

On compulsory insurance of civil liability of objects owners whose activity is fraught with risk of causing damage to third parties

Unofficial translation

Law of the Republic of Kazakhstan of July 7, 2004 N 580.

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Footnote. Throughout the text, the words “electronic information resources,” “information system,” and “in information systems” have been replaced respectively with the words “digital resources,” “digital system,” and “in digital systems” in accordance with the Law of the Republic of Kazakhstan dated 09.01.2026 № 256-VIII (shall come into force upon expiry of six months after the date of its first official publication).

This Law regulates social relations arising in the field of compulsory insurance of civil liability of objects owners whose activity is fraught with risk of causing damage to third parties, and establishes the legal, economic and organizational basis for its performance.

Article 1. Basic definitions used in this Law

The following basic definitions shall be used in this Law:

- 1) accident - destruction of buildings, structures and (or) technical devices used at a hazardous production object, uncontrolled explosion and (or) release of hazardous substances;
- 2) incident - failure or damage to technical devices used at a hazardous production facility, deviation from the parameters, ensuring safety of the technological process, which did not lead to an accident;
- 3) hazardous production factor - a physical phenomenon arising from accidents, incidents at hazardous production objects, causing damage to the life, health and (or) property of third parties;
- 4) object owner whose activity is fraught with risk of causing damage to third parties - an individual and (or) a legal entity owning the objects, whose activity is fraught with risk of causing damage to third parties, on the right of ownership, the right of economic management or the right of operational management or any other legal basis;
- 5) civil liability of object owner whose activity is fraught with risk of causing damage to third parties - the obligation established by the civil legislation of the Republic of Kazakhstan of individuals and (or) legal entities to compensate damage caused to the life, health and (or) property of third parties by a hazardous production factor;
- 6) beneficiary - a person who, in accordance with this Law, shall be the recipient of insurance payment;

7) insured event - an event upon the occurrence of which a compulsory insurance agreement of liability of objects owners whose activity is fraught with risk of causing damage to third parties, provides for insurance payment;

7-1) insurance ombudsman - an independent individual in his activity, 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";

8) insurance amount - the amount of money for which the object of compulsory insurance shall be insured and which represents the insurer ceiling of the liability in case insured event occurs;

9) insurance premium - the amount of money that the insured obliged to pay to the insurer for the latter obligation to pay insurance payments to the insured (beneficiary) in the amount specified by the compulsory liability insurance agreement of objects owners;

10) insurance payment - the amount of money paid by the insurer to the insured (beneficiary) within the sum insured upon the occurrence of the insured event;

11) insurer - a legal entity registered as an insurance organization and having a license to carry out insurance activity, shall be obliged to make an insurance payment to the insured or other person (beneficiary) when the insured event occurs, within the amount specified in the agreement (insurance amount);

12) the assured - a person in respect of whom the insurance shall be carried out;

13) the insured - a person who has entered into a compulsory insurance agreement with the insurer of the civil liability of objects owner whose activity is fraught with risk of causing damage to third parties. Unless otherwise provided by the insurance agreement, the insured shall be at the same time the assured;

14) authorized body - the central executive body, carrying out management and intersectoral coordination, development and implementation of state policy in the field of industrial safety;

15) third party - a person whose life, health and (or) property was damaged by a hazardous production factor.

The object employees and owners whose activity is fraught with risk of causing damage to third parties shall not be third parties.

Footnote. Article 1 is in the wording of the Law of RK № 275-IV dated 04.05.2010; as amended by the Laws of the RK №189-V dated 11.04.2014 (shall be enforced upon expiry of ten calendar days after its first official publication); № 166-VI dated 02.07.2018 (shall be enforced upon expiry of ten calendar days after its first official publication); dated 01.04.2021 № 26-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 2. The legislation of the Republic of Kazakhstan on compulsory insurance of civil liability of objects owners whose activity is fraught with risk of causing damage to third parties

1. The legislation of the Republic of Kazakhstan on compulsory insurance of civil liability of objects owners whose activity is fraught with risk of causing damage to third parties shall be based on the Constitution of the Republic of Kazakhstan and consists of the Civil Code of the Republic of Kazakhstan, this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If the international treaty ratified by the Republic of Kazakhstan establishes other rules than those contained in this Law, the rules of the international treaty shall be apply.

3. The provisions of this Law applied to an insurer, including an insurance company, shall apply to the branches of insurance companies that are non-residents of the Republic of Kazakhstan, opened on the territory of the Republic of Kazakhstan.

Footnote. Article 2 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 399-VI (shall be enforced from 16.12.2020).

Article 3. The object of compulsory insurance of civil liability of objects owners whose activity is fraught with risk of causing damage to third parties

The object of compulsory insurance of civil liability of objects owners whose activity is fraught with risk of causing damage to third parties (hereinafter - compulsory insurance of liability of facilities owners) shall be the property interest of object owner whose activity is fraught with risk of causing damage to third parties related to his duty, established by the civil legislation of the Republic of Kazakhstan, to compensate the damage caused to the life, health and (or) property of third parties by hazardous production factor.

Footnote. Article 3 as amended by the Laws of the RK № 275-IV dated 04.05.2010.

Article 4. The purpose and basic principles of compulsory insurance of liability of objects owners

1. The purpose of compulsory insurance of liability of objects owners shall be to protect the property interests of third parties, whose life, health and (or) property shall be damaged by a hazardous production factor, by insurance payments.

