

On the basis of the Law on Insurance («Official Gazette of the Republic of Montenegro» no. **078/06** and **19/07**) and the Articles of Incorporation of „UNIQA neživotno osiguranje” a.d. Podgorica, the following business policy act was passed at the meeting of the Management Board held on August 8th 2009:



**TERMS AND CONDITIONS
FOR LIABILITY INSURANCE**

I INTRODUCTORY PROVISIONS

Implementation of conditions Article 1

These conditions shall apply to liability insurance except of those types of insurance (business lines) that expressly exclude the implementation of these Conditions.

Meaning of certain expressions Article 2

In these conditions, certain expressions shall have the following meaning:

Insurer	insurance company with which an insurance agreement was concluded
Policy holder	person concluding an insurance agreement with the Insurer,
Insurant	person whose liability is covered by insurance,
Third party	person that is not the subject of the insurance agreement, i.e. whose liability is not covered with the insurance agreement,
Premium	amount paid for insurance according to the insurance agreement,
Insured case	future, uncertain loss event which does not depend on the exclusive will of the insurant, and the consequence of which shall be the occurrence of damage the compensation of which may be required by a third damaged person,
Insurance sum	max. amount the insurer is obliged to pay per one insured case,
Aggregate insurance sum (annual limit) ...	max. liability of the insurer for all insured cases during the insurance period,
Policy	document about the concluded insurance,
Source of peril	activity (profession), objects (movable and immovable), legal relation or certain features from which liability as risk covered by this insurance may occur.

II GENERAL PROVISIONS

Conclusion of an insurance agreement Article 3

An Insurance agreement shall be concluded on the basis of an oral or written proposal and it shall be concluded when the negotiating parties sign the insurance policy or cover sheet.

An oral proposal made to the insurer for concluding the insurance agreement shall oblige neither the proposer nor the insurer. The written proposal made to the insurer for concluding the insurance agreement shall bind the proposer for a period of eight days when the proposal arrived to the insurer, if it was not defined for a shorter time period.

If the insurer should not reject the proposal within that time period, which does not deviate from the conditions on which it proposes the insurance, it shall be considered that it accepted the proposal. In that case, the agreement shall be considered to be concluded when the proposal arrived to the insurer.

If concerning the received proposal the insurer should ask for a change or amendment, the day of the receipt of the proposal shall be the day when the insurer received the required amendment or change, i.e. when it was informed about the acceptance of their conditions.

Provisions of paragraph 1, 2, 3 and 4 hereof shall apply also when the existing insurance agreement is being changed.

Policy and cover sheet Article 4

The following must be mentioned in the insurance policy: contracting parties, insured object, risk included in the insurance, insurance duration and cover period, insurance sum, premium, policy issuance date.

The insurance policy may be temporarily replaced with a cover sheet where the important elements of the agreement shall be entered. The cover sheet shall be issued for a duration which shall not be longer than two months.

The insurer shall be obliged to inform the policy holder that general and special insurance conditions make an integral part of the agreement and to deliver their text.

The performance of the obligation from the previous paragraph must be stated on the policy.

Insurance sum Article 5

The insurance agreement shall be concluded on an Insurance sum that shall be defined by the policy holder within special insurance conditions, premium tariff or legal regulations.

Insurance sum is agreed in EUR.

The insurance sum shall be the highest amount of the policy holder's liability per one insured case, even if several persons are responsible for the claim the liability of which is covered by insurance.

The aggregate insurance sum (annual limit) shall be the total obligation of the insurer for the whole insurance period that shall be determined in a certain amount in line with the premium tariffs. The aggregate insurance sum shall be exhausted after the appearance of an insured case and payment of claim and after the exhaustion in total, the insurance shall cease to be valid.

The obligation of the insurer on compensation from insurance, disregarding of the number of insured cases that occur during the agreed insurance period, may not be higher than the insurance sum mentioned in the policy for the given insurance period.

In the event that more requests for claims payment were delivered by one insured case, which in the total amount exceed the insured sum amount mentioned in the insurance agreement, the compensation from insurance per separate, justified claim requests shall be paid out commensurate with the amount of the agreed insured sum and amount of the claim request. The sum of the compensations from insurance may not be higher than the amount of the agreed

insurance sum, i.e. its remaining amount, in case that the compensation was already paid out in the previous period.

