APPROVED

by the resolution of the Board of Directors of "Halyk" Insurance company" JSC

Minutes No.49

as of 18 February 2019

**Regulations**

**of obligatory insurance of civil liability of private notaries with**

**"Halyk" Insurance company" JSC**

**1. General provisions**

1. These Regulations of obligatory insurance of civil liability of private notaries (hereinafter referred to as the Regulations) have been developed in accordance with the Law of the Republic of Kazakhstan "On obligatory insurance of civil liability of private notaries" (hereinafter referred to as the Law) and establish the legal, financial and organizational bases of insurance, as well as regulate the relations arising from the conclusion, maintenance and execution of the agreement of obligatory insurance of civil liability of private notaries.

2. The following basic terms shall be used in these Regulations:

1) **Private notary** - a citizen of the Republic of Kazakhstan carrying out notarial activity without formation of a legal entity on the basis of a license for the right to carry out notarial activity and having passed the registration at the territorial body of justice;

2) **Civil liability of a private notary** - the obligation of a private notary established by the civil legislation of the Republic of Kazakhstan to compensate for the damage caused as a result of notarial activities;

3) **Beneficiary** - a person which, in accordance with these Regulations, is the recipient of the insurance benefit;

4) **Insured event** - an event, upon occurrence of which, the insurance agreement provides for the payment of insurance benefit;

5) **Insurance ombudsman** – an independent individual carrying out the settlement of disagreements between participants of the insurance market in accordance with the Law of the Republic of Kazakhstan "On insurance activity»;

6) **Sum insured** - the sum of money for which the insured object is insured and which represents the maximum amount of liability of the Insurer upon the occurrence of the insured event;

7) **Insurance premium** - the amount of money that the Assured shall be obliged to pay to the Insurer for the latter's acceptance of the obligation to pay the insurance benefit to the Beneficiary in the amount determined by the agreement of obligatory insurance of civil liability of a private notary;

8) **Insurance benefit -** the amount of money paid by the Insurer to the Assured (Beneficiary) within the insurance amount upon the occurrence of the insured event;

9) **Insurer –** Joint-Stock Company “Subsidiary of Halyk Bank of Kazakhstan “Halyk” Insurance Company” which has a license for the right to carry out insurance activities and obliged upon the occurrence of an insured event to pay the insurance benefit to the Assured or other person in favor of whom the agreement is concluded (the Beneficiary) within the sum insured determined by the agreement;

10) **Assured** - a private notary concluded the agreement of obligatory insurance of civil liability of a private notary with the Insurer;

11) **Third party** - a party which is not a party to the agreement of obligatory insurance of civil liability of a private notary, which property interests have been harmed in the process of performing of professional duties by a private notary related to notarial activities, for performance of which a private notary, in accordance with the legislation of the Republic of Kazakhstan on notaries, shall be obliged to conclude the agreement of obligatory insurance of civil liability of a private notary;

12) **Deductible** - exemption of the Insurer from compensation of loss not exceeding a certain amount.

**2. Insured object**

3. The object of obligatory insurance of civil liability of private notaries (hereinafter referred to as the OI of CL of private notaries) shall be the property interests of a private notary associated with his/her obligation to compensate for the harm caused to third parties as a result of notarial activities for performance of which a private notary, in accordance with the legislation of the Republic of Kazakhstan on notaries, shall be obliged to conclude the agreement of OI of CL of private notaries (hereinafter referred to as the notarial activities).

**3. Persons whose civil liability is subject to obligatory insurance**

4. Obligatory insurance shall be applied to the civil liability of private notaries (hereinafter referred to as the OI of CL of private notaries) carrying out their activities in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

5. The conclusion of the agreement of voluntary insurance of the civil liability connected with implementation of notarial activity by a private notary shall not release him/her from the obligation on the conclusion of the agreement of OI of CL of private notaries.

