home, painting it and reconnecting to the electricity, telephone, water, gas and sewage networks;**



- 3) **Compensation for loss of income from rent of the home or expenses for the insured and their family to rent accommodation for as long as the home is uninhabitable based on the determination of a licensed civil engineer, as defined in the Engineers and Architects Act – 1958 (hereinafter: “the Engineers and Architects Act”).**

The compensation in accordance with this clause will be calculated in accordance with the usual rent for a similar home to that covered under this policy, for a maximum period of 12 months from the occurrence date of the insured event or for a maximum sum not exceeding 15% of the buildings sum insured, the lower of the two, and this even if the total compensation exceeds the buildings sums insured; payment for rent in accordance with this clause is subject to reasonable evidence that the rent for the alternative accommodation has indeed been paid.

4. Non-application of underinsurance

Section 60 of the Insurance Contract Act – 1981 (hereinafter: “the Insurance Contract Act”) will not apply to this section.

EXTENSIONS TO SECTION A

1. Damage by water and other liquids (This extension is included in the basic cover)

A. The insured event – Loss or damage which is first discovered during the period of insurance, and which affects the home as a consequence of the escape or leakage of water or any other liquid from the plumbing and central heating apparatus of the home or from another property in an apartment building, including implosion, blockage or overflowing of boilers and pipes, **however excluding:**

- 1) The cost of the water.**
- 2) Wear and tear, corrosion and rust caused to the actual boilers, pipes and plumbing apparatus.**

B. In the case of damage arising in another property in an apartment building, the scope of the cover will be limited to one insured event for the entire period of insurance.



C. **The cover for water and other liquids will not apply if the home is unoccupied. In this regard “unoccupied home” means one which has been unoccupied for more than 60 consecutive days or has not been lived in on a regular basis for more than 60 days.**

D. **Indemnity payments**

Without derogating from that stated in clause 1, sub-clause B in Section F of the policy, in the case of an insured event which is covered under this extension the insurer will indemnify the insured by one of the following two options, **that will be selected by the insured at the time of arranging the policy**, as stated in the schedule.

Option A – Repair of the damage covered under this extension by a plumber or plumbing company selected by the insured (hereinafter: **“private plumber”**), if the insured has selected repair of damage covered under this extension by a private plumber, the insured will act in accordance with clause 5 in Section F – General conditions applicable to all sections of the policy.

Option B – Repair of the damage covered under this extension by a plumber or plumbing company working with the insurance company, as stated in the schedule (hereinafter: **“pre-approved plumber”**) - if the insured has selected the pre-approved plumber option at the time of arranging the policy, they will select a plumber from a list of pre-approved plumbers appearing in the internet site of the insurer www.migdal.co.il. The insured will be indemnified by repairing the damage covered under the policy. It is clarified that the cost of the repair will be paid to the pre-approved plumber by the insurer subject to pay of the deductible as stated in clause 10 C in Section F – “General conditions applying to all sections of the policy”.

If the insured has selected this option, the provisions of Endorsement A to this policy – “Repair of damage by a pre-approved plumber” will apply.

2. **Extension for repairing seal damages in bathrooms, toilets and kitchens**

This extension is applicable only if the insured has purchased Extension 1 above (**“Optional extension for damage by water and other liquids”**) and does not derogate from the cover in accordance with the said extension. For the sake of avoidance of doubt, it is hereby clarified that this extension is a separate and independent extension which shall apply only if it has been purchased by the insured, **in addition** to purchasing Extension 1 (**“Damage by water and other liquids”**) and only if this **is stated expressly in the policy schedule**.



A. Definitions

In this extension the following terms will have the meanings ascribed to time:

“Fixtures and fittings” – The parts of the home which are permanently fitted to it.

“The insured event” – Water damage which is first discovered during the period of insurance, and which affects the home of the insured – other than common parts and the fixtures and fittings – as a consequence of the escape of water or other liquids, due to defective or insufficient seal, in the places specified hereunder and these only (hereinafter: **“the services”**):

- 1) Damp in bathrooms and toilets – Around the bath, basins, toilets and washing bowls and sanitary fittings.
- 2) Damp in kitchens – Due to the seepage of water via stone surfaces in the kitchen or other liquids into utility cupboards.

B. The insurance cover

1. Repair or renewal of the seal where required until complete cessation of the entry of water or other liquids, with the use of sealing methods and/or materials generally available in the market for such purposes.
2. Repairing the associated damages including repairing paint and whitewash to the building and/or to the fixtures and fittings of the insured home as a consequence of the occurrence of the insured event.

C. The limit of liability

The limit of liability for this extension is NIS 10,000 (ten thousand New Israeli Shekels) per occurrence and in the aggregate for the period of insurance.

D. Deductible

- 1) In the event of a claim under this extension, the insured shall pay the following deductible:
 - A) For repairing the source of the damage, including resealing, renewing seal and stopping the water leak a deductible of NIS 200 will apply.
 - B) If in addition to that stated in sub-clause A above, damages to the building and/or fixtures and fittings of the home insured are also be repaired, including painting and whitewashing, the deductible applicable to water damage as stated in the policy schedule shall apply.



E. Exclusions:

This exclusion shall not cover the following events and/or damages and/or accessories and/or any loss arising from the following causes:

- 1) The sanitary fittings themselves, including basins, sinks, baths, shower cubicles, work surfaces and stone surfaces fitted in kitchen cupboards, bathroom cupboards and utility cupboards, taps etc.**
- 2) Defective sealing arising from faulty installation of baths / jacuzzis or in breach of the building standards, and any repair of these problems.**
- 3) Supply and installation of flooring, ceramics, tiles and various types of coatings, including marble and/or granite porcelain surfaces and any of these products.**
- 4) Any third party losses arising from an insured event as defined in this extension.**
- 5) Damages arising from any of the following causes:**
Seepage of rainwater or any other water from external (envelope) walls, the external side of closed and/or open balconies, roofs or ceilings of the insured home, including damp which comes through external windows, or any type of swimming pool.
- 6) Damage occurring to an unoccupied home, as defined in the policy.**
- 7) Damage caused to the contents of the home.**
- 8) Damage caused to common property in apartment buildings.**

3. Extension for damage to domestic water heating boilers (This extension is included in the basic cover)

This extension for damage to domestic water boilers or to domestic solar boilers applies only if extension 1 above has been purchased ("Optional extension for damage by water and other liquids") and does not derogate from the cover under the said extension. For the sake of avoidance of doubt, it is hereby clarified that this extension is a separate and stand-alone extension which shall apply only if it has been purchased by the insured, in addition to selecting extension 1 (Extension for damage by water and other liquids) and provided that this is stated expressly in the policy schedule.



