

On Compulsory Environmental Insurance

Unofficial translation

The Law of the Republic of Kazakhstan dated 13 December 2005 No. 93.

Unofficial translation

This Law regulates public relations arising in the field of compulsory environmental insurance and establishes legal, economic and organizational grounds of its conduct.

Article 1. Basic definitions used in this Law

The following basic definitions are used in this Law:

1) excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021);

1-1) accident - destruction of buildings, structures and (or) technical devices, uncontrolled explosion and (or) release of dangerous (harmful) substances;

2) excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021);

3) compulsory environmental insurance - a set of relations for property protection of the legitimate interests of individuals and (or) legal entities (insured) in the event of civil liability for obligations arising from environmental damage caused as a result of an accident;

4) contract of compulsory environmental insurance – the contract concluded between the insurer and insurant on conditions, determined by this Law;

5) a gain acquirer – the person that is a receiver of insurance payment in accordance with this Law;

6) an insurance event – the event in occurrence of which, the contract of compulsory environmental insurance provides making insurance payment;

6-1) insurance ombudsman - an individual independent in its activity, resolving disagreements between participants in the insurance market in accordance with the Law of the Republic of Kazakhstan “On Insurance Activities”;

7) an insurance amount – the sum of money to which the object of compulsory environmental insurance is insured and that is the limit volume of responsibility of the insurer upon occurrence of the insurance event;

8) an insurance premium – the sum of money that the insurant shall be obliged to pay to the insurer for receipt of obligation by the latter to make insurance payment to the gain acquirer in amount, determined by the contract of compulsory environmental insurance;

9) an insurance payment – the sum of money paid by the insurer to the gain acquirer within the insurance amount upon occurrence of insurance event;

10) an insurer – the legal entity registered as insurance organization and having a license for the right to carry out insurance activity obliged to make insurance payment to the gain acquirer within insurance amount, determined by the contract upon occurrence of insurance event;

11) an insured person – the person in respect of which the compulsory environmental insurance is carried out;

12) an insurant – the individual and (or) legal entity carrying out environmentally hazardous types of economic and other activity that concluded the contract of compulsory environmental insurance with the insurer;

13) third parties - subjects of legal relations involved in procedures arising from compulsory environmental insurance;

14) an authorized body – the central executive body in the field of environmental protection and its territorial subdivisions;

15) civil liability of individuals and (or) legal entities engaged in environmentally hazardous types of economic and other activities - the obligation of individuals and (or) legal entities engaged in environmentally hazardous types of economic and other activities to eliminate environmental damage caused as a result of accidents;

16) environmentally hazardous type of economic and other activities - the activities of individuals and (or) legal entities, as a result of which environmental damage may be caused in the event of an accident.

Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021)

Article 2. Legislation of the Republic of Kazakhstan on compulsory environmental insurance

1. The legislation of the Republic of Kazakhstan on compulsory environmental insurance is based on the Constitution of the Republic of Kazakhstan and consists of the Environmental Code of the Republic of Kazakhstan, the Civil Code of the Republic of Kazakhstan, this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. This Law shall not apply to legal relations regulated by the Law of the Republic of Kazakhstan “On compulsory insurance of civil responsibility of owners of objects the activity of which is linked with danger of infliction of harm to third parties”.

3. If the international treaty ratified by the Republic of Kazakhstan establishes other rules than those provided by this Law, the rules of international treaty shall be applied.

4. The provisions of this Law applied to an insurer, including an insurance company, apply to 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); dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 3. Object of compulsory environmental insurance

The object of compulsory environmental insurance is the property interest of a person carrying out environmentally hazardous types of economic and other activities related to his obligation, established by the environmental legislation of the Republic of Kazakhstan, to eliminate environmental damage caused as a result of an accident.

Footnote. Article 3 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 4. Purpose and principal directions of compulsory environmental insurance

1. The purpose of compulsory environmental insurance is to ensure the elimination of environmental damage caused to the components of the natural environment as a result of an accident during the implementation of environmentally hazardous types of economic and other activities.

