

UNITARY INSURANCE COMPANY «BELVEB INSURANCE»

**REGULATIONS NO. 5
OF VOLUNTARY CARGO INSURANCE**

(as approved by the Ministry of Finance of the Republic of Belarus on
29.11.2018 No. 1037)

MINSK 2018

1. GENERAL PROVISIONS

1.1. On the basis of the present Rules BelVEB Insurance (hereinafter referred to as the Insurer) concludes voluntary cargo insurance agreements (hereinafter referred to as Insurance agreements) with individuals, legal entities and individual entrepreneurs (consignors, consignees, carriers, forwarders, etc.) interested in cargo preservation (hereinafter referred to as the Insured).

State legal entities, as well as legal entities, whose decisions may be influenced by the state owning a controlling stake (shares, deposits, units), may not act as insurers, unless otherwise is established by the President of the Republic of Belarus.

The cargo insurance agreement may be concluded in favor of a person who has an interest in keeping this cargo (the Insured or the Beneficiary) based on the legislation or agreement. The person in favor of whom the insurance agreement has been concluded and its details shall be specified in the insurance agreement (insurance policy).

The insurance agreement in favour of the Beneficiary may be concluded without specifying the name or surname of the Beneficiary. Upon conclusion of such an agreement, the Insured shall be issued a bearer insurance agreement (insurance policy).

Conclusion of the insurance agreement in favor of the Beneficiary shall not release the Insured from the performance of his obligations under such agreement, except in cases when the obligations of the Insured are fulfilled by the Beneficiary.

1.2. **The object of insurance** under these Regulations are the property interests of the Insured (Beneficiary) in relation to loss (destruction) or damage of cargo transported by road, train, air, marine, mixed transport, owned, used or disposed of by the Insured (Beneficiary). The Insurance agreement may be concluded both at the location of the Insured and at the location of the cargo.

1.3. The cargo shall be considered insured when transported by the means of transport specified in the insurance agreement. The Insurer shall not be liable if the insured cargo is transported by means other than those specified in the insurance agreement.

1.4. The territory of the insurance agreement is the Republic of Belarus. Insurance agreements with effect on the territory of other states are concluded in case the Insurer has contractual agreements on rendering services in execution of documentation on damages arisen on the territory of these states as a result of insurance of cases, as well as their resolution.

The insurance agreement is valid only on the territory, direction or within the route of transportation (route, including transshipment points) specified in the insurance agreement (insurance policy). The territory of the contract of carriage for air transportation shall be all zones over which the route of the aircraft passes, and only the place of departure and destination may be specified in the insurance

agreement.

During the period of validity of the insurance agreement the Insured shall be obliged to notify the Insurer in writing or by e-mail about the change of the agreed route of transportation prior to transportation. If the route of transportation has been changed without the Insurer's consent, the Insurer has the right to refuse to pay the insurance indemnity.

1.5. The insurance agreement may be concluded according to one of the following options:

1.5.1. Option One – **“All Risks Responsibly”**.

The insurance agreement concluded under the first option covers:

a) Losses from loss (destruction) of or damage to all or part of the cargo that has occurred due to any reason, except for the cases provided for in Clause 1.6 hereof, as well as the cases specified in subclause 1.7.1 of Clause 1.7 hereof, if they have not been accepted for insurance additionally;

b) Losses, expenses and premiums in case of a general accident¹ with regard to the share of cargo;

1.5.2. Option Two – **“Special Accident Liability”**².

The insurance agreement concluded under the second option covers:

a) Losses from loss (destruction) or damage to all or part of the cargo that has occurred as a result:

- the impact of a fire or explosion;
- lightning strikes, storms, whirlwinds, volcanic eruptions and other natural disasters, except floods, earthquakes, tsunamis;
- wreckage or collision of ships, planes and other transportation means with each other, their impact on stationary or floating objects (structures, obstacles, ice), birds, animals, etc.;
- shallow landings, throws ashore, overturning, flooding, damage to the ship by ice, and overflow of cargo with outside water;
- bridge and tunnel falls;
- falling down of an aircraft or an object on it;
- loss of a vehicle without a trace;

b) Losses, expenses and premiums in case of a general accident with regard to the share of cargo.

1 The term “accident” does not refer to the fact of the accident itself, but rather to the losses incurred by the participants in the marine transportation. Depending on the nature of the loss and the principles of its distribution among the participants in such transportation, they are divided into general and special accidents. A general accident shall be deemed to be a loss incurred as a result of intentional and reasonable emergency expenses or donations made to save the vessel, freight and cargo carried on board from the general danger to which they are exposed. A general accident shall be distributed between the vessel, freight and cargo in proportion to their value. Premiums in case of a general accident are the sum of money claimed by the shipowner or on his behalf by the dispatcher from the cargo owner as security for his share in the general emergency expenses.

2 A special accident is a loss that cannot be attributed to a general accident. Such losses are not subject to distribution between the ship's cargo and freight. They are borne by the person who has suffered them or by the person who is liable for causing them.

1.5.3. Option Three – “**Without liability for damage, except in case of a crash**”. Under this insurance option, the list of insured events and exceptions is similar to the list specified in subclause 1.5.2 of clause 1.5 hereof, however, losses under this option shall be indemnified only in connection with loss (destruction) of all or part of the cargo.

Losses from damage to the insured cargo under this option shall be indemnified only if they are caused by the wreckage of the transport means.

1.6. Loss (death) or damage to the cargo (for all insurance options) shall not be deemed an insured event if such loss (destruction) or damage has occurred as a result of:

1.6.1. air and temperature impact (except for transportation by transport equipped with refrigeration units) or special physical and chemical properties and natural qualities of the cargo;

1.6.2. impact of internal and/or production defects of the cargo, as well as due to the impact of vibration caused in the course of movement of the vehicle on loose or improperly fixed parts, assemblies or parts of the cargo;

1.6.3. inappropriate packing or closure, stowage of cargoes and dispatch of cargoes in damaged condition, violation of requirements to formation of enlarged cargo packages, inappropriate placement and fastening of cargoes;

1.6.4. lack of cargo with regard to the integrity of the outer packaging and seals;

1.6.5. fire or explosion which has occurred in the process of loading substances and items dangerous in relation to explosion and spontaneous ignition, for which no insurance agreement has been concluded and which is performed with the knowledge of the Insured or the Beneficiary or their representatives, but without the knowledge of the Insurer;

1.6.6. ship's non-swimmability;

1.6.7. unsuitability of the transport means or container for transportation of the insured cargo, if the Insured and/or his or her representatives knew or should have known about it by the moment of loading termination;

1.6.8. deviation of the transport means from the route agreed between the Insurer and the Insured, as well as the agreed means of transportation.

