

ANADOLU SİGORTA

FIRE INSURANCE GENERAL CONDITIONS

A. SCOPE OF THE INSURANCE

A.1. Scope of the Insurance

This insurance covers material damage not exceeding the sum insured caused directly by fire, lightning, explosion or smoke, steam and heat occasioned by fire and explosion in the insured property.

A.2. Scope of the Sum Insured

2.1. In Immovables Property

- 2.1.1. *Unless otherwise agreed, the premises outside the buildings such as gardener's house, garage, water tank and coal store room; all kinds of fixtures in or on the buildings that form the integral part of the buildings such as elevators, escalators, lightning rods and television antennas; foundations and retaining walls are included in the scope of the sum insured.*
- 2.1.2. *Garden and boundary walls, quays, terraces, wharves, fountains, statues placed outside the buildings, cisterns and pools and the like may be included in the scope of the sum insured only if they are indicated in the policy.*
- 2.1.3. *Value of land is not taken into consideration while fixing the sum insured.*

2.2. In Movables Property

- 2.2.1. *Properties in the insured premises:*
 - a. *If insured things are itemized or grouped according to their properties, things belonging to one of these items or groups,*
 - b. *If only a single sum insured is provided for all insured things, then everything covered within the definition of the sum insured regardless of whether or not especially mentioned in the policy even if brought later by way of reinstatement or as a new purchase.*
- 2.2.2. *Unless otherwise agreed, only effects belonging to the insured and members of his/her family living together or people living together and his/her employees are included in the cover of insurance.*

A.3. Perils and Losses which may be included in the scope of the Cover by Additional Agreement

- 3.1. *All damages due to the following perils (including damages on the insured goods caused directly by smoke, steam and heat due to fire and explosion and/or the result of fire and explosion) are excluded from the insurance coverage. However, they may be included in the scope of this cover by additional agreement*

subject to these general conditions and the attached clauses:

- 3.1.1. *Strike, Lockout, Riot and Civil Commotion*
- 3.1.2. *Terrorism*
- 3.1.3. *Earthquake and Volcanic Eruptions*

3.2. *Damages caused by the following perils are excluded from the cover. However, they may be included in the scope of the cover by additional agreement according to these general conditions and the attached clauses. In addition, material damages on the insured goods caused directly by smoke, steam and heat due to fire and explosion and/or the result of fire and explosion arising out of the perils stated below are covered even if there is not an additional contract.*

- 3.2.1. *Snow weight*
- 3.2.2. *Flood and Inundation*
- 3.2.3. *Landslide*
- 3.2.4. *Storm*
- 3.2.5. *Internal water*
- 3.2.6. *Smoke*
- 3.2.7. *Impact by;*
 - 3.2.7.1. *Vehicles*
 - 3.2.7.2. *Watercraft*
 - 3.2.7.3. *Aircraft*
- 3.2.8. *Malicious damages.*

3.3. *The following items are excluded from the cover. However, provided that their sums insured are specifically mentioned under the policy, they may be included in the cover by additional agreement.*

- 3.3.1. *Paintings, pictures, books, engravings, manuscripts, statues, bibelots, collections, carpets and the like having artistic or antique values.*
- 3.3.2. *Models, moulds, plans, drawings or designs or patent rights, documents, commercial (business) books and the like.*
- 3.3.3. *Cash, bonds and shares, valuable documents, all kinds of gold, silver and jewellery and ornaments made out of these items and other precious metals, precious gems and pearls and the like.*
- 3.3.4. *Watercraft, aircraft and vehicles and their cargo (except when in motion).*
- 3.3.5. *Goods held in trust or on commission.*
- 3.3.6. *Debris removal expenses.*
- 3.3.7. *Loss of rent and use.*
- 3.3.8. *Liability due to Fire and Explosion. (This may be included in the cover by additional agreement according to these general conditions and the attached clauses.)*

A.4. Exclusions

The following are excluded from the cover:

4.1. *All losses caused by war, warlike operations, invasion, acts of foreign enemy, combating (whether war be declared or not), civil war, revolution, rebellion, insurrection and military and disciplinary forces necessitated by these events.*

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- 4.2.** All losses caused by or attributed to ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste resulting from the combustion of nuclear fuel as well as measures necessitated by these events and taken by the military and disciplinary forces (the expression of combustion used in this paragraph will also comprise any self-sustained nuclear fission).
- 4.3.** All losses caused by any act of public authority on the insured property.
- 4.4.** Loss or damage caused by inherent defects or self-combustion or fermentation or deterioration occurring in the structure of the matter and/or scorching of the insured items not accompanied by fire.
- 4.5.** Loss or damage to the insured items, not accompanied by fire, resulting from;
- their exposure to fire or heat for treatment or other useful purpose,
 - the falling of or throwing of them into a furnace or similar place containing fire,
 - flameless combustion or scorching such as clothing, linen and other material burns,
 - their contact with heating, lightning, ironing devices and/or lamps, candles, cigarettes and the like.
- 4.6.** Loss or damage, not accompanied by fire, sustained by any kind of motors, electrical and electronic appliances, equipments, fittings and their wiring while they are connected to an electrical current and due to the reasons such as short-circuit, grounding, voltage fluctuations caused by this current and heating and induction current resulting therefrom.
- 4.7.** Implosion, rupture and any other way of deformation of vessels due to low pressure, their wear and tear and all losses sustained by insured motors and appliances due to centrifugal forces and mechanical failure.

A.5. Under-insurance

In the case where the insurance amount stated under the policy is lower than the value of the insured interest at the time of a loss occurrence and the interest is only partially damaged, then unless otherwise agreed, the insurer is liable only for the proportion between the insurance value of the insured interest at the time of loss occurrence and the insurance amount mentioned within the policy.

The policyholder may alter the insurance contract in a way that the whole amount of the loss or damage, which does not exceed the sum insured, will be paid by the insurer without taking the above mentioned proportion into consideration. In case that before any occurrence, the policyholder has advised through a Notary this alteration of the policy made by him, the contract conditions will be deemed automatically altered from the day following the day of notification and the insurer shall be liable for all losses not exceeding the sum insured. The policyholder has to pay the difference of premium indicated in the Tariff according to the stipulations relating to the initial premium payment.

A.6. Over-insurance

If the sum insured exceeds the value of the insured interest, the part exceeding this insurance value is not valid.

The insurer has to inform the policyholder as soon as he becomes aware of the fact during the policy period and accordingly adjust the sum insured as well as the premium into their real values by paying back the exceeding amount of premium to the policyholder.

A.7. Deductibles:

It may be agreed that losses not exceeding a certain amount or a certain percentage of the sum insured or a certain percentage of the damage will not be indemnified by the insurer.

Such determined percentages or amounts of deductible are indicated on the policy.

A.8. Inception and Expiration Date of the Insurance

The insurance begins at 12:00 noon and terminates at 12:00 noon Turkish time on the inception and expiration dates indicated on the policy unless otherwise agreed.

B. CLAIMS AND INDEMNITIES

B.1. Obligations of the policyholder/the insured in the event of a loss occurrence

In the event of a loss occurrence, the policyholder/the insured must comply with the following obligations:

- 1.1.** *To notify the insurer at the latest within five working days after he becomes aware of the loss occurrence*
- 1.2.** *To take all necessary salvage and protection measures as if he were not insured and do his utmost to comply with the instructions given by the insurer for this purpose.*
- 1.3.** *To permit the insurer or his authorised representatives to enter the building and premises where the damage has occurred for all reasonable purposes and in any suitable manner, to take over, to keep possession of them, and to protect them in order to minimize the extent of the losses.*
- 1.4.** *Unless unavoidable, not to make any changes in the premises or items being subject of a claim.*
- 1.5.** *Upon request of the insurer, to give the insurer, without delay, all the information and documents which can be obtained by the policyholder that are useful to determine in detail the cause of the loss or damage, and to ascertain the loss amount and evidences for the use of the right of subrogation.*
- 1.6.** *To give a written declaration of the estimated loss amount within a reasonable and suitable period of time to the Insurer.*
- 1.7.** *To permit the insurer or his authorised representatives to examine and investigate the insured premises or items and related documents in order to determine his obligation regarding the amount of indemnity as well as his right of subrogation.*
- 1.8.** *To inform the insurer about other insurances covering the insured premises or items, if any.*