2. The main principles of compulsory insurance of liability of objects owners shall be:
ensuring the protection of property interests of third parties in the amount and manner established by this Law;

ensuring the fulfillment by the parties of their obligations under the compulsory insurance agreement of liability of facilities owners.

Footnote. Article 4 as amended by the Laws of the RK №275-IV dated 04.05.2010.

Article 4-1. The features of compulsory insurance of liability of objects owners

1. Is excluded by the Law of RK № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after its first official publication).

2. It shall not be allowed the activity aimed at restricting or eliminating competition, granting or obtaining unjustified advantages on the conclusion of compulsory insurance agreements of liability of objects owners by one insurer to others, infringement of the rights and legal interests of the insured.

Footnote. The Law is supplemented by Article 4-1 in accordance with the Law of RK № 234-IV dated 30.12.2009; as amended by the Laws of the RK № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 5. Objects whose activity is fraught with risk of causing damage to third parties

1. Objects whose activity is fraught with risk of causing damage to third parties shall be the objects that to be subject to the industrial safety declaration in accordance with the Law of the Republic of Kazakhstan "On Civil Protection".

Information about the facilities for which industrial safety declarations are registered shall be posted on the Internet resource of the authorized body.

2. If during the term of the contract of compulsory liability insurance of the facility owner , the facility does not meet the criteria for classifying hazardous production facilities as declared, approved by the authorized body, then the insured shall provide information on the state of industrial safety at the facility to the territorial subdivision of the authorized body.

Non-compliance of the facility with the criteria, specified in part one of this paragraph shall grant the owner of the facility the right to early termination of the contract of compulsory liability insurance of the facility owners. In this case, the insurer shall be entitled to a part of the insurance premium in proportion to the time during which the insurance was valid.

Footnote. Article 5 is in the wording of the Law of RK № 275-IV dated 04.05.2010; as amended by the Laws of the RK № 189-V dated 11.04.2014 (shall be enforced upon expiry of ten calendar days after its first official publication); dated 01.04.2021 № 26-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 6. Persons whose civil liability shall be subject to compulsory insurance

1. Civil liability of objects owners whose activity is fraught with risk of causing damage to third parties shall be subject to compulsory insurance.

1-1. The operation of the object, the activity of which is fraught with risk of causing damage to third parties, without entering into a compulsory insurance agreement of liability of objects owners shall be prohibited.

2. The conclusion by objects owners whose activity is fraught with risk of causing damage to third parties, voluntary insurance agreement of their civil liability for damage caused to life, health and (or) property of third parties, granting the right to temporary use a dangerous object to another person shall not release them from the obligation to conclude compulsory insurance agreement of liability of objects owners.

Footnote. Article 6 as amended by the Laws of the RK № 275-IV dated 04.05.2010.

Article 7. State supervision and control for compulsory insurance of liability of object owners

1. State supervision and control over the activities of insurance organizations is carried out by the authorized body for regulation, control and supervision of the financial market and financial organizations in accordance with the legislation of the Republic of Kazakhstan.

2. Is excluded by the Law of RK № 156-VI dated 24.05.2018 (shall be enforced upon expiry of ten calendar days after its first official publication).

Footnote. Article 7 as amended by the Laws of the RK № 30-V dated 05.07.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 189-V dated 11.04.2014 (shall be enforced upon expiry of ten calendar days after its first official publication); № 156-VI dated 24.05.2018 (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020).

Article 7-1. Information interaction

The authorized body, its divisions, the authorized body carrying out state control and supervision in the field of industrial safety, prosecutorial bodies, other state bodies and organizations that have information about accidents, incidents, and hazardous production factors and their consequences shall be obliged to provide this information to the insurer, the policyholder (the beneficiary), the insurance ombudsman upon their appeal.

Footnote. The Law is supplemented by Article 7-1 in accordance with the Law of RK № 166-VI dated 02.07.2018 (shall be enforced upon expiry of ten calendar days after its first official publication). as amended by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 8. Compulsory insurance agreement of liability of objects owners and the procedure for its conclusion

1. Compulsory insurance of liability of objects owners shall be carried out on the basis of an agreement concluded between the insured and the insurer in favor of third parties in accordance with this Law.

If there is more than one owner of the object the activity of which is fraught with risk of causing damage to third parties the compulsory insurance agreement of liability of objects owners shall be concluded by any of them with the obligatory indication in the insurance policy of all object owners as assured.

2. The compulsory insurance agreement of liability of objects owners provides for insurance payment for obligations arising from damage to life, health and (or) property of a third party by a hazardous production factor, except for compensation for non-pecuniary damage, lost profits and payment of penalties;

3. The compulsory insurance agreement of liability of objects owners must be concluded only with an insurer licensed to carry out activities for this type (class) of compulsory insurance.

The insured shall be free to choose an insurer.

The insurer shall not be entitled to refuse the insured to conclude a contract of compulsory liability insurance of the owners of objects, except for the cases provided for by the laws of the Republic of Kazakhstan.

According to the compulsory insurance agreement of the liability of objects owners, the insured undertakes to pay the insurance premium, and the insurer undertakes to pay the insurance payment to the insured (beneficiary) in the amount, manner and terms established by this Law when an insured event occurs.

4. The compulsory insurance agreement of liability of objects owners shall be concluded by the insurer processing an insurance certificate in electronic form.

The basis for the conclusion of the compulsory insurance agreement of liability of objects owners shall be the application of the insured.