Insured case Article 6

An insured case shall be the future, uncertain loss event, which shall not depend on the exclusive will of the insurant on the basis of which the third damaged person might require compensation for damage. It shall be considered that the insured case arose the very moment when such event started to be realized.

Several loss events occurring due to the same cause or from the same timely connected causes shall be considered to be one insured case – serial claims.

The moment of appearance of a serial claim shall be the moment when the first claim occurred and in regard to that moment the volume of agreed insurance cover shall be determined for the whole damage in a row.

If the first claim in a row occurred before the beginning of the agreed insurance period and the insurant or policy holder did not know or could not know about it, the first claim in a row shall be considered to be the first claim that occurred after the beginning of the agreed insurance period.

Concerning claims due to the impairment of health that arise gradually, in case of doubt, it shall be considered that the insured case arose when the impairment of health was defined for the first time with the finding of the doctor.

The insurance agreement shall be null and void if in the moment of its concluding the insured case already occurred or was arising, i.e. it was certain that it would arise.

If it was agreed that a certain period which precedes the conclusion of the agreement would be included with insurance, the agreement shall be null and void only if in the moment of its conclusion the interested party knew that the insured case already occurred, i.e. that already then the possibility for it of not happening ceased to exist.

Temporal insurance validity Article 7

The insurer shall be obliged only then when the insured case should occur during the insurance validity.

The insured case that occurred during the insurance validity and the cause of which from the period which preceded the conclusion of the insurance agreement or from the period when the insurance was interrupted, should be covered by insurance only if till the insurance commencement or repeated insurance commencement, the policy holder or insurant were not familiar and could not be familiar with the cause from which the insured case originated.

Concerning damages due to the impairment of health that arise gradually, in case of doubt, it shall be considered that the loss event occurred then when the impairment of health was determined for the first time with the finding of the physician.

The deadline for submitting a request for compensation for damage of a third damaged person, i.e. insurant on the basis of rights from insurance according to the policy concluded in line with the liability insurance conditions, shall be the deadline determined with the Law on obligatory relations.

**Insurance cover
Article 8**

In case of damage, the insurer shall take over the fulfilment of the obligation of the policy holder towards third parties which arose on the basis of civil and legal liability of the policy holder for losses due to death, bodily injury or impairment of health (loss on persons), due to damage or destruction of objects of third parties (material losses), for financial losses or for purely financial losses.

INSURANCE DURATION

**Duration of the insurance agreement
Article 9**

An insurance agreement may be concluded:

- 1) for a definite duration period,
- 2) for an indefinite duration period, when it is continued from year to year.

**Beginning of the insurance effect
Article 10**

The insurance agreement, if not otherwise agreed, shall produce its effect after the expiry of the twenty-fourth hour of the day that is marked in the policy as the day of the beginning of insurance duration until the end of the last day of the time period for which the insurance was agreed.

If the duration period of the insurance should not be defined by agreement, each party may terminate the agreement as of the day of premium maturity, informing the other party in writing three months at the latest before the premium maturity.

If the insurance should be concluded on a period longer than five years, each party may state to the other party in writing after the expiry of this time period and with a notice period of six months that it shall terminate the agreement.

**Beginning and end of the insurer's liability
Article 11**

The liability of the insurer from insurance shall start, if not otherwise agreed, after the expiry of the twenty-fourth hour of the day that has been defined in the policy to be the insurance beginning if till that day the premium was paid and otherwise after the expiry of the twenty-fourth hour of the day from the day of premium payment.

If it was agreed that the premium would be paid after concluding the agreement, the liability of the insurer to pay out the compensation from insurance shall start from the day defined in the agreement – as the day of the insurance beginning.

It may be agreed that the obligation of the insurer shall start from the moment of concluding the insurance agreement.

However, if the policy holder should not pay the premium that was due after concluding the agreement up to the maturity, or if it was not done by any other interested person – the insurance agreement shall end by the law itself after the expiry of thirty days from the day when the policy

holder was handed over the insurer's registered letter with information on the premium maturity. The deadline mentioned thereby may not expire, before the expiry of thirty days from the premium maturity.