2. Principal directions of compulsory environmental insurance are:

compensation for environmental damage in the amount and manner established by this Law;

ensuring of fulfilling the obligations by the parties under the contract of compulsory environmental insurance;

economic incentives to prevent environmental damage.

Footnote. Article 4 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 12.07.2022 № 138-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 4-1. Special aspects of compulsory environmental insurance

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

2. the activity oriented to restriction or elimination of competition, provision or receipt of unreasonable advantages on conclusion of contracts of compulsory environmental insurance of one insurers before the others, impairment of rights and legal interests of insurants shall not be allowed.

Footnote. The Law is supplemented by Article 4-1 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2009 № 2340-IV; dated 27.04.2015 № 311-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 5. Persons the civil responsibility of whom is subject to compulsory environmental insurance

Civil responsibility of individuals and (or) legal entities carrying out environment hazardous types of economic and other activity shall be subject to compulsory environmental insurance.

The list of environmental hazardous types of economic and other activity shall be determined by the authorized agency.

Footnote. Article 5 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 6. State control and supervision in the field of compulsory environmental insurance

1. State control of performance of obligation by individuals and (or) legal entities carrying out environment hazardous types of economic and other activity on conclusion of the contract of compulsory environmental insurance established by this Law shall be carried out by the authorized body.

2. State control and supervision 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.

Footnote. Article 6 as amended by the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2019 № 262-V (shall be enforced from 01.01.2020)

Article 6-1. Information interaction

The authorized body and its territorial subdivisions, prosecution authorities, other state bodies and organizations that have information on cases of environmental damage caused as a result of an accident and its consequences are obliged to provide this information to the insurer, insured (beneficiary), insurance ombudsman when they apply.

Footnote. The Law is supplemented by Article 6-1 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (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 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 7. Contract of compulsory environmental insurance and procedure for its conclusion

1. Compulsory environmental insurance is carried out on the basis of an agreement concluded between the insurer and the policyholder in accordance with this Law, the Civil Code of the Republic of Kazakhstan and the Environmental Code of the Republic of Kazakhstan.

Individuals and (or) legal entities that carry out environmentally hazardous types of economic and other activities are not entitled to carry out their activities without concluding a compulsory environmental insurance contract.

When carrying out an environmentally hazardous type of economic and other activity by two or more owners of the same object, the compulsory environmental insurance contract is concluded by any of them, indicating in the insurance policy all owners of the object as insured.

2. The compulsory environmental insurance contract provides for the implementation of insurance payments for obligations arising from environmental damage caused as a result of an accident when the insured person carries out environmentally hazardous types of economic and other activities.

3. Contract of compulsory environmental insurance shall be concluded only with the insurer having a license for the right to carry out the activity on this type (class) of compulsory insurance.

Insurant is free in choice of the insurer.

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

4. Contract of compulsory environmental insurance shall be concluded in electronic form by issuance of the insurance policy by the insurer.

The ground for conclusion of the contract of compulsory environmental insurance shall be application of the insurant.

The insurer shall bear responsibility for insufficiency of conditions subjected to specification in the contract of compulsory environmental insurance.

In case of dispute on the contract of compulsory environmental insurance due to insufficiency of its separate conditions, the dispute shall be resolved in favor of the insurant.

4-1. The compulsory environmental insurance contract, at the request of the insured, may be concluded by writing to the insurer or by exchanging electronic information resources between the insured and the insurer.

5. Insurance policy besides the conditions listed in Article 826 of Civil Code of the Republic of Kazakhstan shall contain the amount of limit volume of responsibility of the insurer for one insurance event.

Requirements on content and drawing up of the insurance policy on compulsory environmental insurance shall be established by the legislation of the Republic of Kazakhstan.

6. Excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Footnote. Article 7 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced from 01.01.2019); dated 02.01.2021 № 401-VI (

shall be enforced from 01.07.2021); 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 7-1. Requirements for the insurer and the Internet resources when concluding a contract of compulsory environmental insurance and settling insured cases through the exchange of electronic information resources

1. When concluding contracts of compulsory environmental insurance in electronic form and settling insurance cases under them, the Internet resource and (or) the insurer's information system shall be used for the exchange of electronic information resources between the organization for the formation and maintenance of the database, the insurer and the policyholder (the insured, the beneficiary).

