



**“Halyk-Life”
Subsidiary Life Insurance Company
of the Halyk Bank of Kazakhstan”
Joint Stock Company**

Approved by the decision of the Management Board of Halyk-Life JSC (Minutes of Meeting dated 28 July 2023 No. 34)	Adopted by the decision of the Board of Directors of Halyk-Life JSC (Minutes of Meeting dated 11 August 2023 No. 28)
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**RULES of
Voluntary Borrower’s Insurance**

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City of Almaty, 2023

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Insurance rules have been developed in accordance with the current legislation of the Republic of Kazakhstan and determine the procedure for concluding and executing borrower's insurance contracts.

Section 1. GENERAL PROVISIONS

Chapter 1: Terms and Abbreviations

1. The following basic concepts and terms shall be used in these insurance rules:

“beneficiary” means a person who, in accordance with the terms and conditions of an insurance contract, is the recipient of an insurance benefit;

“insurance contract” means an agreement under which an insurant undertakes to pay an insurance premium and the insurer undertakes, upon the occurrence of an insured event, to make an insurance benefit to a beneficiary, up to the sum insured as defined in an insurance contract;

“loan agreement” means a loan agreement concluded by the insurer's partner with an insured person;

“insured person” means a natural person in respect of whom insurance is provided;

“accident” means a sudden, short-term event (incident) occurring against a person's will as a result of an external mechanical, electrical, chemical or thermal impact on an insured person's body, resulting in harm to health, injury or death. Accidents shall not include any forms and types of diseases, including occupational diseases;

“renewed policy” means a policy issued by the insurer to an insurant to replace a previously issued policy when changes or additions are made to the policy;

“insurer's partner” means second-tier banks of the Republic of Kazakhstan, other legal entities that issue loans with which an insured has entered into a loan agreement;

“policy” means a document issued by the insurer to an insurant confirming the fact of conclusion of an insurance contract on the terms and conditions specified in the policy and in the insurance rules;

“insurance rules” - these rules of voluntary borrower's insurance;

“insurant” means a person who has concluded an insurance contract with the insurer;

“insurer” – the “Halyk-Life” Subsidiary Life Insurance Company of the Halyk Bank of Kazakhstan” Joint Stock Company;

“insurance benefit” means an amount of money paid by the insurer to a beneficiary upon occurrence of an insured event;

“insurance premium” - an amount of money which an insurant is obliged to pay to the insurer for the latter's assumption of the obligation to make an insurance benefit to a beneficiary in the amount determined by an insurance contract;

“sum insured” - an amount of money for which an insured object is insured and which represents the limit of the insurer's liability upon the occurrence of an insured event;

“insured event” - an event upon the occurrence of which an insurance contract provides for insurance benefits according to the procedure stipulated in the terms and conditions of an insurance contract;

“bodily injury” – means a damage to tissues, organs or the whole body of an insured person which occurs due to external mechanical, thermal, electrical or chemical influences.

“contract form” - an insurance contract concluded between the insurer and an insured in the form of an insurance contract.

Chapter 2. Procedure for conclusion of the insurance contract

2. The insurance contract shall be concluded in writing by the insured's adherence to the insurance rules and the execution by the insurer of the insurance policy for the insured or by drawing up a contract form.

3. The insured's consent to conclude the insurance contract by adhering to the insurance rules shall be confirmed by signing/confirming an application for conclusion of the insurance contract with subsequent payment of the insurance premium under the insurance contract. The consent of the insurer to conclude the insurance contract shall be confirmed by issuing the policy. The consent of the insured and the insurer to the conclusion of the insurance contract in the contract form shall be confirmed by signing the insurance contract.

4. In order to conclude the insurance contract, a person who wishes to conclude the insurance contract (insured) shall be obliged to familiarize himself/herself with the insurance rules and submit to the insurer an insurance application in the form established by the insurer.

5. When concluding the insurance contract, a person who wishes to conclude the insurance contract (insured) shall be obliged to disclose in the insurance application the information known to him/her that is essential for determining the probability of occurrence of an insured event.

6. Information that could affect the probability of the occurrence of an insured event and the amount of possible losses, stipulated in the insurance rules and specified in the insurance application, when assessing the insured risk, shall be deemed material.

7. If after the conclusion of the insurance contract it is established that the insured has provided false information to the insurer when concluding the insurance contract, the insurer shall have the right to unilaterally terminate the insurance contract with a written notice to the insured. In this case, the insurer shall return the insurance premium to the insured less the insurer's costs related to the termination of the insurance contract in the amount of 10% of the received payment under the insurance contract, and if an insurance benefit has been made, the insurer shall have the right to demand a refund of the amount paid.

