

Regulation on insurance of borrower’s life against death and loss of capacity for work under loan agreements

1. General provisions

1.1. This Regulation has been developed in accordance with Article 16.5 of the Law of the Republic of Azerbaijan “On Insurance Activity” (hereinafter referred to as the Law) and Article 915 of the Civil Code of the Republic of Azerbaijan (hereinafter referred to as the Civil Code) and determines the rules and conditions of the type of insurance provided to individuals under loan agreements for voluntary insurance of the borrower’s life against death and loss of work capacity.

1.2. Cases arising from the insurance contract and not provided for in this Regulation are regulated by the Civil Code.

2. Main definitions

2.1. The terms used in this Regulation shall have the following meanings:

2.1.1. **insurer** – a local legal entity having an appropriate license to conduct insurance activities in accordance with the law, which is a party to an insurance contract with the obligation to pay insurance indemnity in case of an insurance event specified in the insurance contract;

2.1.2. **policyholder** – an individual who has paid premium to insure his or her life against death or loss of work capacity, who is a party to the insurance contract and has borrowed money under a loan agreement;

2.1.3. **insured** – an individual who is a borrower under a loan agreement and whose life is insured against death or loss of work capacity;

2.1.4. **beneficiary** – a person entitled to receive insurance payment under the insurance contract;

2.1.5. **insurance contract** – a contract establishing the terms and conditions under which the insurer undertakes to pay an agreed sum in respect of loss of life and capacity for work in accordance with this Regulation, against the payment of the corresponding insurance premium, if an insurance event occurs;

2.1.6. **insurance certificate** - a document issued by the insurer to the policyholder confirming the fact of concluding an insurance contract;

2.1.7. **sum insured** – the ultimate limit of the insurer's liability for insured risks, expressed in the amount specified in the insurance contract;

2.1.8. **insurance tariff** – the rate, expressed as a percentage, applied to the insured amount to calculate the premium;

2.1.9. **premium** – an amount of money that the policyholder is obliged to pay to the insurer in accordance with the procedure set forth in the insurance contract in exchange for assuming or sharing the risk of death or loss of work capacity of the borrower under the loan agreement;

2.1.10. **insurance risk** – means a probability for occurrence of insurance event causing losses or damages to the insurance object.

2.1.11. **insurance event** – an event or circumstance that has occurred during the period of validity of the insurance contract, which is the basis for issuing insurance payment to the insured or other beneficiaries under the insurance contract;

2.1.12. **accident** – a sudden, unexpected and accidental event accompanied by damage to parts of the body and tissues and a sudden and serious deterioration in the health of the insured;

2.1.13. **illness** – a non-accidental disorder of the human body that is diagnosed by a physician;

2.1.14. **loss of capacity for work** – physical, mental or sensory impairments that prevent the insured from self-care, free movement, orientation, communication and control of their own behavior, as well as from the normal performance of learning and work functions;

2.1.15. **insurance payment** – financial compensation paid by the insurer in accordance with the insurance contract when an insurance event occurs;

2.1.16. **loan agreement** – an agreement under which the lender undertakes to transfer ownership of funds to the borrower in the amount and under the conditions specified in the agreement, and the borrower undertakes to return such funds to the lender under the conditions and within the period specified in the agreement, subject to the payment of interest and/or other payments specified in the agreement, and which conditions the conclusion of an insurance contract on the basis of this Regulation;

2.1.17. **lender** – a legal entity acting as a lender under a loan agreement, as well as a beneficiary in respect of the amount of debt to be repaid to it under the insurance contract;

2.1.18. **borrower** – an individual who acts both as the policyholder and as the insured party under an insurance contract and who also borrows money under a loan agreement;

2.1.19. **outstanding debt amount** – the amount that the borrower is obliged to pay under the loan agreement after the date of occurrence of the insurance event in accordance with the payment schedule. This amount does not include the outstanding balance of principal and interest as of the date of the insurance event, fines, penalties and other payments;

2.1.20. **consumer loan** – loans granted to individuals for purposes not related to entrepreneurial or professional activity, as well as the acquisition and construction of real estate. For the purposes of this Regulation, loans provided for in Article 746.2 of the Civil Code, as well as loans granted to individuals for the purpose of acquiring a motor vehicle, the subject of collateral of which is that motor vehicle itself, as well as student loans for education, are not included in the category of consumer loans.

