

## **GENERAL CONDITIONS OF PROFESSIONAL LIABILITY INSURANCE**

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### **A. SCOPE OF INSURANCE**

#### **A.1. Subject of Insurance**

With this insurance contract, while the insured performs the professional activity specified in the policy and the subject of which is defined and outlined by the relevant parties;

a) Against Losses arising from an incident occurring during the contract period and for which compensation is requested during or after the contract period in accordance with the liability provisions, or

b) Against claims that may be made against the insured only during the contract period due to an incident occurring before the contract is made or while the contract is in force, coverage is provided up to the amount specified in the contract, including reasonable expenses related to the claim. Parties may conclude a contract to include either (a) and (b) or to include both.

If it is made for the responsibility of the insured regarding his/her business, unless otherwise provided in the contract, this insurance also covers the responsibility of the insured's representative and the persons employed in the management, supervision and operation of the business or a part of the business.

#### **A.2. Geographical Limit of Insurance**

This insurance is valid for the professional activities performed by the insured within the borders of the Republic of Turkey; However, the parties may agree to include the professional activities of the insured abroad in the insurance.

#### **A.3. Cases Excluded from Coverage**

The following cases are excluded from the coverage:

a) Compensation claims arising from the insured's activities outside of his/her professional activities specified in the policy and the limits of which are determined by legal rules and ethical rules,

b) Any incident or behavior intentionally caused by the insured during the performance of his/her professional activity;

c) Events occurring as a result of the insured or the persons he/she employs being under the influence of alcohol, drugs or narcotic substances while performing the professional activity specified in the policy.

#### A.4 Cases Excluded from Coverage, Claims for Compensation and Payments if There is No Contract to the Contrary

##### A.4.1 Cases Excluded from Coverage if There is No Contract to the Contrary

- a) Any loss of documents, whether stored in any computer-based or electronic environment, written, printed or reproduced by any method (or similar) or any loss or destruction of information and materials given to the care, supervision and control of the insured;
- b) Compensation lawsuits and arbitrations filed in a court other than the courts of the Republic of Turkiye;
- c) Any unfair competition.

##### A.4.2 Compensation Claims Excluded from Coverage if There is No Contract to the Contrary

- a) Compensation claims arising from any patent, copyright, trade name, trademark and similar intellectual property rights violations;
- b) Compensation claims arising from the insured's responsibility towards his/her mother, father, siblings, spouse and children during the performance of his/her professional activity;
- c) Compensation claims made due to responsibilities arising directly or indirectly from any environmental pollution;
- d) Claims for compensation arising directly or indirectly from the following situations, regardless of their nature:
  - aa) Ionizing radiation or pollution resulting from any nuclear fuel or nuclear waste resulting from the combustion of nuclear fuel,
  - bb) Dangerous properties of any radioactive, toxic, explosive or explosive nuclear compound or nuclear part thereof,
  - cc) All claims arising from the existence, production, handling, processing, sale, distribution, storage, release or use of diethylstilbesterol (DES), dioxin, urea formaldehyde, asbestos, asbestos products or asbestos-containing products, or all claims arising from any disease (including cancer) or asbestos.
- e) All claims exceeding the legal liability of the insured based on the performance of a contract or a special agreement;
- f) Claims for moral compensation.

##### A.4.3 Payments Excluded from Coverage Unless There is a Contract to the Contrary

- a) All kinds of penalties and penal terms, including administrative and judicial fines;

- b) All kinds of Losses that may arise due to the bankruptcy of the insured;
- c) In the event that criminal proceedings are initiated against the insured, all other expenses arising from such proceedings.
- d) Expenses exceeding the insurance amount related to the claim.

#### A.5. Start and End of Insurance

Unless otherwise agreed upon, insurance begins at 12:00 noon Turkish time on the days written as start and end dates in the policy and ends at 12:00 noon.

### B. LOSSES AND COMPENSATION

#### B.1. Occurrence of Risk

The risk occurs when;

- If the contract is made as specified in subparagraph (a) of A.1., as a result of the insured's professional activities carried out during the contract period, as a result of the insured's incurring Losses to others, both during the contract period and within two years from the end of the contract,
- If the contract is made as specified in subparagraph (b) of A.1., depending on an event that occurred before the contract was made or while the contract was in force, provided that it was not less than one year;

- a) Payment is made by the insured with the knowledge and written consent of the insurer, or,
- b) In professional liability insurances where the insurer also undertakes to provide legal assistance to the insured, upon learning of the lawsuit or legal proceedings by notification,
- c) When the court decides that the damage has occurred and that this damage is due to the insured's liability.

