



**Information Brochure
on Credit Property
Insurance for Loans Issued by TBC Bank JSC**

#TP/21

Hello,

These are key terms of compulsory credit property insurance for loans issued by TBC Bank JSC. Please note that the information provided here is not exhaustive. It is not a contract offer and, therefore, will not have any legal consequences.

Insurer: IRAO JSC, (ID : 205023856)

Beneficiary: TBC Bank JSC

Insurer's Address: 88/15 Bochorishvili street, Tbilisi

Insurer's Hotline / Telephone no: (+995 32) 2 949 949

Type of Insurance Agreement

This document contains brief information about compulsory credit property insurance terms linked to loans granted by TBC Bank JSC. If you buy insurance, you will be provided with the Insurance Policy, which, together with Insurance Terms and Important Terms of the Agreement, constitutes an integral insurance agreement. By buying insurance, you agree to Insurance Terms N V.TP/21 published on the website and set out in the Insurance Policy.

What is covered?

Buildings mortgaged on your loan with TBC Bank JSC together with their integral structural components.

Coverage Area

The insurance policy will indicate the address of the insured property, which shall be deemed to be the coverage area.

Insurance Proceeds / Limit of Indemnity - an amount equal to the initially approved loan under your credit agreement with TBC Bank JSC. If an insured event occurs during the insurance policy period, the insurer will indemnify the beneficiary against losses within this coverage limit.

The maximum insurance benefit (the maximum limit of indemnity) per object/facility insured is 1,000,000 USD or the equivalent in a different currency.

What are you insured against?

- Fire
- Lightning strike
- Explosion
- Fall of piloted aircrafts, parts thereof or objects therefrom on the insured property.
- Natural disasters: hail, flood, earthquake, landslide, avalanche, soil settlement (unless artificial), strong wind (exceeding 25m/sec) caused by natural atmospheric processes;
- flood – water ingress into an insured building as a result of surface water flooding where land is not normally covered by water. This excludes damage caused by problems in drainage system management, public/municipal water main break or problems in drainage and sewage systems in the foundation of the building.
- Earthquake – below or equal to magnitude 4.0 on the Richter Scale.

Your Financial Participation:

To buy this insurance policy, you have to pay an insurance premium through the beneficiary according to your preferred payment schedule. The payment schedule is to be agreed with the beneficiary and will appear in your policy. Your financial participation may also include deductibles, which too will be indicated in your insurance policy. In this case, each time an insured event occurs, the amount of the deductible indicated in your policy will be subtracted from the insurance proceeds.

Deductible:

2% of the insurance coverage, at least 200.00 (two hundred) USD. In the event of a natural disaster – 5% of the insurance coverage, at least 1 000.00 (one thousand) USD.

Insurance Policy Activation

The insurance policy is activated upon disbursement of a credit under your agreement(s) with TBC Bank JSC and signature of the policy.

What to do when an insured event occurs?

If an insured event occurs, within a reasonable period of time, the policyholder must report it to relevant law enforcement authorities as well as the insurer via hotline +995 32 2 949 949.

What is Not Covered?

- **Cash in national and foreign currencies; stock, bonds and other securities;**
- **Manuscripts, photos, negatives, blueprints, plans, drawings and other documents, business ledgers and journals and the data therein;**
- **Models, mock-ups, samples, moulds, etc.**
- **Precious/rare metals – virgin metals/nuggets, or in the form of wire, bullions or powder; precious stones, jewelry, furs;**
- **Assets displayed at an exhibition;**
- **Information carriers, magnetic tapes and cassettes, magnetic disks and blocks, as well as the data stored therein;**
- **Stamps, coins, banknotes, tokens/vouchers and other collectibles, as well as paintings, pictures, sculptures and other types of artwork;**
- **Toxic, caustic and explosive substances;**
- **Weapons, military supplies;**
- **Unfinished buildings, unless it has the foundation, walls, framing, roofing, doors and glazed windows if envisaged in the building design (if an insured facility lacks glazing, damage caused by rain, hail and flood will be deemed an exclusion);**
- **Animals, plants and crops;**
- **Explosives;**
- **Food products;**
- **Wooden support structures;**
- **Hazardous buildings;**
- **Underground structures;**