In any case the insurance agreement shall end by the law itself, if the premium should not be paid within a year up to the maturity date.

The obligation of the insurer shall end:

1) for the insurance agreement concluded for a definite duration period – with the expiry of the twenty-fourth hour of the day marked in the policy to be the day of the insurance expiry, if not otherwise agreed.

2) for the insurance agreement concluded for an indefinite duration period - if only the insurance beginning is determined in the policy, the insurance shall be prolonged from year to year, except if any of the contracting parties, not later than three months before the expiry of the current insurance year, should inform in writing the other party that it would not like to prolong the insurance agreement. In that case the insurance agreement shall end with the expiry of the twenty-fourth hour of the last day of the current insurance year.

Insurance agreement with indefinite duration period Article 12

When stipulating an insurance agreement with indefinite duration period, a discount on insurance premium may be approved to the policy holder in accordance with the Tariff premium.

In the case of stipulating discount from the previous paragraph of this article, it shall be considered that the policy holder is obligated to maintain insurance agreement in force for 5 (five) years at least.

If the policy holder state to terminate the agreement before the expiry date from previous paragraph of this article, he is obligated to pay to the Insurer the amount of approved discount on insurance premium from previous years, and under paragraph 1. of this article.

Amount of approved discount from the previous paragraph, the Insurer is calculating it in such a way that the discount on the premium approved for the current year of insurance in which the agreement is terminated, multiplied by the number of previous years of duration insurance agreement.

Amount of approved discount Insurant is obligated to pay within 5 (five) days from the day of receipt calculation of amount of total approved discounts.

Insurance validity by territory Article 13

The liability insurance shall comprise insured cases that arose on the territory of the Republic of Montenegro. Also territorial expansion of insurance outside the territory of the Republic of Montenegro may be agreed with the insurance agreement upon corresponding extra payment of the insurance premium.

LIABILITIES OF THE POLICY HOLDER, I.E. INSURANT AND CONSEQUENCES OF THEIR NON-PERFORMANCE

Notification of circumstances which are of importance for risk assessment Article 14

The policy holder shall be obliged when concluding the agreement, to report the insurer all circumstances important for the risk assessment and which are known to it or could not remain unknown, even if data are concerned which are treated as business or professional secret.

If the policy holder made an incorrect notification deliberately or deliberately concealed any circumstance of such a nature that the insurer would not conclude an agreement, if it had known for the real situation, the insurer may demand annulment of the agreement.

In case of annulment of the agreement, due to reasons mentioned in the previous paragraph hereof, the insurer shall keep the collected premiums and shall be entitled to request premium payment for the insurance period in which it asked for the annulment of the agreement.

The right of the insurer to demand the annulment of the insurance agreement shall end if within three days from the day of finding out about the incorrectness of notification or about the concealment, it should not state the policy holder that it intends to use that right.

If the policy holder made an incorrect notification or failed to give proper information and it was not done deliberately, the insurer may, by its choice, within a month from the day of finding out about the incorrectness or incompleteness of notification, state that it would terminate the agreement or propose the premium increase commensurate to a higher risk.

In that case the agreement shall end after the expiry of 14 days from the day when the insurer informed the policy holder about its termination and in case of the insurer's proposal to increase the premium, the termination shall start by the law itself, if the policy holder should not accept the proposal within 14 days from the day when it received it.

In case of termination, the insurer shall be obliged to return a part of the premium that goes for the time till the end of the insurance period.

If the insured case should occur before the incorrectness or incompleteness of application was found out or after that but before the contract termination, i.e. reaching an agreement on the premium increase, the compensation shall be reduced in the ratio between the rate of paid premiums and premium rates that should be paid according to real risk.

The insurer that in the moment of concluding the agreement knew about the circumstances that are of importance for risk assessment or they could not remain unknown to it, and which were reported to the policy holder incorrectly or were kept secret, may not refer to the incorrectness of application or concealment. The same shall apply when the insurer found out about these circumstances during the insurance duration, and was not using the legal authorities.

Payment of insurance premium Article 15

The insurance premium shall be the amount marked on the insurance policy which the policy holder shall be obliged to pay to the insurer in a way and within deadlines defined with the insurance agreement.