The insurer bears responsibility for the incompleteness of the conditions to be specified in the compulsory insurance agreement of liability of objects owners. In the event of a dispute under compulsory insurance agreement of liability of objects owners due to the incompleteness of its certain conditions, the dispute shall be resolved in favor of the insured.

4-1. At the policyholder's discretion, a compulsory liability insurance contract for owners of facilities may be concluded either through a written application to the insurer or through the exchange of digital resources between the policyholder and the insurer.

5. An insurance certificate, in addition to the conditions listed in Article 826 of the Civil Code of the Republic of Kazakhstan, must contain the amount of the insurer ceiling of the liability for one insured event.

The requirements for the content and execution of an insurance certificate for compulsory insurance of liability of objects owners shall be established by the legislation of the Republic of Kazakhstan On insurance and insurance activities.

6. Is excluded by the Law of RK №166-VI dated 02.07.2018 (shall be enforced from 01.01.2019).

7. If the insurer has entered into a compulsory insurance agreement of liability of objects owners on worsening conditions of the insured (assured) or third party compared to that provided by this Law, then when the insured event occurs, the insurer has obligations to the insured (assured) or third party conditions established by this Law.

Footnote. Article 8 as amended by the Laws of the RK № 275-IV dated 04.05.2010; № 166-VI dated 02.07.2018 (shall be enforced from 01.01.2019); dated July 12, 2022 № 138-VII (shall come into effect upon expiration of sixty calendar days after the day of its first official publication).

Article 8-1. Requirements for the insurer and the Internet resources when concluding a compulsory liability insurance contract for owners of facilities and settling insurance claims through the exchange of digital resources

1. When concluding a compulsory liability insurance contract for owners of facilities in electronic form and settling insurance claims thereunder, the insurer's internet resource and/or digital system shall be used for the exchange of digital resources between the organization responsible for the formation and maintenance of the database, the insurer, and the policyholder (insured person, beneficiary).

When submitting an application for concluding a contract of compulsory liability insurance of facilities owners in electronic form and settling an insured case, the policyholder shall not be required to use specialized software.

The Internet resource of the organization for the formation and maintenance of the database contains a link to the Internet resource of the insurance organization used for concluding contracts of compulsory liability insurance of facilities owners and settling insurance cases in electronic form.

2. The procedure for the exchange of digital resources between the organization responsible for the formation and maintenance of the database and the insurer, as well as between the insurer and the policyholder (insured person, beneficiary), shall be determined by a regulatory legal act of the authorized body for regulation, control, and supervision of the financial market and financial organizations.

3. When concluding a contract of compulsory liability insurance of facilities owners and settling insurance cases under it using the insurer's Internet resource, the insurer shall be obliged to ensure:

1) immediate notification to the policyholder on the conclusion of a compulsory liability insurance contract of facilities owners or refusal to conclude it (indicating the reasons for the refusal) in the form of an electronic message;

2) notification of the policyholder (insured) on the main stages of the settlement process of the insured case, including refusal to accept documents for settlement (indicating the reasons for refusal), in the form of an electronic message in accordance with the procedure established by the regulatory legal act of the authorized body for regulation, control, and supervision of the financial market and financial organizations;

3) the possibility of inspection by the policyholder (the insured) of information on the concluded contract of compulsory liability insurance of facilities owners on the Internet resource of the insurance organization;

4) the possibility of inspection by the policyholder (the insured, the beneficiary) of information on the insured case under the contract of compulsory liability insurance of facilities owners on the Internet resource of the insurance organization;

5) storage of the contract of compulsory liability insurance of facilities owners in electronic form and information on the insured case on it, providing round-the-clock access for the policyholder (the insured, the beneficiary) to the insurer's Internet resource;

6) the possibility for the policyholder (the insured, the beneficiary) to create and send information to the insurer in electronic form (applications, notifications and (or) other documents, information) necessary for:

concluding and amending the contract of compulsory liability insurance of facilities owners;

early termination of the contract of compulsory liability insurance of facilities owners;

notification on the occurrence of an insured case (an event considered as an insured case);

determining the assessment of the amount of damage caused;
receiving insurance benefits;

settlement of disputes arising from the contract of compulsory liability insurance of facilities owners, taking into account the features provided for in Article 21-1 of this Law.

Notification on the conclusion of a compulsory liability insurance contract of facilities owners and settlement of insurance cases under it shall be sent from the organization for the formation and maintenance of the database.

The requirements for the procedure and content of notifications on the conclusion of a contract of compulsory liability insurance of facilities owners and settlement of insurance cases under it shall be determined by the authorized body for regulation, control and supervision of the financial market and financial organizations.

4. When concluding a compulsory liability insurance contract for owners of facilities through the exchange of digital resources, the insurance contract shall be deemed concluded by the policyholder from the date of payment by the policyholder of the insurance premium (the first insurance installment in the case of payment of the insurance premium in installments), unless otherwise provided by the compulsory liability insurance contract for owners of facilities.

5. When concluding a compulsory liability insurance contract for owners of facilities through the exchange of digital resources, the policyholder shall pay the insurance premium (the first insurance installment in the case of payment of the insurance premium in installments) after reviewing the insurance terms provided for by this Law, thereby confirming his or her consent to conclude an adhesion contract on the proposed terms.

6. The insurer shall ensure the possibility to conclude contracts of compulsory liability insurance of facilities owners and settlement of insurance cases on them using the insurer's Internet resource around the clock.

7. The activity of insurance agents on the conclusion of compulsory liability insurance contracts of facilities owners shall not be allowed.

