

# All risk insurance policy

# All risk insurance policy

**June 2004 Edition**

TRANSLATION

This document has been made for your convenience.  
In the case of any discrepancy the only binding document is the Hebrew version of the original policy.

## Table of contents

Preamble.....	3
General Limitations.....	4
Special Terms and Conditions.....	6
Policy Terms and Conditions.....	9

## **Preamble**

This policy witnesseth that in consideration of the payment of the premium specified in the Schedule attached herewith (hereinafter: "Schedule") by the Insured whose name is listed in the said Schedule to

**Harel Insurance Co. Ltd.**

(Hereinafter: "Insurer")

The Insurer shall indemnify the Insured against accidental and unanticipated accidental loss or damage caused for any reason to the property of the Insured as described in the Schedule or any part thereof in the geographical area in accordance with the terms set forth in this Policy and during the insurance period specified in the Schedule or any additional period for which the Insured paid or agreed to pay the insurance premiums set forth for extension of this policy, on the condition that the amount paid by the Insurer for each item specified in the Schedule shall not exceed the amount specified beside it and shall not exceed in general the general sum insured specified therein or any other amount or amounts determined in its place in an addition of this Policy or any addenda thereof signed by the Insurer or in its name and under no circumstances shall exceed the damage caused to the Insured due to loss or damage to the insured property. This Policy was issued by the Insurer based upon an insurance proposal and any other document submitted to the Insurer constituting an inseparable part of this Policy and attached thereto.

## **General limitations**

1. Exclusions for the liability of the Insurer
  - A. Loss or damage caused by or as a result of:
    - (1) Moth, worms, gradual defacement and ordinary climatic conditions.
    - (2) Depreciation or wear, except for loss or damage caused to any item as a result of loosening in a carrier, holder or container in accordance with the provisions set forth in section B in Chapter 1 of the Special Terms and Conditions.
    - (3) Loss or damage due to cleaning, repair, renovation, painting or preservation.
    - (4) Any electrical or mechanical breakdown or malfunction.
  - B. Loss or damage to cash, coins and any kind of bank notes, deeds, checks, securities and their like.
  - C. Loss or damage caused by confiscation, seizure by the military, expropriation or destruction of property or causing of damage to property following the orders of the government, de jure or de facto or following the orders of any public, governmental or municipal authority in the country or the area where the property is located.
  - D. Loss or damage caused, whether directly or indirectly, by one of the following reasons, or that emanated from the said reasons or as a result thereof or with the involvement of the said reasons:
    1. Ionizing radiation or any kind of radioactive pollution from radioactive fuel or any waste produced from the combustion of nuclear fuel. Solely for the purpose of this section combustion shall include any self-consuming process of nuclear fission.
    2. War, invasion, actions by a foreign enemy, hostile acts, warlike acts (whether or not a war was declared), civil war.
    3. Revolt, riots, military or civil insurgence, rebellion, revolution, military rule or any rule that was seized unlawfully, military rule or siege or any event or any circumstances that result in the declaration or institution of military rule or siege.
  - E. Loss or damage to property when located in the car of the Insured or in any other car without the supervision of an adult.
  - F. Any loss or damage related to the professional occupation of the Insured.
  - G. Unless otherwise stated expressly in the Schedule attached with this Policy, the liability of the Insurer for the loss or damage to the insured property is limited to circumstances in which the property is in the territory of the State of Israel.

- H. In consideration of additional premium the liability of the Insured shall be extended to include details as specified in the Schedule, when located anywhere around the world, except for countries that did not maintain consular relationships with the State of Israel at the time of occurrence of the loss or damage and on the condition that they are held by the Insured or any regular member of his household.
2. Any loss or damage caused upon the existence of extraordinary circumstances (whether material and whether other) that were caused directly or indirectly by one of the following events or by that event or as a result of that event, shall be deemed as loss or damage that are not covered under this Policy unless the Insured proves that the said loss or damage occurred irrespective of the extraordinary circumstances. The Insured shall be obligated to prove that such loss or damage are covered in any trial, claim or any other legal proceeding in which the Insured will argue that any loss or damage are not covered by this insurance in accordance with the provisions set forth in this limitation.

## **Special Terms and Conditions**

The following chapters provide coverage to the property of the Insured specified in the Schedule in respect of each chapter against loss or damage caused as a result of the risks covered under the Policy, and each chapter separately subject to the General Terms and Conditions, the General Limitations and anything stated or that will be stated in any manner in this Policy in any other document related to this Policy.