3.1 Definitions

3.1.1 Domestic water boilers

A domestic water boiler, with an Israeli stamp of approval, with a maximum capacity of 200 litres, fitted in the insured home which is operated by one of the following heating systems, or by a system that integrates them (hereinafter: **“the boiler”**):

3.1.1.1 **Electrical boiler** – That heats water by an internal electrical heating element.

3.1.1.2 **Solar boiler** – That heats water by a solar heating panel system.

For the sake of avoidance of doubt, it is hereby clarified that any other boiler or heating system of any type which does not comply with the definition of a “boiler” as defined above is not covered under this extension.

3.2 The insured event

Sudden and unforeseen physical damage due to any cause during the period of insurance to the boiler or its components, provided that this cause does not appear in clause 2 in Section A – Buildings Insurance – “Uninsured Perils” and/or in any of the exclusions to this extension.

3.3 The limit of liability

The maximum limit of liability of the insurer in respect of an insured event under this extension is limited to NIS 3,500 (three thousand five hundred New Israeli Shekels) per occurrence and in the aggregate for the period of insurance.

3.4 The deductible

In the event of a claim under this extension, the insured shall pay the deductible stated in the policy schedule. If damages to the home and/or to the fixtures and fittings to the home are also repaired, including painting works, a single deductible shall apply, for water damage, as stated in the policy schedule.

For the sake of avoidance of doubt, it is hereby clarified that if a pre-approved tradesman visits the home and it transpires that there is no need for any repair or if the event is not covered under this extension – the insured shall pay the call-out fee as stated in the policy schedule.



3.5 Handling claims by the insured

- 3.5.1 The insurer shall arrange for claims by the insured in respect of an **insured event** covered under this extension to be dealt with by a tradesmen from a company which has been pre-authorised by the insurer (hereinafter: “**the authorised company**”) whose contact details appear in the policy schedule.
- 3.5.2 In the case of a claim under this extension, the insured shall contact a representative of the authorised company by calling the telephone number appearing in the policy schedule, notify them and act in accordance with their instructions.
- 3.5.3 If notice is received by the authorised company before noon on a weekday or by 10 a.m. on a Friday – the service will be provided on the same day, if notice is received as aforementioned by the authorised company after noon, the service shall be the provided on the next business day, or at a later time which is arranged with the agreement of the insured, in order to ascertain the damage.

3.6 Indemnity payments

- 3.6.1 The insurer is entitled at its discretion to indemnify the insured by arranging for the damage to be repaired by a service provider or by replacing the boiler with a new one of the same type and quality, or by paying monetary compensation.
- 3.6.2 In the event of loss or damage, the insurer shall have discretion in choosing the replacement parts or products for the lost or damaged boiler, including choosing the manufacturer and fitting method, provided that the replacement products are in proper wording order.

3.7 Exclusions to the cover

- 3.7.1 **Loss or damage which is caused directly or indirectly due to the perils which are covered or can be covered under Section A – Buildings Insurance, including the additional covers and extensions therein and/or loss and/or damage to a boiler which occurs due to any cause which is excluded from the cover by the exclusions to Section A – Buildings Insurance.**
- 3.7.2 **Loss or damage to the boiler which occurs in an unoccupied property as defined in this policy.**
- 3.7.3 **Loss or damage which is caused by and/or arises from frost, freezing or irregular atmospheric conditions.**



- 3.7.4 Loss or damage caused maliciously by the insured and/or anyone acting on their behalf.**
- 3.7.5 Loss or damage caused directly to the boiler due to the execution of building works or renovations or repairs being carried out in the home.**
- 3.7.6 Loss or damage arising from relocation of the boiler and/or the solar panel system situated anywhere else in the home or apartment building.**
- 3.7.7 Damage to the water and/or electrical system of the home, including the loss of water or any other liquid from the boiler or the water plumbing of the home.**
- 3.7.8 Damage to central heating systems.**
- 3.7.9 Defective installation of the boiler before occurrence of the insured event.**
- 3.7.10 Repair of the loss or damage which is not carried out by a tradesman from the authorised company.**
- 3.7.11 Loss or damage for which a manufacturer or supplier is liable – other than in a case where the manufacturer or supplier repudiates their liability. In such a case, and provided that the insured event is covered under this extension, the insurer shall provide the insurance cover and deal with the claim by the insured, subject to subrogating the rights of the insured in accordance with their warranty certificate to the insurer.**
- 3.7.12 Consequential loss of any type.**

4. Extension of cover for gardens / yards (This extension is included in the basic cover only if stated expressly in the policy schedule)

This policy is extended to cover damage as a consequence of fire, lightning and explosion only:

- 1. To plants, lawns, trees, bushes;
- 2. To irrigation systems belonging to the home, storerooms which are not part of the home, pergolas, fountains, roofing and shading means situated on the premises of the insured.

The liability of the insurer in accordance with clause 1 above is limited to 0.5% of the sum insured per item and in respect of clause 2 above up to 10% of the sum insured under Section A – Home buildings insurance.



5. Insurance for glass, baths, toilets, washing bowls, sinks, stone surfaces (This extension is included in the basic cover only if stated expressly in the policy schedule)

A. The insured event:

The insurer will indemnify the insured for damage as a consequence of sudden and unforeseen breakage of:

Glass fixed in window panes and doors of the building, baths, toilet bowls, washing bowls, sinks as well as marble surfaces in kitchens and bathrooms forming part of the home building.

B. Expenses for assembly and installation

On the occurrence of an insured event the insurer will also indemnify the insured for the expenses involved in assembling and installing the damaged property.

“Breakage” for the purpose of this extension means a crack that passes through the entire depth of the insured item.

C. Exclusions

This insurance does not cover:

- 1) Breakage caused by a malicious act of the insured, or of any family member or with their assistance or consent.**
- 2) Glass frames or mirrors or mountings or holders of any type or coatings or ornaments or inscriptions of any type.**
- 3) Costs for transporting or replacing frames or parts of the structure of the building.**
- 4) Cracked or defective items.**
- 5) Breakages caused due to faulty or defective installation.**

D. Limits of liability

The liability of the insurer in respect of loss or damage covered under this extension is limited to 1% of the buildings sum insured per item and not more than 2.5% of the buildings sum insured in the aggregate for the period of insurance.

E. Underinsurance

Section 60 of the Insurance Contract Act will not apply to this extension.