**4. Insurance agreement**

6. The OI of CL of private notaries shall be carried out on the basis of the agreement concluded in accordance with the Law and the Civil code of the Republic of Kazakhstan between the Insurer and the Assured in favor of a third party which property interests may be harmed in the course of notarial activities carried out by a private notary.

A private notary shall be obliged to conclude the agreement of obligatory insurance of his/her civil liability before carrying out notarial activities.

7. The agreement of OI of CL of private notaries shall provide for the payment of insurance benefit for obligations arising owing to infliction of harm to third parties in the process of performing of notarial actions by the Assured, with the exception of compensation for moral damage, lost profit and payment of a penalty.

8. The agreement of OI of CL of private notaries can be concluded only with the Insurer having the license for the right of carrying out of activity on this type of obligatory insurance. The conclusion of such an agreement shall be obligatory for the mentioned Insurer.

9. The agreement of OI of CL of private notaries shall be concluded by effecting of the insurance policy in electronic form by the Insurer.

The requirements for the content and effecting of the insurance policy under the OI of CL of private notaries shall be established by the legislation of the Republic of Kazakhstan on insurance and insurance activity.

Responsibility for incompleteness of the conditions which should be specified in the agreement of OI of CL of private notaries shall be borne by the Insurer. In the event of a dispute under the agreement of OI of CL of private notaries due to the incompleteness of some of its conditions, the dispute shall be settled in favor of the Assured.

10. At the request of the Assured, the agreement of OI of CL of private notaries may be concluded by a written appeal to the Insurer or exchange of information between the Assured and the Insurer in electronic form using the Insurer's Internet resource.

11. If the agreement of OI of CL of private notaries concluded on terms that worsen the status of the Insured or third parties compared to that provided by the Law, then, upon the occurrence of the insured event, the Insurer shall bear obligations to the Assured and third parties under the terms established by the Law.

**5. Requirements to the Insurer and Internet resources when concluding of the agreement of** **OI of CL of private notaries** **in electronic form**

12. At the time of conclusion of the agreement of OI of CL of private notaries in electronic form, the Internet resource of the Insurer shall be used for exchange of electronic information resources between the Assured (Beneficiary) and the Insurer.

When submitting an application for the conclusion of the agreement of OI of CL of private notaries in electronic form, the Assured shall not be required to use specialized software.

The list of the Internet resources of the insurance organizations used for the conclusion of agreements of OI of CL of private notaries in electronic form shall be placed on the Internet resource of the organization for the creation and maintenance of a database.

13. The procedure for the exchange of electronic information resources between the Assured (Beneficiary) and the Insurer shall be established by the regulatory legal act of the authorized body.

14. At the time of conclusion of the agreement of OI of CL of private notaries with use of the Internet resource of the Insurer, the Insurer shall be obliged to ensure:

1) immediate sending of the notice to the Assured on the conclusion of the agreement of OI of CL of private notaries or refusal in the conclusion thereof (specifying the reasons of refusal) in the form of an electronic message;

2) the possibility of verification of information by the Assured under the agreement of OI of CL of private notaries through the information system of the organization for the creation and maintenance of the database;

3) storage of the agreement of OI of CL of private notaries in electronic form with ensuring round-the-clock access for the Assured to the Insurer's Internet resource.

4) the possibility for the Assured (Beneficiary) to create and send information to the Insurer in electronic form (applications, notices and (or) other documents, information) necessary for:

changes of information, re-registration of the agreement of OI of CL of private notaries;

early termination of the agreement of OI of CL of private notaries;

notification of the insured event;

assessment of the amount of damage caused;

receipt of insurance benefit.

Notice of the conclusion of the agreement of OI of CL of private notaries shall be sent from the organization for the creation and maintenance of the database.

The requirements to the order and content of the notice of the conclusion of the agreement of OI of CL of private notaries shall be determined by the authorized body.