### **Chapter 1: Insurance for jewelry and furs**

- A. If specified in the Schedule, this chapter shall cover loss or damage as a result of the risks covered under this Policy for jewelry or furs, as specified in the Schedule hereby enclosed with the insurance proposal or the proposal itself, constituting an inseparable part thereof.

- B. A preliminary condition for the liability of the Insurer in any event of claim for loss or damage to jewelry is that the Insured will prove, to the satisfaction of the Insurer, the stability and reinforcement of the jewelry set with gemstones and the working order of the clasps and connections of: armlets, bracelets, necklaces, pendants and the like at least once every 12 months and shall repair all the defects that were discovered in the inspection.
- C. **This chapter does not provide coverage for internal damage to watches, their cover or glass.**

## **Chapter 2: Cameras, projectors**

- A. If specified in the Schedule, this chapter covers loss or damage as a result of the risks covered under this Policy for cameras and projectors, specified in the Schedule attached with the insurance proposal or the proposal itself, constituting an inseparable part thereof, when located in the address of the Insured or in any other place where the Insured stays temporarily, in the territory of the State of Israel.
- B. **This chapter does not provide coverage for camera lenses, unless the damage was caused to the camera itself.**
- C. **This chapter does not provide coverage to bulbs, batteries, electrical conductors or any other disposable auxiliary materials.**

## **Chapter 3: Stamps and coins**

- A. If specified in the Schedule, this chapter shall provide coverage to loss or damage as a result of the risks covered under this Policy for stamps or coins specified in the Schedule attached with the insurance proposal or in the proposal itself, constituting an inseparable part thereof, when located in the address of the Insured.
- B. In case of damage to private stamp collection the basis for the assessment of the damage shall be:
  - (1) With respect to overseas stamps: 75% of the nominal value as specified in the last catalogue of Stanley Gibbons.
  - (2) With respect to Israeli stamps: their market value.

## Chapter 4: Musical instruments

- A. If specified in the Schedule, this chapter provides coverage for damage or loss as a result of the risks covered under this Policy to musical instruments specified in the Schedule enclosed with the insurance proposal or in the proposal itself, constituting an inseparable part thereof, when located in the address of the Insured or in any other circumstances in which the Insured stays temporarily in the territory of the State of Israel.
- B. It is hereby agreed and declared that a precondition for the liability of the Insurer shall be that the musical instrument will be stored in its case at the time of its relocation from place to place and whenever it is not used.**
- C. This chapter does not provide coverage to:**
  - (1) **Loss or damage to strings and damage caused by a scratch or bite or injury or exterior crushing of the musical instrument.**
  - (2) **Musical instruments that in a night club, discotheque, bars, wedding halls and the like.**

## Chapter 5: Exhibitions

- A. If specified in the Schedule, this chapter provide coverage to loss or damage caused as a result of the risks covered under this Policy to the exhibitions specified in the list enclosed with the insurance proposal or in the proposal itself, constituting an inseparable part thereof when located in the address indicated by the Insured or temporarily in any other place upon obtaining the approval of the Insurer.
- B. This chapter does not provide coverage for glass breakage however solely damage caused to pictures or other exhibits by the broken glass.**

## Chapter 6: Pictures

- A. If specified in the Schedule, this chapter provides coverage to loss or damage to pictures as a result of the risks covered under this Policy specified in the Schedule attached with the insurance proposal or in the proposal itself, constituting an inseparable part thereof, when located in the address of the Insured.
- B. This chapter does not provide coverage for glass breakage however only damage caused to the pictures by the broken glass.**

## **Policy Terms and Conditions**

This Policy, the Schedule and any other document attached herewith, shall be read as one contract and any word or expression to which a special meaning was assigned in any part of the Policy or the Schedule shall have the same meaning assigned to them in any place where indicated.

1. **Application of the law**

This Policy, subject to its terms and provisions, shall be governed by the Insurance Contract Law 5741-1981.

2. **Disclosure and change in a material matter**

2.1. This Policy was issued based upon the answers that the Insured provided to the Insurer, in writing or in any other manner that was documented by the Insurer, with respect to all the answers the Insured was asked in the proposal that served as basis for the Policy, and based upon the assumption of the Insurer that the Insured provided full and honest answers to the questions he was asked as aforesaid, did not conceal fraudulently a matter which he knew that it was material for the Insurer for the purpose of evaluating the risks insured and took measures to prevent damages that the Insurer demanded to take in writing for the purpose of mitigating the risks insured under this Policy.

