



## **Insurance**

### **Introduction**

When you decide to buy property in Bulgaria it is important to have your property fully insured, especially when you may be away for some time. Bulgaria and Sofia are no different than any other European countries and cities in terms of crime.

A number of agents including BPLI offer insurance products from several providers and are able to help you choose the most appropriate or cost effective solution.

### **Contents and Building Insurance**

This can be expensive in Bulgaria, and insurance companies pay out for listed items with proof of purchase only. It is therefore advisable to take out cover only for items like electrical goods and large furniture.

This insurance covers movable properties, located within the territory of the Republic of Bulgaria whether owned by individuals or, such as household electrical and electronic devices, appliances, furniture.

It includes the expenses for rectification of damage, as a result of a burglary penetration, vandalism on properties after the break into the house, as well as for cleaning and making good any damage.

The residential building insurance includes basic payment – against fire; explosion; natural disaster: storm, tornado, hail, flowing out plumbing water, glass and shop window as well as earthquake, deliberate action, civil responsibility, theft –(limit to 5 000 lv.);

### **Fire & Allied Perils –**

Subject of insurance are:

- ✓ Immovable property such as: dwellings, country houses, offices; facility buildings
- ✓ Movable property such as: common property (furnishing, joinery etc.); Technique & Devices (household electric appliances, household electronics, office equipment); business stock (machinery, devices,

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- equipment etc.); material supplies (materials, production, commodities, unfinished production); works of art; property per list;
- ✓ Necessary expenses (the expenses made for cleaning and limiting the proportions of the damages, as a result of an insurance event occurred, covered by the insurance – up to 10% from the total insurance policy sum).

### **Life insurance**

This is likely to be a condition of your mortgage, if you have one, but may be worth considering even if this is not the case.

### **Medical Insurance**

Proof of medical insurance is a condition for entering the country and is a part of the visa application process. For expats transferring to Bulgaria with an existing employer, it is vital to check on your current health insurance, to find out what is or is not covered during your time in Bulgaria. It may be necessary to take out additional cover with your existing insurer, or begin a new policy with a different provider. If so, you should look for a company that specializes in international insurance and check what medical treatment and expenses are covered.

### **General exclusions**

There are several cases when the Insurer will not pay indemnity at occurred damages. It occurs in case that:

1. The theft, vandalism or robbery are made by persons living in a house, together with the Insured or are in contract relations with him.
2. The stolen or robbed property has been outside the premises, safe, strong room or depository, in which the property should have been kept in as per the policy.
3. The persons that do the theft, vandalism or robbery are let into the premises with the consent of the Insured or persons mentioned above.
4. The insurance event has been staged.
5. The Insured has left the premises that the insured property is kept in, without being constantly controlled or guarded.
6. The theft or vandalism is due to unlocked doors, open windows and other unsecured entrances of the building.
7. The damage has occurred during military actions of any kind.
8. The damage has occurred as a result of terrorist actions.

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9. The damage has been caused directly or indirectly by an explosion, ordered by the authorities.

### **Location of insurance**

The insurance coverage is granted only for the properties, listed in the Proposal and Insurance policy, on their respective addresses.

If the Insured wants to change the location of the insured properties, he will have to advise the Insurer of that in advance and to prepare a survey of the premises at the new address. Depending on the results from the survey and the assessment of the risk, the Insurer gives or denies giving his consent for extending the insurance coverage to the new address. If necessary, the Insurer prepares in written form recommendations of the conditions for safekeeping of the insured properties.

### **Obtaining specific Insurance**

It is normal practice in Bulgaria for a detailed survey to be carried out before being granted insurance in respect of contents or property, so be prepared that sufficient time is allowed to facilitate the necessary inspection.

Always keep all receipts because with receipts no claims will be entertained. Also take the serial number of all equipment and appliances

Priceless items of art or high value items are normally insured separately

Please note that in the case of termination of the contract, Insurer will keep the premiums paid and has the right to request for their full payment for the period till insurance termination.

### **Risk, liability, circumstances**

Insurance risk is taken very seriously in Bulgaria so anything which factors this risk should be notified straight away or at the latest within 5 working days.

- If the insurance is against theft risk through burglary, enhancement of the risk is apparent, for example if the premises next door are empty or scaffolding is erected or even if you lose your key and do not replace the lock so be very cautious if you want to maintain cover.

### **Insured's liability:**

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- To maintain the insured properties in order and to run them carefully.
- To observe all safety requirements as well as both the instructions of the competent authorities and the Insurer.
- To take the necessary measures to avoid the occurrence of an insurance event or if such has already occurred – to limit the size of the damages.
- To ensure an access to the Insurer for checking the condition of the insured properties.
- If the Insured fails to observe the above liabilities and this has brought to the occurrence of an insurance event, the Insurer has the right to refuse full or partial payment of indemnity, or to terminate the insurance contract. Insurer is free from liability if there is a proven attempt for insurance fraud.