2.2. For the purposes of this Regulation, the concept of policyholder includes the insured as provided for in insurance legislation.

2.3. Other terms used in these Regulation have the meanings defined by the insurance legislation of the Republic of Azerbaijan.

3. Classes of insurance

3.1. The insurance coverage provided under this Regulation shall be classified into the following insurance classes related to personal insurance:

- 3.1.1. life insurance against death;
- 3.1.2. insurance against loss of work capacity.

4. Object of insurance

According to this Regulation, the insurance object is the property interests of the insured related to his/her life and working capacity.

5. Subject-matter of insurance

5.1. According to this Regulation, the subject-matter of the insurance is an individual borrower under a loan agreement.

5.2. Except for cases where insurance coverage is provided in the insurance contract, individuals belonging to the following categories are not considered insured under this Regulation:

- 5.2.1. those under 18 and over 65 years of age;
- 5.2.2. persons registered in narcological, psychoneurological, tuberculosis, and dermatovenereological dispensaries;
- 5.2.3. patients suffering from hepatitis C, oncology, chronic cardiovascular diseases, patients with AIDS, patients who are HIV carriers.

6. Insurance risks and insurance event

6.1. The insurer provides insurance coverage for at least the following risks under the insurance contract:

- 6.1.1. death of the insured;
- 6.1.2. determination of the insured's disability due to a disruption of the body's functions as a result of disease or accident.

6.2. Taking into account the provisions of paragraphs 6.3-6.6 of this Regulation, the occurrence of the risks specified in paragraph 6.1 of this Regulation during the period of validity of the insurance contract is considered to be an insurance event.

6.3. Events resulting from the following shall not be considered insurance events unless covered by the insurance contract:

- 6.3.1. military operations or hostilities, civil conflicts, military coups and events considered to be public disturbances;
- 6.3.2. acts of terrorism committed with nuclear, bacteriological (biological) and chemical agents (weapons);
- 6.3.3. intoxication of the insured as a result of the use of alcohol, narcotics, psychotropic substances or other powerful substances, including driving a vehicle while intoxicated;
- 6.3.4. the effect of nuclear explosions, radiation and radioactive contamination;

6.3.5. accident of an aircraft (including hang glider and parachute) operated by the insured;

6.3.6. the insured's professional activity in winter sports, underwater sports, equestrian sports, aviation and combat sports, auto-moto sports, parachuting, climbing, mountaineering, hang-gliding, mountain and water tourism.

6.4. In addition to the events specified in paragraph 6.3 of this Regulation, events that occur as a result of diseases that the insured has declared in the insurance application and that are clearly and legibly excluded in the insurance contract and in the insurance certificate are not considered to be insurance events.

6.5. The following events shall not be considered as insurance events with respect to the risk specified in paragraph 6.1.2 of this Regulation:

6.5.1. determination of the insured's disability due to a violation of the body's functions prior to the conclusion of the insurance contract;

6.5.2. determination of disability during the term of the insurance contract due to an accident that caused a disruption of the insured's body functions before the insurance contract was concluded;

6.5.3. determination of disability within 6 (six) months after the conclusion of the insurance contract, upon application addressed to the authorized state body (institution) for determination of disability due to impairment of the insured's body functions as a result of a disease, prior to the conclusion of the insurance contract.

6.6. In relation to the occurrence of events specified in paragraph 6.5 of this Regulation, only the determination of the insured's disability (if any) within a different percentage range (31-60 percent range, 61-80 percent range and 81-100 percent range) due to the increase in the percentage of impairment of the insured's body functions during the period of validity of the insurance contract is considered as an insurance event.