In case the Insured did not provide full and honest answers to questions in material matters, or in case the Insured concealed a material matter, or failed to take measures that the Insurer demanded for the purpose of mitigating the risks insured under this Policy, the Insurer shall be entitled to terminate this Policy or diminish the scope of its liability in accordance with the provisions set forth in the Law.

2.2. During the insurance period the Insured shall deliver written notice regarding any material change immediately upon becoming aware of such change. In case the Insured failed to disclose to the Insurer such change the Insurer shall be entitled to terminate the Policy or diminish its scope of liability in accordance with the provisions set forth in the Law.

2.3. A material fact is a fact in respect of which a question was asked in the insurance proposal or in any other manner documented in the Insurer and, without derogating from the generality of the aforesaid, the following facts:  
(1) Description of the insured property, its maintenance conditions and its location.



- (2) The identity of the owners and/or the possessors of the insured property.
- (3) Description of the use of the insured property.
- (4) Safety measures that exist in the premises of the Insured.
- (5) Damages that occurred to the insured property in the last 5 years as a result of the risks specified under this insurance.

3. **Means for mitigating the risk**

The Insured shall take measures to mitigate the insured risks in accordance with the Policy and the Insurer shall deliver written notice to the Insured from time to time during the insurance period and during the period of time set forth for that purpose in its notice or as specified in any other provision set forth in the Policy, as the case may be.

4. **Double insurance**

In case property was insured against one risk with more than one insurer for overlapping periods, the Insured shall deliver written notice to the Insurer about the same immediately after arranging the double insurance or after becoming aware of the double insurance.

5. **Extension of insurance**

Any extension of the insurance period in accordance with the Policy requires the written approval of the Insurer that shall be provided expressly for that purpose.

6. **Payment of insurance premiums and other fees**

- A. Insurance premiums shall be paid in accordance with the Regulations.
- B. In case any amount was not paid in 15 days after the Insurer delivered written notice to the Insured with a demand to pay the said amount, the Insurer may notify the Insured that the insurance will be canceled after 21 additional days, unless the amount in default is paid during the said period, in case a beneficiary other than the Insured is designated, and the designation was irrevocable, the Insurer shall be entitled to cancel the insurance upon delivery of written notice to the beneficiary regarding the said default and the beneficiary failed to settle the amount in default in 15 days from the day he received the said notice.
- C. Cancellation of the insurance in accordance with this section shall not derogate from the obligation of the Insured to settle the amount in default and the expenses of the Insurer with relation to the period until the said cancellation.

7. **Cancellation of insurance**

- A. The Insured shall be entitled to cancel the insurance at any time prior to expiration of the insurance period, at his discretion, and provided that the Insured delivers written notice to the Insurer in registered mail, 21 days prior to the date of canceling the insurance. In this case the Insurer shall keep the insurance premiums that are customarily paid to the Insurer for the period in which the insurance was in effect.
- B. Without derogating from the right of the Insurer by law or in accordance with any other provision set forth in the Policy, the Insurer shall be entitled to terminate the insurance at any time prior to expiration of the insurance period at its discretion, and provided that a notice regarding the said termination is delivered to the Insured in writing and in registered mail at least 21 days prior to the date in which the insurance is terminated and in such circumstances the Insured shall be entitled to reimbursement of the insurance premium he pays for the period after termination of the insurance.
- C. In case the Insurer terminates the contract prior to expiration of the agreed insurance period and the grounds for the termination are breach of the contract by the Insured or an attempt of the Insured to deceive the Insurer, the Insurer shall pay to the Insured the amount it would have demanded from an insured that holds similar insurance coverage on the termination day, relative to the period remaining until expiration of the agreed insurance period.

8. **Claim for insurance compensation**

- A. In case an insured event occurred, the Insured shall notify the Insurer immediately after becoming aware of the said insured event, and the beneficiary shall notify the Insurer immediately after becoming aware of the insured event and his right to receive insurance compensation.
- B. Any claim for payment of insurance compensation in accordance with the Policy shall be submitted in writing.
- C. The Insured or the beneficiary, as the case may be, shall deliver to the Insurer, within a reasonable time after required, all information and documents that are required for the purpose of inquiring the liability and its scope and if the Insured does not hold the said information and documents, he is required to assist the Insurer to obtain them, to the extent possible.
- D. The Insurer shall not be obligated to pay insurance compensation for the damage that the Insured could have prevented or mitigated upon the occurrence of the insured event or thereafter by applying reasonable measures or measures that the Insurer instructed him to take.