8. Insurance coverage shall not be provided to the following persons:

- 1) people with disabilities classified as first or second group;
- 2) persons registered in a neuropsychiatric dispensary;

- 3) persons serving a sentence for committing criminal offenses in correctional labor institutions.

These persons may be insured if the insurer makes a corresponding mark in the contract form or policy.

9. Insurance coverage under the insurance contract concluded in relation to persons specified in item 8 of the insurance rules without the corresponding mark of the insurer shall not be effective. In this case, the insurance contract is subject to unilateral termination, and the paid insurance premium is subject to return to the insurant, minus the costs of the insurer associated with the termination of the insurance contract in the amount of 10% of the insurance premium received.

Section 2. GENERAL INSURANCE CONTRACT CONDITIONS

Chapter 3. Subject matter of the insurance contract

10. The insurant shall pay the insurance premium in the amount, manner and terms provided for by the insurance rules.
11. Upon the occurrence of an insured event, the insurer shall make an insurance benefit in the amount, manner and terms provided for by the insurance rules.
12. The object of insurance is property interests that do not contradict the legislation of the Republic of Kazakhstan related to harm to the life and health of the insured person due to the occurrence of an insured event under the insurance contract.

Chapter 4. Insured events

13. Insured events under insurance contracts may include the following:
 - 1) death of the insured person for any reason that occurred during the period of insurance coverage;
 - 2) death of the insured person due to a cause other than an accident that occurred during the period of insurance coverage under the insurance contract;
 - 3) an accident that occurred during the period of insurance coverage under the insurance contract and led to the death of the insured person within six months from the date of its occurrence;
 - 3) an accident that occurred during the period of insurance coverage and led to the establishment of the insured person disability of the first, second or third group within six months from the date of its occurrence;
 - 4) an accident that occurred during the period of insurance coverage under the insurance contract and led to the establishment of the first group of disability for the insured person within 12 (twelve) months from the date of its occurrence;

5) an accident that occurred during the period of insurance coverage under the insurance contract and led to the establishment of the second group of disability for the insured person within 12 (twelve) months from the date of its occurrence;

14. Insured events are indicated by the insurer in the contract form or policy based on the insurance application.

Chapter 5. Replacement of the insured person

15. Under the insurance rules, the insured person is not replaced.

Chapter 6. Beneficiary

16. The beneficiary cannot be replaced by another person after he has fulfilled certain obligations under the insurance contract arising from the agreement with the insurant, or has presented the insurer with a claim for insurance benefit.

17. If the beneficiary refuses his/her rights, his/her rights shall be transferred to the insurant, and if the insurant is the insured person, to the insurant's heirs.

Chapter 7. Rights and obligations of the parties

18. The Insurant shall have the right to:

- 1) require the insurer to fulfill the obligations assumed in accordance with the insurance contract;
- 2) require the insurer to explain the terms of insurance, its rights and obligations under the insurance contract;
- 3) receive insurance benefit in cases established by the insurance contract.

19. The Insurant shall:

- 1) pay the insurance premium in the amount, manner and terms established by the insurance contract;
- 2) inform the insurer of all circumstances known that are essential for assessing the likelihood of an insured event;
- 3) carry out measures aimed at preventing insured events under the insurance contract;

20. The Insurer shall have the right to:

- 1) terminate the insurance contract ahead of schedule on the terms provided for by the insurance rules;
- 2) check the circumstances and causes of the occurrence of an insured event;
- 3) request any information from the insurant that is important for determining the degree of risk and establishing the amount of the tariff;

4) exercise other rights stipulated by the insurance contract and regulatory legal acts of the Republic of Kazakhstan.

21. The Insurer shall:

- 1) upon the occurrence of an insured event, make an insurance benefit in the amount, manner and terms established by the insurance contract;
- 2) ensure the secrecy of insurance;
- 3) upon receipt of a message about the occurrence of an insured event, register it;
- 4) if the beneficiary fails to provide all documents stipulated by the insurance contract, within 5 (five) business days from the date of receipt of the incomplete package of documents, notify the beneficiary of the need to provide the missing documents.

Chapter 8. Term of the insurance contract

22. Unless otherwise provided for by the contract form or policy, the insurance contract shall enter into force from the day following the day of receipt of an insurance premium to the insurer's bank account in full and shall be valid for the term specified in the contract form or policy.

Chapter 9. Place of validity of the insurance contract

23. The insurance contract shall be valid both within and outside the territory of the Republic of Kazakhstan.

Chapter 10. Amount, manner and terms of payment of the insurance premium

24. An insurance premium amount shall be specified in the insurance contract.

25. Payment of an insurance premium under the insurance contract shall be made by the insurant not later than six business days from the date of conclusion of the insurance contract.