When submitting an application for concluding a contract of compulsory environmental insurance 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 environmental insurance and settling insurance cases in electronic form.

2. The procedure for the exchange of electronic information resources between the organization for the formation and maintenance of the database and the insurer, insurer and policyholder (the insured, the beneficiary) shall be determined by the 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 environmental insurance and settling insured cases under it using the insurer's Internet resource, the insurer shall be obliged to ensure:

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

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

3) the possibility for the policyholder (the insured) to check information on the concluded contract of compulsory environmental insurance on the Internet resource of the insurance organization;

4) the possibility for the policyholder (the insured, the beneficiary) to check information on an insured case under the contract of compulsory environmental insurance on the Internet resource of an insurance organization;

5) storage of the contract of compulsory environmental insurance in electronic form and information on the insured case on it, ensuring 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, data) necessary for:

concluding a contract of compulsory environmental insurance;

early termination of the compulsory environmental insurance contract;

notifications about the occurrence of an insured case (an event considered as an insured case);

determining the assessment of the amount of environmental damage caused as a result of the accident;

receiving insurance payment;

settlement of disputes arising from the compulsory environmental insurance contract, taking into account the features provided for in Article 22-1 of this Law.

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

Requirements for the procedure and content of notifications on the conclusion of a compulsory environmental insurance contract and the settlement of insured 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 environmental insurance contract through the exchange of electronic information resources, the insurance contract shall be considered concluded by the policyholder from the date of payment by the policyholder of the insurance premium (the first insurance premium in the case of paying the insurance premium in installments), unless otherwise provided by the compulsory environmental insurance contract.

5. When concluding a compulsory environmental insurance contract through the exchange of electronic information resources, the policyholder shall pay the insurance premium (first insurance premium) after familiarizing himself with the insurance conditions provided for by this Law, thereby confirming his consent to conclude an accession contract on the terms offered to him.

6. The insurer shall ensure the opportunity to conclude compulsory environmental insurance contracts and settling the insured cases under them using the insurer's Internet resource around the clock.

7. The activity of insurance agents in concluding compulsory environmental insurance contracts shall not be allowed.

Footnote. The Law has been supplemented by Article 7-1 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 8. Validity of the contract of compulsory environmental insurance

1. Compulsory environmental insurance contract is valid for persons obliged to eliminate environmental damage in accordance with this Law and the environmental legislation of the Republic of Kazakhstan.

2. Excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

3. Contract of compulsory environmental insurance shall enter into force and be compulsory for the parties from the date established by the contract of compulsory environmental insurance.

4. Contract of compulsory environmental insurance shall be valid no less than twelve months from the date of its enforcement.

5. Validity of the contract of compulsory environmental insurance shall be restricted by the territory of the Republic of Kazakhstan, unless otherwise provided by international treaty ratified by the Republic of Kazakhstan.

Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 9. Termination of validity of the contract of compulsory environmental insurance

Contract of compulsory environmental insurance shall be considered as terminated in cases of:

- 1) expiration of the validity term of the contract;
- 2) early termination of the contract;
- 3) making insurance payment (insurance payments) by the insurer in amount of insurance amount under the contract of compulsory environmental insurance.

Article 10. Early termination of contract of compulsory environmental insurance

1. Contract of compulsory environmental insurance shall be terminated in advance in the manner and in cases provided by the civil legislation of the Republic of Kazakhstan.