15. At the time of conclusion of the agreement of OI of CL of private notaries with the use of the Internet resource of the Insurer, this insurance agreement shall be considered as concluded by the Assured on the conditions proposed by the Insurer from the date of payment of insurance premium by the Assured (first insurance installment in case of payment of the insurance premium in installments) unless otherwise provided by the agreement of OI of CL of private notaries.

16. At the time of conclusion of the agreement of OI of CL of private notaries with the use of the Internet resource of the Insurer, the Assured shall pay the insurance premium (the first insurance installment in case of payment of the insurance premium in installments) after familiarization with the insurance conditions provided by the Law, thereby confirming their agreement to conclude this agreement of adhesion on the conditions offered to it.

17. The Insurer shall ensure an opportunity to conclude agreements of OI of CL of private notaries using the Internet resource of the Insurer around the clock.

18. Insurance agents shall be prohibited from any activities related to the conclusion of agreements of OI of CL of private notaries with the use of information systems of insurance organizations intended for the conclusion of insurance agreements in electronic form through the information interaction between the Assured and the Insurer.

**6. Insurance agreement validity**

19. Unless otherwise provided for in the agreement of OI of CL of private notaries, it shall enter into force and become binding on the parties from the time of payment of the insurance premium by the Assured, and in case of payment in installments - from the time of payment of the first insurance installment.

20. Agreement of OI of CL of private notaries shall be concluded for a period of twelve (12) months from the date of its entry into force.

21. The validity period of insurance coverage shall consist with the period of validity of the agreement of OI of CL of private notaries.

22. The validity of the agreement of OI of CL of private notaries shall be limited to the territory of the Republic of Kazakhstan unless the agreement of OI of CL of private notaries provides otherwise.

23. The agreement of OI of CL of private notaries shall be terminated in the following cases:

1) expiration of the agreement;

2) early termination of the agreement;

3) payment of insurance benefit (insurance benefits) by the Insurer in the amount of the sum insured determined by the terms of the agreement of OI of CL of private notaries.

24. The procedure, conditions and consequences of early termination of the agreement of OI of CL of private notaries shall be determined in accordance with the civil legislation of the Republic of Kazakhstan.

25. The conditions, grounds and consequences of recognition of the agreement of OI of CL of private notaries as invalid shall be determined in accordance with the civil legislation of the Republic of Kazakhstan.

**7. Rights and obligations of the Assured**

26. The Assured shall be entitled:

1) to require the Insurer to explain the terms of OI of CL of private notaries, its rights and obligations under the agreement of OI of CL of private notaries;

2) to read the financial statements of the Insurer;

3) to receive the insurance benefit in the manner and on the terms provided by the Law and these Regulations;

4) to apply to the Insurer taking into account the features provided by the Law, or to the insurance ombudsman or to court for settlement of matters arising from the agreement of OI of CL of private notaries;

5) to send the application and the attached documents to the insurance ombudsman (directly to the insurance ombudsman, including through its Internet resource, or through the Insurer, including its branch or representative office).

27. The Assured shall be obliged:

1) to pay the insurance premium in the amount, in the manner and within time limits established by the agreement of OI of CL of private notaries;

2) at the time of conclusion of the agreement of OI of CL of private notaries to provide the Insurer with information in accordance with the requirements of the Law;

3) immediately, but not later than five (5) working days, as it became aware of a claim or statement of claim from a third party for compensation for damage caused as a result of notarial acts, to notify the Insurer in an accessible way (orally, in writing);

4) to provide the Insurer with all available information and documentation allowing to judge the reasons, course and consequences of the event upon the occurrence of which the Insurer is obliged to pay compensation for damages, as well as the nature and extent of damage caused;

5) to provide the Insurer with an opportunity to participate in the settlement of matters related to the claim from third parties for compensation of damage;

6) to take measures to prevent or reduce losses from the insured event;

7) to ensure for the Insurer the transfer of the right of recourse to the person responsible for the occurrence of the insured event.

