

Trusted Services Provider KIBS

Rules for Professional Liability Insurance of the Trusted Services Provider

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Version history:

Version	Date	Author	Purpose of change
3.0	12.06.2020	Marin Piperkoski	Adjustment of MK-eIDAS. Technical changes. Added "Version history".
2.0	02.07.2011	Marin Piperkoski	The document has been changed according to the suggestions of legal advisor and technically edited in accordance with the standards of KIBS
1.0	01.12.2003	Marin Piperkoski	New document

Important note:

The Rules for professional liability insurance of KIBS as a provider of trusted services (hereinafter: Rules) are the basis for indemnification in accordance with the professional liability insurance determined by law³ . KIBS as a provider of trusted services, following by-law⁴, is fully adapted to the established requirements for risk coverage amount of liability for damages.

KIBS, as a provider of trusted services, without limiting the enumeration that follows, provides services for issuing electronic certificates, electronic seals, time stamps, electronically registered delivery and so on. For each trusted service, KIBS publicly issues "Rules and Terms" for using the service. These Rules and Terms contain appropriate information on the professional liability insurance of the trusted service provider.

These Rules are copyright of KIBS.

No part of these Rules may be reproduced, stored or introduced into any information system, nor transmitted in any form or manner (electronic, mechanical, photocopying, reproducing or with other means), without prior written approval from KIBS AD Skopje.

Submit all questions and comments regarding the content and implementation of these Rules to:

KIBS AD

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³ Law on electronic documents, electronic identification and trusted services (MK-eIDAS)

⁴ Rulebook on determination of the lowest amount of insurance against possible damage caused by the issuer and the minimum amount or type of insurance coverage against risk of liability for damages caused by the provider of qualified trusted service.

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1. Users of these Rules

1.1. Subscribers

Subscribers are registered natural persons and legal entities that use KIBS trusted services (hereinafter: users). The registration is performed on the websites of the trusted service provider KIBS, in the Registration Authority or in the Local Registration Authorities in the Macedonia.

1.2. Relying Parties

These Rules shall also apply to all relying parties that rely on the information resulting from the use of services of the trusted service provider KIBS.

Relying party is a natural person or legal entity that has a legal interest in electronic identification or trusted services.

1.3. Rights of Users as Third Party

These Rules do not intend to create user rights as a third party, except for those parties listed as users in item 1.1 and item 1.2.

1.4. Unauthorized Products

These Rules shall apply only to the parties that purchase services directly from the trusted service provider KIBS or through its authorized representatives (Local Registration Authorities or Representatives) in the Republic of Macedonia. KIBS shall not be responsible, in other words, these Rules shall not apply to parties that use products, which may bear the name of KIBS or its registered trademarks, unauthorized.

1.5. Closed User Group

These Rules shall not apply to users of trusted services that are procured or otherwise made available for use within a closed user group, which is subject of a separate agreement, unless otherwise stated in the closed user group agreement.

1.6. Employees and Associates

The Rules set forth in this document shall apply to all KIBS employees and associates who have received trusted service from KIBS for the purpose of performing works in the domain of their work.

2. Scope of Coverage

2.1. Professional Liability Coverage

The Rules guarantee that the activity of KIBS as a provider of trusted services is subject to providing professional liability coverage. The Rulebook provides coverage of risks arising from the use of services and use of products, as set out in item 2.2 and item 2.3.

2.2. Insured event

In accordance with these Rules, an insured event is a legal liability arising out of error or omission due to negligence, in conscientious and honest performance of legal obligations by KIBS in the course of providing trusted services. The insured event is a future, unpredictable, unexpected and damaging event, independent of the will of KIBS employees.

2.3. Confidentiality

These Rules are unilateral statement by KIBS assuring users of their trusted services. Therefore, the Rules cannot be interpreted in any other way, except as stated herein.

3. Exceptions

As exceptions and disclaimers of KIBS on the basis of liability coverage, in other words KIBS as a provider of trusted services will not bear any liability and will not indemnify for any damaging events that occur in the cases listed in the following items.

3.1. Remuneration

Claims related to disputes arising from services provided free of charge, for testing or represent a reward.

3.2. Liability Coverage

Liability resulting from a certain obligation different from that arising from MK-eIDAS, undertaken by a user who is a subject with the status of liability, such as legal liability, obtaining third party liability, contractual penalties and so on.

3.3. Penalties

Compensation arising from court, transactional, fiscal, administrative, disciplinary or commercial penalties, as well as court fees from a criminal procedure when they are borne by the user personally.

3.4. Insolvency

Claims which are result of user insolvency.