#### B.2. Obligations of the Policyholder and the Insured Regarding the Risk

The insured and the policyholder are obliged to fulfill the following:

- a) Notify the insurer of the events that will require the insured's liability within ten days,
- b) Notify the insurer immediately that the risk has occurred as soon as it is learned,
- c) Take all necessary measures to prevent, reduce and prevent the increase of the damage to the extent possible as if there was no insurance contract and comply with reasonable instructions regarding insurance, other than professional activities, to be given by the insurer for this purpose,

d) Upon the request of the insurer, determine the cause of the event and damage, the circumstances and conditions under which it occurred and its consequences; to provide information and documents that can be obtained within a reasonable time, which will be useful for the exercise of the compensation obligation and amount and the right of recourse,

e) In cases where a compensation claim is made due to the damage, through lawsuits or other means, or if a criminal prosecution is initiated against it, to immediately inform the insurer of the situation and to provide the insurer with all the notifications, invitations and similar documents it has received regarding the compensation claim and criminal prosecution without delay,

f) To inform the insurer of any other insurance contracts related to the subject of the insurance.

### B.3. Rights, Obligations and Liabilities of the Insurer Regarding Risk

#### B.3.1. Payment of Expenses

The insurer shall compensate the reasonable expenses incurred by the insured for preventing, reducing and preventing the increase of the damage and protecting the rights of recourse, separately from the insurance compensation, even if these have been in vain. The insurer must pay the necessary amount as an advance payment to cover the expenses upon the request of the policyholder.

#### B.3.2. Advance Payment Regarding Compensation

Upon the request of the insured, the insurer must provide advance payment for expenses related to the compensation claim.

#### B.3.3 Payment of Compensation

In the event of the occurrence of the risk, except for special cases, the documents to be requested must be clearly and understandably stated in the annex of the policy. The insurance compensation becomes due and payable after the completion of the insurer's investigations regarding the performance of the risk following the occurrence of the risk and after the submission of the documents related to the risk to the insurer, and in any case, forty-five days after the notification of the occurrence of the risk. If the investigation is delayed due to a fault that cannot be attributed to the insurer, the period does not run.

If the investigations are not completed within three months from the notification of the occurrence of the risk or from the direct application of the injured party to the insurer; The insurer shall pay at least fifty percent of the amount of damage to be determined promptly by the parties' agreement or, in the event of disagreement, by the court, as an advance payment to be offset from the compensation.

When the debt becomes due, the insurer shall be in default without the need for notice.

The contract provisions that provide for the insurer to be relieved of the obligation to pay default interest are invalid.

The insurer's liability ends to the extent that the damage is covered by social security institutions.

#### B.3.4. Assistance to the Insured

The insurer shall notify the insured within five days of the insured making a proper notification or a direct request from the injured party, whether it will undertake to carry out the necessary legal procedures and make decisions regarding the demands of the injured party and on behalf of the insured, but with all the responsibility and expenses being borne by the insured party, and also to assist in the defense. The insured shall carry out the procedures that must be carried out until the end of this period. The insurer shall consider the rights and interests of the insured in the procedures it carries out.

If the insurer has not made a notification, it shall pay the compensation finalized against the insured. However, if the settlement agreement made by the insured without the approval of the insurer is not approved within fifteen days of the notification, it shall be invalid against the insurer; the insurer shall not refrain from approving the settlement for unjustified reasons.

#### B.3.5. The Insurer's Right to Obtain Information from the Injured

The insurer may request information from the injured party in order to determine the event that caused the damage and the amount of the damage.

The injured party must provide the insurer with all relevant documents that are likely to be provided and whose request may be justified. In the event that the injured party fails to comply with this obligation, the insurer's liability is limited to the amount that the insurer would have had to pay if the obligation had been fulfilled, provided that the situation has been notified to the injured party in writing.

#### B.4. Subrogation

The insurer legally replaces the insured party for the amount of compensation it has paid.

#### B.5. Right to Direct Action

The injured party may request compensation for the portion of the damage suffered up to the insured amount directly from the insurer, provided that it remains within the statute of limitations applicable to the insurance contract.

### C. MISCELLANEOUS PROVISIONS

#### C.1. Payment of Insurance Premium and Commencement of the Insurer's Liability

The insurer's liability begins with the payment of the premium. Unless otherwise agreed, if the premium is not paid, the insurer's liability does not start even if the policy is delivered and this condition is written into the policy.

### C.2. Insured and Policyholder's Declaration Obligation at the Time of Making the Contract

The policyholder is obliged to inform the insurer of all important matters that he/she knows or should know at the time of making the contract. Matters that are not notified to the insurer, are incompletely or incorrectly reported are considered important if they require the contract to be made under different conditions. Matters asked in writing or verbally by the insurer are considered important until proven otherwise.

If the insurer has given the policyholder a list of questions, no liability can be imposed on the policyholder for matters other than the questions on the list; unless the policyholder has concealed an important matter in bad faith.

If a matter that is important for the insurer is not notified or is incorrectly reported, the insurer may withdraw from the contract within fifteen days or request a premium difference. If the requested premium difference is not accepted within ten days, the contract is deemed to have been withdrawn. The fact that the important matter was not learned due to the fault of the policyholder or was not deemed important by the policyholder does not change the situation. However, if the insurer knows the true status of a matter or fact that was not reported or reported incorrectly, the insurer cannot withdraw from the contract by claiming that the obligation to declare has been violated. The burden of proof belongs to the policyholder.