6. Extension for domestic photovoltaic apparatus to generate electricity (hereinafter: "P.V. apparatus") This extension is included in the basic cover only if stated expressly in the policy schedule)

For the purpose of this extension, the following terms will have the meaning ascribed to them:

"P.V. domestic apparatus" – A photo voltaic domestic facility for generating electricity, which is permanently fitted to the roof of the home in compliance with the relevant standards and in respect of which the insured has a valid agreement with the Israel Electric Corporation (hereinafter: "I.E.C.") to connect the facility to the electrical grid of the I.E.C. after having been passed by the I.E.C. – according to the said agreement and in accordance with its conditions.

"Accidental breakage" – A sudden and unforeseen event preventing the domestic P.V. apparatus from supplying electricity to the electrical grid of the I.E.C.

A. "The insured event" – Loss or damage to the domestic P.V. apparatus during the period of insurance as a consequence of one or more of the perils specified in clause 1 to Section A – Home buildings insurance, **other than the theft peril** (sub-clause G).

B. The cover under this extension is extended to also include accidental breakage of domestic P.V. apparatus up to 15 years old, other than accidental damage occurring directly or indirectly as a consequence of repairs or renovations to the home and/or to the domestic P.V. apparatus.

The cover under this extension is extended to also cover the insured against loss of profits sustained by the insured due to an insured event as defined in this extension due to which the domestic P.V. apparatus is completely and totally out of action and thereby unable to supply electricity to the electrical grid of the I.E.C. and this for an outage period of up to 30 days only.

The compensation payable to the insured in respect of loss of profits, as defined in clause B above will be calculated as follows:

- 1) The average daily amount of kilowatts measured in the electricity meter of the domestic P.V. apparatus in the three months which preceded the occurrence date of the insured event, multiplied by the sale price per kilowatt in accordance with the agreement between the insured and the I.E.C.**
- 2) The amount in accordance with clause B1 less the average daily amount of kilowatts measured in the electricity meter of the home in the three months which preceded the occurrence date of the insured event, multiplied by the average cost per kilowatts in**



accordance with the electricity consumption reports of the I.E.C. for the insured building in the same period.

- 3) The amount in accordance with clause D2 multiplied by the number of days in which the domestic P.V. apparatus did not supply electricity to the I.E.C. network due to the insured event, provided that the number of days does not exceed 30.

C. Deductible –

- 1) In respect of damage to the domestic P.V. apparatus itself – in accordance with the amount stated in the schedule.
- 2) In respect of loss of profits: The damage caused in the first 3 days after occurrence of the insured event.

D. Exclusions to the cover –

All of the exclusions to the cover under Section A of the policy – Home buildings insurance – fully apply to this extension as well.



SECTION A1 – ADDITIONAL SUM INSURED IN AN APARTMENT BUILDING – EARTHQUAKE COVER ONLY

This section is only valid if stated in the schedule

1. The insured event

The insured event is damage caused to an apartment in an apartment building, which is owned outright by the insured or on a perpetual lease to the insured, as a consequence of earthquake, **as stated in clause 1 in Section A – Home buildings insurance**, at a rate of at least 70% of the buildings sum insured stated, as in the schedule, and as determined by a quantity surveyor, as defined in the Quantity Surveyors Act – 2001, or a licensing engineer, as defined in the Engineers and Architects Act, as applicable, or if following the damage caused as aforementioned, a demolition order has been issued for the apartment building.

2. Calculation of indemnity

- A. Following the occurrence of an insured event, the indemnity payments due to the insured under this extension will be calculated and paid in accordance with the additional sum insured stated in the schedule, all subject to that stated in clause 3 in Section F – General conditions applicable to all sections of the policy.
- B. The additional sum insured will be at least 100% of the buildings sum insured stated in the policy schedule.

3. Non-application of underinsurance

Section 60 of the Insurance Contract Law will not apply to this section.



SECTION A2 – ADDITIONAL SUM INSURED IN AN APARTMENT BUILDING – EARTHQUAKE AND FIRE COVER

This section is only valid if stated in the schedule

1. The insured event:

The insured event is damage occurring to an apartment in an apartment block, which is owned outright by the insured or under a perpetual lease, as a consequence of damage by earthquake, fire, lightning, thunder and smoke being an extraordinary phenomenon rather than a regular phenomenon, explosion or conflagration as stated in clause 1 in Section A – Buildings insurance, at a rate of at least 70% of the buildings sum insured stated in the schedule, and as determined by a land surveyor, as defined in the Land Surveyors Act – 2001, or by a licensing engineer, as defined in the Engineers and Architects Act – 1958 (hereinafter: “The Engineers and Architects Act”), as applicable, or if following the damage caused as aforesaid, a demolition order was issued for the apartment building.

2. Calculation of the compensation:

- A. Following occurrence of the insured event, the indemnity payments due to the insured in accordance with this section will be calculated and paid according to the additional sum insured stated in the schedule, all being subject to that stated in clause 3 in Section F – General conditions applicable to all sections of the policy.
- B. The additional sum insured will be at a rate of at least 100% of the buildings sum insured stated in the policy schedule.

3. Non-application of underinsurance:

Section 60 of the Insurance Contract Law will not apply to this section.



SECTION A3 – ADDITIONAL SUM INSURED IN AN APARTMENT BUILDING – EXTENDED COVER

This section is only valid if stated in the schedule

1. The insured event

The insured event is damage caused to an apartment in an apartment building, which is owned outright by the insured or on a perpetual lease to the insured, as a consequence of a peril covered **under clause 1 in in Section A – Home buildings insurance**, at a rate of at least 70% of the buildings sum insured stated, as in the schedule, and as determined by a quantity surveyor, as defined in the Quantity Surveyors Act – 2001, or a licensing engineer, as defined in the Engineers and Architects Act, as applicable, or if following the damage caused as aforementioned, a demolition order has been issued for the apartment building.

2. Calculation of indemnity

- C. Following the occurrence of an insured event, the indemnity payments due to the insured under this extension will be calculated and paid in accordance with the additional sum insured stated in the schedule, all subject to that stated in clause 3 in Section F – General conditions applicable to all sections of the policy.
- D. The additional sum insured will be at least 100% of the buildings sum insured stated in the policy schedule.

3. Non-application of underinsurance

Section 60 of the Insurance Contract Law will not apply to this section.