B.2. Protection Measures and Salvage

The policyholder/the insured is under obligation to take appropriate precautions in order to prevent, stop, and/or reduce material loss and damage caused by the risks covered by this policy. The expenses arising from precautions taken are paid by the Insurer even if these precautions turn out to be useless.

In the case of under-insurance, the insurer pays these expenses in proportion to the ratio of the sum insured to the insurance value.

The insurer pays loss or damage caused to the insured property arising from the loss, destruction or damage during the firefighting or demolishing or evacuation necessitated by extinguishing the fire or salvaging.

B.3. Rights and Obligations of the Insurer in case of the Occurrence of the Risk

When the risk materializes, the Insurer or the people authorized by him may enter the damaged building and premises in an appropriate and reasonable way in order to protect the insured building and items to reduce the loss. The Insurer may require to take over the insured building and property. The insurer in doing so shall not be accepted as admitting any liability and shall not lose any of his rights arising from any condition of this policy.

Insured property, whether damaged or not, cannot be left totally or partially to the Insurer without the Insurer's approval. Entrance to the insured buildings or places, taking over the insured buildings or materials, seizing or putting the same under precaution by the Insurer shall not constitute a proof of acceptance for the request of abandonment of the damaged property by the policyholder within the conditions of this article.

The Insurer is obliged to complete necessary investigations to determine the amount of loss and indemnity and to notify the insured about same within one month after all the documentation relating to the loss or damage has been submitted to him.

B.4. Assessment of Damage

The amount of loss occurring in property insured under this contract is to be assessed by mutual agreement between the parties.

If the parties cannot agree on the amount of loss, they may decide, if they so wish, to appoint arbitrators to assess the amount of the loss and establish this fact by signing an agreed statement. In this case, the amount of loss will be assessed as stated below and in the event of a claim made, or legal action commenced, against the Insurer. The decision made by the arbitrator will be the basis for the assessment of the indemnity; however, the parties may prove the amount of the loss or damage with all kinds of evidences in the event that no report is submitted within a period not exceeding three months from the time of appointment of a single arbitrator, should a single arbitrator be appointed, otherwise, within a period not exceeding three months from the time of appointment of the Umpire; notwithstanding the above, this period shall not exceed a period of six months following the occurrence of the loss hereunder.

If the parties can not agree on the appointment of a single Arbitrator for the solution of the difference, then each party will choose his own Arbitrator and notify the other party by means of the notary public. The Arbitrators shall, within 7 days after their first meeting and before entering upon the reference, elect an Umpire and state the fact in a protocol. The rights of the Umpire shall solely consist of making the final award together with Arbitrators of each parties as concerns the matters which the Arbitrators may not reach an agreement and up to the limits of the points in dispute. The reports of the Arbitrators shall be given to both parties at the same time.

If one of the parties does not appoint his own Arbitrator within 15 days following the notification of the other party, or if the Arbitrators can not agree within 7 days in appointing the Umpire, then the Arbitrator of the other party, or the Umpire, shall, upon the request of one party, be appointed among specialised persons by the Court authorised to handle commercial law suits in the locality where the damage has occurred.

Both parties shall have the right to request that the Umpire, either elected by the parties Arbitrators or by the authorized Court, be appointed amongst persons not residing at the locality of the Insured or of the Insurer, or not residing at the place where the loss or damage has occurred. This request must be complied with.

Objections can be made against the Arbitrators on the grounds of their incompetence. The right of objection not used within 7 days following the date when the identity of Arbitrator is known shall be forfeited.