26. If the insurant fails to pay an insurance premium within the terms established by the insurance rules, the insurer shall have the right to unilaterally terminate the insurance contract out of court, whereby the date of termination of the insurance contract shall be determined by the insurer in the termination notice.

Chapter 11. Sum insured and insurance benefit amount

27. A sum insured amount shall be determined by the insurer on the basis of the insurance application submitted by the insurant and shall be specified in the contract form or policy.

28. Upon occurrence of an insured event, the insurer shall make an insurance benefit by transferring it to the bank account of the beneficiary in the amount specified in the contract form or policy.

Chapter 12. Actions of the beneficiary upon the occurrence of an insured event, conditions and procedure for making insurance benefit

29. The beneficiary shall notify the insurer in writing of the occurrence of an insured event not later than 12 (twelve) calendar months from the date of its occurrence.

30. A valid reason for failure to notify or untimely notification shall be circumstances beyond the control of the beneficiary, namely: force majeure circumstances, i.e. extraordinary and unavoidable circumstances under the given conditions (force majeure), including but not limited to: natural phenomena, military actions etc.

31. Upon occurrence of the insured person's death during the period of insurance coverage under the insurance contract, the following documents shall be submitted to the insurer:

- 1) an application for insurance benefit according to the form established by the insurer;
- 2) a copy of the death certificate of the insured person or a copy of a notification of the state registration of death;
- 3) a copy of the medical certificate of death of the insured person or a copy of the stub of the medical certificate of death;
- 4) an extract from the outpatient medical record containing information on the diseases that the insured person had - the original for review and making a copy by the insurer's employees;
- 5) if the insured person's death occurred in hospital, an extract from the inpatient medical record - the original for review and making a copy by the insurer's employees;
- 6) a conclusion of pathological-anatomical (forensic-medical) examination of the insured person's corpse (if the examination or research is stipulated by the normative legal acts of the Republic of Kazakhstan) - the original for review and making a copy by the insurer's employees;
- 7) an identity document of the beneficiary (for individuals) – the original for review and making a copy by the insurer's employees;
- 8) a certificate of inheritance right granting the right to receive insurance benefits under the insurance contract (for individuals) - the original for review and making a copy by the insurer's employees;
- 9) details of the beneficiary's bank account opened in a second-tier bank of the Republic of Kazakhstan.

32. If an insured event is the establishment of disability of the insured person:

- 1) an application for insurance benefit in the form established by the insurer;
- 2) a disability certificate issued by an authorized state body - the original for review and making a copy by the insurer's employees;
- 3) a copy of the Medical and Social Expertise certificate issued by an healthcare organization;
- 4) an extract from the outpatient (inpatient) medical card containing information on the reason for establishing disability and the diseases that the insured person had - the original for review and making a copy by the insurer's employees;

5) details of the beneficiary's bank account opened in a second-tier bank of the Republic of Kazakhstan;

6) an identity document of the beneficiary (for individuals) - the original for review and making a copy by the insurer's employees.

33. The Insurer shall also have the right to request the following documents:

1) a copy of the loan agreement;

2) a certificate (letter) on the amount of the remaining principal debt under the loan agreement at the time of the occurrence of an insured event - original for review and making a copy by the insurer's employees;

3) if the law enforcement authorities have considered the issue of initiation of criminal proceedings on the fact of death of the insured person, the resolution on refusal to initiate criminal proceedings, or the resolution on initiation of criminal proceedings by law enforcement authorities or on termination of criminal proceedings by the said authorities or court, or the verdict (resolution) of the court - original for review and making a copy by the insurer's employees;

4) documents from the relevant competent authorities confirming the occurrence of the event having the signs of an insured event, its causes (fire departments, law enforcement authorities, occupational safety and health authorities) - original for review and making a copy by the insurer's employees;

34. The insurer shall have the right to make a decision on an insured event if the beneficiary or his/her representative fails to provide all the documents specified in this chapter of the insurance rules.

35. The insurer shall, within 15 (fifteen) business days from the date of receipt of all documents confirming the occurrence of an insured event, make a decision on the insurance benefit or provide a reasoned decision to refuse to make it.

Chapter 13. Grounds for the insurer's exemption from insurance benefits

36. It shall not be an insured event and the insurer shall be released from making insurance benefits if the insured event has occurred during the term of validity of insurance coverage under the insurance contract as a result of the following:

1) AIDS, HIV infection, mental illness, if the said illnesses have affected the occurrence of the insured event;

2) deliberate actions of the insurant, insured person, beneficiary aimed at the occurrence of the insured event or contributing to its occurrence, except for actions committed in the state of necessary defense and extreme necessity;

3) suicide (suicide attempt by the insured person) if the insured event occurred within the first two years of the insurance contract;

- 4) poisoning of the insured person with ethanol, alcohol, narcotic drugs, psychotropic substances and their analogs;
- 5) military actions, civil war, mass disturbances, emergency or special situations declared by public authorities in accordance with the procedure established by law, their consequences, popular unrest, strikes;
- 6) terrorist acts, if the insurant/insured person is a person involved in terrorist activities or a participant in an act of terrorism;
- 7) nuclear explosion, radiation or radioactive or chemical contamination;
- 8) natural and man-made emergencies, including but not limited to: earthquake, flood, fire, landslide, avalanche, volcanic eruption, tsunami.