If the basis for calculating the insurance premium should be the annual total income, the final calculation of the premium shall be done after the end of the year on the grounds of the realized total income. In case of the end of the insurance agreement before the agreed duration period and if the policy holder had a discount on behalf of the insurance duration, it shall be obliged to return the premium amount to the insurer approved on behalf of the discount.

The policy holder shall be obliged to pay the insurance premium when concluding the insurance, by rule at once, and it may be paid also in instalments in the agreed time periods.

Depending on agreed dynamics of premium payment, when calculating the premium to the Insurant, it shall be approved appropriate discounts defined by Premium tariffs.

If the policy holder does not pay the premium in the agreed time, default interest may be calculated.

The place of premium payment shall be the place in which the policy holder shall have its head office, i.e. place of residence, or domicile.

If the premium is paid by post it shall be considered that it was paid on the day when the premium was correctly paid to the post. If the premium was paid through transfer, it shall be considered that it was paid on the day when the order arrived to the bank, i.e. organization at which the account of the policy holder is kept.

Insurance premium can be paid as follows, by the choice of the Insurant:

1. payment on bank counter or post (money order)
2. through POS terminal (by debit, revolving or credit card)
3. administrative ban
4. standing order.

Notification of the insurer on risk changes Article 16

The policy holder shall be obliged to inform the insurer about each change of circumstances that may be of importance for the risk assessment and to deliver all required documentation to the insurer.

It shall be obliged to inform the insurer about the changes without any delay and not later than within two days.

If the risk increase is such that the insurer would not conclude the agreement if such condition existed in the moment of its conclusion, it may breach the contract.

If the risk increase is such that the insurer would conclude an agreement only with a higher premium if such condition had existed in the moment of concluding the agreement, it may propose a new premium rate to the policy holder.

If the policy holder should not agree to the new premium rate within fourteen days from the receipt of the new rate proposal, the contract shall end by law itself.

But the agreement shall remain effective and the insurer may not use authorities anymore to propose a new premium rate to the policy holder or to terminate the agreement if it should not use these authorities within a month from when it found out in any way about the risk increase or if still before expiry of that deadline it would show in another way that it agreed to the prolongation of the agreement (if it received the premium, paid out the compensation for the insured case that occurred after this increase and similar).

If the insured case occurred before the insurer was informed about the risk increase or after it was informed about the risk increase, but before it terminated the agreement or reached the agreement with the policy holder on the premium increase, the compensation shall be reduced in the ratio between the paid premiums and the premium that should be paid according to the increased risk.

When after concluding the insurance agreement a risk reduction occurred, the policy holder shall be entitled to require a corresponding premium reduction, counting from the day when it informed the insurer about the reduction.

If the insurer should not agree to the premium reduction, the policy holder may terminate the agreement.

Liabilities of the insurant after occurrence of the insured case

Article 17

The insurant shall be obliged to inform the insurer about the occurrence of the insured case and about the submitted request for compensation for damage not later than within three days after finding out.

The insurant shall be obliged to inform the insurer also then when the request for compensation for damage against it should be posted through court, when temporary arrest should be determined, and when the procedure for providing proof would be instituted.

If the investigation should be undertaken, indictment raised or criminal charges instituted, the insurant shall be obliged to inform the insurer immediately about that and also then when it already reported the occurrence of the loss event. It shall also be obliged to deliver the finding of the competent body regarding the occurred loss event.

If the loss that occurred due to theft of objects is covered by insurance, the insurant shall be obliged to report the theft to the public security body without delay.

Without previous consent of the insurer, the insurant shall not be authorized to give its opinion about the request for compensation for damage and particularly to recognize it completely or partially, to come to an agreement in the request for compensation for damage, or to effect any payment except if according to the factual state the acknowledgment, agreement, i.e. payment could not be refused, and that no obvious injustice was done with it. The insurer shall not even be responsible when the insurant was mistaken and considered that its liability existed or that facts concerning the occurred claim were correctly determined.

If the damaged person should file a claim for compensation for damage against the insurant, the insurant shall be obliged to deliver court summons, i.e. charges to the insurer and all documents concerning the loss event and request for compensation for damage and to leave the conducting of the dispute to the insurer.