28. Other rights and obligations of the Assured, which do not contradict the legislative acts of the Republic of Kazakhstan, may be provided for in the agreement of OI of CL of private notaries.

**8. Rights and obligations of the Insurer**

29. The Insurer shall be entitled:

1) at the time of conclusion of the agreement of OI of CL of private notaries to require the Assured provide information on previous agreements of OI of CL of private notaries, insured events, insurance payments and other information necessary for entering into the agreement of OI of CL of private notaries provided by the Civil code of the Republic of Kazakhstan;

2) to take part in the settlement of matters related to the claims from third parties for compensation for damage caused by the Assured;

3) to assert the right of the recourse to the person responsible for causing damage in the cases provided by the Law;

4) to refuse to pay the insurance benefit in whole or in part on the grounds provided for by the Law and these Regulations.

30. The Insurer shall be obliged:

1) to familiarize the Assured with the terms and conditions of OI of CL of private notaries, explain its rights and obligations arising from the agreement of OI of CL of private notaries;

2) in the event of early termination of the agreement of OI of CL of private notaries, in the cases and in the manner established by the civil legislation of the Republic of Kazakhstan, to return the insurance premium to the Assured in full or in part;

3) if there are insufficient documents confirming the occurrence of the insured event and the amount of damage to be reimbursed by the Insurer, within three (3) working days from the date of their receipt, to inform the applicant thereof specifying the full list of missing and (or) incorrectly executed documents;

4) upon the occurrence of the insured event, to pay the insurance benefit in the manner and on the terms provided for by the Law and these Regulations;

5) upon receipt of the application from the Assured (Beneficiary) to consider the claims of the Assured (Beneficiary) and provide a written response specifying the further procedure for settlement of the dispute within five (5) working days;

6) upon receipt from the Assured (Beneficiary) of the application sent to the insurance ombudsman, to forward this application, as well as the documents attached thereto to the insurance ombudsman within three (3) working days from the date of receipt;

7) to reimburse the Assured for expenses incurred in order to prevent or reduce losses upon the occurrence of the insured event;

8) to ensure the secrecy of insurance;

9) in case of untimely payment of the insurance benefit, to pay a penalty to the Beneficiary in the manner and in the amount established by the Civil code of the Republic of Kazakhstan.

31. Other rights and obligations of the Insurer, which do not contradict the legislative acts of the Republic of Kazakhstan, may be provided by the agreement of OI of CL of private notaries.

**9. Sum insured**

32. The amount of sum insured under the agreement of OI of CL of private notaries shall be determined by its terms and shall be for the notaries operating within the territory of city of republican status or the capital - not less than 1,000, for other notaries - not less than 500-fold monthly calculation index established by the law on republican budget for the relevant financial year at the date of conclusion of the agreement of OI of CL of private notaries.

**10. Insurance premium. Procedure and terms of payment**

33. The amount of the insurance premium shall be established by agreement of the parties, but no more than 4.5 percent of the sum insured determined by the terms of the agreement of OI of CL of private notaries.

34. The order and terms of payment of the insurance premium under the agreement of OI of CL of private notaries shall be established by agreement of the parties.

35. Unless otherwise provided by the agreement of OI of CL of private notaries, the Assured shall be obliged to pay a penalty to the Insurer for the untimely payment of the insurance installment as for the unlawful use of other people's money in the manner and in the amount established by the civil code of the Republic of Kazakhstan.

36. The Insurer shall provide an opportunity to pay the insurance premium in a non-cash way through the Insurer's Internet resource.

**11. Determination of the insured event and the amount of the insurance benefit**

37. The insured event under the agreement of OI of CL of private notaries shall be recognized as the fact of occurrence of civil liability of the Assured for compensation of damage caused to property interests of third parties as a result of notarial actions performed by a private notary.

38. The insured event shall be considered as occurred from the date of entry of the court decision on compensation of the harm caused by the Assured into force or recognition by the Assured of claims made by third parties for damages as reasonable and the Insurer’s consent with the recognition of the requirements of the Assured.