Should the Arbitrator die, resign or be refused, the new Arbitrator shall be elected in the same way and the assessment proceedings will be continued from the point where they stopped.

The death of the insured shall not terminate the duties of his Arbitrator.

The Arbitrators may require proof necessary to establish the amount of loss or damage as well as the records and documents useful for determining the value of the insured items existing at the time of the occurrence of risk at the place where the loss or damage has occurred.

The awards of the Arbitrator or the Umpire as to the amount of loss or damage are final and binding to all parties.

Objections against the awards of the Arbitrators can only be made in case it is obviously understood that the amount of loss or damage is considerably different from the reality. The cancellation of these awards can be requested, within 7 days after the date of notification of the report, from the Court authorized to handle the commercial lawsuits at the locality of the loss.

The parties shall pay the fees and expenses of their own arbitrators. The fees and expenses of a single arbitrator or umpire are shared equally by the parties.

The establishment of the amount of loss and damage has no influence on the terms and conditions existing in this Policy and in the regulations nor on setting forth with these terms and conditions.

B.5. Calculation of Indemnity

5.1. In calculation of the amount of indemnity, the value at the time of loss or damage (current market value) will be taken into consideration. But the policyholder and the insurer may agree to issue the policy based on the replacement value (new value). In this case, it is clearly written on the policy that the policy was issued on replacement value basis.

5.1.1. For policies issued on the current market value basis; in the payment process of the indemnity of covered goods, necessary depreciation for wear and tear and the loss of value from other causes shall be deducted and as well as any difference in performance and quality compared to new products, shall also be deducted from the indemnity to be paid.

5.1.2. In indemnity payments of covered goods which are insured on new replacement value basis (the replacement value of the new one including transportation, erection, customs, tax, duty and fees);

- a. Under the condition of not exceeding the share of maximum percentage or maximum age, which are written on the policy, for depreciation related to wear and tear (usage), the replacement value is calculated by taking into account the purchasing or reproducing costs of the insured good during the

time and the place where the risk occurs. But the insurer's deduction rights arising from under insurance, salvage and the distinctive technologic difference are reserved.

- b. If the maximum rate or age written on the policy for depreciation for wear and tear is exceeded, the indemnity value shall be calculated by taking into account the current market value.

5.2. Agreed Value

If at the time of concluding an insurance contract or during the policy period, the value of buildings, furnitures and fixtures, machinery and household effects that are the subject matter of the insurance, is fixed by experts appointed with the consent of both the Insured and the Insurer and accepted by both parties, no objections shall be made against this value in the event of loss or damage and calculation of the indemnity.

The list of values in an agreed value contract is valid for the insurance period of one year maximum.

Experts' fees are paid by the party demanding agreed value of insurance.

Stocks can not be insured on an agreed value basis.

B.6. Payment of Indemnity

- 6.1.** If only one sum insured is provided for all insured property then the Insurer's liability is limited to this sum; if insured property is itemised or grouped according to their property then the Insurer's Liability is limited to the sums insured for those items or groups.
- 6.2.** If there is more than one insurance on the insured items, then following the ascertainment of the amount of indemnity according to laws and, if any, the provisions of the policy, the Insurer pays its proportionate share of the indemnity. Special conditions as well as conditions of warranties of the insurance policies shall be taken into consideration reciprocally.
- 6.3.** When the risk materialises, if items are insured both under marine and fire insurance policies, liability of fire insurer shall operate after the marine insurer's liability.

B.7. Reduction or Forfeiture of the Right of Indemnity

If the policy holder/the insured does not fulfill his obligations in case of loss or damage, and there is an increase in the amount of loss due to this fact, then the amount of indemnity thus increased is deducted from the indemnity to be paid by the insurer.

If the insured/the policyholder acts deliberately to cause the materialisation of the risk and takes any fraudulent actions in order to increase the amount of loss, all rights of the insured arising from this policy shall be forfeited.