Note: during the delivery of cargo on liters, barges and other transport vessels, the Insurer shall be liable only if the use of such vessels is usual under local conditions.

Indirect losses of the Insured shall not be indemnified as well.

1.7. In addition, upon agreement of the parties, subject to payment of the insurance premium, losses may be compensated:

1.7.1. under the insurance agreement concluded under any of the three options, resulting from:

1.7.1.1. ordinary leakage, ordinary loss of weight and volume or ordinary wear and tear of the insured cargo;

1.7.1.2. depreciation of the cargo due to contamination or damage of the packaging when the outer packaging is intact;

1.7.1.3. abrasions on the cargo as a result of rubbing against other cargoes, ship's board, internal bulkheads, slings;

1.7.1.4. internal properties of the cargo, in particular, "invasion" (infestation with parasites);

1.7.1.5. damage to the cargo by worms, rodents and insects;

1.7.1.6. actions of customs, quarantine or sanitary services;

1.7.1.7. actions of terrorists or any other persons acting on political grounds;

1.7.1.8. seizure, arrest, delay with the use of force and their consequences;

1.7.1.9. interaction with mines, torpedoes, bombs and other types of military weapons, the impact of which on the object of insurance is accidental;

1.7.1.10. effects of a nuclear explosion, radiation or radioactive contamination, hostilities, civil war;

1.7.1.11. seizure, confiscation, requisition, arrest, nationalisation or destruction of the insured cargo by order of state authorities;

1.7.2. under the insurance agreement concluded under the second or third option (in case of conclusion of the insurance agreement under the first option these events are included in the insurance cover without payment of an additional insurance premium) resulting from:

1.7.2.1. floods, earthquakes, tsunamis;

1.7.2.2. sweating of a vessel and trickling of cargo with atmospheric precipitations, throwing overboard and flushing with a wave of deck cargo or cargo transported in ships without decks;

1.7.2.3. failure to deliver cargo, theft, robbery;

1.7.2.4. cargo damage during loading and unloading.

Risks listed in subclause 1.7.2 of clause 1.7 hereof may be additionally covered only if they are not covered by the selected insurance option.

1.8. The Insurer shall be released from payment of the insurance indemnity if:

1.8.1. the Insured (Beneficiary), his/her employee, any other person acting on behalf of the Insured (Beneficiary) has committed intentional actions resulting in the occurrence of the insured event;

1.8.2. the insured event has occurred as a result of an impact of a nuclear explosion, radiation or radioactive contamination, hostilities, civil war, unless otherwise provided by international treaties of the Republic of Belarus, legislative acts or an insurance agreement;

1.8.3. the loss has arisen as a result of seizure, confiscation, requisition, attachment, nationalisation or destruction of the insured cargo by order of state authorities, unless otherwise stipulated in the insurance agreement;

1.8.4. the loss has arisen due to the fact that the Insured (Beneficiary) has

intentionally failed to take reasonable and available measures to reduce the possible losses;

the Insured (Beneficiary) has waived his or her right of claim against the person responsible for the loss or the exercise of such right has become impossible due to the fault of the Insured (Beneficiary).

1.9. The Insurer shall also have the right to refuse to pay the insurance indemnity if the Insured (Beneficiary) has not fulfilled his or her obligation to immediately notify the Insurer or his or her representative of the occurrence of the insured event, unless it is proved that the Insurer has learned of the occurrence of the insured event in due time or that the Insurer's lack of information about it could not affect its obligation to pay the insurance indemnity.

2. SUM INSURED. INSURANCE RATE. INSURANCE PREMIUM

2.1. **The sum insured** shall be the amount of money within which the Insurer is obliged to pay out the insurance indemnity upon occurrence of the insured event. The sum insured shall be determined by the parties upon conclusion of the insurance agreement based on the actual (insured) value of the cargo.

The cargo shall be considered insured in the amount declared by the Insured, but not higher than its actual (insured) value specified in the transportation documents attached to the cargo. If the insurance of cargo (goods) is carried out in accordance with the requirements of the sales contract concluded on the basis of the International regulations of interpretation of the terms and conditions of delivery in foreign trade (Incoterms), the sum insured shall be determined in accordance with the requirements of Incoterms.

The actual value of the cargo is understood to be its value at the place of location of the cargo at the moment of conclusion of the insurance agreement, but not exceeding the value specified in the transportation documents accompanying the cargo.

2.2. In the event of insurance under a general agreement (general policy), the maximum sum insured per transportation may be established in the insurance agreement. The Insurer shall not be liable for the cargo in terms of the difference between the established limit on the sum insured per one transportation and the actual (insured) value of the cargo (if the insurance agreement, under the general agreement (general policy), does not provide otherwise).

2.3. If the sum insured specified in the insurance agreement exceeds the actual (insured) value, the insurance agreement shall be null and void to the extent of the sum insured that exceeds the actual (insured) value of the cargo. The overpaid part of the insurance premium shall not be refunded in this case. If the overstatement of the sum insured in the insurance agreement is a result of fraud on the part of the Insured, the Insurer shall have the right to demand the recognition of the insurance agreement as null and void and the indemnification

of losses caused to the Insurer in connection therewith in the amount exceeding the amount of the insurance premium received from the Insured.

If the sum insured is determined to be lower than the actual (insured) value, the Insurer shall, upon occurrence of the insured event, pay out the insurance indemnity in proportion to the ratio of the sum insured to the actual (insured) value of the object of insurance.

2.4. The sum insured may be determined both in Belarusian roubles and in foreign currency.

2.5. The insurance rate is calculated by determining the basic insurance rate (Appendix No.1 to these Regulations) using adjustment coefficients approved by the local legal act of the Insurer.

2.6. The insurance premium shall be determined based on the amount of the sum insured and the amount of the insurance rate.

2.7. The insurance premium under the general agreement (general policy) shall be determined by multiplying the maximum sum insured per one transportation by the insurance rate and by the number of freight transportations which the Insured plans to carry out during the term of validity of the general agreement (general policy) with subsequent adjustment taking into account the cost of actually transported cargoes.

