**District Court Civil Case 18**

**in Tel Aviv-Yaffo**

**In the matter of:**

 **Maccabi Tel Aviv Basketball Club (1995) Ltd.**

 Represented by Atty. Haim Kalir and/or Chaviva Kalir and/or Shalom Savion and/or Oded Yehiel and/or Guy Shahak and/or Dana Grinvald and/or Meital Amit and/or Amir Nagler and/or Roi Malik and/or Idan Akiva and/or Yael Avraham and/or Lior Plotnik and/or Loren Falks and/or Dana Milstock and/or Rotem Fuks

of 4 Koifman Street, Beit Sharbat, Tel Aviv 61500

Telephone: 03-5716626; Fax: 03-5177078 **Plaintiffs**

 - vs -

 **Harel Insurance Company Ltd.**

3 Abba Hillel Street, Ramat-Gan **Defendant**

**Substance of the Claim: Claim for insurance compensation**

**Amount of the Claim: NIS 8,261,332 plus interest differentials and linkage up to the actual date of payment.**

**Statement of Claim in Abbreviated Procedure**

1. The Plaintiff is a company duly incorporated in Israel. The Plaintiff manages a basketball club, in the framework of which the Maccabi Tel-Aviv team operates, participating in the premier league in Israel and in the European league for teams – the EuroLeague.
2. The Defendant is a company which is duly incorporated as an insurance company in Israel.
3. An insurance contract was signed between the Plaintiff and the Defendant, according to which, the Defendant undertook to pay an agreed, fixed-in-advance insurance compensation as detailed in the confirmations issued by the Defendant, Appendix A (1 and 2) in any case in which one or more of the team’s players loses his ability to continue playing professional basketball due to his medical condition, following an accident or disease or for another reason.
4. In February 2016, the star of the team, Devin Smith (hereinafter: “Player”) was injured in his right knee during a game in which he participated as a player for Maccabi Tel Aviv. Following the incident, the Player was forced to undergo arthroscopic surgery in his right knee under general anesthesia. During the surgery, extensive cartilage damage was seen, and as a result, an operation was carried out to repair the tears in the meniscus. Following the injury, a plan was prepared by the professional staff of the club for the rehabilitation of the Player, including a gradual return to the game, with the intention of examining the possibility of his return to full playing ability. The rehabilitation plan did not progress as expected, the injury of the Player gradually worsened, and the attempts at rehabilitation even in the following playing season did not succeed – as detailed below.
5. It should be pointed out that the Player was considered to be the mainstay of the team and one of the more prominent players in Europe, and he was leading the team to successes and various titles, including the European Cup. He saw his future in the world of basketball and intended to continue playing professional basketball for many more years to come.
6. In August 2007, the Player was examined by the team’s physician, Dr. Guy Morag. Dr. Morag determined that the rehabilitation process of the Player had not succeeded, that the Player had not succeeded in his rehabilitation from the injury and that he was no longer able to be a professional basketball player. Following this, the Player, at the order of the team physician, was forced to cease his activity in the service of the club, after, as mentioned, it was determined that due to his medical condition, he could not return to the game. Thus in effect his career as a professional basketball player came to an end.

 **\*\*\* A confirmation by the Defendant that the Player Davin Smith was included in the list of players insured under the insurance contract for the entire period under consideration is attached herein to the Statement of Claim as Appendix A 1-2 respectively.**