If the insurant should be against the insurer's proposal to solve the request for compensation for damage by agreement, the insurer shall not be obliged to pay the surplus of compensation, interest and costs that occurred due to that.

In case that the damaged person turned directly to the insurer with the request for compensation for damage, the insurant shall be obliged to furnish the insurer with all proofs and data it disposes of and which are necessary to determine the responsibility for the caused damage and for the estimate of the justifiability of the request, the volume and amount of claim.

If due to the changed circumstances the insurant should acquire the right to abolish or reduce rent to the damaged person, it shall be obliged to inform the insurer about it.

If the insurant should not observe the liability herefrom, it shall bear harmful consequences that may occur due to that, except if they would arise even if it observed the obligations.

Prevention of claims and liability of the insurant to mitigate/reduce the claim

Article 18

The insurant shall be obliged to proceed with due consideration in order to prevent and mitigate/reduce the losses as well as to observe all relevant regulations.

The insurer shall be entitled to perform an inspection and to check the implementation of measures for prevention of losses.

Change of name and address

Article 19

The policy holder, i.e. insurant shall be obliged to inform the insurer about the change of name, title or address within 15 days from the day of the occurred change.

If the policy holder, i.e. insurant should not inform the insurer about the changes from the previous paragraph, it shall be enough concerning the validity of the information that the insurer sends, if it would send a registered letter to the policy holder i.e. insurant, according to the latest data about the address of flat, business premises, i.e. name or title it disposes of.

The notification shall become valid as of the day when, according to the regular course, it would become valid if no change occurred from the previous paragraph.

INSURER'S LIABILITIES

Liabilities of the insurer after occurrence of the insured case

Article 20

Concerning the submitted request for compensation for damage by the damaged party, the insurer shall be obliged:

1. to institute the protection against unfounded or exaggerated requests for compensation for damage together with the insurant (legal protection)
2. to satisfy the justified requirements for compensation for loss (compensation for damage)
3. to refund the costs of a legal proceeding.

Legal protection

Article 21

The liability of the insurer for offering legal protection shall comprise:

1. Examination of the insurant's liability for the occurred claim.
2. to conduct a dispute on behalf of the insurant if the damaged person should achieve the right on compensation for damage in the legal procedure.
3. to give all statements on behalf of the insurant that it considers to be useful for the satisfaction or defence against an unfounded or exaggerated request for the compensation for damage.

With the consent and instruction of the insurer, the conducting of a dispute may be entrusted to the insurant that shall be obliged in such a dispute to observe the instructions and orders of the insurer concerning the conducting of a proceeding in the legal procedure.

The insurer may take over the conducting of a legal procedure or enter the place of the insured or participate as the intervener.

The insurer shall be authorized to refuse to conduct the dispute or to leave the conducting of the dispute to the insured if it should estimate that there would be no place for offering legal protection concerning the ratio of the amount of the request for compensation for damage and the amount of the insurance sum.

In case that the insurer should pay out the insurance sum on behalf of compensation for damage before instituting the dispute, its obligation for legal protection shall end as well.

Obligation of paying out the compensation for damage

Article 22

The insurer shall pay out the compensation from insurance within 14 days counting from the day when it determined its liability and the amount of that liability.

The insurer shall pay out the compensation from insurance on the grounds of:

1. an acknowledgement that it gave or approved;
2. agreement that it concluded or approved;
3. court decision.

The insurer shall be authorized to deposit an insurance sum to the insured on behalf of compensation and in that case it shall be released from all obligations and procedures regarding the insured case.

The insurer shall participate in the depositing in order to provide compensation for damage that the insured would be obliged to deposit on the basis of legal regulations or court decision and mostly up to the amount of its obligation for compensation for damage.

If the insured should be obliged to pay a rent on behalf of the compensation for damage, and the capitalized value of the rent should exceed the insurance sum and the rest of the sum after deduction of other payments regarding the same insured case, the owed rent shall be compensated only in the ratio between the insurance sum, i.e. remainder of the insurance sum and capitalized value of rent.

The capitalized value of the rent for calculating the proportion shall be calculated on the basis of valid mortality tables for life insurance in Montenegro.