2.8. The insurance premium shall be calculated and paid in the currency of the sum insured, unless otherwise provided by the legislation of the Republic of Belarus and the agreement of the parties. In case of payment of the insurance premium in currency other than the currency of the sum insured, the recalculation shall be made at the official exchange rate of the respective currency in relation to the currency of the sum insured, established by the National Bank of the Republic of Belarus on the date of payment of the insurance premium (its part).

2.9. Upon agreement of the parties, the insurance agreement may provide for the amount of losses not subject to indemnification by the Insurer to the Insured (Beneficiary) – a franchise (conditional, unconditional).

In case of a conditional franchise the Insurer is released from liability for the loss if its amount does not exceed the conditional franchise; if the amount of loss exceeds the conditional franchise, the Insurer indemnifies the loss in full.

In case of an unconditional franchise, the amount of the unconditional franchise is deducted from the insurance indemnity.

The franchise may be established for the whole insurance agreement (separate cargo lot) or for each (separate) cargo place, both in percentage terms and in absolute value (including the number of cargo places, liters, pieces, etc.). The excess may be set for all or individual risks.

The franchise applies to each insured event, unless otherwise agreed in the insurance agreement.

If a franchise is stipulated in the insurance agreement, but it is not specified that the franchise is established for a separate consignment of goods or for each

(separate) cargo place, or for which risks it is applied, it is considered that an unconditional franchise is established in the insurance agreement for all insured risks.

3. PROCEDURE FOR CONCLUDING THE INSURANCE AGREEMENT AND PAYMENT OF THE INSURANCE PREMIUM

3.1. The insurance agreement shall be concluded on the basis of a written application of the Insured (the form of a written application shall be approved by a local legal act of the Insurer), which is an integral part of the insurance agreement, or the Insurer's proposal for voluntary cargo insurance, which has been accepted by the Insured in the manner specified in the Insured's proposal. The Insurance agreement shall be concluded in writing by means of preparation of one document, as well as by means of exchange of documents through postal, electronic or other communication, which makes it possible to reliably establish that the document comes from the party to the agreement, or by delivery of the insurance policy signed by the Insurer to the Insured.

The insurance agreement shall be concluded on the terms and conditions of these Regulations of insurance adopted by the Insured by joining the insurance agreement. The Regulations shall be handed over to the Insured upon conclusion of the insurance agreement and a respective entry shall be made in it.

The Regulations, including those not included in the text of the insurance agreement or insurance policy, are binding for the Insurer, the Insured or the Beneficiary.

3.2. Upon conclusion of the insurance agreement, the Insured is obliged to inform the Insurer of the circumstances known to the Insured, which are essential for determining the probability of occurrence of the insured event and the amount of possible losses from its occurrence, if these circumstances are not known and should not be known to the Insurer.

If after the conclusion of the agreement it is discovered that the Insured has knowingly provided the Insurer with false information about these circumstances, the Insurer shall have the right to demand the recognition of the agreement as null and void.

3.3. If necessary, the insurance agreement shall be concluded with cargo inspection and preparation of the inventory on the basis of the relevant transportation documents confirming the presence and value of the cargo.

The description of the cargo may be replaced by accompanying documents for the cargo with indication of the name, quantity and value of the transported cargo.

The Insured shall be responsible for the reliability of information about the contents of the transported (stored) cargo. Insurance of cargo on the terms and conditions of these Regulations implies that each cargo (goods) must have the appropriate packaging, which is designed to withstand the dangers and accidents of transportation, and the selected means of transportation must be functional and

correspond to the cargo transported. The Insurer shall have the right to inspect the accounting and financial documents of the Insured for compliance of the data specified in the declarations with the data contained in the accounting and financial documents.

3.4. If the cargo is household goods, personal belongings of a natural person, the Insured shall attach to the application a detailed description of the contents of each place of cargo with assessment of a separate object(s) or group of similar objects.

If the cargo is art objects and rarities (paintings, statues, antique items, etc.), the Insured shall attach to the application a detailed description of each object with indication of the value determined on the basis of the assessment made by the person entitled to such assessment.

In such cases, the insurance agreement shall be concluded with the mandatory inspection of the cargo by the Insurer's representative and preparation of the inventory on the basis of the relevant transport documents confirming the presence and value of the cargo.

3.5. The insurance agreement may be concluded both for a single cargo transportation and for all cargo transportation during a certain period of time (month, quarter, navigation, year). In the latter case, the insurance shall be carried out on the basis of the general agreement (general policy). At the request of the Insured, the Insurer shall issue agreements (policies) for individual consignments of goods covered by the general agreement (general policy).

3.6. In case of insurance under the general agreement (general policy), the Insured shall be obliged to inform the Insurer of the information on the transportation stipulated in such agreement (policy) prior to the commencement of the transportation by executing and submitting to the Insurer an application for cargo insurance in respect of each transportation of cargo falling within the scope of the general agreement (general policy). In particular, the name of the cargo, the name of the transportation means, the route of the cargo (including transit countries), points of transshipment, the insurance value of the cargo, the volume of the transported cargo and other information at the request of the Insurer. The Insured shall not be released from this obligation, even if at the time of receipt of such information the possibility of damage to be compensated by the Insurer has passed and the cargo has been delivered to its destination in an intact condition.

If the Insurer has been notified of the transportation after the commencement of the transportation, the date of commencement of insurance shall be determined by the date of application for cargo insurance (unless otherwise provided by the general agreement (general policy)). In such a case, the period from the date of commencement of carriage to the date of notification shall not be covered by insurance and the Insurer shall not be liable for possible losses of the Insured (Beneficiary) during this period.

If after submitting an application for cargo insurance the Insured becomes

aware of significant changes in relation to the insured transportation (the name of the cargo, the name of the transportation means, the route of the cargo (including transit countries), transshipment points, the insured value of the cargo, the volume of the transported cargo and other information at the request of the Insurer), the Insured shall be obliged to immediately notify the Insurer thereof. In such case the changes shall be accepted with the written consent of the Insurer.

3.7. The insurance premium under the agreement concluded for the occasional transport of goods shall be paid in a lump sum upon conclusion of the insurance agreement.

The Insurer shall have the right to provide an opportunity to pay the insurance premium within 15 working days from the date of conclusion of the insurance agreement, which is specified in the insurance agreement (insurance policy).