7. Conclusion of insurance contract

7.1. Except as provided for in paragraph 7.3 of this Regulation, the insurance contract is concluded on the basis of an application for insurance filled out by the insured.

7.2. The application form referred to in paragraph 7.1 of this Regulation shall be determined by the insurer. The text of the application shall be clear and legible and the questions contained in the application shall be formulated in such a way as to permit a direct assessment of the insurance risk by providing accurate and unambiguous answers to the questions.

7.3. When insuring a consumer loan, an insurance contract can be concluded without an application for insurance.

7.4. The insurance contract is concluded in the following forms, either on paper or in the form of an electronic document:

7.4.1. through the mutual signing of an insurance contract drawn up on the basis of this Regulation by the parties;

7.4.2. provided that the insured confirms in writing that he/she has read and agrees to this Regulation. In this case, a copy of the insurance certificate and this Regulation shall be given to the insured.

7.5. Even if the insurance contract is concluded in accordance with the procedure provided for in subparagraph 7.4.1 of this Regulation, the insurer must issue an insurance certificate to the insured.

7.6. The insurance certificate submitted in accordance with this Regulation shall specifically list the risks for which the subject of insurance is insured.

7.7. When concluding an insurance contract, the insurer shall provide the insured with a memo sheet in electronic or paper form, which is written in a manner that is easily understandable by everyone and reflects the rules governing the conclusion of the insurance contract and termination of the insurance contract, the risks included in the insurance coverage, events that are not considered an insured event, restrictions on insurance coverage, how to respond to an event that may be considered an insurance event, information on the documents required for issuing insurance payment and the legal grounds for the insurer's refusal to make insurance payment, as well as the contact information of the insurer and its representative.

7.8. When concluding an insurance contract, the insured is obliged to inform the insurer of all circumstances known to him/her, as well as any information requested in writing by the insurer, which may influence the decision to refuse the contract or to conclude it with a modified content.

7.9. When concluding an insurance contract, the insurer may require the insured to undergo a medical examination at its own expense or at the expense of the insured, depending on the terms of the insurance contract, in order to assess the current state of health.

8. Amendment to the insurance contract

8.1. During the period of validity of the insurance contract, amendments may be made to it that do not deteriorate the situation of the insured. Amendments that do not comply with this requirement shall be invalid.

8.2. Pursuant to Article 912.1 of the Civil Code, upon receiving information about amendments that increase the insurance risk during the validity of the insurance contract, the insurer may request amendments to the terms and conditions of the insurance contract, including an increase in the insurance premium, provided that the insured is officially notified in writing and that a period of at least 15 (fifteen) days is set for obtaining the insured's consent to amendments to the insurance contract.

8.3. If the insured does not agree with the requirement specified in paragraph 8.2 of this Regulation or does not respond to the insurer regarding this requirement, the insurer may request early termination of the insurance contract. In this case, issues related to termination of the contract are regulated in accordance with paragraphs 12 and 13 of this Regulation.

9. Term and territory of coverage

9.1. The term of insurance coverage is determined by the insurance contract and is equal to the remaining term of the loan. Unless otherwise provided for in the insurance contract, the term of insurance coverage begins from the moment the insurance premium or its first part is paid.

9.2. Unless otherwise provided in the insurance contract, there is no limitation on the territory in which the insurance contract is valid.

10. Rights and obligations of the parties to the insurance contract

10.1. The insured is entitled to:

10.1.1. when concluding an insurance contract, familiarize yourself with the annual balance sheet of the insurer and the financial results of its annual activities, as certified by an independent auditor;

10.1.2. obtain a duplicate of the insurance certificate from the insurer if it is lost or destroyed;

10.1.3. receive explanations from the insurer about the terms and conditions of the insurance contract and this Regulation;

10.1.4. propose changes to the terms and conditions of the insurance contract;

10.1.5. require the insurer to provide access to the insurance contract and (or) insurance certificate, including this Regulation, if the insurance contract or certificate is concluded in the form of an electronic document;

10.1.6. request early termination of the insurance contract and demand the return of insurance premiums in accordance with this Regulation;

10.1.7. exercise other rights provided for by law and this Regulation.