If the insurer should be against the proposal of the insured to agree to the request for compensation for damage, it shall be obliged to pay the compensation, interests and costs even when they exceed the insurance sum.

Compensation for costs of procedure

Article 23

The Insurer shall compensate for all costs of the legal procedure if it conducted the dispute alone or gave consent to the insured for conducting the dispute even then when the request for the compensation for damage was not justified.

If the lawsuit was conducted without knowledge and consent of the insurer, the insurance shall cover costs of the dispute if summed up with the compensation for damage, they do not exceed the insurance sum.

If the insurer should be against the proposal of the insurant to settle on the request for compensation for damage, it shall be obliged to pay for compensation, interest and costs even when they exceed the insurance sum.

The insurer shall bear the costs of the defender in the criminal charges instituted against the insurant due to the event the consequence of which might be the establishment of requirements for compensation for damage, on the basis of liability covered with insurance and this only exceptionally, if it should be acquainted with the choice of the defender and accepted to bear costs. The costs of the legal proceeding as well as the costs of representing the damaged party shall not be compensated by the insurer.

When it performs its obligation by paying the insurance sum, the insurer shall be released from further payments on behalf of compensation and costs by one insured case.

The max. liability of the insurer for costs of conducting a dispute shall be 20% of the agreed insurance sum.

Direct request of the damaged person Article 24

If the damaged person should submit a request or charges for the compensation for damage only against the insurer, the insurer shall inform the insurant about it and invite it to furnish it with all necessary data and to proceed according to article 17 paragraph (7) hereof, and also the insurant itself shall take measures in order to protect its interests.

If in the case from the previous paragraph the insurer should decide to pay out the compensation to the damaged party, completely or in part, it shall be obliged to inform the insurant about that.

Return of premium Article 25

If an object concerning the usage of which liability insurance was concluded, i.e. the source of peril marked in the policy should cease to exist before the commencement of the insurer's liability, the policy holder shall be returned the amount of the collected premium.

If the source of peril marked in the policy should cease to exist during the insurance period, the insurer shall be obliged to return a part of the premium to the policy holder for the source of peril that ceased to exist commensurate to the remaining time, if regarding this source of peril the insurer was not obliged to pay the compensation from insurance.

With the end of the insurance agreement in all other cases before the expiry of the time period for which the premium would be paid, the premium shall belong to the insurer only to the end of the day up to which it was obliged, if not otherwise agreed.

General exclusions of the insurer's liabilities Article 26

The insurance concluded according to the conditions for liability insurance, shall not cover the following losses:

- 1) Claims caused by the insurant deliberately, except if they were caused deliberately or by gross negligence by an employee of the insurant and in that case the insurer shall take over the rights of the insurant towards the employee being the responsible person.