3.8. The insurance premium under the general agreement (general policy) may be paid in a lump sum or in installments – monthly.

The insurance agreement may provide for a different frequency of payment of the insurance premium, taking into account the principle of prepayment prior to the commencement of the insurance period. In this case, the first instalment of the insurance premium in the amount of at least $1/n$ of the insurance premium shall be paid upon conclusion of the insurance agreement, and the remaining instalments shall be paid at equal intervals during the validity of the insurance agreement not later than the last day of the paid period so that the payment under the agreement from the beginning of its validity shall be at least $2/n$, $3/n$, etc. until the payment of the insurance premium in full, where “n” is the number of stages of payment.

3.8.1. In the case of a lump sum payment, the insurance premium shall be paid upon conclusion of the insurance agreement.

If during the period of validity of the general agreement (general policy) the value of actually transported cargoes has exceeded the planned value, the Insurer has the right to recalculate the insurance premium on the basis of reconciliation certificates (registers of transported cargoes) and demand payment of an additional insurance premium.

3.8.2. In case of payment in installments, the first installment of the insurance premium shall be paid upon conclusion of the insurance agreement.

The first part of the insurance premium under the general agreement (general policy) shall be determined by dividing the insurance premium under the general agreement (general policy) by the number of calendar months of validity of the general agreement (general policy).

At the end of each calendar month of the term of validity of the general agreement (general policy), the Insurer shall calculate the amount of the insurance premium due to the Insurer for the reporting month on the basis of the information received from the Insured on the transportation started during the

reporting month, which is reflected in the act of reconciliation or in the register of transported cargoes. If the amount of the insurance premium calculated on the basis of the actual data exceeds the insurance premium prepaid for a given month, the Insured is obliged to pay the missing part when paying the insurance premium for the next month (except the last month). The additional payment shall be made not later than the 10th day of the month following the reporting month. If the calculated insurance premium is less than the amount previously paid by the Insured, the overpaid part shall be set off for the next reporting month.

3.9. Final settlement under the general agreement (general policy) – additional payment of the insurance premium or refund of the overpaid part – shall be made by the parties within 15 working days after its expiration on the basis of actual data on the performed (performed) transportation received from the Insured.

3.10. The insurance premium may be paid in cash or by bank transfer.

The date of payment of the insurance premium (part thereof) under the agreement is deemed to be:

- in case of non-cash payment – the day of receipt of the insurance premium (its part) to the current account of the Insurer or its authorized representative;

- in case of cash payment – the day of payment of the insurance premium (its part) to the cash desk of the Insurer or payment to its authorized representative;

- in case of payment of the insurance premium (its part) with the use of bank payment cards, through automated payment systems (including through the "ERIP" system (AIS "Raschyot")), as well as in case of deposit of funds directly to the banks' cash desks with their subsequent crediting to the Insurer's or its authorized representative's account – the day of making the operation on transfer of the insurance premium (its part), confirmation of which is the check-card and (or) other document confirming the performance of the respective operation.

3.11. In case of non-payment of the next installment of the insurance premium within the term stipulated in the general agreement (general policy), the Insurer shall have the right, upon agreement with the Insured drawn up in writing, not to terminate the insurance agreement, provided that there are written obligations of the Insured to repay the existing debt not later than 30 calendar days from the day specified in the general agreement (general policy) as the day of payment of the next installment of the insurance premium. In case of non-payment of the part of the insurance premium under which the deferral has been granted, the insurance agreement shall be terminated from 00:00 on the day following the last day of the 30-day period during which the Insured is obliged to pay the next part of the insurance premium. At the same time, the Insured shall

not be released from payment of a part of the insurance premium for the specified 30-day period of validity of the insurance agreement.

If the insured event occurs before the payment of the next instalment of the insurance premium under which the deferral of payment has been granted, the Insurer shall have the right to withhold the remaining unpaid instalment (the next instalment) of the insurance premium from the amount of the insurance benefit.

If the amount of the insurance premium due to the Insurer for the reporting month calculated on the basis of the actual data exceeds the insurance premium paid in advance for the given month (part three of subclause 3.8.2 of clause 3.8.8 of these Regulations), the next instalment of the insurance premium may be paid not later than on the 10th day of the month following the reporting month, taking into account the missing instalment of the insurance premium for the previous reporting month.

3.12. The insurance agreement shall come into force at the time and date specified in the insurance agreement (insurance policy) as the time and date of commencement of the validity of the agreement, but not earlier than the time of payment of the insurance premium (part thereof) to the Insurer (its authorised representative). If no specific time of commencement of the insurance agreement is specified, such time shall be deemed to be 00:00 of the first day of validity of the insurance agreement. The insurance agreement shall end at 24:00 on the date specified in the insurance agreement (insurance policy) as the expiry date of the insurance agreement.

3.13. The Insurer's liability under the insurance agreement starts from the moment when the cargo is picked up from the warehouse at the point of departure, but not earlier than the date and time of the beginning of the insurance agreement (insurance policy) and is valid for the whole period of transportation (including transshipments, as well as storage in warehouses at transshipment points, but not longer than 30 calendar days after unloading of the cargo from the vehicle, unless another time period has been agreed upon in addition between the Insured and the Insurer), until the cargo is delivered to the consignee's warehouse or other final warehouse (or other storage) at the destination point specified in the insurance agreement (insurance policy).

The Insurer's liability under the cargo insurance applications received from the Insured during the period of validity of the general agreement (general policy) starts from the moment when the cargo is taken from the warehouse at the point of departure and is valid during the whole period of transportation (including transshipments, as well as storage in warehouses at transshipment points, but not more than 30 calendar days after unloading of the cargo from the vehicle, unless another period has been agreed upon additionally between the Insured and the Insurer) until the cargo is delivered to the consignee's warehouse or other final warehouse (or other storage) at the destination point specified in the cargo insurance application.

3.14. During the period of validity of the insurance agreement, the Insured (Beneficiary) is obliged to immediately, within 3 working days, notify the Insurer of any significant changes in the circumstances notified to the Insurer at the time of conclusion of the insurance agreement (Clause 3.2 of these Regulations), if such changes may significantly affect the increase of the insurance risk. The changes agreed upon in the insurance agreement (insurance policy) and in the Insurance Regulations transferred to the Insured shall be deemed significant in any case. In case the Insured (Beneficiary) fails to fulfil this obligation, the Insurer shall have the right to demand termination of the insurance agreement and compensation of losses caused by termination of the agreement.