9. **Calculation of compensation**

The insurance compensation due to the Insured in accordance with this Policy shall be calculated and paid according to the value of the property that was lost or damaged at the time of the occurrence of the loss or damage, however in an amount that shall not be greater than the sum insured for this property.

This condition shall not derogate from the provisions set forth in the underinsurance section in this Policy.

10. **Making good the sum insured**

The sum insured shall be decreased by the amount of the insurance compensation as of the date of occurrence of the insured event. At the request of the Insured the Insurer shall make good the sum insured to its previous amount on the condition that the Insured pays to the Insurer the additional insurance premiums required from the Insured in respect of making good of the said amount as of the date of making good the amount and until expiration of the insurance period.

11. **Setoff right**

The Insurer shall be entitled to offset from the insurance compensation due to the Insured upon the occurrence of the insured event any amount that the Insured owes to the Insurer, whether its debt relates to this Policy and whether any other amount. In the event of total loss of the property insured under this Policy the Insurer shall be entitled to offset the balance of the insurance premiums due to it even if their payment date is not yet due.

12. **Linkage of amounts**

The amounts specified in this Policy are linked to the rate of change in the consumer price index published by the Central Bureau of Statistics or any other index superseding the same (hereinafter: "Index") as follows:

A. With respect to the sums insured

The sums insured will vary according to the changes in the Index between the last index known on the date of commencement of the insurance or as of the date the sum insured is amended, upon the later, and the last index known prior to the occurrence of the insured event.

B. With respect to deductible amounts

The deductible amount specified in the Schedule shall vary according to the changes that occur in the Index between the last known index on the insurance commencement date and the last index known prior to the occurrence of the insured event.

- C. With respect to the insurance premiums and other fees
- (1) The insurance premiums and all other amounts due to the Insurer from the Insured in connection with the Policy shall be paid to the Insurer in accordance with the Regulations.
  - (2) In case any amount that is due from the Insured to the Insurer is not paid on time, the amount in arrears shall incur linkage differentials according to the changes in the index between the last index known on the date set for payment and the last index known on the payment date.

- D. With respect to insurance premiums
- (1) Linkage differentials shall be added to the insurance premiums according to the changes in the Index between the Index known on the date of occurrence of the insured event and the Index known on the payment date, and interest at a rate of 4% a year, after expiration of a period of 30 days as of the date of delivery of the claim and until the payment date. In case the insurance compensation or a part thereof was calculated in their value on the date following the occurrence of the insured event, linkage differentials shall be added thereto or any part thereof, as the case may be, solely as of that date.
  - (2) Interest at a rate paid by the Bank of Israel to banking corporations for funds in deposits shall be added to insurance compensation paid in foreign currency, deposited in the Bank of Israel for a period of three months from the funds deposited by a resident within their meaning in the Control of Currency Law 5738-1978. In case the Bank of Israel paid in the period as of expiration of the said 30 days' period and until the payment date interest rates as aforesaid, the interest paid shall be calculated in such manner that with respect to every period of three months the interest rate that the Bank of Israel paid as aforesaid shall apply on the first day of that period.

- E. With respect to foreign currency
- In case this Policy is made in foreign currency, any payment made under this Policy shall be made in that currency or in shekels according to the representative rate of that currency on the payment date.

13. **Deductible amount**

The deductible amount specified in the Schedule, in addition to linkage differentials as specified in section 12 above shall be subtracted from the insurance compensation that the Insurer is required to pay in accordance with this Policy.

14. **Reinstatement**

The Insurer shall be entitled at its discretion to reinstate or replace the damaged or destroyed property or any part thereof instead of paying the amount of the loss or damage.