- 2) Claims that arise when the insurant, deliberately or by gross negligence, proceeds contrary to the regulations or rules, according to which the activity, i.e. profession as the source of peril from the policy is being performed.
- 3) When the insurant performs the maintenance contrary to valid regulations and instructions or does not perform regular maintenance or knows about the damage or lack of object that is the source of peril ;
- 4) When the insurant has not taken measures for prevention of realization or increase of danger – prevention measures as required by the insurer. The circumstance that led to a loss event in the past shall be taken to be additional danger.
- 5) Damages suffered by the insurant, spouse of the insurant, children and other persons that live with them in a joint household and that it is obliged to support,
- 6) Losses due to explosions, nuclear reactions or radiations of fission materials as well as losses that occurred due to the use of radioactive substances except concerning the responsibility for radioisotopes that are used in medicine for peaceful purposes,
- 7) Losses that may be compensated on the basis of obligatory MTPL insurance or liability insurance of the owner/operator of vessels and aircrafts or other losses that belong to the field of legal insurance liability,
- 8) Losses caused on the grounds of authorities of state bodies,
- 9) Losses caused due to the non-fulfilment of liabilities from the agreement and responsibility of the insurant on the grounds of a contractual expansion of its liability also on cases for which it is otherwise responsible (contractual liability)
- 10) Claims based on guarantees or promises given by the insurant
- 11) Costs incurred concerning disputing, partial or complete refuting/denying of the insurant's liability or concerning deferred acknowledgement of liability and without the knowledge of the insurer,
- 12) Losses being the consequence of a gradual and continuous fall of quality/loss of value caused by noise, vibrations, smoke, soot, corrosion, steam or other similar effects,
- 13) Losses that occurred on things due to settling of soil and land slip and flooding of standing, running and underground waters,
- 14) Extra losses if the insurant was not observing its liability to mitigate/reduce the damage in spite of the warning of the insurer,
- 15) For damages due to loss of electronic data, software damages or destructions,
- 16) Losses caused or occurring directly or indirectly immediately or intermediary as the consequence of terrorist act. A terrorist act shall be among other things, but not exclusively, the event in which the following shall be used: terror, aggression, nuclear/biological/chemical weapons, weapon for mass destruction; destruction, interfering or deforming of communication and information systems, i.e. information that are being transferred with them; organization of sabotages, sending threats to the aforementioned procedures, disregarding whether political, religious, ideological or similar motives are concerned; as well as the intention to influence the government/country with the aforementioned procedures, i.e. to frighten the public or a part of the public,
- 17) Direct or indirect genetic changes on a hereditary material of people, animals or plants
- 18) Losses due to war, civil war, revolution, civil riots, usage of force by countries and their bodies, political organizations, violence at public meetings, events and gatherings as well as violence in strikes and dismissals of employees,
- 19) Loss, damage or expense caused by direct or indirect use of asbestos or materials containing asbestos, in quantities which are not allowed by law,
- 20) Loss, damage or expense which is directly or indirectly caused, which resulted from or is a consequence of the influence of electromagnetic fields or electromagnetic interferences,
- 21) Losses due to transmission of an illness.

- 22) Professional illnesses of the insurant's employees (electromagnetic radiation, genetic diseases, poisoning with salmonella)

RECOURSE RIGHTS OF THE INSURER

Article 27

The insurer may request from the insurant to refund the amount of compensation from insurance that was already paid out, if it should be later found out that the damage was caused by the insurant or somebody for whom the insurant is responsible by law,

- a) deliberately, or
- b) due to irresponsible behaviour/gross negligence.

The procedure or omission of the insurant which caused the damage shall be considered to be gross negligence if

- 1) the insurant performed its activities without official licenses that are prescribed by relevant legal regulations and the damage is caused in regard to that,
- 2) the insurant performed its activities without fulfilling personnel and material conditions that are prescribed by the law and other legal regulations, and that fact influenced the occurrence of damage,
- 3) the damage occurred due to the breach of legal or contractual regulations concerning prevention of claims,
- 4) the insurant caused damage by violating professional or technical regulations which refer to its business activities,
- 5) the insurant caused damage while inebriated or under the influence of drugs or in regard to this situation or that condition, or that this condition of the insurant affected the occurrence of claim,
- 6) the insurant caused damage several times in a row, which was the consequence or cause the removal of which was requested by the insurer during the previous occurrence of claim and the insurant did not eliminate that cause although it had the opportunity to do so.

Manner of notifying

Article 28

All information and applications that the contracting parties shall be obliged to give according to the provisions hereof, must be obligatory confirmed in writing if they were done orally, by phone, telegram or in another similar way.

The day of receipt of information, i.e. application shall be considered to be the day when the information i.e. application were received. If the information, i.e. application should be sent by registered mail, the day of receipt shall be considered to be the day of handing the letter at the post office.

Agreements which refer to the contents of the contracts shall be valid only when concluded in written form.

Changes of insurance conditions

Article 29

These conditions may be changed or amended in the way and by procedure in which they were passed, upon prior obtaining of the opinion of an authorized actuary and notifying the Agency for supervision of insurance of Republic of Montenegro.

The policy holder shall be informed about changes and amendments of the Conditions, in compliance with the law.

Implementation of legal regulations
Article 30

Concerning issues that are not regulated with these conditions, corresponding provisions of the Law on obligatory relations shall apply.

Jurisdiction in case of dispute
Article 31

In case of dispute between the policy holder – insurant and the insurer, the court in the place of residence of the insurer shall be competent.

III FINAL PROVISIONS

Article 32

These conditions shall take effect as of the adoption date.

President of the Management Board