2. Upon early termination of the contract of compulsory environmental insurance, the insurant shall have the right to return of the part of insurance premium in the following amounts:

No p/p	The period that has preceded since the entry into force of the treaty of mandatory environmental insurance until its early termination	The insurance premium retained by the insurer (as a percentage of annual insurance award)
1	2	3

1.	Up to 1 month inclusive	20
2.	From 1 to 2 months inclusive	30
3.	From 2 to 3 months inclusive	40
4.	From 3 to 4 months inclusive	50
5.	From 4 to 5 months inclusive	60
6.	From 5 to 6 months inclusive	70
7.	From 6 to 7 months inclusive	75
8.	From 7 to 8 months inclusive	80
9.	From 8 to 9 months inclusive	85
10.	From 9 to 10 months inclusive	90
11.	From 10 to 11 months inclusive	95
12.	Over 11 months	100

Article 11. Rights and obligations of the insurant (insured)

Footnote. The heading of Article 11 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 insurant (insured person) shall have the right to:

1) require explanations of conditions of compulsory environmental insurance, own rights and obligations under the contract of compulsory environmental insurance from the insurer;

2) **Is excluded by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication);**

3) involve an independent expert to assess the cost of elimination (remediation) of environmental damage caused as a result of the accident;

4) get acquainted with the results of the assessment of the cost of elimination (remediation) of environmental damage caused as a result of the accident, and the calculations of the amount of insurance payment made by the insurer (including through the insurer's Internet resource) or an independent expert;

5) prematurely terminate the compulsory environmental insurance contract (this right shall apply only to the insured);

5-1) apply to the insurer, taking into account the specifics provided for in Article 22-1 of this Law, or to the insurance ombudsman or the court to resolve issues arising from the compulsory environmental insurance contract;

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

7) receive insurance payment in cases provided by this Law.

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

2. Insurant shall be obliged to:

1) pay insurance premium in amount, procedure and terms that established by the contract of compulsory environmental insurance;

2) inform the insurer on a state of insurance risk;

3) notify the insurer on occurrence of insurance event;

4) in the event of an accident, take reasonable and affordable measures in the circumstances to prevent or reduce possible environmental damage;

5) inform the relevant authorities, taking into account their competence (bodies of the state fire service, ambulance service, emergency services, authorized body) about the accident that caused environmental damage, and about the affected persons;

6) ensure transfer of the right of demand to the person being liable for occurrence of insurance event to the insurer.

Contract of compulsory environmental insurance may provide the other obligations of the insurant not inconsistent with the legislative acts of the Republic of Kazakhstan.

Footnote. Article 11 as amended by the Law of the Republic of Kazakhstan dated 26.05.2008 № 34-IV (the order of enforcement see Article 2); dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); 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 12. Rights and obligations of the insurer

1. Insurer shall have the right to:

1) when concluding a compulsory environmental insurance contract, in addition to the information provided for by the Civil Code of the Republic of Kazakhstan and the environmental legislation of the Republic of Kazakhstan, to require the insured to provide information necessary for concluding a compulsory environmental insurance contract in accordance with this Law, including information on previous mandatory environmental insurance contracts; environmental insurance, the insured events and insurance payments;

2) to request from the relevant state bodies and organizations, taking into account their competence, documents confirming the fact of the occurrence of an insured event, the nature and scale of environmental damage;

3) to receive from the policyholder and the insured person complete and reliable information necessary to assess the risk of environmental damage, about the causes, extent and consequences of the insured event;

4) to assess the cost of elimination (remediation) of environmental damage in order to establish the causes and other circumstances of the insured event;

5) to involve an independent expert to assess the scale of environmental damage caused as a result of an accident and determine the amount of insurance payment in the event of an insured event;

6) conduct own researches of the state of environment and environment hazardous types of economic and other activity carried out by the insurant before and after occurrence of the insurance event;

7) to present the right of recourse against the person responsible for causing environmental damage, in the cases provided for in Article 21 of this Law;

8) refuse in making insurance payment in full or in part on the grounds provided by Article 22 of this Law.

Contract of compulsory environmental insurance may provide the other rights of the insurer that are not inconsistent with the legislative acts of the Republic of Kazakhstan.