Footnote. The Law has been supplemented by Article 8-1 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced from 01.01.2019); is in the wording of the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall be enforced from 01.01.2024).

Article 9. The effect of compulsory insurance agreement of liability of objects owners

1. The compulsory insurance agreement of liability of objects owners enters into force and becomes binding on the parties from the time the insured pays the first insurance contribution, unless otherwise provided by the conditions of the compulsory insurance agreement of liability of objects owners.

2. The compulsory insurance agreement of liability of objects owners shall be concluded for a period of not more than twelve months from its effective date.

When the object owner carries out activity for a period of less than twelve months, the compulsory insurance agreement of the liability of objects owners shall be concluded for a period of the activity, but not less than six months.

The period of validity of insurance protection coincides with the effect of compulsory insurance agreement of liability of objects owners.

3. The compulsory insurance agreement of liability of objects owners shall be limited to the territory of the Republic of Kazakhstan, unless otherwise the compulsory insurance agreement of liability of objects owners shall be provided.

Footnote. Article 9 as amended by the Laws of the RK № 275-IV dated 04.05.2010.

Article 10. Termination of compulsory insurance agreement of liability of objects owners

The compulsory insurance agreement of liability of objects owners shall be considered terminated in the following cases:

- 1) expiration of the agreement;
- 2) early termination of the agreement;
- 3) the insurer makes an insurance payment (insurance payments) in the amount of the sum insured under the compulsory insurance agreement of liability of objects owners.

Article 11. Early termination of compulsory insurance agreement of liability of objects owners

The procedure, conditions and consequences of early termination of compulsory insurance agreement of liability of objects owners shall be determined in accordance with the civil legislation of the Republic of Kazakhstan.

Article 12. Rights and obligations of the insurant (insured person)

Footnote. The title of Article 12 is as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

1. The policyholder (insured person) shall have the right to:
 - 1) require the insurer to clarify the conditions of compulsory insurance agreement of liability of objects owners, his rights and obligations under the compulsory insurance agreement of liability of objects owners;
 - 2) engage an independent expert to assess the insured risk;
 - 3) **Is excluded by the Law of RK № 166-VI dated 02.07.2018 (shall be enforced from 01.01.2019);**
 - 4) get acquainted with the results of the assessment of the amount of damage caused and the calculations of the amount of insurance payment made by the insurer (including through the insurer's Internet resource) and (or) an independent expert;
 - 5) prematurely terminate the contract of compulsory liability insurance of object owners (this right shall apply only to the insured);

5-1) apply to the insurer, taking into account the specifics provided by Article 21-1 of this Law, or the insurance ombudsman or the court to resolve issues arising from the contract of compulsory insurance agreement of liability of objects owners;

6) send an application and attached documents to the insurance ombudsman (directly to the insurance ombudsman, including through its Internet resource, or the insurer, including through its branch, representative office, another separate structural unit, or Internet resource), taking into account the features provided for Law of the Republic of Kazakhstan "On Insurance Activities";

7) demand a change in the terms of the contract of compulsory liability insurance of facility owners in the event of a change in circumstances that may lead to a reduction in the insured risk at the facility, the activity of which is associated with the risk of harm to third parties, the likelihood of an insured event or the amount of possible harm upon its occurrence (this right shall apply only to the insured);

8) receive an insurance payment in the cases and the manner provided for by this Law.

The contract of compulsory liability insurance of object owners may also provide for other rights of the insurant (insured person) that do not contradict the laws of the Republic of Kazakhstan.

2. The insured shall be obliged to:

1) pay insurance premium in the amount, manner and terms established by compulsory insurance agreement of liability of objects owners;

1-1) within ten calendar days from the date of conclusion of compulsory insurance agreement of liability of objects owners, inform the authorized body thereof;

2) when concluding a compulsory insurance agreement of liability of objects owners, provide the insurer with information on prior compulsory insurance agreement of liability of objects owners, insured events, insurance payments and other information necessary for concluding a compulsory insurance agreement of liability of objects owners;

3) within three working days inform the insurer and authorized state bodies, on the basis of their competence, about changes in circumstances, if these changes may affect the increase in insured risk;

4) inform the insurer and state authorities, on the basis of their competence, about the planned modernization and (or) conversion of the object whose activity is fraught with risk of causing damage to third parties, which can significantly increase the insured risk;

5) take necessary and possible measures to prevent the harmful effects of hazardous production factors on the life, health and (or) property of third parties;

6) immediately, but no later than three days, as he became aware of occurrence of the insured event, notify the insurer of this;

7) in case of occurrence of harmful effects of hazardous production factors on the life, health and (or) property of third parties, to take reasonable and affordable measures to prevent

or reduce potential losses, including rescue of property and provision of assistance to injured persons;

8) to provide the insurer representative with the opportunity to conduct independent investigations into the causes of occurrence and other circumstances of the accident, the incident at the object, whose activity is fraught with risk of causing damage to third parties;

9) take all possible measures to ensure safety of the affected property and the affected area (if this does not contradict the interests of security or does not affect the extent of damage) before they are examined by the representative of the insurer in the form in which they appeared after the insured event;

10) provide the insurer with all available information (if necessary, in writing) and documentation to judge the causes, progress and consequences of the insured event, as well as nature and extent of damage caused;

11) within three working days, as he became aware of claim or writ for compensation for damage caused to life, health and (or) property of third parties by hazardous production factor, notify the insurer in any accessible way;

12) to ensure transfer to the insurer of the right of the reverse claim to the person responsible for causing damage.