10.2. The insured is obliged to:

10.2.1. provide correct answers to the questions asked in that application if the insurance contract is concluded by drawing up an application for insurance;

10.2.2. pay the insurance premium within the period and in the amount specified in the insurance contract;

10.2.3. immediately notify the insurer or its representative, as well as the competent state bodies (institutions) that should be informed about the event by any means upon learning of the occurrence of an insurance event or within the shortest possible period of time. This duty is considered satisfactory if it is also performed by the insured's representative or the beneficiary;

10.2.4. provide the insurer with correct information about the beneficiary;

10.2.5. when concluding an insurance contract by drawing up an application for insurance, inform the insurer of all circumstances specified in that application and known to him/her that may affect the insurer's decision to refuse the contract or conclude it with a changed content;

10.2.6. inform the insurer about the full fulfillment of its obligations under the loan agreement and the termination of the loan agreement for this reason;

10.2.7. perform other duties stipulated by the legislation and this Regulation.

10.3. The insurer is entitled to:

10.3.1. verify the accuracy of the information provided by the insured;

10.3.2. request early termination of the insurance contract;

10.3.3. exercise other rights provided for by law and this Regulation.

10.4. The insurer is obliged to:

10.4.1. issue this Regulation and an insurance certificate to the insured;

10.4.2. in the event of an insurance event, make the insurance payment no later than 7 (seven) business days from the date of receipt of the last of the documents specified in section 16 of this Regulation, or provide the insured or beneficiary with a reasoned written notification of refusal to make the insurance payment;

10.4.3. send a written request to the authorized state bodies (institutions) regarding events that may be considered an insurance event and require investigation or registration, to obtain a document confirming the fact and (or) the cause of such events, as well as their consequences;

10.4.4. immediately after receiving information about the insurance event, send a written request to the lender to obtain the documents specified in paragraphs 16.1.4 and 16.1.5 of this Regulation;

10.4.5. ensure the possibility of electronic verification of the existence of an insurance contract by the persons specified in paragraph 15.1 of this Regulation, taking into account the requirements of the legislation on insurance secrecy, as well as the protection of personal data, in connection with the occurrence of an insurance event;

10.4.6. perform other duties stipulated by the legislation and this Regulation.

11. Early termination of the insurance contract

11.1. The insurance contract is terminated early in the following cases:

11.1.1. when the insured dies;

11.1.2. when the insurer has fully fulfilled its obligations to the insured;

11.1.3. if the insured fails to pay the insurance premium in accordance with the procedure specified in the insurance contract;

11.1.4. in the case provided for in paragraph 11.3 of this Regulation;

11.1.5. when the insurable interest no longer exists;

11.1.6. when the insured or insurer requests early termination of the insurance contract.

11.2. If the insured person is deemed incapable by a court decision during the period of validity of the insurance contract, or if his/her capacity to work is restricted by a court decision, the rights and obligations of the insured person shall be exercised by his/her guardian or custodian.

11.3. If a request is made for early termination of the insurance contract in connection with the termination of the loan agreement, the insurance contract shall be deemed to be terminated immediately. In this case, the issues related to the termination of the contract shall be regulated in accordance with paragraphs 12 and 13 of this Regulation.

12. Early termination notice

12.1. Upon the occurrence of any condition giving rise to the termination of the insurance contract in the cases specified in paragraph 11.1 of this Regulation, the party wishing to terminate the insurance contract shall notify the other party without undue delay, subject to the provisions of paragraphs 12.2 and 12.3 of this Regulation.