SECTION B – THIRD PARTY LIABILITY INSURANCE

This section is valid only if stated expressly in the schedule

1. The insured event

The insured event is the liability of the insured or their family members, including their domestic staff, to compensate a third party in accordance with the Torts Ordinance [New Version], subject to the limits of liability stated in the schedule per accidental event which occurs in the State of Israel or in an “area” as defined in the Amendment and Extension of the Validity of Emergency Regulations (Judea and Samaria – Jurisdiction for Offences and Legal Aid) Act – 2007 and which causes:

- A. Death, bodily injury, illness, physical or mental impairment or defect.**
- B. Loss or damage to third party property.**

2. Claims handling

- A. The insurer is entitled, and at the demand of the third party – is liable, to pay indemnity to the third party which the insurer is due to pay to the insured, provided that it notifies the insured in writing as stated in sub-clause B hereunder and provided that the insured does not oppose such payment as stated in the clause; however any allegation which the insurer may invoke against the insured will also apply against the third party.
- B. If the third party claims indemnity as stated in sub-clause A above, the insurer will notify the insured in writing with 7 business days of the date of the claim as aforementioned and if the insured does not notify the insurer that they object to payment of compensation within 30 days – the insurer will pay the indemnity to the third party which it owes the insured, if the insured is liable to make such payment.
- C. The insurer is entitled to take over and conduct in the name of the insured the defence of any claim and the insured must provide the insurer, on demand, with the assistance required by the insurer to settle the third party claim.
- D. The insurer undertakes to work in conjunction with the insured in an attempt to maintain the legitimate interests of the insured including their reputation.



- E. If a claim or series of claims against the insured arising from a single insured event or from a series of events that can be attributed to a single originating cause, which is covered under this section of the policy, the insurer will be entitled pay the insured the total limit of liability under this section and after such payment the insurer will be exempt from handling the claim or claims as aforementioned and the insurer will have no further liability in respect thereof other than for legal expenses which a court determines or for reasonable expenses incurred in connection with the said claims.

3. Cover for legal expenses

In the event of a claim for indemnity payments under this section, the insurer will pay reasonable legal expenses incurred by the insured due to their liability and this in excess of the limit of liability under this section.

4. Exclusions to the Third Party Liability section

The insurer will not be liable to indemnify the insured for any amount imposed on them or which they incur if the cause of action arises from any of the following:

- A. Liability to anyone having employment relations with the insured;**
- B. Injury to the family members of the insured or to the domestic staff of the insured;**
- C. The liability of the insured to third parties related directly to the profession or business of the insured, other than if it stated in the schedule that cover for this activity is expressly included;**
- D. The professional liability of the insured or liability arising from products manufactured, handled, marketed or serviced by the insured in the framework of any business activity;**
- E. Motor vehicles as defined in the Compensation for Victims of Road Accidents Act – 1975, cranes, lifting apparatus, aircraft, watercraft and motor vehicles;**
- F. The use of weapons;**
- G. Animals other than domestic pets, dangerous dogs or dangerous breeds as defined in the Regulation of Control of Dogs Act – 2002;**
- H. The use of any swimming pool containing a filtration system, jacuzzi or sauna outside of the building insured, other than if stated otherwise in the schedule;**



- I. **Performing works in the home by a tradesman where the duration of the works exceeds two weeks from the time when the actual work commences;**
- J. **Any claim brought against the insured in a court outside of the State of Israel.**

5. Non-application of underinsurance

Section 60 of the Insurance Contract Act will not apply to this section.

6. Extensions to the Third Party Liability section

The cover in accordance with the following extensions is valid solely if stated expressly in the schedule. The limits of liability for this extension form part of the overall limit of liability of this section as stated in the policy schedule and are not in addition thereto.

6.1 Business activity in the insured home

The cover under this section is extended to include the legal liability of the insured to third parties **as defined in clause 1 in this section (“The insured event”)** arising from the business activity of the insured as stated in the policy schedule **in the insured home.**

It is hereby clarified that this policy does not cover the legal liability of the insured in connection with and/or in respect of any manufacturing activity and/or any other business activity which is not specified in the policy schedule.

The liability of the insurer in respect of this extension is limited to NIS 750,000 per occurrence and in the aggregate for the period of insurance.

6.2 Swimming pools with filtration systems / outdoor jacuzzis

Notwithstanding that stated in clause 4A above, if stated expressly in the policy schedule, the cover under this section is extended to include the legal liability of the insured to third parties **as defined in clause 1 in this section (“The insured event”)** as the owners and/or occupants of a private swimming pool with a filtration system or outdoor jacuzzi in the grounds of the insured home.

6.2.1 Exclusions to the liability of the insurer

The insurer shall not cover any event as defined in clause 1 above as a consequence of and/or due to and/or in respect of:



- 6.2.1.1 Any swimming pool or jacuzzi whose entrance is not closed or covered with an impermeable safety covering (hard or flexible) or is not closed and locked to prevent the entry of anyone without the permission of the insured.**
- 6.2.1.2 The type of materials and/or their concentration in the swimming pool or jacuzzi water.**
- 6.2.1.3 The use of any swimming pool and/or jacuzzi during the course of any business activity.**
- 6.2.1.4 Any swimming pool which does not have an upper cover in any home which is unoccupied for more than 30 consecutive days.**
- 6.2.1.5 The entry of anyone into the swimming pool and/or jacuzzi under the age of 10 years old without the supervision of an adult over the age of 18.**

6.3 Domestic lifting apparatus

Notwithstanding exclusion 4 E above the cover under this section is extended to include an insured event which occurs due to the use of domestic lifting equipment.

6.3.1 “Domestic lifting equipment” for the purpose of this extension means any of the following:

- 6.3.1.1 “Parking stacker” – A stacker parking system in the home of the insured in a private house and/or an individual stacker parking device belonging to the apartment of the insured in an apartment building which is owned by the insured and/or their family members.**
- 6.3.1.2 “Wheelchair lift” – A wheelchair lift / stair lift connected to a rail fitted on the stairs of the apartment insured, which is owned by the insured and/or their family members.**
- 6.3.1.3 “Lift” – A private lift fitted in an apartment which is not an apartment in an apartment building which is owned by the insured and/or their family members.**

6.3.2 Exclusions to the liability of the insurer

- 6.3.2.1 The use of lifting apparatus was not manufactured in accordance with the Israeli standard and/or which was**

not inspected and passed by the Standards Institution of Israel.

- 6.3.2.2 The use of lifting apparatus which was built and/or fitted by a company which does not hold a valid license from the competent authorities to fit lifting devices of the type covered.**
- 6.3.2.3 The use of lifting apparatus which does not undergo a periodic inspection by a qualified inspector in accordance with legal provisions.**
- 6.3.2.4 Defective use and/or overloading and/or use by anyone who is not authorised to use the lifting apparatus due to regulatory restrictions and/or the use of a lifting device other than for its designated use and/or unreasonable use of the device.**

The liability of the insurer in respect of this extension is limited to NIS 750,000 per occurrence and in the aggregate for the period of insurance.