3.5. User Control

Requests imposed by any legal entity which has control over the user, a branch of the user, a legal entity controlled by the user or its branches.

3.6. Collective Liability

If any of the users is considered responsible for facts that lead to a liability claim that falls within the exceptions listed above, this exception will also be extended to other users.

3.7. Request for Revocation

Non-compliance or delay without a cause by the User to promptly carry out any actions which he was obliged to perform in accordance with the Rules of KIBS, including submitting a request for certificates revocation or other types of trusted services provided by KIBS as stipulated.

3.8. Care

Lack of care by the customers during the operation in order to prevent compromising or loss of the private key leads to cancellation of KIBS obligations under this Rulebook. Required care must be constantly applied by the User in performing operations related to certificates, including digital certificate validity controls before relying on them, observing the liability limitations, level of liability and so on.

3.9. Material Obligation Arising from the Rules and Terms of Services

Failure to comply with the material obligations set out in the Rules and Terms of Services shall result in non-application of this Rulebook.

3.10. Security measures

Failure to apply appropriate security measures by users during the verification (validation) and verification required for the implementation of any services (such as issuance of electronic signature, electronic seal, etc.).

3.11. Precaution measures

Precaution measures result in termination of any rights arising from these Rules, for any omission of the user to apply appropriate precaution measures, before and during the implementation of any services (such as: issuing electronic signatures, electronic seals, time stamps), further processing signed messages intended for certificate subscriber of the trusted services provider KIBS in order to send signed, trusted and sensitive data.

The above applies to cases where for certain services exist:

- inability to determine the validity of the certificate,

- inability to validate a certificate of KIBS subscriber in the certificate chain, resulting in non-application of this Rulebook.

3.12. Illegal actions

Illegal actions by users, whether subscribers or relying parties performed by person, including an agent-provocateur, forcing users to perform actions that cause losses or damages, result in non-application of this Rulebook.

KIBS may request appropriate compensation for damages caused as a result of illegal actions executed by the users.

3.13. Misuse of services

Any person causing damages or misuse on the internet, telecommunication or other services, using or reproducing computer viruses is not entitled to indemnification.

The previous refers to persons who by attack or otherwise contribute to making change:

- with inverse engineering, directly or indirectly,
- in the technical implementation of any KIBS services.

3.14. Justified Failure of Equipment

KIBS will assess whether the requirements for justified failure of the infrastructure and KIBS equipment deserve to be considered in accordance with these Rules.

If the previous has occurred out of KIBS control, which essentially performs its activities in accordance within its scope of operation, including power or telecommunications outages that are out of KIBS control, they do not create the right to compensation under these Rules.

3.15. Failure of Hardware and Software Equipment:

Although KIBS is not responsible for hardware and software equipment failure, constructed outside or located out of its immediate sphere of influence, it seeks to use hardware and software equipment from reputable retailers and comply with internationally recognized standards of its products and services.

3.16. Sensitive Equipment

KIBS services, based on public certification services, are performed in a manner described in the Rules and Terms for each trusted service separately. These Rules do not apply when trusted service products are used for sensitive equipment including, but not limited to, nuclear facilities, aircraft navigation or communication, air traffic control systems, weapons control systems and in all cases which can directly cause death, injury or loss.

3.17. Authorization

The Rules shall not apply to services provided without prior authorization, prior to effected payment, including deferred payment without prior consent.

3.18. Limits

The Rulebook is not intended to create rights beyond those specified in the Rules and Terms for the implementation of each service separately.

3.19. Contingent Liability

These Rules shall not cover contingent liability of KIBS for loss caused by intentional fraud or ultimate negligence on the part of the user.

4. Insurance Terms

4.1. Actual Facts

These Rules shall not affect the claims listed as exceptions in item 3; the insurance covers claims that will be confirmed on the basis of actual facts including the liability.

4.2. Claims on Other Grounds

The Rules shall not apply to claims based on agreements or liability claims that are not related to KIBS trusted services.

4.3. Error of the User

Partial or full liability caused by users' error resulting from their breach of the warranty or obligation set forth in the Rules and Terms for use of any service or in any other KIBS insurance rules, shall make all claims for reimbursement invalid within these Rules.

5. Insurance Validity

5.1. General

KIBS shall not accept a request to make reimbursement unless the user submits a reimbursement request as described below.

5.2. Time Period

All claims must be pointed out to KIBS without delay and within maximum of 3 (three) days from the discovery of the damage.

5.3. Period of Insured Amount

Documented damage claim of insured amount must be submitted to KIBS within the duration of the insurance period. The expiration date of the given service must be prior to the expiration date of the insurance period.