12.2. In the case of an insurance contract concluded with the intermediary's participation, the intermediary shall inform the insurer in writing or electronically if he/she is aware of the situation referred to in paragraph 11.3 of this Regulation.

12.3. In accordance with paragraph 11.1.6 of this Regulation, when an insurance contract is terminated early at the request of the insured or the insurer, one party shall send the other a written notice justifying the request at least 30 (thirty) days in advance (60 (sixty) days if the insurance contract is concluded for a period of more than 5 (five) years, and 5 (five) business days if it is

concluded for a period of less than 3 (three) months). If such notice is sent to the address specified in the insurance contract of the insured or the insurer, reflecting the termination date of the insurance contract, the insurance contract shall be deemed terminated from the date specified in the notice, provided that the receipt of the notice is confirmed.

13. Consequences of early contract termination

13.1. In case of early termination of the insurance contract at the request of the insured, the insurer shall return the insurance premiums for that period, deducting from the returned part of the insurance premium under that contract the part of the costs of carrying out the work proportional to the unexpired term of the contract. If the insured's request for termination of the insurance contract is related to the insurer's failure to fulfill its obligations under the insurance contract, the insurer shall return the paid insurance premiums to the insured in full.

13.2. In the event of early termination of the insurance contract at the insurer's request, the insurer shall return to the insured all insurance premiums paid. If this request is due to the insured's failure to fulfill his obligations under the insurance contract, the insurer shall return the insurance premiums for the remaining period of the contract. In this case, the insurer may deduct from the returned part of the insurance premium under the insurance contract a proportion of the cost of carrying out the work in relation to the unexpired period of the contract.

13.3. In the event of early termination of the insurance contract, if the insurer has paid the insured a benefit equal to or greater than the amount of the insurance premium up to the date of termination, the insurance premium shall not be refunded to the insured.

13.4. In the event of early termination of the insurance contract, in accordance with the procedure set forth in paragraphs 13.1 and 13.2 of this Regulation, the insured shall be refunded the difference between the insurance premium and the insurance payment made if the paid amount is less than the insurance premium paid up to the moment of early termination of the insurance contract.

13.5. If the insurance contract is deemed to have been terminated as a result of a court decision referred to in paragraph 11.2 of this Regulation, the insurer shall return to the legal representative of the insured the insurance premiums for the remaining term of the contract, less the costs of performing work under the contract, taking into account the requirements of paragraphs 13.3 and 13.4 of this Regulation.

13.6. If the insurance contract is deemed to have been terminated in the case referred to in paragraph 11.1.1 of this Regulation, the insurer shall return to the heirs of the insured the insurance premiums for the unexpired term of the contract, less the costs of performing the work under this contract, taking into account the requirements of paragraphs 13.3 and 13.4 of this Regulation.

13.7. A maximum of 30 (thirty) percent of the insurance premiums paid to the insurer under the insurance contract may be used to cover the costs for carrying out works, including commissions paid for insurance mediation.

14. Insurance premium and sum insured

14.1. The amount of the insurance premium is determined by the insurance contract.

14.2. The insurance contract may agree on the payment of the insurance premium in a lump sum or in installments.

14.3. If the insurance premium or part thereof is not paid on time, the insurer may set a period of up to 15 (fifteen) days in writing for its payment, taking into account the requirements of paragraph 14.4 of this Regulation.

14.4. In any case, the insurance premium or its agreed first part shall be paid no later than 1 (one) month from the date of conclusion of the insurance contract.

14.5. The payment of the insurance premium under the insurance contract, which is in the form of an electronic document, confirms the insured's acquaintance with this Regulation and the terms and conditions of the insurance contract, his/her agreement with this Regulation and the terms and conditions, as well as confirms the fact of conclusion of the insurance contract.