2. Insurer shall have the right to:

1) familiarize the insurant with conditions of compulsory environmental insurance, explain his (her) rights and obligations arising from the contract of compulsory environmental insurance;

2) issue certificate to the applicant with specification of the list of represented documents and dates of their acceptance;

3) issue insurance policy to the insurant after conclusion of the contract of compulsory environmental insurance;

4) upon notification of an insured event (an event considered as an insured event) that occurred during the period of validity of insurance protection under a compulsory environmental insurance contract, 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 the 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;

5) to assess the cost of elimination (remediation) of environmental damage as a result of an accident, at the request of the insured in writing or his representative, draw up an insurance act indicating the calculation of the amount of insurance payment and submit it for familiarization to the beneficiary;

6) make insurance payment upon occurrence of the insurance event in the manner and terms established by this Law;

6-1) if the documents confirming the fact of the occurrence of the insured event and the amount of payment to be reimbursed by the insurer in order to eliminate the environmental damage by the policyholder (beneficiary) are insufficient, within three working days from the date of their receipt, inform the applicant about this, indicating the full list of missing and (or) incorrectly executed documents;

7) to reimburse the policyholder (beneficiary) for the expenses incurred by him in order to prevent or reduce environmental damage caused as a result of an accident in the event of an insured event;

8) provide insurance secrecy;

9) Is excluded by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced from 01.01.2019);

10) if a decision is made to refuse an insurance payment, send to the insurant a written justification of the reasons for the refusal within ten days from the date of adoption of this decision and a notice of the right of the insurant (insured, beneficiary) to apply to the insurance ombudsman to resolve disagreements, taking into account the specifics of the legislation of the Republic of Kazakhstan;

11) upon receipt of an application from the policyholder (beneficiary), to consider the requirements of the policyholder (beneficiary) and provide a written response indicating the further procedure for resolving the dispute within five working days;

12) upon receipt from the policyholder (beneficiary) of an application sent to the insurance ombudsman, to redirect this application, as well as the documents attached to it, to the insurance ombudsman within three working days from the date of receipt.

Contract of compulsory environmental insurance may provide the other obligations of the insurer that are not inconsistent with the legislative acts of the Republic of Kazakhstan.

Footnote. Article 12 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (order of enforcement see Article 2); dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); 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 13. Rights of the beneficiary

Footnote. The heading of Article 13 is as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

The beneficiary has the right:

1) report to the insurer on occurrence of insurance event that happened in result of carrying out of environment hazardous types of economic and other activity by the insurant (insured person);

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

3) engage an independent expert to establish the nature and extent of environmental damage caused as a result of the accident;

4) get acquainted with the results of the assessment of the cost of elimination (remediation) of environmental damage caused as a result of the accident, and the calculations of the amount of insurance payment made by the insurer (including through the insurer's Internet resource) or an independent expert;

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

5-1) apply to an insurer, subject to the specific aspects provided by Article 22-1 of this Law, or to an insurance ombudsman or the court to resolve issues arising from the contract of compulsory environmental insurance;

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

7) is excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

2. is excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Footnote. Article 13 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); 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. Size of insurance amount

Size of insurance amount shall be established under agreement of the parties in the contract of compulsory environmental insurance, but the size of insurance amount shall be no less than:

1) 5000-fold monthly calculation index established by the Law on republican budget for the relevant financial year, on a date of conclusion of the contract of compulsory environmental insurance with individual, that is the individual entrepreneur;

2) 65000-fold monthly calculation index established by the Law on republican budget for the relevant financial year on a date of conclusion of the contract of compulsory environmental insurance with the legal entity;

3) is excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Footnote. Article 14 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 15. The amount of insurance premium

The amount of the insurance premium in the compulsory environmental insurance contract is established by agreement of the parties, but at the same time, the amount of the insurance premium should not exceed, in the cases provided for in subparagraphs 1) and 2) of

Article 14 of this Law, from 0.76 to 2.65 percent of the sum insured, established in the compulsory environmental insurance contract.

Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 16. Procedure and terms of paying insurance premium

1. Procedure and terms for paying insurance premium shall be established by the contract of compulsory environmental insurance.

2. If the contract of compulsory environmental insurance did not provide otherwise, the insurant shall be obliged to pay a penalty to the insurer for untimed payment of regular insurance contribution in the manner and amount established by the Civil Code of the Republic of Kazakhstan.

3. The insurer provides the opportunity for payment insurance premium in a non-cash way through the insurer's Internet resource.

Footnote. Article 16 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced from 01.01.2019).