### **Insurance premium**

The insurance premium is defined by the Insurer and depends on the insured sum as well as on the limits of liability, risk circumstances, risks chosen for the insurance coverage and the term of insurance. The insurance premium is normally paid off on a single lump sum.

### **Insurance indemnity**

The amount of the insurance indemnity depends on the amount of the insured sum as well as on the type of property, the liability limit agreed per event and the insurance term. The amount of the indemnity for damages from one or more insurance events during one insurance period cannot exceed the sum insured for a specific property, group of properties or the limit agreed.

### **Indemnity**

The payment of the insurance indemnity is made within 15 days, which start from the date the Insured has presented all documents or data requested by the Insurer, needed for establishment of the damages.

At the time of the payment of an indemnity for stolen property, the Insured is liable to sign a declaration that, in case it is found, he will immediately advise the Insurer and will pass him the title on the articles found in the respective legal form.

If the Insured regains the article before getting an indemnity for it, he has the right of indemnity only in case that the article has been damaged. If



the Insured regains the article after he has got an indemnity for it, he will keep the article, but he has to return the indemnity.

### **Insurance event**

If an insurance event occurs, the Insured is obliged to:

- Immediately or in 2 hours time after he has been informed to advise the Police authorities, and within 24-hour time – to advise the Insurer.
- Submit to the police office a list of the properties missing and assist in establishing the circumstances on the insurance event. The Insurer should also be presented with a copy of this list, together with an official document from the police.
- Not change the condition of the damaged properties.
- Ensure a free access to the Insurer to the damaged property.
- Submit to the Insurer or his representative the whole information and documentation and other evidences.

The damages are established through a survey carried out by the Insurer's representatives and at the presence of the Insured or his representative. If necessary, experts are appointed and the expenditures for them are on the account of the Insurer. If the Insured disagrees with the assessment made, he could appoint another expert on his own account. When there is a difference in both assessments, and no agreement is reached, both parties appoint a third expert and share the expenses for him. His conclusion is final and binding.

### **Necessary Documents**

When you want to prove the occurrence of an insurance event and the size of the damages the documents you will need are:

- Certificates from the authorized bodies such as the Regional fire department office, the Hydro- and Meteorology office, the Regional police department office, the police authorities, a final prosecutor's enactment on a filed investigation case against an established perpetrator of the crime or an enactment for ceasing of the punishment procedure.
- Documents of ownership, accounting reports, marriage certificates, invoices for delivered wastes, reports from revisions, inventories etc.



### **Example offer, in euro, one only**

#### **5 euro /sq.m**

Immovable properties- 130 000 lv.

Movable properties – 20 000 lv.

#### **Typical Insurance Costs**

ZPAD “Bulstrad” Residential building

- Basic Covered perils (fire; explosion; natural disaster: storm, tornado, hail, flowing out plumbing water, glass and shop window)- (limit to 130 000 lv.);

In addition

- Earthquake- (limit to 130 000 lv.);
  - Deliberate action-lv. (limit to 130 000 lv.);
  - Civil responsibility -5 lv. (limit to 2 000 lv.);
- Price for above mentioned payment = 285.00 lv.

#### **Common properties/furnishing:**

- Basic payment- (limit to 20 000 lv.)
  - Earthquake- (limit to 20 00 lv.)
  - Deliberate action – (limit to 20 000 lv.)
  - Theft –(limit to 5 000 lv.);
- Price or abovementioned payment = 130.00 lv.

#### **General insurance price = 415.00 lv.**

“Interamerican Bulgaria” ZEAD

#### **Residential building**

- Basic payment (fire, explosion, lightning, leakage of rainy water, storm, hail;)
- Earthquake- (limit to 13 000 lv.)
- Deliberate action –(limit to 130 000 lv.)
- Prize for abovementioned payment = 208 lv.
- Civil responsibility – 5.00 lv. (limit to 2 000 lv.)
- Glasses – 80.00 lv. (limit to 2 000 lv);



**Common properties/furnishing:**

- Basic payment (fire, explosion, lightning, leakage of rainy water, storm, hail;) – (limit to 20 000 lv.)
- Earthquake- (limit to 2 000 EUR.)
- Deliberate action –(limit to 2 000 lv.)
- Theft –(limit to 5 000 lv.);

Price for above mentioned cover = 170.00 lv.

**General insurance price includes 20% discount = 461.00 lv.**