The compulsory insurance agreement of liability of objects owners may also provide for other obligations of the insured, not contradicting the legislative acts of the Republic of Kazakhstan.

Footnote. Article 12 as amended by the Laws of the RK № 275-IV dated 04.05.2010; № 166-VI dated 02.07.2018 (the order of enforcement see p.2); dated July 12, 2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 13. Rights and obligations of the insurer

1. The insurer shall be entitled to:

1) when concluding compulsory insurance agreement of liability of objects owners, except for information provided by the Civil Code of the Republic of Kazakhstan, require the insured (assured) to provide information necessary for concluding compulsory insurance agreement of liability of objects owners in accordance with this Law, including information on prior compulsory and voluntary insurance agreements of liability of property owners, insured events and insurance payments;

2) call in an independent expert to assess the insured risk;

3) request from the relevant state bodies and organizations, on the basis of their competence, documents confirming occurrence of insured event and extent of damage caused to third parties;

4) participate in the inspection of damaged property of third parties and affected area and sign inspection reports;

5) require changes in the terms of compulsory insurance agreement of liability of objects owners in the event of changes in circumstances that may increase insured risk at object whose activity is fraught with risk of causing damage to third parties (probability of insured event occurrence or extent of possible damage upon its occurrence);

6) act on behalf of and by order of the insured (assured) in respect of the related to compensation for damage caused;

7) by order of the insured (assured) to take over the conduct of cases in court on his behalf in relation to claims made by beneficiaries. However, these actions of the insurer cannot be regarded as recognition of their obligation to pay the insurance payment;

8) present the right of reverse claim to person responsible for causing damage.

The compulsory insurance agreement of liability of objects owners may also provide for other rights of the insurer, not inconsistent with the legislative acts of the Republic of Kazakhstan.

2. The insurer shall be obliged to:

1) acquaint the insured (assured) with conditions of compulsory insurance agreement of liability of objects owners, including rights and obligations of parties under compulsory insurance agreement of liability of objects owners;

2) issue insurance certificate to the insured (assured);

2-1) upon notification of an insured event (an event considered as an insured event) that occurred during the period of validity of insurance coverage under a contract of compulsory liability insurance of facility owners, immediately register it and submit information on this insured event (an event considered as an insured event) to the organization on the formation and maintenance of a database in accordance with the regulatory legal act of the authorized body for the regulation, control and supervision of the financial market and financial organizations;

3) upon occurrence of insured event, to make insurance payment in the manner and on the conditions provided by this Law;

3-1) in case of insufficiency of documents confirming occurrence of insured event and extent of damage to be compensated by the insurer, within three working days from the date of receipt thereof, inform the applicant thereof with indication of the full list of missing and (or) incorrectly executed documents;

4) in the event of a decision to refuse an insurance payment, send to the policyholder (beneficiary) in writing a reasoned justification for the reasons for refusal and a notice of the right of the insurant (insured person, beneficiary) to apply to the insurance ombudsman to resolve disagreements, taking into account the specifics of the legislation of the Republic of Kazakhstan;

5) ensure the secrecy of insurance;

6) when receiving application from the insured (third party, beneficiary), consider the requirements of the insured (third party, beneficiary) and provide a written response indicating the further procedure for settling the dispute within five working days;

7) when receiving from the insured (third party, beneficiary) an application sent to the insurance ombudsman, redirect this application, as well as the documents attached thereto to insurance ombudsman within three working days from the date of receipt.

The compulsory insurance agreement of liability of objects owners may also provide for other obligations of the insurer, not inconsistent with the legislative acts of the Republic of Kazakhstan.

Footnote. Article 13 as amended by the Laws of the RK № 166-VI dated 02.07.2018 (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 14. Rights of third parties

1. Third parties shall be entitled to:

1) inform the insurer of occurrence of insured event that occurred as a result of the harmful effects of hazardous production factors on their life, health and (or) property;

2) instead of the insurer (insured), collect the documents necessary for the insurance payment, and submit them to the insurer;

3) use the services of an independent expert to assess extent of damage caused;

4) get acquainted with the results of the assessment of the amount of damage caused and the calculations of the amount of insurance payment made by the insurer (including through the insurer's Internet resource) and (or) an independent expert;

5) receive an insurance payment in the amount, manner and terms established by this Law ;

5-1) apply to the insurer, taking into account the specifics provided by Article 21-1 of this Law, or insurance ombudsman or the court to resolve issues under compulsory insurance agreement of liability of objects owners;

6) send an application and attached documents to the insurance ombudsman (directly to the insurance ombudsman, including through its Internet resource, or the insurer, including through its branch, representative office, another separate structural unit, or Internet resource) , taking into account the features provided for Law of the Republic of Kazakhstan "On Insurance Activities";

7) submit a claim to the insured for compensation for damage caused in extent exceeding the amount of damage caused over the amount of insurance payment received.

2. In cases provided by Laws, the rights of third parties, established by paragraph 1 of this Article, shall be transferred to other persons (beneficiaries).