 **\*\*\* A doctor’s certificate written by Dr. Morag is attached to the Statement of Claim – Addendum B.**

1. At the foundation of the purpose of signing the insurance contract between the Plaintiff and the Defendant was the undertaking of the Plaintiff and its obligation as manager of a respected sports club and possessor of an international reputation to ensure the salary of the team’s players even at times of crisis in which their ability to continue playing in the team has been harmed and they are forced to end their professional career due to a medical condition. In order to ensure the undertaking and obligation of the team toward the players, as stated, the Plaintiff signed an insurance contract with the Defendant with the aim of covering any case of the cessation of activity of one of the team’s players and the end of his professional career due to a medical condition.
2. It should be emphasized that despite the harm to the ability of the Player, the Plaintiff paid his full salary even during the rehabilitation period, a period during which his playing ability was defective, and as a direct result, his contribution to the success of the team was lower than during the period prior to the injury to the Player. In addition, the Plaintiff of course took care to ensure the salary of the Player during the playing season in which he was forced to cease his whole service in the team as one of the players due to the order of the physician that he must end his activity as a professional basketball player. Therefore, under the insurance contract, the Defendant must pay the Plaintiff the agreed insurance compensation as long as the team Player is prevented due to a medical reason from returning and playing with the team as an active player, and naturally, if as a result of this, his career as a professional basketball player is cut short.
3. The Defendant recognized the case of full loss of ability to work of the Player and paid the Plaintiff insurance compensation for full disability totaling $93,214 for the period from 10 February 2016 to 24 March 2016, and the sum of $160,014 for the period from 18 April 2016 to 6 June 2016.
4. The Plaintiff duly sent a notice regarding the insurance incident to which was attached the determination of the team physician (Addendum B). After receipt of the claim and the expert opinion of the team physician (Addendum B), the Plaintiff was asked to produce the medical documentation on the treatment of the Player for the purpose of clarifying the liability of the Defendant. The Plaintiff fulfilled all the demands of the Defendant to its satisfaction.
5. After all this, the Defendant confirmed that the condition of the Player conformed to the determination of Dr. Morag. The Defendant did not disagree or object to the determination of Dr. Morag that the Player has lost his ability and that he cannot return to active playing due to his medical condition. The Defendant also did not ask to have the Player undergo a medical examination by a physician on its behalf. Therefore, there was not and is not any dispute between the Parties that the insurance incident occurred as a result of the fact that the Player lost his ability due to his medical condition to return and be an active basketball player and that his career has ended on medical grounds.
6. Despite this, and despite the fact that there was no dispute that the medical condition of the Player constitutes an insurance incident according to the definition of the Defendant itself, the Defendant refused to pay the agreed insurance compensation. According to the contention of the Defendant, which is completely refuted, the Plaintiff should be refused its right to insurance compensation despite the fact that there is no dispute that the Player has lost his ability as a professional basketball player. All this only because the Plaintiff made efforts to rehabilitate him in the framework of the rehabilitation plan by incorporating him partially in 25 games.
7. The meaning of the contention of the Defendant is absurd and outrageous: an insured party entitled to insurance compensation must be punished with a denial of his insurance compensation only because the insured player made efforts to rehabilitate himself and return to professional sports activity. Moreover, according to the contention of the Defendant, the denial of this right continues to exist even in the event that the rehabilitation plan has not succeeded.
8. The position of the Defendant contradicts the law and case law in the event of a lack of success of a rehabilitation plan. After it was determined that the insured lost his ability to work in his profession despite rehabilitation efforts, and after there was no dispute in the matter of the medical condition of the Player and that he could not continue in his profession as an active basketball player despite the fact that, given his age, he could have continued to play for many years, there is nothing about an unsuccessful rehabilitation plan to deny the right of the insured to insurance compensation. On the contrary – according to the law and case law, the efforts of the Player to be rehabilitated cannot be a detriment for the insured and/or for the Player and lead to his being denied the insurance compensation due to the fact that the plan did not succeed.
9. Moreover, the very registration of the Player on the game form and his participation for short periods in the framework of the rehabilitation plan cannot be used as the basis for the denial of the insurance compensation. Not to mention the fact that the number of games in which the Player was incorporated does not constitute an indication of the actual final ability or inability of the Player to continue playing professional basketball. In fact, even the Defendant does not view the number of games in the rehabilitation plan as an indication of the success of the rehabilitation. Rather, by its refusal to pay the insurance compensation, the Defendant puts its trust in the condition that in its opinion, there exists in the insurance contract – which is completely denied – which is only technical, where the Defendant itself according to its contention uses the expression – that whoever plays in a certain number of games “will be deemed as if” he was rehabilitated, despite the fact that there is no disputing the fact that he was not rehabilitated. The Defendant refuses to pay the insurance compensation, despite the fact that it does not deny the very loss of professional ability of the Player to continue playing professional basketball.
10. For the avoidance of doubt, the Defendant may also not reject the Claim on the grounds that a term intended, according to the Defendant, to deny insurance compensation to a player who has lost his professional ability since he was integrated in the framework of the rehabilitation plan in 25 or more games, was not brought for approval of the Supervisor of Insurance in Israel, and in any case without the approval of the Supervisor, it has no validity. All this, in a manner which stands in contradiction to the obligation imposed on the Defendant as an insurance company operating in Israel and which is subject, inter alia, to the provisions of the Insurance Business Supervision Order (New Insurance Plans and Change of Plans), 5741-1981, on the basis of Section 40 of the Supervision of Insurance Business Law, 5741-1981. The Defendant relies therefore on an arbitrary condition which is intended to deny the insurance coverage, a condition which was not brought for the approval of the Supervisor and was not approved by him, and on these grounds as well, the Defendant was not authorized to base itself on this condition in its refusal to pay the insurance compensation.
11. Under these circumstances, in which there is no dispute regarding the loss of professional ability by the Player, this is a condition which was not included among the conditions which received the consent of the Plaintiff in the insurance contract, a discriminatory condition in a uniform contract which empties of all content the undertaking of the Defendant to pay the insurance compensation upon the occurrence of a loss of professional ability for a medical reason.
12. Moreover, during the 12 months since the injury in which the insured attempted to be rehabilitated, the number of games in which the Player was integrated did not exceed 25 games, as it contends.
13. In any case, as stated, the subject of rehabilitation is irrelevant since after the examination of Dr. Morag in August 2017, it was determined that due to his medical condition, the Player is no longer able to continue in his profession as an active basketball player – permanently. Under these circumstances, it can be determined that the rehabilitation efforts did not succeed, and the Player has been forced to retire from the game due to his medical condition.
14. Under these circumstances, the rehabilitation processes which the Player underwent had no effect at all (and certainly no material effect) on the risk of the insurer. On the contrary: the rehabilitation efforts, if successful, would have exempted the Defendant from any payment. Therefore, under these circumstances, the provision of Section 29 of the Insurance Contract Law applies in a manner in which the Defendant is not entitled to reject the claim, since the liability of the insurer which, according to what is contended, depends on a rehabilitation plan, was not at all affected, and certainly not affected materially. The honorable court is asked therefore to use its authority under Section 29 of the Insurance Contract Law and charge the Defendant for the full insurance compensation.
15. Moreover, the Defendant, which as stated recognized the insurance incident after paying temporary insurance compensation, acted in bad faith when it did not warn or clarify to the Plaintiff that according to its position, if the attempts to rehabilitate the Player continue (attempts which, if they had succeeded, as stated, would have exempted the Plaintiff from payment), the insurance compensation would be denied to him, even if the rehabilitation attempts did not succeed.
16. For the avoidance of doubt, the Defendant will not be able to make any contention that it did not make at its first opportunity, which is in accordance with the guidelines of the Supervisor of Insurance, which were given binding validity in accordance with the ruling of the Supreme Court.
17. For the avoidance of doubt, the Defendant cannot base itself on exceptions or conditions which were not consented to or not agreed in advance explicitly before and during the drawing up of the insurance contract and/or which were not highlighted as required and/or not explicitly pointed out next to the subject on which they were dealing and/or not brought to the attention of the Plaintiff, and in the event that the Defendant did not take the trouble to verify that the Plaintiff was in fact aware of the exceptions or terms of the policy, and to verify that the insured was aware of the provisions under which the Defendant wishes to shake off its obligations.
18. In all these attempts, the conduct of the Defendant has been in bad faith, and therefore the honorable court is asked to determine that the Defendant will pay the Plaintiff special interest under Section 28A of the Insurance Contract Law at the maximum rate.
19. Therefore, the honorable court is asked to charge the Defendant to pay the Plaintiff as follows:
20. The amount of the insurance mentioned in the policy under which the Player was insured – a sum of $2,066,667, which is equal to NIS 8,261,332, after the addition of interest differentials and linkage since the injury (representative rate – 3.871) until the filing of the Claim.
21. The court costs and attorney fees.
22. In light of the above, the honorable court is asked to summon the Defendant to law and obligate it to pay the Plaintiffs the sum of NIS 8,261,332 plus interest differentials and linkage at the legal rate from the date of filing of the Claim until the actual payment, plus special interest and plus court costs and attorney fees.