B.8. Consequences of Loss and Indemnifications

- 8.1.** The insurer must pay ascertained indemnity to the insured/the policyholder within one month's time.
- 8.2.** The Insurer shall legally subrogate the Insured/the policyholder to the extent of his payment of indemnity. The Insured/the policyholder is obliged to give all documents and information available to help the Insurer in the suit he will file.
- 8.3.** In case the risk materialised results in a total loss, the cover comes to an end.

In case of a partial loss, the sum insured shall be reduced as much as the indemnity paid as from the date of loss.

The same method is also applied in cases when the sum insured is itemised or indicated separately for different groups.

In cases when the sum insured is reduced, the sum insured can be increased by charging a premium calculated on a daily pro rata basis as from the date of Insured's request.

8.4. *In case of a partial loss, the parties have the right to cancel the policy. The parties can use their right of cancellation only before settlement of indemnity.*

The premium for the period up to the date when the cancellation comes into force is calculated on a daily pro rata basis and the surplus balance is returned.

C. MISCELLANEOUS PROVISIONS

C.1. Payment Of The Insurance Premium, Inception Of The Insurer's Liability And Policy Holder's Default In Payment

The whole of the premium or the advance payment (the first installment) if payment by installment is agreed is to be paid as soon as the Contract is concluded and at the latest upon the delivery of the Policy. Unless otherwise agreed, if the whole premium or its first installment is not paid, the liability of the Insurer does not commence even if the Policy is delivered and this condition is written on the Policy.

If a payment by installment is agreed, the due dates and amounts of the installments, and consequences of failure of payment on due dates, are written down in the preamble of the policy or the policyholder is informed in writing when the policy is delivered. If the insured does not pay any of the installments on the due dates either indicated in the policy or advised to himself in writing, the policyholder is deemed to be in default of payment. The provisions of the Obligations Code shall become applicable in cases when the premium obligation is not paid when due.

In case of loss or damage occurrence, the part of the installments that are not due yet and do not exceed the amount of indemnity that the insurer is obliged to pay becomes due, provided that this condition is written on the policy.

In cases when the insurance contract is deemed to be cancelled as per this article, the premium corresponding to the period when the liability of the insurer continues, is calculated on pro-rata basis and the excess amount is returned to the policyholder.

C.2. Policyholder's Obligation of Declaration When The Contract is being Made

2.1. *The insurer has made this contract on the basis of the policyholder's declarations in writing in the proposal form or, in the absence of a proposal form, in the policy and enclosures.*

2.2. *If the policyholder's declaration does not correspond to the whole or partial truth, in the cases necessitating the insurer not to enter into the contract or to effecting it with more severe conditions:*

The insurer may, within one month after having knowledge of this fact, render the contract null and void, or may keep the contract in force and ask for the difference in premium within the same period.

If the policyholder notifies the insurer within eight days that he does not accept

the payment of the difference in premium, the policy is cancelled.

The premium up to the period when the withdrawal or the cancellation becomes due is calculated on a pro-rata basis and any excessive amount is paid back to the policyholder.

In cases where it is understood that the policyholder has acted wilfully, the insurer may withdraw from the policy even if a loss occurred and the insurer does still have a right for receiving premium.

2.3. *In cases where the policyholder has no wilfull intent; and if a loss occurs prior to the situation coming to the knowledge of the insurer, or within the period when the insurer may use his right to send a notice of cancellation, or within the period when the notice of withdrawal becomes effective, the insurer pays the indemnity in proportion to the premium charged and the amount that should be charged.*

2.4. *The right of withdrawal, or a claim that the difference in premium has not been exercised within the prescribed time limit, shall be forfeited.*

C.3. Notification Obligation of the Policyholder within the Insurance Period and its Consequences

In case the location or condition of the insured matter declared in the proposal or in the absence of a proposal in the policy and its enclosures has changed, after the contract has been made without the agreement of the insurer, the policyholder is under obligation to notify the insurer about the situation within 8 days.

After the insurer becomes aware of the situation:

3.1. *If the change necessitates him not to make a contract or to make it with more severe conditions:*

The insurer cancels the contract within 8 days or hold the contract effective by claiming the difference in premium.