SECTION C – EMPLOYERS LIABILITY INSURANCE FOR DOMESTIC STAFF

This section is valid only if stated expressly in the schedule

1. The insured event

The liability of the insured in accordance with the Torts Ordinance (New Version) – 1968, subject to the limits of liability stated in the schedule, due to a case of death or bodily injury which occurs during the period of insurance as a consequence of an accident or illness to any of the domestic staff of the insured whilst in the direct service of the insured during and due to their work in the home of the insured.

For the purpose of this section, “**domestic staff**” also includes an employee who does not live in the home of the insured.

2. Cover for legal expenses

In the event of a claim for compensation under this section, the insurer will pay reasonable legal expenses which the insured incurs due to their liability in excess of the limits of liability of this section.

3. Exclusions

This insurer will not be liable under this section for:

- A. Liability arising from any agreement, other than if it would have applied even if such an agreement would not exist.**
- B. Any amount which the National Insurance Institute claims from the insured.**
- C. Any amount paid by the National Insurance Institute due to injury, death or illness, or any amount as aforementioned which the insured is entitled to from the National Insurance Institute, including any amount which the insured would have been entitled to receive if they or the insured would have complied with the legal directives. Any liability in respect of youth employed in breach of legal provisions regarding the employment of youth or not in compliance with the law.**
- D. Any liability in respect of a claim arising directly or indirectly from the Compensation for Road Accident Victims Act – 1975.**
- E. Silicosis or asbestosis.**
- F. Any insured event involving an employee of the insured in the framework of the business of the insured in the home of the insured.**



- G. Any insured event occasioned by war, act of foreign enemies, acts of terrorism, civil war, mutiny, military or civil uprising, revolution, seizure, expropriation, confiscation, destruction or the demolition of property by the government and/or the military, a local authority or any individual acting in accordance with the law.**
- H. Any insured event occasioned by ionising radiation, radioactive pollution, nuclear processes and any loss or damage due to any nuclear material or nuclear waste.**
- I. Any liability arising directly or indirectly from sexual harassment.**

4. Non-reinstatement of the limit of liability

Notwithstanding that stated in clause 9 in section F (General conditions applicable to all sections of the policy), following payment of indemnity under this section, the insurer will not reinstatement the scope of liability under this section to the level which applied before occurrence of the insured event.



SECTION D – ALL RISKS INSURANCE FOR BUILDINGS

This section is valid only if stated expressly in the schedule

The liability of the insurer in respect of this extension is limited to NIS 25,000 per occurrence and in the aggregate for the period of insurance, other than if stated expressly otherwise in the schedule.

Section 60 of the Insurance Contract Act (Underinsurance) will not apply to this section.

1. The insured property

The home described in the schedule on condition that insurance cover under Section A – Home Buildings Insurance has been arranged.

2. The insured event

Accidental and unforeseen physical loss or damage to the insured property covered under Section A (Home Buildings Insurance) which occurs during the period of insurance due to any cause, other than as detailed hereunder:

- A. An insured event which is covered or can be covered under one of the following sections: Section A (Buildings Insurance), the extensions to Section A, Section A1, Sections A2 and A3 (Additional sum insured in an apartment building), or any event which is included in the exclusions to these sections.**
- B. Machinery breakdown or electrical or electronic breakdown of any type.**
- C. Wear and tear, humidity, rusting and processes of corrosion, gradual deterioration and atmospheric or climatic causes having a gradual effect.**
- D. Moth, other insects, worm, rodents.**
- E. Damage arising from landslide, heave and/or subsidence.**
- F. Damage arising from faulty planning and/or faulty construction and/or faulty workmanship.**
- G. Any process of cleaning, renewal, repair or painting.**
- H. Consequential loss.**
- I. Defective seal.**

SECTION E – TERRORISM INSURANCE

The section is valid only if stated expressly in the schedule

1. Definition

“Acts of terrorism” for the purpose of this section means sabotage or a harmful act to the insured property, including an act of terrorism which is committed with violence for political aims, including the use of violence in order to intimidate the public or part thereof, by a person or group of persons, regardless of whether they are a member of any organisation or not, which is hostile to the State of Israel and due to such hostility.

2. Special condition applicable to the cover under this section

A special to the cover under this section is that the insured presents to the insurer a certificate from the Ministry of Defence or from the Manager of the Property Tax and Compensation Fund confirming that the property insured under the policy was damaged by an act of terrorism, as defined in the Property Tax and Compensation Fund Act – 1961 (hereinafter: “The Property Tax Act”) and its regulations.

3. The insured event

Physical loss or damage due to an act of terrorism to the home, on condition that insurance cover for the home buildings has been purchased under Section A – Buildings Insurance.

4. Exclusions

This section does not cover loss or damage arising or connected directly or indirectly to any of the following causes–

- A. Robbery, burglary or theft which is not part of an act of terrorism.**
- B. Consequential loss of any type, other than loss of rent or expenses for renting alternative accommodation due to the occurrence of an insured event, and in such a case the provisions of clause 3C (3) in Section A – Home Buildings Insurance will apply.**
- C. The use of chemical, biological or nuclear materials.**
- D. Any peril which is excluded under clause 2 to Section A (Excluded perils), other than in the case of “acts of terrorism”.**



5. Scope of the liability of the insurer

The liability of the insurer for an insured event covered under this section is subject to the following:

- A. The cover in accordance with this section will only apply for the surplus amount of the damage exceeding the compensation amount that the insured is entitled to receive under the Property Tax and Compensation Act and its regulations or by virtue of any other legislation.**
- B. The insurer will not be liable to pay any amount to the insured which the insured would have been entitled to receive under the Property Tax Act, but which is not paid to the insured by the Property Tax and Compensation Fund, due to non-compliance with any of the provisions of the Property Tax Act or due to the fact that a claim was not made with the Property Tax and Compensation Fund, or for any other reason.**
- C. The total indemnity payable in accordance with this section will not exceed the total sum insured stated in the schedule for this section.**

SECTION F – GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS OF THE POLICY

1. How compensation will be paid

The insurer may, at its discretion, select one or more of the following methods of compensation:

- A. Payment of the value of the loss or damage in cash.
- B. Repair of the home building which has been lost or damaged and bringing it to a similar condition which prevailed immediately prior to the occurrence of the loss or damage.
- C. Replacement of the parts of the home with parts of the same type and quality as those which were lost or damaged.