6. Claim Filing Procedure

6.1. Accidental or Consequential Damages

These KIBS Rules will cover accidental or consequential damages arising out of breach of any conditions set out in item 2 in accordance with the limits regulated in item 7 thereof.

6.2. Procedure

The user must:

- Send a written request using electronically signed message, registered mail or courier without any delay.
- Work together with KIBS to establish the facts for confirming the request and the parties involved.
- Provide insight into the overall documentation with proper electronic records and substantiated facts, which are needed to determine the damaging event.
- Submit all claims that he may have against third parties, which may possibly lead to indemnification by KIBS for payments made to the user, up to the amount paid by KIBS.

6.3. Reaction of the User

These Rules shall not apply in case of inappropriate user's reaction, which includes but is not limited to the following: delay in the proper notification of KIBS about the occurred damages, deviation from the prescribed procedure, non-transfer of claims to third parties culpable for the occurrence of the damaging event.

7. Limitation of Users' Indemnification

7.1. Indemnification Limits

The limits that represent maximum amount that KIBS may pay to the user, even though the damage exceeds the amount determined by KIBS, are specified for each service separately within the Rules and Terms for using the respective trusted services.

7.2. Distribution of Claims

The damages that exceed the level of liability for the given service will be first distributed to the earliest submitted claims until a final solution is reached. KIBS has no obligation to pay more than the maximum amount of liability per service, regardless of the method of distribution among the claimants.

8. Limitation of Payments to Relying Parties

8.1. Maximum Limitations for Relying Parties

The Rules and Terms for use of the respective trusted service define the maximum amount that can be paid to the relying party, even if the damages exceed the amount determined by KIBS. Without affecting the provisions of item 10.1, KIBS shall determine the limit per transaction, as specified in the relevant Rules and Terms, for the use of trusted service. This limit is determined and will be respected no matter how many times error in providing the service has occurred.

9. Limitations of Payment to Users and Relying Parties

9.1. Maximum Limit of Liability

Pursuant to the law, the highest level of liability regulated in items 7 and 8 will remain unchanged, regardless of the number of trusted services or claims that may be covered in connection with the use of the services.

10. Maximum Limits

10.1. General

Damage and aggregate insurance coverage (annual cumulative) refer to the principal, costs and interest.

10.2. Maximum Limits

The maximum limit is the maximum amount that KIBS can reimburse the user (subscriber or relying party) for violating the limited warranty during the validity period of the insurance.

Indemnification payments made by KIBS may ultimately reduce the amount of funds available for future payments.

10.3. Exhaustion of Insurance Funds

When the total amount determined by the insurance is exhausted, KIBS no longer has an obligation to refund the user. The total level of insurance shall be communicated individually after submission of the claim.

11. Individual Violation

11.1. Individual Violation

Error in the certification service of the trusted service provider KIBS or replacement of the person when checking the identity is considered as an individual violation regardless of how many users of information rely on the quality of the service provided.

11.2. Individual Transaction

If the subscriber uses multiple certificates for the same transaction, he may emphasize, in accordance with the relevant provision of item 6.2, which certificates provide insurance for that transaction.

12. Updates and Amendments

These Rules, as well as other agreements and statements related to the provision of KIBS trusted services, may be occasionally updated and published online. The user is responsible to monitor changes and receive the latest version of this Rulebook and other agreements relating to the provision of the services for which he has applied.

The agreements become valid immediately after they are published and remain valid throughout the period they are in the repository (website) intended for information of the trusted service provider KIBS which edits the products and services distributed during that period.

13. Force Majeure

In compliance with these Rules and the Rules and Terms of the individual services, in case of force majeure, any rights arising under these Rules shall be annulled.

14. Conflict of Provisions

In the event of a conflict between these Rules and the Rules and Terms of individual services, the Rules and Terms of the individual services shall apply.

15. Severability

If any of the provisions of these Rules, or the application arising therefrom, is invalid or unforeseen for any reason and to any extent, the remainder of these Rules (and the application of the invalid or inapplicable provision for other persons or circumstances) will be interpreted in a way that will favorably affect the intentions of the parties.

The provisions of these Rules provide disclaimer, waiver or limitation of any warranties or other obligations, or exclusion of damages, and will be taken into account separately and independently of any other provision and will be enforced as such.

16. Governing Law

This Insurance Rulebook has been prepared in accordance with the law in the Republic of Macedonia. The courts in Skopje have exclusive jurisdiction over any dispute related to these Rules.

17. Legal Rights

These Rules shall not affect the legal rights of the user arising from domestic regulations, including consumer laws and the law on personal data protection.

This Macedonian version of these Rules for Professional Liability Insurance shall be deemed as the original version and thus have precedence over versions in other languages.

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