3.15. The Insurer, who has been notified of the circumstances leading to an increase in the insured risk, is entitled to demand changes in the terms and conditions of the insurance agreement or additional payment of the insurance premium in proportion to the increase in the degree of risk. The additional insurance premium shall be calculated as follows:

$$P_{\text{add.}} = P_{\text{rem. new}} - P_{\text{rem. init.}}, \text{ where:}$$

$P_{\text{add.}}$ – additional insurance premium;

$P_{\text{rem. init.}}$ – insurance premium calculated for the unfinished term of the agreement, without taking into account changes in the degree of risk;

$P_{\text{rem. new}}$ – insurance premium calculated for the unfinished term of the agreement, taking into account changes in the degree of risk.

Amendments and/or additions to the insurance terms and conditions set forth in the insurance agreement shall be made in writing in accordance with the legislation of the Republic of Belarus.

The additional insurance premium shall be paid by the Insured at once upon conclusion of the agreement on amendments to the terms and conditions of the insurance agreement or by agreement of the parties in parts within the terms and conditions established by the insurance agreement upon its conclusion for payment of the next (remaining) parts of the insurance premium.

If the Insured objects to the change of the terms of the insurance agreement or additional payment of the insurance premium, the Insurer has the right to demand the termination of the agreement in accordance with the current legislation of the Republic of Belarus.

The Insurer shall not have the right to demand the termination of the agreement if the circumstances causing the increase of the insurance risk have already disappeared.

3.16. The insurance agreement shall be terminated before the end of the term for which it was concluded in cases of:

3.16.1. full performance of the Insurer's obligations under the insurance agreement;

3.16.2. the Insured's failure to pay the next installment of the insurance

premium within the terms and conditions stipulated in the agreement (taking into account the conditions stipulated in Clause 3.11 hereof);

3.16.3. if after the entry into force of the insurance agreement the possibility of occurrence of the insured event has disappeared and the insurance has ceased due to circumstances other than the insured event. Such circumstances include, in particular, loss (death) of the insured cargo due to reasons other than the occurrence of the insured event;

3.16.4. conclusion of an agreement between the Insured and the Insurer in writing. If the term of validity of the agreement is less than one month, the part of the insurance premium for the unexpired insurance period shall not be refunded;

3.16.5. liquidation of the Insured legal entity, termination of the activity of the Insured individual entrepreneur;

3.16.6. death of the Insured individual, except for the cases when the rights and obligations under the insurance agreement are transferred to the person who has accepted the property (cargo) in the order of inheritance.

3.17. The Insured is entitled to refuse from the insurance agreement at any time, if at the time of refusal the possibility of occurrence of the insured event has not disappeared due to the circumstances specified in subclause 3.16.3 of clause 3.16 of these Regulations. The insurance premium paid by the Insured shall not be refunded.

In case of early termination of the insurance agreement (in case of absence of payment of the insurance indemnity and declared losses) due to the circumstances specified in subclauses 3.16.3 - 3.16.6 of clause 3.16 of these Regulations, the Insurer shall be entitled to a part of the insurance premium in proportion to the time during which the insurance was in force.

3.18. The parties shall notify each other in writing of their intention to terminate the insurance agreement before the expected date of termination.

The part of the insurance premium to be refunded shall be calculated and paid in the currency of payment of the insurance premium (unless otherwise provided by the legislation of the Republic of Belarus and the agreement of the parties) in proportion to the time remaining from the date of termination of the insurance agreement to the end of its validity period. A part of the insurance premium shall not be refunded in case of early termination of the insurance agreement, if the insurance indemnity was paid out under it (there are declared losses).

The insurance premium or a part thereof shall be returned to the Insured within 5 working days from the moment of termination of the insurance agreement in the currency of payment of the insurance premium.

3.19. For each day of delay in returning the insurance premium or a part thereof due to the fault of the Insurer, the Insured shall be paid a fine in the amount of 0.1% to a legal entity, an individual entrepreneur and 0.5% to an individual of the amount to be returned.

3.20. Upon the transfer of the rights to the insured cargo from the person for whose benefit the insurance agreement was concluded, the rights and obligations under this agreement shall be transferred to the person to whom the rights to this cargo have been transferred, except in cases of forced seizure of the cargo and relinquishment of the right of ownership. The person to whom the rights to the insured cargo have been transferred must immediately, but not later than within 3 working days after the transfer of rights, notify the Insurer thereof in writing.

3.21. In case of reorganization of the Insured legal entity during the period of validity of the insurance agreement, the rights and obligations under the insurance agreement shall be transferred to its legal successor.

3.22. In case of loss of the insurance policy during the period of validity of the insurance agreement, a duplicate of the insurance policy shall be issued to the Insured on the basis of the written application of the Insured, after which the lost insurance policy shall be deemed null and void and no insurance payments shall be made thereunder.

3.23. The Insured has the right to conclude an insurance agreement of the same object with other Insurers provided that they are notified that the object has already been insured.

If the sum insured specified in the insurance agreement exceeds the insurable value, the agreement is null and void to the extent of the sum insured that exceeds the insurable value.

The part of the insurance premium paid in excess shall not be refunded in this case.

The amount of the insurance indemnity to be paid out in this case by each of the insurers shall be reduced proportionally to the reduction of the original sum insured under the respective insurance agreement.

4. DETERMINATION OF DAMAGE AND PAYMENT OF INSURANCE BENEFIT

4.1. In case of loss (destruction) (including theft) or damage to cargo, the Insured (his representative) or the Beneficiary shall be obliged:

4.1.1. immediately (within 24 hours) as soon as it became known to it, to inform the Insurer (its representative), as well as to the competent authorities about the event, and then not later than within 3 working days to send to the Insurer a written application for payment of the insurance indemnity containing information about the time, place and circumstances of the event;

4.1.2. to take reasonable measures available in the circumstances to reduce the possible loss following the Insurer's instructions, if they have been notified to the Insured;

4.1.3. to ensure the right of claim against the guilty party;

4.1.4. to present to the Insurer's representative the damaged and undamaged cargo or its remains as it appeared after the insured event;

4.1.5. to provide the Insurer with the insurance agreement (insurance policy), documents and information confirming the fact and reason of occurrence of the insured event.