2. New for old

- A. **On the occurrence of an insured event affecting the home, the indemnity will be paid according to the new replacement cost of the home.**

In this regard, “replacement” means rebuilding, repair or replacement of the property with new property of the same type and quality which was lost or damaged.

- B. Indemnity on a new for old basis due to an insured event is **subject to the actual reconstruction by the insured or repair or replacement of the property which was lost or damaged, and this without any changes to the quality and the type of property compared to the property which was lost or damaged; if [the property] is not rebuilt, repaired or replaced – the indemnity for it will be on an actual value basis.**
- C. Compensation in accordance with this clause will be paid in accordance with the value of the property as new on the date on when the reinstatement take place, or in accordance with its value as new on date when the indemnity is paid – the earlier of the two dates.
- D. The reinstatement works must commence within a reasonable period of time after occurrence of the loss or damage, and in any event must be completed within 12 months of the date of the insured event; if it is not possible to complete the reinstatement within the aforementioned period due to reasons which are out of the insured's control, the period for completing the reinstatement will be extended by agreement between the insured and the insurer.



- E. **The liability of the insurer in accordance with this clause will not exceed the buildings sum insured stated in the schedule.**

3. Indexation of the sums insured

- A. The sums insured stated in this policy will vary in accordance with the changes between the latest Consumer Price Index published by the Central Bureau of Statistics (hereinafter “**the index**”) before inception of the period of insurance and the latest index published before occurrence of the insured event, other than sums insured in accordance with Section A, Section A 1 and Section A 2 which will vary in accordance with the changes to the latest Residential Building Input Index published by the Central Bureau of Statistics (hereinafter – “**the Building Input Index**”) published before the inception of the period of insurance and the latest Building Input Index published prior to the occurrence of the insured event.
- B. If, during the period of insurance the sums insured are increased at the request of the insured, other than as a result of linkage to the index or to the Building Input Index, each such increase will constitute an additional basic sum to which the aforementioned indexation conditions will apply, and the basis for the increase will be the latest index or the Building Input Index, as aforementioned, which is published prior to the increase taking effect.

4. Indexation and interest on indemnity payments

- A. The indemnity payable to the insured due to the occurrence of an insured event will vary in accordance with the changes between the latest index published before the occurrence of the insured event and the latest index published before payment is made to the insured, other than indemnity payments in accordance with Section A, Section A 1 and Section A 2 which will vary in accordance with the changes between the latest Building Input Index published before occurrence of the insured event and the latest Building Input Index published before payment is made to the insured.
- B. Interest will be added to the indemnity payments at the rate set out in the definition of “Interest and indexation increments” in Section 1 of the Interest and Indexation Ruling Act – 1961 (hereinafter “Interest and Indexation Ruling Act”) after thirty days have elapsed from the date when the claim for indemnity under this policy is submitted. This directive does not derogate from the authority of a court in accordance with the said act.

5. Claims for indemnity payments

- A. **If an insured event occurs, the insured must notify the insurer immediately on becoming aware of the same.**
- B. **Claims for indemnity payments in accordance with the policy will be documented by the insurer. The aforementioned does not derogate from the right of the insurer to request the insured to make the claim in writing.**
- C. The insured must supply the information and the documents required for the clarification of the liability and its scope to the insurer within a reasonable time after been requested to do so and if they are not in their possession – they must assist the insurer as far as possible to obtain them.
- D. The insurer will take the necessary steps to clarify its liability, immediately on receipt of the notification from the insured of the insured event.
- E. Indemnity payments will be made within 30 days of the date on which the insurer is in receipt of the information and documents required to clarify its liability.

6. Notice to the police

The insured must notify the police in any event of loss or damage which in the opinion of the insured arises from a malicious act or a burglary or theft.

7. Finding property

- A. If stolen property is found before the indemnity payments are made in respect thereof under this policy, the property will be returned to the insured and the insurer will not make indemnity payments unless the returned property has been damaged.
- B. If stolen property is found after the indemnity payments have been made, the insurer will notify the insured or vice-versa. The found property will be assigned to the ownership of the insurer other than if the insured notifies the insurer within 30 days of the date of the notice from the insurer or the insured, as applicable, that they wish to take possession of the found property in return for a refund of the indemnity payments paid by the insurer in the said period.



8. Interim payments and undisputed indemnity payments

- A. On the occurrence of an insured event, the insured will be entitled to receive an interim payment or a financial undertaking from the insurer in order to enable them to obtain service to repair the damage or the loss, and this on account of the payment due to the insured in accordance with the conditions of this policy.
- B. If the insurer makes an interim payment on account of the indemnity payments, this interim payment will be deducted from the final amount payable by the insurer. The calculation of the deduction will be made by indexing the interim payment to the index or to the Building Input Index, as applicable, from the date of the interim payment up until the final payment date.
- C. Undisputed indemnity payments will be paid within 30 days after the claim is submitted to the insurer in accordance with clause 5B and which can be claimed separately from the other indemnity payments.

9. Reinstatement of the sums insured

- A. After payment of indemnity to the insured due to an insured event, the insurer will reinstate the scope of its liability under this policy to the level that applied immediately before occurrence of the insured event.
- B. The insurer is entitled to charge an additional premium for reinstatement of the sums insured from the occurrence date of the insured event until the expiry date of the period of insurance; for the purpose of calculating of premium which the insured must pay for the reinstatement, only the indemnity payments actually made by the insurer will be taken into account.
- C. Hereunder is the formula for calculating the premium for reinstating the sums insured:

A = The claim amount less the deductible

B = The annual premium

C = The number of days remaining from the date of the loss until the expiry of the period of insurance

D = The sum insured

E = 365

$$A \times \frac{B}{D} \times \frac{C}{E}$$



10. Deductible

- A. On the occurrence of an insured event under this policy, the deductible amount stated in the schedule will be deducted from the indemnity payments in respect of each and every claim.**
- B. If a deductible for a specific insured event is expressed as a percentage of the sum insured, the amount the deductible will be calculated separately in respect of each section of the policy.**
- C. If the insured is indemnified in accordance with the extension for damage by water and other liquids by a pre-approved plumber, the insured will be required to pay the deductible stated in the schedule to the insurer.**

11. Payment of the premium and other fees

- A. The premium and all other amounts due from the insured to the insurer in connection with this policy will be paid by the method and on the dates detailed in the policy.
- B. For the purpose of this policy the premium includes all payments that the insurer is entitled to charge the insured, all in accordance with that stated in the schedule.
- C. If any amount which is due from the insured to the insurer is not paid on time, the amount in arrears will bear annual interest as stated in the Interest and Indexation Ruling Act, according to the changes to the index, between the latest index published before the date on which the payment should have been made and the latest index last published before the actual payment date.
- D. If any amount in arrears as aforementioned is not paid within fifteen days after the insurer's written request to the insured to make payment, the insurer is entitled to notify the insured in writing that the policy will be cancelled 21 days later if the amount in arrears is not settled beforehand; if a beneficiary other than the insured has been irrevocably designated, the insurer is entitled to cancel the policy provided that written notification is sent to the beneficiary regarding the aforementioned arrears if the beneficiary does not settle the amount in arrears within 15 days of the date after the said notice was sent.
- E. Nothing contained in the cancellation conditions in accordance with this clause derogates from the duty of the insured to settle the amount in arrears relating to the period up to the aforementioned cancellation as well as the insurer's expenses.