37. The insurer shall also refuse to make an insurance benefit in one of the following cases:

- 1) when concluding the insurance contract the insurant/insured person has knowingly communicated to the insurer false information about the object of insurance, insurance risk, insured event and its consequences, as well as other information that must be provided to the insurer in accordance with the insurance rules;
- 2) commission by the insured person, upon occurrence of an insured event provided for by the insurance contract, of an act having signs of an administrative offense or a criminal offense;
- 3) the insured person has an oncological disease as of the date of occurrence of an insured event (except for the insured event caused by an accident).

Chapter 14. Conditions for termination of the insurance contract

38. Termination of the insurance contract, as well as the return of an insurance premium upon termination of the insurance contract shall be carried out in cases and on the conditions provided for by the current legislation of the Republic of Kazakhstan.

Chapter 15. Cases and procedure for amendments and additions to the insurance contract

39. Changes and additions to the insurance contract shall be carried out on the basis of an application for amendments and additions to the insurance contract submitted by the insurant to the insurer.

40. Changes and additions to the insurance contract shall be made in writing, with the consent of the insurer for such change and (or) addition, and shall be considered effective from the date of conclusion of an additional agreement to the contract form or from the date of execution of the renewed policy by the insurer.

41. The renewed policy shall be issued to replace a previously issued policy. The renewed policy become an integral part of the insurance contract and after its execution, the previously issued policy (and if it is lost, a duplicate) shall become null and void.

Section 3. FINAL PROVISIONS

Chapter 16. Change of the insurant's location or domicile

42. When changing the location or place of residence, the insurant shall inform the insurer of the new address within ten days. Otherwise, a notice sent to the address of the previous location or place of residence shall be considered as duly sent.

43. If the location or residence of the insurant is outside the Republic of Kazakhstan, the insurant shall provide the insurer with the contact details of a person responsible for the delivery in the Republic of Kazakhstan of correspondence to the insurant.

Chapter 17. Additional terms

44. Any notifications, applications, notices, explanations related to the insurance contract shall be sent via a personal account on the insurer's Internet resource, to the e-mail address specified in the insurance application, by SMS message and by other means allowing to confirm its sending.

45. The Parties shall be liable for non-fulfillment or improper fulfillment of the terms and conditions of the insurance contract in accordance with the insurance rules and the legislation of the Republic of Kazakhstan.

46. Relations between the parties not regulated by the insurance rules shall be regulated by the current legislation of the Republic of Kazakhstan.

47. All disputes between the parties to the insurance contract shall be resolved in a pre-trial procedure in writing. If such disputes cannot be resolved in a pre-trial procedure, they shall be resolved in court at the location of the defendant.

48. All amounts set by the insurance contract are subject to payment in KZT (tenge), in accordance with the terms and conditions of the insurance contract (policy) and the insurance rules.

49. If, as a result of changes in the legislation of the Republic of Kazakhstan, certain provisions of the insurance rules come into conflict with the legislation of the Republic of Kazakhstan, these provisions automatically become invalid without corresponding changes to the insurance rules. If one of the provisions of the insurance rules becomes invalid, this does not affect the other provisions of the insurance rules. The invalid provision shall be replaced by a legally permissible provision regulating the relevant relationship.

50. Upon agreement of the parties it is allowed to conclude the insurance contract in electronic form by exchange of electronic information resources.

51. At the applicant's request, a claim for an insurance benefit may be sent in advance in electronic form with the attachment of documents required for the insurance benefit, in the form of electronic copies or electronic documents. At the same time, the claim for the insurance benefit in electronic form does not exempt the applicant from submitting the necessary documents to the insurer at the insurer's location. In this case, the insurance benefit shall be made within the time limits established by the insurance rules after providing the insurer with the necessary original documents.

52. By agreement between the insurant and the insurer, the insurance contracts may be concluded providing for amendment, exclusion of certain provisions of the insurance rules, as

well as additional conditions determined upon conclusion of the insurance contract and reflected in the contract form and policy.

53. The insurance rules has been drawn up in Kazakh and Russian. In case of discrepancy between the texts of the insurance rules in Kazakh and Russian languages, priority shall be given to the text of the insurance rules in Russian.