Article 17. Insurance event

1. An insured event under a compulsory environmental insurance contract is recognized as the fact of the insured's civil liability for the elimination (remediation) of environmental damage caused as a result of an accident.

2. Proving the occurrence of an insured event, as well as the losses caused by it, lies with the policyholder (beneficiary).

3. If the insurer refuses to make an insurance payment, the insured event is considered to have occurred from the day the court decision on the elimination of environmental damage caused by the policyholder comes into force.

4. The amount of insurance payment is determined by the policyholder based on the cost of elimination (remediation) of environmental damage, taking into account the provisions of paragraph 2 of Article 7 of this Law.

Footnote. Article 17 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 18. Conduct of environmental audit

Footnote. Article 18 is excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 19. Common conditions of making insurance payment

1. The requirement for an insurance payment to the insurer is presented by the insured or 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 documents required for making insurance payments.

At the request of the insurer, the applicant shall be obliged to submit to the insurer the original documents necessary for making the insurance payment, except for documents available in electronic form in the databases and (or) information systems of state bodies, to which the insurer has access.

2. The application on insurance payment shall be accompanied by the following documents:

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

2) a copy of the remediation program approved in accordance with the environmental legislation of the Republic of Kazakhstan;

3) is excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021);

4) is excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021);

5) documents confirming the expenses incurred by the policyholder in order to prevent or reduce environmental damage in the event of an insured event, if any;

6) in some cases - a court decision that recognized the policyholder as liable in the occurrence of an insured event.

2-2. The insurer that accepted the documents shall be obliged to issue the certificate to the applicant indicating the full list of the submitted documents and date of its receipt.

If the insurant (the insured, the beneficiary) sends the requirement for insurance payment in electronic form, the insurer may provide him with this certificate in electronic form.

3. The beneficiary is the policyholder or other person obliged to eliminate environmental damage, including at the expense of insurance payment.

4. The insurance payment cannot exceed the cost of elimination (remediation) of environmental damage caused as a result of an accident.

5. is excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

6. Upon a written application of the policyholder (beneficiary) or a notarized power of attorney, the insurance payment may be made directly to the person who performed (is performing) the work and provided (is providing) services to eliminate environmental damage caused as a result of the accident.

7. Upon making insurance payment, the insurer shall not have the right to require acceptance of conditions from the gain acquirer restricting his (her) right of demand to the insurer.

Footnote. Article 19 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (order of enforcement see Article 2); dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); 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. Procedure for making insurance payment

1. Insurance payment shall be made by the insurer within thirty calendar days from the date of receipt of documents by him (her) provided by Article 19 of this Law.

2. In cases when the amount of insurance payment is contested by the gain acquirer, the insurer shall be obliged to make insurance payment immediately only in a part that is not contested by any of mentioned persons within the term established by paragraph 1 of this Article.

Contested part of insurance payment shall be paid by the insurer within three business days from the date of conclusion of amicable agreement and its approval by the court or from the date of entering of the court decision into legal force on this dispute, if the decision is not subject to immediate execution by the court.

3. is excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

4. In case of untimely implementation of the insurance payment, the insurer is obliged to pay the beneficiary a penalty in the manner and amount established by the Civil Code of the Republic of Kazakhstan.

Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 21. Right of recourse against the person who caused the damage

Footnote. The heading of Article 21 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

1. Insurer that made insurance payment shall have the right to recourse to the insurant (insured person) within the paid insurance payment in the following cases:

1) commission of actions (omission) by the insurant (insured person) recognized in the manner established by the legislative acts of the republic of Kazakhstan as intended criminal or administrative infarctions being in causal relation with the insurance event;

2) report of knowingly false information by the insurant to the insurer on the object of insurance, insurance risk, insurance event and its consequences;

3) refusal of the insurant (insured person) from his (her) right of demand to the person being liable for occurrence of insurance event, as well as refusal to transfer the documents to the insurer required for the transfer of the right of demand.

2. Within the limits of the amount paid by the insurer, the right of recourse, which the insurant has against the person responsible for environmental damage, the cost of eliminating of which is paid by the insurer in accordance with the compulsory environmental insurance contract, shall pass to the insurer who has made the insurance payment.