14.6. The sum insured shall not exceed 110 (one hundred and ten) percent of the principal balance of the loan agreement in accordance with the payment schedule as of the date of conclusion of the insurance contract and shall be at least equal to the principal balance of the loan agreement. The sum insured under the insurance contract shall be determined by mutual agreement between the insurer and the insured on one of the following:

14.6.1. a fixed sum insured that does not change until the end of the period specified in the insurance contract, regardless of the reduction in debt under the loan agreement;

14.6.2. a decreasing sum insured according to the reduction of the debt under the loan agreement in accordance with the payment schedule.

14.7. The insurance rates applied by the insurer to calculate the insurance premium and their economic justification (indicating the mortality and disability tables) shall be adequate to the insurance risks it accepts and shall not negatively impact the insurer's financial stability.

15. Notification of an insurance event

15.1. The insured or other beneficiary is obliged to notify the insurer or its representative of the occurrence of the insured event by any means immediately after receiving information about it or as soon as possible, as well as the authorized state bodies (institutions).

15.2. If the insured or the beneficiary, who has informed the insurer about the occurrence of an insurance event, has not informed the competent state bodies (institutions), which must be informed about this event, the insurer shall immediately inform the said bodies (institutions) about this event.

15.3. Notification of the insurance event to the insurer by any means by persons other than those obligated to notify in accordance with paragraph 15.1 of this Regulation, including authorized state bodies (institutions), shall be deemed to be the notification of the insurance event.

16. Grounds for issuance of insurance payment

- 16.1. Insurance payment is made upon receipt of each of the following documents:
- 16.1.1. insurance certificate;
 - 16.1.2. statement of the beneficiary(ies) regarding the receipt of insurance payment;
 - 16.1.3. copy of the insured's identity document, except in the case of death;
 - 16.1.4. copy of the loan agreement certified by the lender;
 - 16.1.5. copy of the payment schedule approved by the lender under the loan agreement and statement of the remaining debt amount approved by the lender under the loan agreement;
 - 16.1.6. document from an authorized state body (institution) confirming the date, fact and (or) reason of occurrence of such events, as well as their consequences, regarding events that may be considered an insurance event and require investigation or registration;
 - 16.1.7. in case the insured dies during the validity period of the insurance contract:
 - 16.1.7.1. copy of death certificate;
 - 16.1.7.2. in case of death from illness, also an extract from the medical history (epicrit);
 - 16.1.7.3. copy of the inheritance certificate if it is intended to provide insurance payment to the heirs of the insured;
 - 16.1.8. copy of the opinion of the medical and social expert commission on the determination of the percentage of impairment of the body's functions in the event of the insured's loss of work capacity.
- 16.2. In case of payment of insurance benefits under an insurance contract concluded without filling in an application for consumer credit insurance, the document specified in paragraph 16.1.7.2 of this Regulation is not required.

17. Requirements for issuance of insurance payment

- 17.1. If the insurance contract specifies a fixed sum insured in accordance with paragraph 14.6.1 of this Regulation, the insurance payment shall be made as follows, taking into account paragraph 17.3 of this Regulation:
- 17.1.1. in the amount of 100 (one hundred) percent of the sum insured in the event of death of the insured;
 - 17.1.2. in the percentage of the sum insured allocated to the insured for the impairment of bodily functions of the insured in the event of the loss of working capacity.
- 17.2. If the insurance contract provides for a decreasing sum insured in accordance with paragraph 14.6.2 of this Regulation, the insurance payment shall be made as follows:
- 17.2.1. in case of death of the insured person - in the amount of the remaining debt;
 - 17.2.2. in case the insured loses his/her work capacity:
 - 17.2.2.1. if the insured is granted a permanent disability - in the percentage of the remaining amount of the debt equal to the percentage of the determined impairment of the insured's bodily functions;
 - 17.2.2.2. if the insured is granted a temporary disability – in the percentage of the debt amount to be paid during the disability period in accordance with the loan repayment schedule equal to the percentage of the determined impairment of the insured's bodily functions. In this case, the

insurance payment is paid at the periodicity specified in the loan repayment schedule. The total amount of the insurance payment shall not exceed the amount of the remaining debt on the date of the granting of the disability, expressed as a percentage of the determined impairment of the insured's bodily functions.