The contract is cancelled if the policyholder notifies his rejection of the difference in premium within 8 days.

The premium pertaining to the period until the cancellation becomes effective is calculated on the pro rata basis and any surplus balance is returned.

The right of cancellation or a claim for the difference in premium not exercised within the prescribed time limit shall be forfeited.

The right of cancellation shall be forfeited if the insurer, having learned the change in the location or the condition of the insured item to that declared in the proposal, or in the absence of a proposal in the policy and its enclosures acts in a way that shows his consent to continue with the insurance.

3.2. *If the change minimises the risk so that it necessitates a lower premium:*

The difference in premium established for the period between the effect of the change and the termination of the contract is returned to the policyholder on a pro rata basis.

3.3. *In case the changes necessitate the insurer not to make a contract or to make it in more severe conditions and if the loss occurs:*

a. *prior to the situation coming to the knowledge of the insurer,*

b. *within the period when the insurer may use his right to send a notice of cancellation,*

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- c. *within the period when the notice of withdrawal becomes effective, the insurer pays the indemnity in proportion between the premium charged and the amount that should be charged.*

C.4. Multiple Insurance

Should the policyholder hold other insurance contracts with other insurers on the subject matter insurance, against the same risks and for the same period, he must give immediate notice of this fact to the existing insurers.

The insurer may cancel the contract within 8 days after the same comes to his knowledge. The right of cancellation not used in the said period is forfeited.

C.5 Change of Beneficiary

In case of a change of the beneficiary within the policy period, the insurance remains in force and the policyholder's rights and obligations arising from the policy are transferred to the new owner of those rights. The policyholder/the insured and the new owner of those rights who learned the existence of the insurance has the obligation to notify the situation to the insurer within 15 days.

The contract may be cancelled by the insurer within 8 days after becoming aware of the change and by the new owner of rights within 8 days after becoming aware of the existence of the insurance.

The rights of cancellation not used in the given period is forfeited.

The premium pertaining to the period until the cancellation becomes effective is calculated on the pro rata basis and any surplus balance is returned.

At the time of the change of the owner of the insured items, the policyholder and the new owner of rights who has not exercised his right of cancellation are jointly responsible for the due premiums which should be settled.

Upon the death of the policyholder, all rights and liabilities arising from this contract are entirely transferred to the new owners of right.

C.6. Insured Location and Change of Insured Location

This insurance has been transacted to give coverage only at location or locations shown in the policy.

In case the location of the insured items are changed, the provisions of the Article C.3 are applied.

C.7. Communications and Notifications

Notices of the policyholder/the insured shall be made via a notary public or by a registered letter either to the Insurance Company's Head Office or to the Agent through whom the Insurance Contract has been effected.

Notices of the Insurance Company shall be made to the policyholder's/the insured's address shown on the policy, and in case the address has changed, to the last notified address in the same way.

Notices given to the parties in letters delivered by hand in return for a signature or telegrams are considered as registered mail.

Notices of cancellation given by the Insurer come into force at noon 15 days after they are mailed or delivered to the notary public and the notice of cancellation given by the policyholder/the insured comes into force at noon on the day following the date of mailing or delivery to the notary public.

C.8. Non-disclosure of the Commercial and Professional Secrets

The insurer and authorised representatives of the insurer are liable for the prejudices arising from the disclosure of the commercial or professional secrets, relating to the policyholder and insured, that might come to their knowledge.

C.9. Competent Court

Competent court for the lawsuits to be filed against the insurer, with respect to the disputes arising from this insurance contract, is the court in charge of commercial lawsuits at the place where the head office of the insurance company, or the legal domicile of the agent through whom the insurance contract has been effected, is located, or at the place where the risk has occurred. As for lawsuits to be filed by the insurer, the competent court is the one in charge of commercial lawsuits at the place where the legal domicile of the defendant is located.

C.10. Prescription

All claims having their origin in the insurance contract are time barred in two years.

C.11. Special Conditions

Special conditions may be added to these General Conditions, provided that they are not against the insured.