Footnote. Article 21 as amended by the Law of the Republic of Kazakhstan dated 03.07.2014 № 227-V (shall be enforced from 01.01.2015); dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 22. Grounds for release of the insurer from making insurance payment

1. Insurer shall have the right to refuse in insurance payment in full or in part if the insurance event occurred due to:

1) intended actions of the gain acquirer oriented to occurrence of the insurance event or promoting its occurrence, with the exception of actions committed in a state of necessary defence and extreme necessity;

2) actions of the gain acquirer recognized as intended criminal or administrative infractions being in causal relation with the insurance event in the manner established by the legislative acts of the Republic of Kazakhstan.

2. Grounds for refusal of the insurer in making insurance payment may be also:

1) receipt by the policyholder of the appropriate reimbursement of expenses from the person responsible for causing environmental damage;

2) non-notification or untimely notification of the insurer on occurrence of the insurance event, with the exception of cases provided by this Law;

3) reporting knowingly false information by the insurant to the insurer on the object of insurance, insurance risk, insurance event and its consequences;

4) intentional failure by the policyholder to take measures to reduce the cost of an insured event;

5) obstruction by the policyholder to the insurer in investigating the circumstances of the insured event and establishing the nature and extent of the environmental damage caused, as well as the cost of its elimination;

6) refusal of the policyholder from his right to claim against the person responsible for the occurrence of the insured event, as well as the refusal to transfer to the insurer the documents necessary for the transfer to the insurer of the right of recourse. If the insurance payment has already been made, the insurer has the right to demand its return in full or in part.

3. Non-notification of untimely notification of the insurer on occurrence of the insurance event may not serve as the ground for refusal in insurance payment, if there are reasons that

are independent from the will of the insurant, and the relevant documents confirming this fact are represented.

4. If there are grounds for refusing an insurance payment, the insurer shall be obliged, within ten working days from the date of presentation of the claim, to send to the person who filed the claim for insurance payment the appropriate decision on the full or partial refusal of the insurance payment in writing with a reasoned justification of the reasons for refusal and notification on the right of the insured (insured, beneficiary) to apply to the insurance ombudsman to resolve disagreements, taking into account the specifics of the legislation of the Republic of Kazakhstan.

5. Insurer shall be released from making insurance payment, if the insurance event occurred due to:

- 1) military actions, civil war, public disturbance of any kind, mass disorders or strikes;
- 2) emergency situations of natural character.

6. Insurer shall not have the right to refuse in insurance payment on the grounds not provided by this Article.

Footnote. Article 22 as amended by the Law of the Republic of Kazakhstan dated 03.07.2014 № 227-V (shall be enforced from 01.01.2015); dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); 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 22-1. Special aspects for settlement of disputes on contract of compulsory environmental insurance

1. If there is a dispute arising from a compulsory environmental insurance contract, the insured (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 compulsory environmental insurance contract, taking into account the specifics provided for by the Law of the Republic of Kazakhstan "On Insurance Activities".

2. Upon receipt of an application from the policyholder (beneficiary), the insurer shall, within five working days, consider and provide a written response indicating the further procedure for resolving the dispute.

3. If the policyholder (injured, beneficiary) applies to the insurance ombudsman, the insurer is obliged, at the request of the insured, injured (beneficiary), insurance ombudsman, to submit documents related to the consideration and resolution of the dispute, within three working days from the date of receipt of the request.

Footnote. The Law is supplemented by Article 22-1 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (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 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); 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 23. Procedure for adjudication of disputes

The disputes arising from relations of the parties on compulsory environmental insurance shall be adjudged in the manner established by the legislation of the Republic of Kazakhstan.

Article 24. Responsibility for breach of the legislation of the Republic of Kazakhstan on compulsory environmental insurance

Breach of the legislation of the Republic of Kazakhstan on compulsory environmental insurance shall entail responsibility in accordance with the Laws of the Republic of Kazakhstan.

Article 25. Order of enforcement of this Law

This Law enters into force from 1 January 2006.

The President of the Republic of Kazakhstan