17.3. The insurer shall pay the part of the insurance payment specified in paragraph 17.1 of this Regulation in the amount of the remaining debt to the lender. If the insurance payment exceeds the amount of the remaining debt, the remaining amount shall be paid to the insured, other beneficiaries, except for the lender, or the heirs of the insured, respectively.

17.4. In accordance with paragraph 14.6 of this Regulation, if the sum insured exceeds the principal balance of the loan agreement, the part of the sum insured exceeding the principal balance of the loan agreement shall be used to pay the interest calculated from the date of the last payment according to the payment schedule under the loan agreement before the occurrence of the insured event until the date of the occurrence of the event, as well as the late payment interest, fines and other charges calculated for the period of delay after the occurrence of the insured event. The amount remaining after these payments shall be paid to other beneficiaries or heirs of the insured, except for the lender.

18. Deadline for issuance of insurance payment or refusal of insurance payment

18.1. The insurer shall issue the insurance payment or provide the insured or beneficiary with a reasoned written notice of refusal to make the insurance payment no later than 7 (seven) business days from the date of receipt of the last of the documents referred to in paragraph 16.1 of this Regulation.

18.2. If the insurer fails to make the insurance payment within the period specified in paragraph 18.1 of this Regulation, it shall pay a penalty in the amount of 0.1 percent of the insurance payment amount for each delayed day.

19. Grounds for refusal of insurance payment

19.1. The insurer refuses to make insurance payment in the following cases:

19.1.1. if the incident is not considered an insurance event in accordance with paragraphs 6.3-6.5 of this Regulation;

19.1.2. if the relevant part of the insurance premium has not been paid when an insurance event occurs after 15 (fifteen) days from the expiry of the deadline for payment of the subsequent part of the insurance premium specified in the contract or, in the case provided for in paragraph 14.2 of this Regulation, after 3 (three) days from the expiry of the deadline specified by the insurer;

19.1.3. taking into account paragraphs 19.2 and 19.3 of this Regulation, if, as a result of the insured's intentional misrepresentation of the insurance subject-matter and (or) the insurance event to the insurer, the insurer is completely or partially deprived of the opportunity to assess the insurance risk, as well as to determine the causes of the insurance event and (or) the amount of incurred loss;

19.1.4. except for cases excluding liability provided for in the Civil Code, the Code of Administrative Offences of the Republic of Azerbaijan and the Criminal Code of the Republic of

Azerbaijan, when the insured commits an intentional act or inaction aimed at causing the occurrence of the event, as well as when the insured commits an intentional crime directly causally related to the event.

19.2. In the following cases, the insurer may not base its refusal to make insurance payment on the fact of providing incorrect information or failure to provide the required information:

19.2.1. if the inaccuracy of the information referred to in paragraph 19.1.3 of this Regulation was known to the insurer at the time of the conclusion of the insurance contract, or if the insured was not guilty of providing incorrect information;

19.2.2. if the insurance contract is concluded by making an application for insurance, the insurance contract is concluded despite the fact that the insured has not answered the questions asked in the application, or if, according to the insured's answer in the application, there is no direct causal relationship between the insured risk and the insurance event.

19.3. If the insurance contract is concluded without requiring an application for insurance, the insurer may not refuse to make the insurance payment, citing factors related to the assessment of the insurance risk, taking into account paragraphs 19.1 and 19.2 of this Regulation.

20. Settlement of disputes

20.1. Disputes arising from the execution of the insurance contract are resolved by mutual agreement of the parties.

20.2. If there is no mutual agreement between the parties in the settlement of disputes arising from the performance of the insurance contract, the disputes shall be settled in accordance with the procedure established by law.

20.3. The insured, beneficiary or heirs of the insured who believe that their rights under the insurance contract have been violated by the insurer may file a complaint with the Central Bank of the Republic of Azerbaijan.