

Insurance rules

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Approved by
“INGO ARMENIA” ICJSC Counsel.
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Rules of Luggage Insurance
while travelling

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Rules of luggage insurance while traveling (hereinafter – Rules) are concluded in accordance with legislation of the RA and other normative acts and constitute an integral part of the agreement of travelers’ assistance insurance. Insurance agreement may include other norms upon the consent of the Parties.

1. Subject of insurance

- 1.1. “INGO ARMENIA” ICJSC is the Insurer and concludes traveler’s assistance insurance agreement (hereinafter Insurance Policy).
- 1.2. According to insurance agreement, the Insured may be legal entities and capable individuals.
- 1.3. Insurance agreement may be concluded both in favor of the Insured or the Beneficiary – person who has legal valuable interest in the safety of the property accepted for insurance.
If insurance agreement is concluded by the Insured in favor of the Beneficiary, the rights and obligations of the Insured are spread on the Beneficiary. According to present Rules, only individuals may be the Beneficiary.

2. Object of insurance

The object of insurance is valuable interest of the Insured (Beneficiary), connected with possession, use and maintenance of the luggage that belongs to him. Under luggage is understood personal things of the Insured (Beneficiary) that are transported during the travel, as luggage passed to transporting organization or as hand luggage.

3. Insurance accident

- 3.1. Insurance accident is an event, foreseen by the insurance agreement, as a result of which the obligation of the Insurer to pay insurance compensation is occurred.
- 3.2. Following events are considered as insurance accidents which took place during the period of insurance agreement validity and which are documental confirmed: total loss, partial damage, loss of luggage as a result of:

- 3.2.1. natural disasters: storms, hail, floods, flooding, earthquake, hurricane, landslide, etc.;
- 3.2.2. fire, lightning, explosion, measures taken to extinguish the fire;
- 3.2.3. theft, robbery, burglary;
- 3.2.4. traffic accident or accident with the Insured;
- 3.2.5. deliberate spoil of the luggage by third persons.
- 3.3. The Insurer also compensates expenses for search, expertise, storage and remittance of found items, as well as expenses for saving and putting the insured property to rights. Indirect expenses (stay at a hotel, transportation costs and etc.) are not subject to compensation.
- 3.4. The Insurer does not perform insurance compensation payment, if the insurance accident is occurred as a result of
 - 3.4.1. alcoholic, narcotic or toxic intoxicification of the Insured person,
 - 3.4.2. suicide (attempt of suicide) of the Insured person,
 - 3.4.3. influence of nuclear explosion, radiation, radioactive or other contamination,
 - 3.4.4. deliberate actions of the Insured person and/or interested third parties, directed to occurrence of insurance accident.
 - 3.4.5. commitment of unlawful actions by the Insured person, which is in cause-effect relation with the approach of insurance accident,
 - 3.4.6. military actions and their consequences, civil commotion, strikes, revolts, mutiny, mass riots, acts of terrorism and their consequences,
 - 3.4.7. wear and tear, rust, mold, depreciation in value and other natural changes of properties of the insured property,
 - 3.4.8. spoiling of the property by insects and rodents,
 - 3.4.9. scratches, paint peeling, other distress of property appearance that have not resulted breach of its functionality
 - 3.4.10. not performance of reasonable measures for saving the insured property by the Insured
 - 3.4.11. damage of the luggage, sent separately or by post.

4. Items of luggage not accepted for insurance. Special conditions

- 4.1. Insurance agreement covers the entire luggage of the Insured, excluding below mentioned items, unless otherwise foreseen by the insurance agreement:
 - 4.1.1. money in cash in AMD or foreign currency, securities, sale and banking cards;
 - 4.1.2. items made of precious metals, precious and semiprecious stones and precious metals in bullion, precious and semiprecious stones without frames;
 - 4.1.3. goods from fur (from natural and artificial fur);
 - 4.1.4. antique and unique items, items of art and collectibles;
 - 4.1.5. travel documents, passport and any types of documents, slides, photographs, film copies;
 - 4.1.6. manuscripts, plans, diagrams, drawings, models, accounting and business papers;
 - 4.1.7. any type of prostheses;
 - 4.1.8. contact lenses;
 - 4.1.9. animals, plants and seeds;
 - 4.1.10. means of auto, motor, bicycle transport, air and water transportation means, as well as spare parts to them
 - 4.1.11. religious items;
 - 4.1.12. sports equipment, total loss or damage of which occurred during sports activity or sporting events.