12. Disclosure and changes to material facts

- A. This policy was issued relying on the replies provided by the insured to the insurer in writing or in any other manner which is documented by the insurer in response to all of the questions which were posed in the proposal form which serves as the basis of the policy and relying on the insurer's assumption that the insured provided complete and honest replies to the questions which were posed as aforementioned and that the insured did not intentionally and fraudulently withhold any fact which they knew to be material to the insurer for the purpose of assessing the insured risks and similarly implemented measures to prevent losses which the insurer requested in writing to mitigate the risks covered in accordance with this policy.**
- B. A material fact is a matter in respect of which a question was posed in writing in the proposal form or in any other manner which is documented by the insurer, and without derogating from the generality of the aforementioned, includes the following matters:**
 - 1) In respect of the home buildings: The address of the home, the value of the home, the type of building, the position of the apartment in the building, safety measures of any type, the age of the home, the size of the home, the number of rooms, the number of people living permanent in the home, any special additions or alterations.**
 - 2) In respect of the home buildings: Losses which have occurred in the last three years as a consequence of the perils covered under this policy as well as details of previous insurers that insured or refused to insure the home buildings in the last three years.**
- C. If the insured does not provide complete and honest replies to the questions relating to material facts, or withheld material facts from the insurer with fraudulent intent or failed to implement the measures which the insurer requested to mitigate the covered perils covered under this policy, the insurer is entitled to act in accordance with the directives of the Insurance Contract Act; the provisions of this clause do not affect the statutory rights of the insurer.**
- D. The insured must notify the insurer during the period of insurance of any change to material facts immediately on becoming aware of the same. If the insured does not disclose such alteration to the insurer, [the insurer] will be entitled to cancel the policy or to reduce the scope of its liability in accordance with the directives of the Insurance Contract Act.**

13. Cancellation of the policy

- A. The insured may cancel the policy at any time before expiry of the period of insurance, at their discretion; the policy will be cancelled on the date when the notice reaches the insurer or on a later date at the request of the insured.
- B. Without derogating from the statutory rights of the insurer, the insurer may cancel the policy before expiry of the period of insurance due to fraud by the insured or due to non-disclosure of facts they were asked about before the policy was issued, provided that notice to this effect including the reasons for the cancellation is sent to the insured by registered post at least 30 days before the date when the policy is due to be cancelled
- C. If the insured cancels the policy as stated in sub-clause A above or if the insurer cancels the policy in accordance with sub-clause B above, the insurer will make a pro-rata return premium to the insured as soon as possible, and within 14 days of the date when the cancellation takes effect; the pro-rata return premium as aforementioned will be calculated by multiplying the premium charged by the insurer by the ratio between the number of days remaining on the cancellation date until the expiry of the original period of insurance and the total number of days in the original period of insurance.
- D. All amounts refunded in accordance with this clause will vary in accordance with the changes to the index between the latest index published before the date when the premium was paid, and the latest index published before the date when the return premium is paid; if the premium was paid in instalments – each amount will vary in accordance with the changes to the index between the latest index published before each payment date and the latest index published before the return premium is paid.
- E. Notwithstanding the aforementioned, a policy which is subject to a mortgage clause will only be cancelled 30 days after notice has been sent to the beneficiary.

14. Double insurance

- A. If the buildings were insured for the perils covered by this policy with more than one insurer for overlapping periods, the insured must notify the insurer of this immediately on arranging the double insurance or immediately on becoming aware of the same.
- B. In a situation of double insurance, the insurers are liable severally for the full amount and they will reconcile allocation of the indemnity payments between themselves according to the ratio between the respective sums insured.

15. Moving home

- A. If the insured moves to a new home during the period of insurance (hereinafter – “the new home”), the insured may, by notice to the insurer and with its agreement, transfer the cover under this policy to the new home and in such a case the cover for the new home buildings will continue to be valid for the new home in accordance with the notice from the insured and in accordance with the existing policy conditions.
- B. If the value of the new home buildings exceeds the value of the [old] home buildings on the date of the move to the new home, the insured will increase the sums insured accordingly and will pay the insurer the proportional difference in premium for increasing the sums insured within 30 days of the same date. The premium calculation for the increased sums insured will be made by taking into account the increase in the value of the home buildings from the inception date of the period of insurance up to the date of the move.
- C. If the value of the new home buildings is lower than the value of the [old] home on the date of the move, the insured will reduce the sums insured accordingly and will receive from the insurer the proportional difference in premium for reducing the sums insured within 30 days of the same date. The premium calculation for reducing the sums insured will be made by taking into account the reduction in the value of the home buildings from the inception date of the period of insurance up to the date of the move.

16. Subrogation

- A. If, due to an insured event the insured is also entitled to compensation or indemnity from a third party other than by virtue of the insurance contract, this right is automatically assigned to the insurer as soon as the indemnity payments have been made to the insured for the amount of indemnity payments made.



- B. The insurer is not entitled to utilise the right assigned in accordance with this clause in a way that will prejudice the right of the insured to obtain compensation or indemnity from the third party in excess of the indemnity payments which they have received from the insurer.
- C. If the insured receives compensation or indemnity from a third party which was due to the insurer in accordance with this clause, they must remit it to the insurer; if the insured makes a compromise settlement, waiver or other action which prejudices the right assigned to the insurer, they must compensate the insurer for the same.
- D. **The directives of this clause do not apply if the insured event was caused unintentionally by an individual who a reasonable insured would not claim compensation or indemnity from due to family relations, employment relations or landlord and tenant relations between them, on condition that the landlord and tenant provided each other with a mutual waiver of subrogation.**

17. Statute of limitations

The prescription period of a claim for indemnity payments in accordance with this policy is in accordance with the period stated in the Insurance Contract Act.