If the insurer has explicitly or implicitly waived the exercise of the right of withdrawal or if he/she caused the breach that led to the withdrawal or if he/she has made the contract despite some of his/her questions being left unanswered, he/she cannot withdraw from the contract.

In case of withdrawal, if the policyholder is intentional, the insurer is entitled to premiums for the period during which he/she carried the risk.

If the declaration obligation is violated by the negligence of the policyholder after the risk occurs, and if this violation is of a nature that may affect the amount of compensation or the occurrence of the risk, a reduction is made from the compensation according to the degree of negligence. If the policyholder's fault is at the level of intention, if there is a connection between the violation of the declaration obligation and the risk that occurred, the insurer's obligation to pay compensation is eliminated; if there is no connection, the insurer pays the insurance compensation by taking into account the ratio between the premium paid and the premium that should have been paid.

### C.3. Declaration Obligation During the Continuation of the Contract

After the conclusion of the contract, the insured cannot engage in any behavior or transactions that would increase the amount of compensation by aggravating the risk or the current situation without the permission of the insurer.

If the insured or someone else with their permission engages in transactions that increase the probability of the risk occurring or aggravates the current situation, or if one of the events that were explicitly accepted as aggravation of the risk at the time the contract was made occurs, they must immediately notify the insurer; if these transactions were made without their knowledge, they must notify the insurer within ten days at the latest from the date they learned about this.

If the insurer learns about the possibility of the risk occurring or the current situation aggravating or the existence of events that can be accepted as aggravation of the risk in the contract during the term of the contract, they may terminate the contract or request a premium difference within one month from this date. If the difference is not accepted within ten days, the contract is deemed to have been terminated. Unless the increase in the risk is caused by a matter related to the insurer's interest or an event for which the insurer is responsible or the fulfillment of a humanitarian duty.

Even if the insurer terminates the contract in accordance with the first paragraph upon learning that the policyholder has intentionally breached the declaration obligation before the risk occurs, the insurer is entitled to the premium for the insurance period in which the change occurred.

If the policyholder's negligence is determined after the risk occurs and it is determined that the declaration obligation regarding the changes has been violated, if the said violation is of a nature that could affect the amount of compensation or the occurrence of the risk, a reduction is made from the compensation according to the degree of negligence. In the case of intention by the policyholder, if there is a connection between the change that occurred and the risk that occurred, the insurer may terminate the contract; in this case, the insurance compensation is not paid. If there is no connection, the insurer pays the insurance compensation by taking into account the ratio between the premium paid and the premium that should have been paid.

If the insurer learns that the policyholder has intentionally breached the declaration obligation before the risk occurs, even if it terminates the contract, it is entitled to the premium for the insurance period in which the change occurred.

If the risk occurs in connection with the change made within the notification period of the termination granted to the insurer or the period given for the termination to take effect, the insurance compensation is calculated by taking into account the ratio between the premium paid and the premium to be paid.

#### C.4. Status of the Policyholder and the Insured

In cases where legal consequences are attached to the knowledge and behavior of the policyholder, the knowledge and behavior of the insured are also taken into account, provided that he/she is aware of the insurance.

#### C.5. Notifications and Notices

Notifications of the insured and the policyholder are made to the insurance company's headquarters or to the agency that concludes or mediates the conclusion of the insurance contract.

Notifications of the insurer are made to the insured's address if they are to be made against the insured, and to the policyholder's address if they are to be made against the policyholder, by notary or by registered mail.

Notifications made to the parties by hand against signature or by telegram are also considered registered mail.

Notifications made electronically using secure electronic signatures and that can be proven to have reached the insurer, the insured and the policyholder are also considered valid.

#### C.6. Termination of the Insurance Contract

The insurance contract is terminated in the event of termination of the professional activity defined in the policy, bankruptcy of the insurer, termination of the contract and withdrawal from the contract.

Subject to special provisions arising from the legislation, the premium for the days not processed in the event of termination of the contract is returned to the policyholder.

#### C.7. Special Reasons for Termination

The policyholder may withdraw from the contract by paying half of the agreed premium before the insurer's liability begins.

In cases such as the insurer declaring a composition, cancellation of its license for the relevant insurance branch or removal of its authority to conclude contracts; the policyholder may terminate the insurance contract within one month from the date on which it learns these facts.

The policyholder may request a guarantee from the insurer that its commitment will be fulfilled if it becomes insolvent or if the legal proceedings against it fail to yield results. If the guarantee is not provided within one week from this request, the policyholder may terminate the contract.

#### C.8. Confidentiality of Commercial and Professional Secrets

The insurer and those acting on behalf of the insurer are liable for Losses arising from the failure to keep secrets that they will learn about the insured and the policyholder due to the conclusion of this contract.

#### C.9. Statute of Limitations



All claims arising from insurance contracts become time-barred two years from the date the claim becomes due and claims regarding insurance compensation become time-barred ten years from the date the risk occurs.

#### C.10. Clauses and Special Conditions

The clauses that are annexes to these general conditions may contain special regulations according to the general conditions.

The parties may agree on special conditions that are not to the detriment of the policyholder and the insured.

#### CLAUSES