39. The amount of the insurance benefit shall be determined by the Insurer based on the amount of claims from third parties or a court decision entered into force for the compensation for damage caused (except for compensation for moral damage, lost profits and payment of a penalty).

40. Expenses incurred by the Assured in order to prevent or reduce losses shall be reimbursed by the Insurer if such expenses were necessary or were incurred to comply with the instructions of the Insurer, even if the relevant measures were unsuccessful.

Such expenses shall be reimbursed in the actual volume, but so that the total amount of insurance benefit and compensation of expenses did not exceed the sum insured specified in the agreement of OI of CL of private notaries, if expenses arose as a result of execution of the Insurer's instructions by the Assured, they shall be compensated in full regardless of the sum insured.

41. The amount of the deductible for each insured event shall be established by agreement of the parties, but at the same time it shall not exceed five (5) percent of the sum insured established in the agreement of OI of CL of private notaries.

In cases where the amount of damage exceeds the established amount of the deductible, the insurance benefit shall be paid in full.

**12. Conditions and procedure for payment of insurance benefit**

42. The claim for insurance payment to the Insurer shall be submitted by the Assured or a third party in writing together with documents required for the payment of insurance benefit.

At the request of the applicant, the claim for insurance indemnity can be sent in electronic form together with documents necessary for the payment of insurance benefit, in the form of electronic copies or electronic documents. In this case, the requirement for insurance payment in electronic form shall not exempt the applicant from submitting to the Insurer of originals of documents at the location of the Insurer.

43. The application for insurance indemnity shall be accompanied by:

1) the claim from third parties for compensation of damages together with documents confirming the harm caused and its amount, or a court decision that has entered into legal force about compensation of damage caused by the Assured as a result of performance of notarial actions;

2) a copy of the Beneficiary's identity card (for an individual) or a power of attorney issued to a representative of a legal entity;

3) documents confirming the costs associated with the adoption of measures to prevent and reduce the amount of harm.

44. The Insurer which has accepted documents shall be obliged to issue to the applicant a certificate specifying the full list of the submitted documents and date of acceptance thereof.

If the Assured (Beneficiary) sends a claim for insurance indemnity in electronic form, the Insurer may submit this certificate to the Assured in electronic form.

45. When paying the insurance benefit, the Insurer shall not be entitled to demand from the Beneficiary the acceptance of conditions limiting his/her/its right of claim to the Insurer.

46. The Beneficiary shall be a third party which has been harmed by a private notary as a result of notarial acts, and in case of death (reorganization) of a third person – his/her/its heirs (successors).

The Beneficiary may also be the Assured or other person which has compensated a third party (heirs or successors) for the damage caused within the scope of the Insurer's liability established by the Law, and received the right to reimbursement of his/her/its expenses from the Insurer.

47. The insurance benefit shall be paid by the Insurer not later than seven (7) working days from the date of receipt of the documents provided for in paragraph 43 of this article.

48. In cases where the amount of the insurance benefit is disputed by the parties to the agreement of OI of CL of private notaries or by third parties, the Insurer shall be obliged to pay the insurance benefit in the part that is not disputed by any of these persons within the period established by paragraph 47 of this article.

The disputed part of the insurance benefit shall be paid by the Insurer within three (3) working days from the date of conclusion of the amicable agreement and its approval by the court or from the date of entry of the court decision on this dispute into legal force, if the court decision should not be executed immediately.

49. A claim for insurance indemnity for damage caused to the property interests of third parties during the period of validity of the agreement of OI of CL of private notaries may be submitted to the Insurer within three (3) years from the date of occurrence of the insured event.