Footnote. Article 14 as amended by the Laws of the RK № 275-IV dated 04.05.2010; № 166-VI dated 02.07.2018 (shall be enforced upon expiry of ten calendar days after its first

official publication); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 15. The amount of sum insured

1. The sum insured under compulsory insurance agreement of liability of objects owners shall be in the amount of monthly calculation index established by the Law on the republican budget for the relevant financial year:

1) 600 thousand - if the maximum possible number of victims as a result of harmful effects of hazardous production factors exceeds four thousand;

2) 350 thousand - if the maximum possible number of victims as a result of harmful effects of hazardous production factors shall be more than two thousand people, but shall not exceed four thousand;

3) 225 thousand - if the maximum possible number of victims as a result of harmful effects of hazardous production factors shall be more than one and a half thousand people, but shall not exceed two thousand people;

4) 115 thousand - if the maximum possible number of victims as a result of harmful effects of hazardous production factors shall be more than seven hundred fifty people, but shall not exceed one and a half thousand people;

5) 50 thousand - if the maximum possible number of victims as a result of harmful effects of hazardous production factors shall be more than three hundred people, but shall not exceed seven hundred fifty people;

6) 30 thousand - if the maximum possible number of victims as a result of harmful effects of hazardous production factors shall be more than one hundred fifty people, but shall not exceed three hundred;

7) 12 thousand - if the maximum possible number of victims as a result of harmful effects of hazardous production factors shall be more than seventy-five people, but shall not exceed one hundred fifty people;

8) 5 thousand - if the maximum possible number of victims as a result of harmful effects of hazardous production factors shall be more than ten people, but shall not exceed seventy-five people;

9) 1 thousand - for other declared hazardous production, if the maximum possible number of victims as a result of harmful effects of hazardous production factors shall be up to ten people.

Footnote. Article 15 is in the wording of the Law of RK № 275-IV dated 04.05.2010.

Article 16. The size of insurance premium

1. The size of insurance premium under compulsory insurance agreement of liability of objects owners shall be established by agreement of the parties ranging from 0.72 to 2.02 percent of the size of sum insured, depending on the level of danger of object whose activity is fraught with risk of causing damage to third parties.

2. The value of insurance rate for a particular object shall be established depending on general danger level of object, which shall be annually determined by the authorized body.

3. The size of insurance premium shall be established taking into account insurance rate specified in compulsory insurance agreement of liability of objects owners, general danger level of object determined by the authorized body of the industrial safety field.

Information on annual general danger level of organizations with hazardous production facilities subject to declaration and insurance shall be posted by the authorized body on its Internet resource or published in the republican printed periodical publications in the Kazakh and Russian languages.

While maintaining or reducing the general danger level of object, the insurance premium shall be paid at insurance rate established in accordance with this Article.

With an increase in general danger level of object in comparison with industry average indicators, multiplying factor of ten percent shall be applied to insurance rate for a one percent increase in general danger level of object.

The value of insurance rate, taking into account the multiplying factor, shall not exceed the size of the insurance rate set in paragraph 1 of this Article.

Footnote. Article 16 as amended by the Laws of the RK № 275-IV dated 04.05.2010; № 189-V dated 11.04.2014 (shall be enforced upon expiry of ten calendar days after its first official publication); № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 17. The procedure and terms of insurance premium payment

Insurance premiums shall be paid one-time within ten days after conclusion of compulsory insurance agreement of liability of objects owners.

When changing compulsory insurance agreement of liability of objects owners for any reason, the difference between the newly calculated and previously paid insurance premiums shall be subject to surcharge (return) within fifteen days.

The compulsory insurance agreement of liability of objects owners may provide for the right of the insured to pay insurance premium in installments by making insurance contributions in the manner determined by compulsory insurance agreement of liability of objects owners.

The insurer provides the opportunity to pay insurance premium in a cashless way through the insurer Internet resource.

Footnote. Article 17 is in the wording of the Law of RK № 275-IV dated 04.05.2010.; as amended by the Laws of the RK № 166-VI dated 02.07.2018 (shall be enforced from 01.01.2019).

Article 18. Determination of insured event and the amount of insurance payment

1. An insured accident under compulsory insurance agreement of liability of objects owners shall be the fact of occurrence of civil liability of the insured (assured) to compensate for damage to life, health and (or) property of a third party as hazardous production factor.

The amount of insurance payment shall be determined by the insurer or an independent expert on the basis of the act of investigating the causes of accident, incident, court decisions and other materials containing information on the extent of damage caused.

2. The amount of insurance payment for damage caused to life and health of each third party shall be established by this Law in the amount of monthly calculation index established by the Law on the republican budget for the relevant financial year, and shall be:

- 1) at death - 1000;
- 2) in establishing disability:
the first group - 800;
the second group - 600;
the third group - 500;
a child with a disability - 500;

3) in case of harm, injury or other damage to health without establishing disability - in the amount of actual expenses for outpatient and (or) inpatient treatment, but not more than 300. At the same time, the amount of insurance payment for each day of inpatient treatment must be not less than 2 monthly calculation index.

3. The extent of damage caused by damage to property shall be determined based on the calculation of the cost of its restoration, taking into account the depreciation of property that occurred before the insured event.

The cost of restoration of property shall be determined on the basis of average market prices and tariffs in force at the time of insured event.

The extent of damage caused during the destruction of property shall be determined based on the actual cost of property, taking into account the depreciation on the day the insured event occurs.

The property shall be considered destroyed if its restoration shall not technically possible or economically unjustified. Property restoration shall be considered to be economically unjustified if the expenses expected (cost of restoration) exceed eighty percent of the actual cost of property, taking into account the accumulated depreciation on the day the insured event occurs.