4.2. The Insured is obliged to attach to the application documents certifying the fact of the insured event and the amount of damage, in particular:

4.2.1. in case of train transportation:

- insurance agreement with all annexes;
- accompanying documentation (waybills, invoices, packing lists, and other equivalent documents);
- sales contracts, other contracts confirming the property interest of the Insured (Beneficiary) in the insured cargo;
- contract of carriage / freight forwarding services;
- transportation documentation (railway waybills, other transportation documents equal to them);
- commercial act drawn up by a representative of the railway at the station of damage detection, cargo theft (seal violation);
- a commercial act on the lack of cargo drawn up at the point of destination, signed by the consignee and the representative of the railway;
- a certificate of accident drawn up by the management of the railway department where the accident occurred (rolling stock descending, bridge crash, etc.), as a result of which the insured event occurred;
- protocol or certificate of competent authorities (police, traffic police, customs authorities, fire service, rescue service, etc.), confirming the fact of the incident (theft, robbery, fraud, violation of customs rules, road traffic accident, fire, explosion, natural disaster, etc.);
- copies of letters of claim to the guilty party (carrier, freight forwarder, other person guilty of losses) with a note on their receipt or copies of postal receipts on their sending;
- copies of the reply letters of the guilty party;
- other documents and evidence necessary for the Insurer to exercise its right of claim.

4.2.2. in case of road transportation::

- insurance agreement with all annexes;
- accompanying documentation (waybills, invoices, packing lists, and other equivalent documents);
- sales contracts, other contracts confirming the property interest of the Insured (Beneficiary) in respect of the insured cargo;
- contract of carriage / freight forwarding services;
- transportation documentation (automobile waybills, other transportation documents equal to them);
- act of unsaved transportation, act of acceptance of goods by quantity and quality or act of expertise;

- act of cargo shortage (for any reason) drawn up at the point of destination, signed by the consignee, carrier (driver), customs representative (if any);

- protocol or certificate of competent authorities (police, traffic police, customs authorities, fire service, rescue service, etc.), confirming the fact of the incident (theft, robbery, fraud, violation of customs rules, road traffic accident, fire, explosion, natural disaster, etc.);

- copies of letters of claim to the guilty party (carrier, freight forwarder, other person guilty of losses) with a note on their receipt or copies of postal receipts on their sending;

- copies of the reply letters of the guilty party;

- other documents and evidence necessary for the Insurer to exercise its right of claim.

4.2.3. in case of marine transportation:

- insurance agreement with all annexes;

- accompanying documentation (waybills, invoices, packing lists, other equivalent documents);

- sales contracts, other contracts confirming the property interest of the Insured (Beneficiary) in respect of the insured cargo;

- contract of carriage / freight forwarding services;

- transportation documentation (bills of lading, other equivalent transportation documents);

- sea protest, extract from the ship's log, act of notification, general act and other similar official documents with indication of the reason of the insured event;

- in case of loss of a vessel or other means of transportation missing, reliable certificates on the time of departure of the carrier from the point of departure and on its non-arrival to the place of destination within the term established for recognition of the vessel missing are provided;

- protocol or certificate of competent authorities (police, customs authorities, fire service, rescue service, etc.) confirming the fact of incident (theft, robbery, fraud, violation of customs rules, fire, explosion, natural disaster, etc.);

- copies of letters of claim to the guilty party (carrier, freight forwarder, other person guilty of losses) with a note on their receipt or copies of postal receipts on their sending;

- copies of the reply letters of the guilty party;

- other documents and evidence necessary for the Insurer to exercise its right of claim.

4.2.4. in case of air transportation:

- insurance agreement with all annexes;

- accompanying documentation (waybills, invoices, packing lists and

other documents of equal value);

- sales contracts, other contracts confirming the property interest of the Insured (Beneficiary) in the insured cargo;
- contract of carriage / freight forwarding services;
- transportation documentation (air waybills, other transportation documents equal to them);
- commercial act on the fact of damage to or shortage of cargo, certified in accordance with the established procedure by the air carrier / representative of the airport of destination, consignee, customs (if any);
- protocol or certificate of competent authorities (police, customs authorities, fire service, rescue service, etc.) confirming the fact of the incident (theft, robbery, fraud, violation of customs rules, fire, explosion, natural disaster, etc.);
- certificate drawn up by the airline's management of the plane crash;
- copies of letters of claim to the guilty party (carrier, freight forwarder, other person guilty of losses) with a note on their receipt or copies of postal receipts on their sending;
- copies of the reply letters of the guilty party;
- other documents and evidence necessary for the Insurer to exercise its right of claim.

4.2.5. The Insurer shall have the right to request additional documents from the Insured, judicial, investigative and other competent authorities, which are essential for the consideration of the issue of payment of the insurance indemnity, within 3 months after receipt of the application from the Insured.

4.3. The Insurer is obliged to draw up an insured event report (in the form approved by the local legal act of the Insurer) within 10 working days from the moment of receipt of the application and the above documents, which is the basis for payment of the insurance indemnity, and to pay out the insurance indemnity.

The insured event report shall not be drawn up if it has been determined in the course of verification of the Insured's application that the reported loss has not occurred as a result of the insured event or if it is impossible to establish the fact, the cause of the losses incurred by the Insured and/or the amount of such losses due to untimely notification. In this case the Insurer within 5 working days from the date of making a decision to refuse to pay the insurance indemnity shall prepare and send a letter to the Insured explaining the reasons for refusal.

4.4. The insurance indemnity shall be paid out to the extent of the loss taking into account the deductible, but not exceeding the sum insured stipulated in the insurance agreement.

4.5. The damage means:

4.5.1. in case of loss (destruction) (including theft) of a part of the cargo - the value of the lost (died), stolen part of the cargo as of the date of conclusion of the insurance agreement, and in case of loss (destruction) (including theft) of the

whole cargo - the actual (insured) value of the cargo as of the date of conclusion of the insurance agreement.

Cargo shall be deemed lost (perished) if it cannot be brought to a condition suitable for its intended use by way of repair, or its repair is economically inexpedient (the cost of repair exceeds 80% of the actual (insurance) cost of the cargo).