- 4.2. insurance coverage on goods from fur (from natural and artificial fur), ornaments (articles of precious metals, precious and semiprecious stones), portable audio, photo, film, video equipment, computers and software systems, typewriters, etc. and any accessories are effective if the following conditions are observed:
 - 4.2.1. The Insured treats them with due thrift and uses them only for their direct purposes;
 - 4.2.2. The Insured takes all necessary measures for security of their consistency and safety;
 - 4.2.3. these items are preserved in safes, storage rooms or other especially designed for it places;
 - 4.2.4. these items are preserved at securely locked premises, cabins of passenger ships and secured cloakrooms.
- 4.3. In case of theft of the luggage from a vehicle, insurance compensation is paid upon availability of documents, which confirm that:
 - 4.3.1. the theft was executed in day time (from 6.00 to 22.00);
 - 4.3.2. stolen items were in locked trunk of a vehicle that was parked in a parking lot with post control. In this case insurance coverage does not spread on furs, ornaments (articles of precious metals, precious and semiprecious stones) portable audio, photo, film, video equipment, computers and software systems, typewriters, etc. and any accessories
 - 4.3.3. the theft was executed during stop, which lasted not more than 3 hours.
- 4.4. Under special consent of the Parties, insurance coverage may be spread on insurance accident, occurred while, in the luggage was under supervision of the Insured the, in the luggage compartment of the transport service, luggage storage, secured cloakroom and on condition of using services of officially presented porter.

5. Sum insured. Insurance premium

- 5.1. Sum insured is the sum of money within the limits of which the Insurer executes insurance compensation payment according to insurance agreement. Meanwhile, under luggage insurance agreement an unconditional deductible (own participation of the Insured in compensation of losses) in amount of 15% of the sum insured of each insured luggage according to insurance agreement or insurance program for each insured luggage.
- 5.2. Sum insured may not exceed factual value of the insured property. Such value is considered the factual value of the property at its location and on the day of insurance agreement conclusion. Factual value is defined on the basis of sum of money, necessary to purchase fully similar to the lost one item, deducting the wear and tear. For goods from fur (from natural and artificial fur), ornaments (articles of precious metals, precious and semiprecious stones) the factual value is defined on the basis of the value of similar item with similar quality in the market.
 - 5.2.1. According to present Rules sum insured of equivalent to USD 500 is defined for each piece of luggage, and for the whole luggage a sum insured of equivalent to USD 1500 is defined unless other sum insured defined by insurance agreement.
- 5.3. Insurance premium is the pay for insurance which the Insured is obliged to pay to the Insurer (his authorized representative) in accordance with the insurance agreement.
- 5.4. Insurance premium is defined by the Insurer in accordance to its rates.
- 5.5. Insurance premium is paid by the Insured by one-off payment for the whole period of insurance unless otherwise foreseen by the insurance agreement.
- 5.6. Payment of insurance premium may be executed in non-cash and cash. The insurance premium is considered paid: in noncash form – since the date of receipt of the insurance premium on the account

of the Insurer; in cash form – since the moment of payment of the insurance premium in the cash desk of the Insurer (according to the receipt ticket of the Insurer or its authorized representative).