4. The extent of damage caused to property of each third party as a result of occurrence of insured event upon the application of the insured (assured) or other beneficiary shall be determined by the insurer. The assessment of the extent of damage caused, if necessary, can be carried out by an independent expert. In case of disagreement with the results of assessment of damage caused, the parties shall be entitled to prove otherwise.

5. The insurance payment may not exceed the extent of losses caused to a third party (actual damage).

The insurance payment for damage caused to life and health of each third party shall be made in the extent established by paragraph 2 of this Article.

6. The insurer shall have the right to conduct an additional investigation in order to determine the extent of damage caused. In this regard, he shall have the right to request materials from the technical investigation of the accident, incident, documents from state bodies regarding the causing of harm, medical documents, invoices to judge the costs of the lost (damaged, dead) property, the cost of work performed, costs incurred, and other necessary documents.

7. Insurance payments shall be made within the insured amount, established in compulsory insurance agreement of liability of objects owners.

If the insured amount shall be insufficient for full compensation of damage caused to third parties, the insurer shall make insurance payments within the insured amount specified in compulsory insurance agreement of liability of objects owners in the manner provided by paragraph 7 of Article 19 of this Law. In this case, the beneficiary shall have the right to file a claim directly to the insured (assured) for compensation of damage caused in the extent exceeding the amount of damage caused over the amount of insurance payment received.

8. When insuring civil liability of objects owners with several insurers, each insurer shall be liable to the insured within the agreement concluded with him, but the total amount of insurance payments received by the insured (beneficiary) from all insurers cannot exceed the actual damage.

In this case, the insured shall be entitled to receive the insurance payment from any insurer in the amount of insured sum provided by the agreement concluded with him. If the received insurance payment shall not cover the actual damage, the insured shall be entitled to receive the outstanding amount from another insurer.

The insurer, fully or partially exempted from the insurance payment due to the fact that the damage caused shall be compensated by other insurers, shall be obliged to return to the insurer the relevant part of insurance premiums minus the expenses incurred.

9. In cases when the damage caused shall be also compensated by other persons, the insurer pays only the difference between the amount of insurance payment under compulsory insurance agreement of liability of objects owners and the amount compensated by other persons. The insured shall be obliged to inform the insurer about any payments made to him by other persons in compensation for damage to third parties.

10. The insurer shall also reimburse the expenses incurred by the insured in order to prevent or reduce losses from the insured event, if such expenses were necessary and (or) were incurred to comply with the insurer instructions, even if the relevant measures were unsuccessful. The insurer shall compensate the indicated expenses within thirty days from the date of receipt by it of the statement of the respective costs, but not before making insurance payments.

These expenses of the insured shall be reimbursed in actual amounts, however, so that the total amount of insurance payment and reimbursement of expenses shall not exceed the

insurance amount stipulated by compulsory insurance agreement of liability of objects owners

If expenses are incurred as a result of the insured execution of the insurer instructions, they shall be reimbursed in full, regardless of the sum insured.

11. In the event of the death of victim in the absence of his heirs to the person who carried out the funeral of the victim, the insurer shall reimburse the necessary funeral expenses in the amount of actual costs, but within the insured amount established by compulsory insurance agreement of liability of objects owners.

Footnote. Article 18 as amended by the Laws of the RK № 275-IV dated 04.05.2010; dated 27.06.2022 № 129-VII (shall come into effect ten calendar days after the day of its first official publication).

Article 19. Conditions and procedure for insurance payment

1. The requirement for an insurance payment to the insurer is presented by the insurant (insured person) or another person who is the beneficiary in writing, including through the Internet resource of the insurer in accordance with the regulatory legal act of the authorized body for regulation, control and supervision of the financial market and financial organizations, with the following documents attached:

1) is excluded by the Law of the RK № 166-VI dated 02.07.2018 (shall be enforced upon expiry of ten calendar days after its first official publication).;

2) recognized by the insured claims of the beneficiary on compensation for damages with attachment of documents confirming the damage and its extent, or a court decision on compensation for damages caused to life, health and (or) property of third parties entered into legal force by dangerous production factor;

3) documents (if any) confirming the costs associated with taking measures to prevent or reduce the extent of damage.

At the insurer's request, the applicant shall provide the insurer with the original documents necessary for making the insurance payment, except for documents available in electronic form in databases and/or digital systems of state authorities to which the insurer has access.

2. The insurer who has accepted the documents shall be obliged to issue a certificate to the applicant indicating the full list of submitted documents and the date of their acceptance.

In the event that the insured (assured, beneficiary) sends a claim for insurance payment in electronic form, the insurer may submit this certificate in electronic form to him.

3. When making an insurance payment, the insurer shall not have the right to require the insured (assured) or other person who shall be a beneficiary to accept the conditions restricting his right to claim the insurer.

4. The beneficiary shall be a third party (in the event of his death, a person who has the right for compensation of damage owing to his death in accordance with the Laws of the Republic of Kazakhstan) or other person who has compensated a third party (a person entitled

to compensation for damage) harm caused within the insurer liability established by this Law, and received the right to insurance payment.

5. Insurance payment shall be made by the insurer not later than thirty days from the date of receipt of the documents provided by paragraph 1 of this Article.

6. In case of late payment of insurance payment, the insurer shall pay the penalty to the beneficiary in the manner and amount established by the Civil Code of the Republic of Kazakhstan.