**13. Right of recourse to a harm-doer**

50. The Insurer paid the insurance benefit shall have the right to recourse to the Assured within the amount paid in the case of:

1) intentional actions of the Assured aimed at the occurrence of the insured event or contributing to its occurrence;

2) performance of actions by the Assured recognized in the accordance with the procedure established by legislative acts of the Republic of Kazakhstan as intentional criminal or administrative offenses which are in causal connection with the insured event;

3) increase in the amount of damage as a result of the Assured’s deliberate failure to take reasonable and affordable measures to reduce it;

4) communication of knowingly false information by the Assured to the Insurer about the object of insurance, the insurance risk, the insured event and consequences thereof;

5) refusal of the Assured from its right of recourse to a person responsible for the occurrence of the insured event and failure to deliver the documents to the Insurer necessary for the transfer of the right of recourse.

51. The Insurer which paid the insurance benefit shall be transferred (within the amount paid) the right of recourse which the Assured has to a person responsible for the losses indemnified as a result of insurance.

**14. Grounds for exemption of the Insurer from the payment of insurance benefit**

52. The Insurer shall have the right to refuse the insurance payment in whole or in part if the insured event occurred as a result of:

1) intentional actions of third parties aimed at the occurrence of an insured event or contributing to its occurrence;

2) actions of the third parties recognized in the order established by legislative acts of the Republic of Kazakhstan as intentional criminal or administrative offenses which are in causal connection with the insured event;

3) carrying out of the activity by the Assured which is not corresponding to functions and duties of the notary defined by the legislation of the Republic of Kazakhstan on notaries;

4) notarial acts performed by the Assured in violation of the requirements of the legislation of the Republic of Kazakhstan on notaries concerning the territory of activity of the notary.

53. The following may also be grounds for the Insurer's refusal to make an insurance payment:

1) receipt of the corresponding compensation of the loss by the Assured from the person guilty of causing the loss;

2) non-notification or untimely notification of the Insurer of the occurrence of the insured event, except for the cases established by the Law;

3) hindering of the Insurer on the part of the Assured from the investigation of the circumstances of the insured event and in establishing the amount of damage caused.

54. Non-notification or untimely notification of the Insurer about the insured event gives it the right to deny the insurance indemnity, unless proven that the Insurer has learned timely about the occurrence of the insured event or the Insurer's lack of information about it could not affect its obligation to pay the insurance benefit.

55. The Insurer shall be exempted from payment of the insurance benefit if the insured event occurred as a result of:

1) exposure to nuclear explosion, radiation or radioactive contamination;

2) military action;

3) civil war, popular unrest of all kinds, riots or strikes.

56. If there are grounds for refusal in insurance payment the Insurer shall be obliged within seven (7) working days from the date of receipt of the documents specified in Article 12 of these Regulations to send to the person submitted the claim application, the decision on full or partial refusal in insurance payment in writing with a reasoned justification for the refusal.

57. The Insurer shall not be entitled to refuse the insurance payment on grounds not provided for by the Law.

**15. Procedure for settlement of disputes**

58. Disputes arising out of the agreement of OI of CL of private notaries shall be considered in accordance with the legislation of the Republic of Kazakhstan.

59. In case of a dispute arising from the agreement of OI of CL of private notaries, the Assured (Beneficiary) shall be entitled:

to send to the Insurer (including through the branch, representative office, Internet resources of the Insurer) a written application specifying the requirements and together with documents confirming its requirements, or

to send an application to the insurance ombudsman (directly to the insurance ombudsman, including through its Internet resource, or through the Insurer, including its branch or representative office) or to the court for the settlement of disputes arising from the agreement of OI of CL of private notaries.

60. The Insurer, upon receipt of the application from the Assured (Beneficiary) within five (5) working days shall consider and provide a written response specifying the further procedure for settlement of the dispute.

61. If the Assured (Beneficiary) applies to the insurance ombudsman, the Insurer shall be obliged, at the request of the Assured (Beneficiary), the insurance ombudsman to submit documents relating to the consideration and settlement of the dispute within three (3) working days from the date of receipt of the request.