- 5.7. Insurance premium may be defined both in AMD or foreign currency, according to current legislation of the RA and upon consent of the Parties. Insurance premium defined in foreign currency is paid in AMD according to the exchange rate of the CBA of the RA on the day of payment, unless other exchange rate provided upon the consent of the Parties.
- 5.8. Insurance premium is subject to payment before receipt of the insurance Policy by the Insured, but not later than 5 working days from the date of submission of application for insurance agreement conclusion.
- 5.9. In case of nonpayment of the insurance premium on conditions defined by the agreement, the insurance agreement is considered not effective and bears no consequences for the Parties (unless otherwise foreseen in the insurance agreement).
- 5.10. The amount of the insurance premium is defined and mentioned in the insurance agreement (Policy) or in the insurance premium invoice which constitute an integral part of the insurance agreement.

6. Effect of insurance agreement

- 6.1. Insurance agreement is concluded for the term of period of travel of the Insured person, but not more than one year, unless otherwise foreseen by the insurance agreement..
- 6.2. Insurance agreement is not valid in a country where the Insured person has a residence permit and/or whose citizen he is (unless otherwise foreseen by the insurance agreement).
- 6.3. Insurance agreement comes into effect starting from the 00.00 hours of the starting date of insurance, stipulated on insurance Policy or individual card, but only after passing the state border of the country of departure (notice of border services in the international passport) of the Insured person, unless otherwise provided by the insurance agreement.

7. Conclusion of the insurance agreement

- 7.1. Insurance agreement is concluded before the start of the travel. For conclusion of insurance agreement the Insured presents to the Insurer (his authorized representative) oral or written application of his intention to conclude insurance agreement and passes following data:
 - 7.1.1.name, family name, patronymic name in Armenian, Russian or in English, date of birth of the Insured person, telephone, address;
 - 7.1.2.title, legal address, telephone, banking details, if the Insured is legal entity;
 - 7.1.3.start and end of travel.
 - 7.1.4.countries, on the territory of which the insurance agreement is effective, as well as countries through which the route is passed over;
 - 7.1.5.description of luggage and enumeration of items in it (with indication of their value). The Insurer is entitled to require documents that confirm the value of valuable items included in the luggage;
 - 7.1.6.sum insured.
- 7.2. When concluding insurance agreement, the Insured is obliged to inform the Insurer of any circumstances known by him, that have essential concern for calculating insurance risk.
- 7.3. The fact of insurance agreement conclusion is confirmed by giving the Insured an insurance Policy and attached insurance Rules.
- 7.4. The Insurer is entitled to reject conclusion of insurance agreement without any explanation.

8. Actions of the Parties in case of insurance accident occurrence

- 8.1. In case of insurance accident occurrence the Insured appeals to the local authorized entities (representatives of hotel administration, transport organization, local law authorities) in order to receive documents that fix the fact of loss or damage of the luggage (e.g. carrier's statement issued by the representative of the carrier). Rejection of indicated entities to issue appropriate documents should be in written form.
- 8.2. Application and documents for receiving insurance compensation should be presented to the Insurer within 30 (thirty) calendar days since the moment of return of the Insured person from travel, during which insurance accident occurred. The application should include the nature and circumstances of the insurance accident, the organization which formed tourist group, date of departure to abroad. The application should also include list of lost or damaged items. Documents indicated in point 8.1 of the Rules should be attached to the application (attaching translations of original documents which are issued in language other than Armenian, Russian, and English) as well as insurance Policy.
- 8.3. The Insurer is entitled to check the presented documents, require data from organizations that have information about the circumstance of the insurance accident. The Insured is entitled to give written explanation on requests of the Insurer, concerning insurance accident.
- 8.4. Insurance compensation is executed:
 - a) in case of total destruction, total or partial loss of the luggage – to the amount of factual value deducting the residual value of the damaged luggage, but not more than sum insured;
 - b) in case of partial damage of the luggage – to the amount expenses for its renovation.
- 8.5. The luggage is considered totally destroyed if the expenses for their renovation, taking into account residual value, exceed the factual value of the luggage. The insured luggage is considered damaged, if the expenses for its renovation together with the residual value does not exceed the factual value of the damaged luggage.
- 8.6. The extent of damage is defined for each item separately. Total insurance compensation sum may not exceed the sum insured defined in the insurance agreement.
- 8.7. If the stolen (lost) luggage was returned to the Insured, the latest is obliged to return received insurance compensation to the Insurer, deducting the expenses for renovation or putting the returned luggage to rights, not later than within 15 (fifteen) calendar days after the day of return of the stolen (lost) luggage.
- 8.8. If the Insured has received compensation from third persons for the lost or damaged luggage, the Insurer pays the difference between the sum, subject to payment under insurance agreement, and the received compensation sum from third persons. The Insured is obliged to immediately inform the Insurer on any receipt of such sums.