If the cargo (part of the cargo) that has been recognized as completely destroyed has suitable remains, the damage, upon written agreement between the Insured and the Insurer, shall be determined according to one of the following options:

- in the amount of the difference between the actual (insured) value of the cargo (its part) as of the date of conclusion of the insurance agreement and the value taking into account depreciation (loss of quality) as a result of the insured event (the value of the residues suitable for further use);

- in the amount of the actual (insured) value of the cargo (its part) as of the date of conclusion of the insurance agreement. At the same time, at the Insurer's request, the Insured shall be obliged to hand over the damaged cargo to the Insurer or, with the Insurer's consent, to dispose of it by documenting the fact of its utilization. If the Insured fails to meet the above requirements, the Insurer shall have the right not to include the value of the cargo (its part) that has been declared as lost, which the Insured has not handed over to the Insurer (or has not documented its disposal), in the amount of loss;

4.5.2. in case of damage to the entire cargo (part thereof) - the difference between its value as of the date of conclusion of the insurance agreement and the value of the cargo (part thereof), taking into account depreciation (loss of quality) as a result of the insured event (the value of the remnants suitable for further use).

4.5.3. If the damaged cargo can be repaired to a condition suitable for its intended use, the damage shall be deemed to be the cost of repair of this cargo at the prices valid at the time of preparation of the estimate, up to the amount not exceeding the actual (insured) value of the cargo.

The cost of repairing the cargo specified in the estimate for repair or the documents confirming the amount of actually incurred expenses submitted by the Insured (Beneficiary) in a currency other than the currency of insurance indemnity shall be recalculated on the basis of the official exchange rate of the respective currency (currency of the document) in relation to the currency of insurance indemnity established by the National Bank of the Republic of Belarus as of the date of drawing up the act on the insured event.

4.6. If the cargo is insured in the amount lower than its actual value on the date of conclusion of the insurance agreement, the amount of the insurance indemnity shall be calculated as a percentage of the amount of damage in which the cargo was insured based on its actual value upon the occurrence of the insured event.

4.7. If the insured event has occurred before the payment of the next instalment of the insurance premium, the Insurer shall have the right to deduct the remaining unpaid instalment (including the overdue instalment) of the insurance premium or the next instalment thereof from the amount of the insurance indemnity, if it is stipulated in the insurance agreement.

4.8. Insurance indemnity shall be paid out in the currency of payment of the insurance premium, unless otherwise provided by the legislation of the Republic of Belarus and the agreement between the Insurer and the Insured (Beneficiary).

When paying insurance indemnity in Belarusian rubles, the amount of loss determined in foreign currency shall be converted into Belarusian rubles on the basis of the official exchange rate of the Belarusian ruble versus the respective foreign currency set by the National Bank of the Republic of Belarus as of the date of drawing up the act on the insured event.

When paying out insurance indemnity in foreign currency:

- the amount of loss determined in Belarusian rubles is recalculated on the basis of the official exchange rate of the Belarusian ruble to the currency of insurance indemnity established by the National Bank of the Republic of Belarus as of the date of drawing up the act on the insured event;

- the amount of loss calculated in a currency other than the currency of insurance indemnity is recalculated on the basis of the official exchange rate of the respective foreign currency to the currency of insurance indemnity established by the National Bank of the Republic of Belarus as of the date of drawing up the act on the insured event.

4.9. The Insurer shall also indemnify the expenses incurred by the Insured for the purpose of reducing the loss subject to indemnification, if such expenses were necessary or were incurred in order to fulfil the Insurer's instructions. Such expenses shall be compensated on the basis of original documents in proportion to the ratio of the sum insured to the insurable value, regardless of the fact that together with the compensation of other losses they may exceed the sum insured.

4.10. In case of loss of cargo together with the transport means, the insurance indemnity shall be paid out as well as in case of complete destruction.

4.11. The Insurer who has paid out the insurance indemnity shall acquire the right of claim to the extent of the amount paid, which the Insured (Beneficiary) had against the person responsible for the damage indemnified as a result of the insurance. If the Insured (Beneficiary) has waived his or her right of claim against the person responsible for the losses indemnified by the Insurer or if the exercise of this right has become impossible due to the fault of the Insured (Beneficiary), the Insurer shall be released from the payment of the insurance indemnity in full or in part and shall have the right to demand the refund of the overpaid indemnity amount.

4.12. The Insured (Beneficiary) shall be obliged to submit to the Insurer all documents and evidence and inform the Insurer of all information necessary for the Insurer to exercise his right of claim.

4.13. If the Insured has received indemnity for losses from third parties, the Insurer shall pay the difference between the amount payable under the terms and conditions of the insurance agreement and the amount received from third parties.

4.14. If the cargo has been returned to the Insured, the Insured shall be obliged to return the insurance indemnity to the Insurer within 30 working days after deduction of the expenses for repair (tidying up) of the cargo, if the cargo has been damaged.

4.15. The Insured loses the right to the insurance indemnity if the loss has been fully compensated by the person responsible for the caused damage.

4.16. In case of initiation of a criminal case on the facts of destruction (damage, theft) of cargo and in the absence of a crime on the part of the Insured (Beneficiary), his employee, other person acting on behalf of the Insured (Beneficiary), payment of the insurance indemnity shall be made after the end of the preliminary investigation. The basis for payment is the confirmation by the investigating authorities of the fact of initiation of criminal proceedings against persons guilty of destruction (damage, theft) of the insured cargo. The Insurer shall have the right to postpone the payment of the insurance indemnity if a criminal case is initiated by the relevant authorities against the Insured (Beneficiary), his employee or other person acting on behalf of the Insured (Beneficiary) in connection with the destruction of cargo until the end of the investigation.

4.17. For each day of delay in payment of the insurance indemnity due to the Insurer's fault, the Insurer shall pay a penalty in the amount of 0.1% - to a legal entity, individual entrepreneur and 0.5% - to an individual for each day of delay in payment of the insurance indemnity due to the failure of the Insurer to pay the amount in due time.