15. **Rights of the Insurer to salvage**

Upon the occurrence of any loss or damage to any property insured under this Policy, the Insurer may:

- A. Enter the building or the premises where the loss or damage occurred.
- B. Obtain the property of the Insured in respect of which the Insured claims insurance compensation.
- C. Keep in its possession such property as aforesaid, inspect that property, sort it, arrange it, transfer or handle it in any other manner and for any reasonable purpose and in any reasonable manner or sell such property or handle in any manner it deems fit.
- D. In case the Insured or any other person acting in his name fails to uphold the requirements of the Insurer or interferes with the actions of the Insurer or prevents from the Insurer to exercise its powers hereby granted, the liability of the Insurer shall be diminished.
- E. Under no circumstances the Insured shall be entitled to abandon any property in favor of the Insurer, whether or not the Insurer had already obtained the said property to its possession. The said in this section shall not derogate from the right of the Insurer to rely on any of the conditions set forth in this Policy when presenting its case against any claim.

16. **Subrogation**

- A. If, due to the occurrence of the insured event, the Insured was also entitled to compensation or indemnification towards a third party, not by virtue of the insurance contract, the said right shall be transferred to the Insurer once it paid insurance compensation to the Insured, and according to the rate of compensation it paid.
- B. The Insurer may not exercise the right that was transferred to it under this section in a manner that will affect the right of the Insured to recover from the third party compensation or indemnification above the compensation the Insured received from the Insurer.

- C. In case the Insured received from the third party compensation or indemnification that was due to the Insurer in accordance with this section, the Insured shall transfer the said compensation to the Insurer. In case the Insured entered into a settlement, waiver or performed any other act that affects the right that was transferred to the Insurer, the Insured shall compensate the Insurer in connection therewith.
- D. The provisions set forth in this section shall not apply in case the insured event was caused inadvertently by a person from whom a reasonable insured would not have claimed compensation or indemnification due to family relations or work relations maintained between them.

**17. Underinsurance**

If at the time of occurrence of the insured event the sum insured is less than the value of the insured property, the liability of the Insurer shall decrease by a relative rate that is in proportion to the ratio between the sum insured and the value of the property at the time of occurrence of the insured event and any item specified in this Policy shall be subject to this condition severally.

**18. Statute of limitations**

The statute of limitations of a claim for insurance compensation is three years as of the date of occurrence of the insured event.

**19. Advance and undisputed compensation**

- A. Upon the occurrence of damage to the property insured under this Policy, and as a result of one of the risks insured thereunder, the Insured shall be entitled to receive from the Insurer an advance or a monetary undertaking that will allow him to receive service for the purpose of repairing the damage or the loss at the expense of payments that are due to him from the Insurer in accordance with the provisions set forth in this Policy.
- B. The said advance shall be deducted from the final indemnification amount paid to the Insured. The deduction shall be calculated with linkage of the advance that was paid to the consumer price index as of the date of payment of the advance and until the final payment date.
- C. Insurance compensation that is not disputed shall be paid in 30 days as of the date the Insurer received a written claim for payment of insurance compensation and this amount may be claimed separate than the other compensation amounts.

20. **Beneficiary other than the Insured**

- A. The Insured in accordance with this Policy shall be entitled to designate a beneficiary instead of the Insured, upon obtaining the prior and written approval of the Insurer and the same shall apply to the irrevocable designation of the Insured of a beneficiary other than the Insured.
- B. In case the Policy designates a beneficiary other than the Insured and the amount of compensation due to the said beneficiary was agreed between the Insurer and the Insured, this decision shall also bind the beneficiary.

21. **Notices**

Any notice delivered by the Insurer to the Insured or the beneficiary in anything related to the Policy shall be delivered according to the last known address as known to the Insurer. A notice delivered by the Insured or the beneficiary to the Insurer shall be delivered in writing to the head office of the Insurer as specified in the Policy.

22. The courts in Israel shall be vested with sole jurisdiction in anything relating to and arising out of this Policy.

23. Notwithstanding anything stated in this Policy that might be construed otherwise, any amount specified in the Policy shall be regarded as an amount calculated in Israeli currency.

**Contact details**

**Head office**  
📍 Harel House, 3 Abba Hillel St.  
PO Box 10951, Ramat Gan 5252202  
☎ Tel.: 03-7547777

**North District**  
📍 2 Pal-Yam Ave.,  
PO Box 332, Haifa 3133202  
☎ Tel.: 04-8606444

**Jerusalem District**  
📍 Harel House, 3 Am VeOlamo St.,  
Givat Shaul, PO Box 34259  
Jerusalem 9134102  
☎ Tel.: 02-6404444

**General Insurance Claims Center**  
☎ Tel.: 03-9294000