In case if the lost or damaged luggage was passed to the carrier as a luggage or was at the passenger (hand luggage), insurance compensation is executed in addition to compensation of the carrier, who performed the transportation in accordance with the conditions of transportation and only after receipt of such compensations by the Insured person.
- 8.9. In case of loss (theft) of separate items including in the complete set, collection and etc., the sum of damage is defined as a difference between the value of such collection (complete set) and the value of the preserved items.

8.10. Insurance compensation is paid to the Insured (Beneficiary) as flat payment within 15 (fifteen) working days since the end of investigation of all circumstances of the insurance accident by the Insurer and making decision on insurance compensation payment.

9. Cases of insurance compensation rejection

9.1. The Insurer is entitled to fully or partially reject payment of insurance compensation if the Insured or the Beneficiary:

9.1.1. infringed points 8.2, 8.8 of the Rules;

9.1.2. when concluding insurance agreement has not presented documents, required by point 7.1.5 of the Rules;

9.1.3. has presented information or documents with deliberately false information, concerning insurance accident;

9.1.4. has not provided the Insurer with information and documents, necessary for execution of subrogation demands;

9.1.5. has deliberately or by carelessness assisted the increase of expenses, or has not taken reasonable measures to minimize the damage.

9.2. The decision on reject to pay insurance compensation is presented to the Insured in written form with explanation of reasons of the reject.

10. Termination of insurance agreement

10.1. Insurance agreement is terminated:

10.1.1. upon the expiry of its effectiveness (at 24 h of the day indicated as the day of expiry of insurance on insurance Policy);

10.1.2. upon return of the Insured (notice of border services in the passport on passing the state border in the case of travel abroad), but not later than 24.00 h of the date of insurance expiry indicated in the insurance Policy or individual card;

10.1.3. in case of complete fulfillment of obligations under the agreement by the Insurer;

10.1.4. in other cases, foreseen by present Rules and current legislation of the Republic of Armenia.

10.2. Insurance agreement may be terminated ahead of schedule at any time by written notice of one of the Parties (including in connection with non-fulfillment of conditions of the insurance agreement by one of the Parties), by observance of requirements of the current legislation of the RA. In this case the return of insurance premium is executed in the following way:

10.2.1. in case of preterm termination of insurance agreement by the demand of the Insurer, the latest returns the received insurance premium for the unexpired period of insurance to the Insured, deducting executed expenses of the Insurer; if the demand of the Insurer is conditioned by non-fulfillment of the conditions of the insurance agreement by the Insured, insurance premium is not returned;

10.2.2. in case of preterm termination of insurance agreement by the demand of the Insured, who has given written notice to the Insurer before the day of expiry of the insurance agreement, the latest returns to the Insured the insurance premium for the unexpired period of insurance deducting expenses for execution of business administration of the Insurer in accordance with the current license; in case if the demand of the Insured is conditioned by the infringement of insurance agreement conditions by the Insurer, the latest returns the insurance premium in full amount;

10.2.3. insurance premium is not returned in case if the Insured person has not traveled to the country, indicated in insurance Policy, if the latest has valid visa for travel, or if the Insured person announces about his not traveling after expiry of insurance period, indicated in the insurance Policy.

10.3. In case of preterm termination of the insurance agreement, return of insurance premium is performed within 5 (five) banking days since the moment of receipt of written notice.

11. Regulation of disputes

Disputes in connection with insurance agreement are regulated through negotiation. In case of fail to come to an agreement, disputes are transferred to court in accordance with current legislation of the Republic of Armenia.