- **Non-residential spaces used for warehousing but lacking anti-fire solutions (a fire alarm system, fire extinguishers, a fire sprinkler system);**
- **Vehicles (air and rail transport, road vehicles); building/agricultural machinery and equipment;**
- **Outdoor wall fixtures: masts, aerials, outdoor wiring, advertising equipment, billboards, showcase stands, etc.;**
- **Self-service payment terminals (machines) that accept coins and tokens, ATMs;**
- **Goods held in care, custody or control;**
- **Underground ducting;**
- **Telecommunication lines and electrical wiring. These are only covered if they are incorporated into the insured building.**
- **Property situated in the insurance coverage area but not owned by the policyholder;**
- **Plots of land, bridges, pathways, roads, paved sections;**
- **Interior building repairs (renovation);**
- **Fittings, including furniture, household and electrical appliances;**
- **Structures and equipment/machinery associated with any type of hazardous energy and petrochemicals, including drilling rigs used for oil/fuel extraction, pipelines, power processing plants and refineries, boreholes;**
- **Buildings constructed earlier than 1954;**
- **Buildings with market value over 1000000.00 (one million) USD;**
- **Hazardous buildings or buildings situated in areas which by the time of execution of the insurance agreement have been officially qualified by relevant government authorities as potential areas of natural hazards.**

Common Exclusions

- **This insurance does not cover property destruction or damage related to or resulting from the following:**
- **Use of nuclear power in any form, or the consequences thereof including radiation, radioactive pollution, ionizing radiation; impact of radioactive, toxic, explosive or other hazardous substances;**
- **Chemical, biological and electromagnetic weapons;**
- **War (declared or undeclared), coup d'état, invasion, any acts of war and their consequences, an armed attack by any declared or undeclared power by land, air or sea, or an immediate threat of an armed attack; military activities; civil war; rebellion, revolution, revolt, terrorist acts or attempts of terrorist acts and government retaliation against terrorism, a state of emergency or marshal law declared by the government, civil commotion, strikes, riots and lockouts;**
- **An intentional action or gross negligence committed by the policyholder or his/her authorized representative, including violation of fire prevention or other security measures prescribed by the law or normative acts, unless deviation from norms has been agreed with special government authorities (for the purpose of this provision, acts committed by small children are not considered as gross negligence);**
- **Normal wear and tear or gradual deterioration of property; change of colour, smell, structure or shape caused by its natural properties;**

- **Corrosion, oxidation, fermentation, spontaneous combustion, bacteria, decomposition, wear, erosion, high and unstable temperature and other natural processes (properties);**
- **Moth, insects, rodents and other pests;**
- **Overheating and overloading of water supply, heating and other similar systems;**
- **Defects and faults of the insured building present at the time of execution of the insurance agreement, of which the policyholder or his/her authorized representatives should have been aware; manufacturing defects, poor quality materials, errors in the project, planning and design;**
- **Penetration of snow, hail or water into the insured building through open windows or doors or other openings made deliberately or created due to the age of the building or construction defects;**
- **Causes existing before execution of the insurance agreement.**
- **Settlement, cracking, contraction, expansion or swelling of the foundation, walls, supporting construction, roofing or engineering structures;**
- **Damage caused during building and installation works, or reconstruction or upgrading of the insured building;**
- **Short circuit; however, damage brought by fire resulting from short circuit is covered;**
- **Risks other than those covered hereunder;**
- **Extra expenses taken for remodelling and improvement of the property;**
- **Expenses taken for preventive, temporary or auxiliary maintenance, or any preventive measure;**
- **The policyholder's intentional evasion of property rescue measures;**
- **Damage directly or indirectly resulting from cyber risks or cyber-attacks;**
- **The insurer is not obliged to provide insurance coverage, compensation for any kind of loss or any service or benefit under the insurance agreement if the insurer thereby violates prohibitions and restrictions under UN resolutions, trade and economic sanctions and the EU, Georgian and US laws and regulations (provided the insurer's activity does not violate regulations or the internal law applicable to the insurer).**

[Key Insurance Terms](#)

The sum of insurance proceeds paid by the insurer based on insurance claim(s) submitted to it in writing upon insured event(s) during the validity term of the bank credit agreement between the policyholder and the beneficiary shall not exceed the maximum insurance benefit (the maximum limit of indemnity).

The insurer shall settle the insurance claim and take the final decision on compensation within 10 (ten) business days of receiving all documents necessary for processing the claim.

After the insured event is fully assessed and the amount of damage is established, the insurer will pay the insurance proceeds to the beneficiary (through a bank transfer) within 30 (thirty) calendar days of signing the Settlement of Insurance Claim document, which is the final written agreement on the amount of loss between the policyholder and the insurer.

[Thank you using our services!](#)