5. RIGHTS AND OBLIGATIONS OF THE PARTIES

5.1. The Insurer shall have the right:

5.1.1. to verify the Insured's compliance with the requirements of the Regulations and the insurance agreement;

5.1.2. to send inquiries to the competent authorities on the issues related to determining the causes and amount of losses caused;

5.1.3. to give instructions aimed at reduction of losses, which are binding for the Insured;

5.1.4. to take such measures as he considers necessary for reduction of losses, to take over the protection of the Insured's rights upon a written application of the Insured and to carry out all cases of loss settlement;

5.1.5. when notifying of the circumstances causing the increase of the

insured risk, to demand amendment of the terms and conditions of the insurance agreement or payment of an additional insurance premium in proportion to the increase of the risk level;

5.1.6. to demand termination of the insurance agreement in the cases stipulated in clause 3.17 of the Regulations;

5.1.7. to argue the amount of the Insured's claims in accordance with the procedure established by law;

5.1.8. to refuse to pay the insurance indemnity in the event of the Insured's failure to perform the actions provided for in subclause 4.1.1 of clause 4.1 of these Regulations;

5.1.9. in case of payment of the insurance indemnity - to receive the right of claim from the Insured (Beneficiary) to the person responsible for the losses indemnified as a result of the insurance;

5.1.10. to demand recognition of the insurance agreement as invalid, if after conclusion of the agreement it is established that the Insured has informed the Insurer of knowingly false information about the circumstances known to him, which are essential for determination of the probability of occurrence of the insured event and the amount of possible losses from its occurrence (except for the case when the circumstances about which the Insured has not mentioned, have already disappeared), as well as in other cases stipulated by the legislation of the Republic of Belarus;

5.1.11. to withhold the entire amount of the unpaid insurance premium (including the overdue part) or the next part thereof from the amount of the insurance indemnity, if it is stipulated in the insurance agreement.

5.2. The Insurer is obliged::

5.2.1. to provide the Insured with the insurance agreement (insurance policy) in accordance with the established procedure;

5.2.2. after receiving a written notice of the occurrence of the insured event from the Insured, to draw up a statement of the insured event and calculation of the amount of losses or to engage competent persons for its drawing up;

5.2.3. to make the insurance indemnity for the events recognized as insured within the term stipulated in these Regulations;

5.2.4. not to disclose the secrecy of insurance information, except in cases stipulated by the legislation of the Republic of Belarus;

5.2.5. to perform other actions stipulated by the legislation, these Regulations and the insurance agreement.

5.3. The Insured has the right:

5.3.1. to get acquainted with these Regulations;

5.3.2. to establish the list of insured events by agreement with the Insurer;

5.3.3. to pay the insurance premium in installments with the Insurer's consent in accordance with the terms and conditions set out in clause 3.8 hereof;

5.3.4. to increase the sum insured by agreement with the Insurer during the period of validity of the insurance agreement by making amendments to the insurance agreement with payment of an additional insurance premium;

5.3.5. in case of loss of the insurance policy, to receive a duplicate of the policy;

5.3.6. to cancel the insurance agreement in accordance with these Regulations;

5.3.7. to demand termination of the insurance agreement due to violation of these Regulations by the Insurer. In the latter case the Insurer within 10 working days from the date of termination of the insurance agreement shall return to the Insured by non-cash transfer to the Insured's account or by cash withdrawal from the Insurer's cashier's office (in cases stipulated by the legislation of the Republic of Belarus) the insurance premiums paid by the Insured in full. The insurance premium shall be refunded in the currency in which it was paid by the Insured, unless otherwise provided by the legislation of the Republic of Belarus and the agreement of the parties;

5.3.8. to receive information about the Insurer in accordance with the legislation of the Republic of Belarus;

5.3.9. to demand that the Insurer fulfils other terms and conditions of the insurance agreement which do not contradict the legislation.

5.4. The Insured is obliged:

5.4.1. to pay the insurance premiums in the amount, manner and within the time limits established by the insurance agreement;

5.4.2. when concluding the insurance agreement, to inform the Insurer of all circumstances that are essential for determining the probability of occurrence of the insured event and the amount of possible losses from its occurrence, if such circumstances are not known and should not be known to the Insurer, as well as of all concluded or being concluded insurance agreements with regard to the risk accepted for insurance.

The circumstances provided for in the insurance agreement (insurance policy) on the basis of a written application of the Insured shall be deemed essential in any case;

5.4.3. during the period of validity of the insurance agreement to immediately notify the Insurer of any significant changes in the circumstances notified to the Insurer at the time of conclusion of the agreement, if such changes may significantly affect the increase of the insurance risk;

5.4.4. in case of occurrence of an event that can be considered an insured event under the terms and conditions of the insurance agreement, the Insured is obliged:

- to take reasonable and available measures in the circumstances to reduce the possible losses, while following the Insurer's instructions, if any;
- to immediately (within 3 working days from the day of occurrence of the

insured event) notify the Insurer of the insured event by submitting a written application for payment of insurance indemnity of any form;

- to provide the Insurer with the documents specified in clause 4.2 of these Regulations, which are necessary to establish the fact of occurrence of the insured event and the amount of losses;

- to provide the Insurer's representative with an opportunity to find out the causes and amount of losses, as well as to ensure participation of the Insurer's representative in any commissions established to determine the causes and amount of losses;

- to take all necessary measures to ensure the right of claim against the person responsible for causing losses;

- to submit all documents and evidence to the Insurer who has paid the insurance indemnity and to inform the Insurer of all information necessary for the Insurer to exercise the right of claim which the Insured has against the person responsible for the losses indemnified as a result of the insurance;

5.4.5. to return the amount of the insurance indemnity or a part thereof to the Insurer within 3 working days equal to the amounts received by the Insured as compensation for the insured losses, if after payment of the insurance indemnity the Insured receives a full or partial compensation for the losses due to occurrence of which the insurance indemnity is paid out;

5.4.6. to submit the notices provided for in these Regulations and the insurance agreement in writing or by means of communication ensuring fixing the text and date of the notices (if possible by telex, telegraph or telefax), or by delivery against receipt;

5.4.7. to perform other actions stipulated by the legislation, the Regulations and the insurance agreement.

6. DISPUTE RESOLUTION PROCEDURE

6.1. Disputes arising from the insurance agreement shall be resolved through negotiations, and in case of lack of consent - by courts of the Republic of Belarus in accordance with their competence, established by the legislation of the Republic of Belarus.

These Amendments and supplements come into force in 7 working days from the date of their approval by the Ministry of Finance of the Republic of Belarus. Insurance agreements concluded prior to the coming into force of these Amendments and supplements shall be valid until the end of the term for which they were concluded on the same terms and conditions.

Deputy Director General

N.V. Goganova

ANNEX 1
to Regulations No. 5 of voluntary
cargo insurance

Basic insurance rates

No.	Type of transportation	Basic insurance rate (as a percentage of the sum insured per transportation)
1	Road	0,13
2	Train	0,14
3	Air	0,08
4	Marine	0,09
5	Mixed	0,14

Deputy Director General

N.V. Goganova