18. Consequential loss

The insurer will not be liable for consequential loss of any type which is sustained by the insured or the beneficiary as a consequence of the perils covered under this policy, other than if stated otherwise in this policy.

19. Notices

- A. Notice from the insured or the beneficiary to the insurer will be sent to one of the following addresses:
 - 1) **The address of the insurer's office, as stated in the heading to this policy or to any other address in Israel which the insurer notifies the insured or the beneficiary of from time to time.**
 - 2) **The office of the insurance agent stated in the policy or to any other address in Israel which the insurance agent notifies the insured or the beneficiary of from time to time.**
- B. Notice from the insured or the beneficiary to the insurer may be sent in any other manner not referred to in sub-clause A, which the insured notifies the insured or the beneficiary of from time to time.



ENDORSEMENT A – REPAIRING DAMAGE BY A PRE-APPROVED PLUMBER

Endorsement for repairing water damage to the building and extension for emergency services

This endorsement is an integral part of the policy.

In this endorsement the following terms will have the meaning ascribed to them hereunder.

“The insured home” or **“the home”** – The home insured under the policy whose details are stated in the schedule.

“The insurer” – Migdal Insurance Company Ltd.

“The policy” – The policy covering the home with the insurer in the framework of which the extension for damage by water and other liquids has been purchased.

“The policy schedule” – The policy schedule attached to the policy, constituting an integral part thereof.

“Business day” – Any day of the week other than Saturdays, public holidays and Jewish holidays specified in section 18A (A) of the Law and Order Ordinance – 1948 and the Independence Day.

“The customer” – The insured under the policy who has purchased the extension of cover for repairing damage by water and other liquids by a pre-approved plumber.

“Pre-approved plumber” – A plumber or plumbing company having a prior arrangement with the insurer.

“List of pre-approved plumbers” – A list of the plumbers is updated from time to time and can be found at www.migdal.co.il

“Private plumber” – Any plumber other than a pre-approved plumber.

“Plumbing fault” – The escape or leakage of water from the plumbing and central heating apparatus of the home or from another property in an apartment building, including implosion, blockage or overflowing of boilers and plumbing apparatus in accordance with the cover purchased.

“Water damage” – A plumbing fault as well as damage caused to the property of the insured due to a plumbing fault covered under clause 1 in Section A1 – Extensions to the basic cover under Section A.

“The services” – Repairing water damage.

“Call centre” – The designated call centre for this service operated by the insurer whose details are stated in the schedule.



Directives concerning the provision of services by a pre-approved plumber

A. In the event of water damage the insured must act as follows:

- 1) Contact a plumber from the list of pre-approved plumbers to make an appointment for the plumber to visit the home. The insured will contact the call centre of the insurer stated in the schedule to this endorsement and choose a pre-approved plumber from the list as stated above via the call centre.

The damage will be repaired within two (2) business days after the insured has contacted a pre-approved plumber, other than if the insurer provides any other approval.

- 2) If the insured has contacted at least four pre-approved plumbers in succession and none of them is available to repair the damage within two business days and provided that the insured notifies the insurer of this – the insurer will arrange an appointment for a plumber to visit the insured's home within two (2) business days from the date when the insured notifies the insurer of the situation. If no appointment is made for a plumber to visit the home as aforementioned, the insured will be considered to have selected the "private plumber" option and the insured will pay the deductible as though the repair had been carried out by a pre-approved plumber.
- 3) If an appointment is made for a pre-approved plumber, the waiting time for the pre-approved plumber will not exceed two hours.
- 4) If an appointment is made for a visit and the insurer or its representative may not notify the insured that the appointment has to be postponed after 8 p.m. on the day before the appointment., If the insurer notifies the insured that the appointment has to be postponed before 8 p.m. as aforementioned; the insurer will reschedule the appointment within one business day other than if the insured asks for a further delay; if the insurer notifies the insured that the appointment has to be postponed and the appointment is rescheduled – the insurer will not be entitled to postpone the time of the appointment again.
- 5) **If an appointment is made and the pre-approved plumber does not arrive at the time arranged (hereinafter – "the first plumber") without the prior approval of the insured or without notifying the insured that the appointment has to be postponed, the following directives will apply:**

- (A) If the waiting time for the first plumber was between 2-3 hours – the insured is entitled to choose another pre-approved plumber from the list of pre-approved plumbers to repair the water damage **on condition that the first plumber has not arrived before the other plumber arrives;**
 - (B) If the waiting time exceeds three hours, the insured must notify the call centre to arrange for the first plumber to visit the insured within three hours of the time when the insured provides notice or at another time if requested by the insured. If the first plumber does not arrive after making another appointment, the insured will be considered to have selected the “private plumber” option and the insured will pay the deductible as though the repair had been carried out by a pre-approved plumber.
- 6) **As soon as the service is completed the insured will be provided with a report containing details of the service provided. The report will contain the following information at the very least:**
- (A) The findings of the plumber concerning the origin of the damage;
 - (B) The action required in the opinion of the plumber to repair the damage;
 - (C) Details of appointments made with the insured and repair work performed in each visit;
 - (D) If an appointment was made but did not take place or if no repairs were performed, the insurer will state the reason for this.

The document may be provided in handwriting or by e-mail at the choice of the insured.

- 7) Notwithstanding that stated in this endorsement and in the extension for damage by water and other liquids and/or implied therein, if the customer chooses a pre-approved plumber who is not a plumbing company as stated in the list of pre-approved plumbers, the plumber will only repair the plumbing fault or if he does not repair the water damage – the customer will be entitled to contact a plumbing company from the list of pre-approved plumber to repair the water damage.

If the customer does not contact a plumbing company as aforementioned, the insurer is entitled (but not obliged) to arrange for the repair to be completed by a tradesman of its choice.



General conditions

- A. The insurer will be responsible for the quality of the repair and the service provided to the insured by the pre-approved plumber, including the availability of the service and completion of the repairs in a reasonable time.
- B. If a pre-approved plumber visits the customer's home and it transpires that they are not entitled to water damage repairs and no repairs are performed, including because the cost of the repair is below the deductible or if it is not necessary to repair any water damage, for any reason, the customer will pay the call-out charge stated in the schedule to the plumber.



Migdal has been an integral part of the Israeli landscape since its establishment in 1934.

Over the years Migdal has maintained its status as one of the leading companies in the Israeli insurance, pensions and financial services industry.

Migdal is constantly developing solutions for the diverse needs of its customer base by devising innovative insurance products, pension schemes and advanced financial products, operating an extensive distribution network supported by state of the art infrastructures and professional and skilled human resources.