7. Satisfaction of applications for compensation for harm caused to life, health and (or) property of third parties by a dangerous production factor recognized by the insurer or a court decision as an insured event shall be carried out in the order of their receipt, and at the same time receiving several applications in the following order:

1) firstly, claims for compensation for harm caused to the life and health of individuals shall be satisfied;

2) secondly, the damage caused to the property of individuals shall be compensated;

3) thirdly, the damage caused to the property of legal entities shall be compensated.

Footnote. Article 19 as amended by the Laws of the RK № 275-IV dated 04.05.2010; № 166-VI dated 02.07.2018 (the order of enforcement see art. 2); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 20. The right of recourse to the person who caused the damage

1. The insurer, who has made the insurance payment, shall have the right of recourse to the insured within the amount paid in the following cases:

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

2) the insurer (assured) commits actions recognized in the manner prescribed by the legislative acts of the Republic of Kazakhstan, deliberate criminal or administrative offenses that shall be in causal relationship with the insured event;

3) an increase in the amount of damage as a result of the deliberate failure of the insured (assured) to take reasonable and affordable measures to reduce it;

4) representation by the insured (assured) to the insurer of knowingly false information about the insurance object, insurance risk, insured event and its consequences;

5) the refusal of the insured (assured) of his right to claim to the person responsible for the occurrence of the insured event, as well as the refusal to transfer to the insurer documents necessary for transfer of the right of claim.

2. The insurer who has paid the insurance payment shall, within the amount paid, transfer the right of recourse, which the insured (assured) has to the person responsible for the damage caused, reimbursed under the compulsory insurance agreement of liability of objects owners.

3. The insurer who has made insurance payment under compulsory insurance agreement of liability of objects owners shall not have the right of recourse to their employees, whose

violation of service, official or other employment obligations shall caused a hazardous production factor, except in cases of intentional actions.

Footnote. Article 20 as amended by the Laws of the RK № 227-V dated 03.07.2014 (shall be enforced from 01.01.2015); № 275-IV dated 04.05.2010.

Article 21. Grounds for exemption of the insurer from insurance payment

1. The insurer shall be entitled to fully or partially refuse the insurance payment if the insured event occurred as a result of:

1) intentional actions of the beneficiary, aimed at occurrence of the insured event or contributing to its occurrence, with the exception of actions committed in the state of necessary defense and extreme necessity;

2) the actions of the beneficiary, recognized in the manner prescribed by the legislative acts of the Republic of Kazakhstan, deliberate criminal or administrative offenses in a causal relationship with the insured event.

2. The insurer shall be exempt from the insurance payment if the insured event occurred as a result of:

1) military operations;

2) civil war, public disturbances of every kind, riots or strikes.

3. The following may also be grounds for the insurer refusal to make insurance payments:

1) any claims for damages in excess of the insured amount stipulated in compulsory insurance agreement of liability of objects owners;

2) obtaining by the insurer (assured) and (or) other person, being the beneficiary, of the corresponding compensation for the loss from the person responsible for causing the loss;

3) failure to notify the insurer of occurrence of the insured event.

4. The decision to refuse an insurance payment shall be made and communicated by the insurer within thirty days to the insurant (insured person) and (or) beneficiary in writing with a reasoned justification for the reasons for refusal and notification of the right of the insurant (insured person, beneficiary) to apply to the insurance ombudsman to resolve disagreements taking into account the peculiarities of the legislation of the Republic of Kazakhstan.

5. The refusal of the insurer to make insurance payment may be appealed by the insured (assured) and (or) another person, being the beneficiary, to the court.

Footnote. Article 21 as amended by the Laws of the RK № 227-V dated 03.07.2014 (shall be enforced from 01.01.2015); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 21-1. Features for adjustments of disputes under compulsory insurance agreement of civil liability of objects owners whose activity is fraught with risk of causing damage to third parties

1. If there is a dispute arising from the contract of compulsory liability insurance of object owners, the insured (third party, beneficiary) shall have the right to:

send to the insurer (including through a branch, representative office, or insurer's Internet resources) a written application indicating the requirements and attaching documents confirming its requirements, or send an application to the insurance ombudsman (directly to the insurance ombudsman, including through its Internet resource, or through of the insurer, including through its branch, representative office, another separate structural unit, Internet resource) or to the court to resolve disputes arising from the contract of compulsory liability insurance of facility owners, taking into account the specifics provided for by the Law of the Republic of Kazakhstan "On Insurance Activities".

2. When receiving application from the insured (third party, beneficiary), the insurer considers and submits a written response within five working days indicating the further procedure for adjustment the dispute.

3. If the insured (third party, beneficiary) applies to the insurance ombudsman, the insurer shall oblige, upon the request of the insured (third party, beneficiary), insurance ombudsman, submit documents relating to the consideration and resolution of the dispute within three working days from the date of receipt the request.

Footnote. The Law is supplemented by Article 21-1 in accordance with the Law of RK № 166-VI dated 02.07.2018 (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated July 12, 2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 22. The procedure for dispute consideration

Disputes arising from compulsory insurance agreement of liability of objects owners shall be considered in the manner established by the legislation of the Republic of Kazakhstan.

Article 23. Responsibility for violation of the legislation of the Republic of Kazakhstan on compulsory insurance agreement of liability of objects owners whose activity is fraught with risk of causing damage to third parties

Persons guilty of violating the legislation of the Republic of Kazakhstan on compulsory insurance agreement of liability of objects owners whose activity is fraught with risk of causing danger to third parties shall be liable in accordance with the Laws of the Republic of Kazakhstan.

The President of the Republic of Kazakhstan