 (-) (-)

 Haim Kalir, Atty. Shalom Savion, Atty.

 Attorneys of the Plaintiff

**Contents of the Statement of Claim**

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| --- | --- | --- |
| **Addendum no.** | **Contents of the Addendum** | **Page** |
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| Addendum B | **A doctor’s certificate drawn up by Dr. Morag** | 9-11 |

**APPENDIX A**

**Confirmation of the Defendant that the Player Davin Smith is included in the list of players insured under the insurance contract for the entire period under consideration**

|  |  |
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|  |  | For your peace of mind |

Copy to the insured Page – 1

Page of insurance details which is an integral part of the insurance policy

Harel Insurance Company Ltd. Personal accidents (Renewal 03)

- - - - - - - - - - - - - - - - - - - - - - - - - (cat.no. 7004817 9/2015) - - - - - - - - - - - - - - - - - - - - - - - -

Branch 21: Agent: 100060 – Ian Israel/H

Policy no.: 7021000032/15 | US dollar

 | Net premium 144,982.00

Name of Insured: Maccabi T.A. Basketball Club Co. | Registration fee

 | Policy fee

Address : 293 Hayarkon | Levies

 Tel Aviv 6350429 |

Insurance period: 22/09/2015 to 21/09/2016 midnight |

 |

 |

Identification number: 1938466 | Credit fee 6,704.00

H 512120841 T.A. Maccabi Basketball Club Co. |

 | Total for payment 151,686.00

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Expansions and supplements

A) 1

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THIS IS FRONTING POLICY

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

TYPE:

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PERSONAL ACCIDENT AND/OR SICKNESS INSURANCE AND/OR ACCIDENTAL DEATH

INSURED:

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MACCABI TEL AVIV BASKETBALL CLUB.

INSURED PERSONS:

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AS PER SCHEDULE ATTACHED.

OCCUPATION:

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PROFESSIONAL BASKETBALL PLAYERS.

INTEREST AND SUMS INSURED:

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AS PER SCHEDULE ATTACHED

1) TEMPORARY TOTAL DISABLEMENT FROM USUAL OCCUPATION DUE TO ACCIDENT OR SICKNESS AND/OR ACCIDENTAL DEATH

2) PERMANENT TOTAL DISABLEMENT FROM USUAL OCCUPATION DUE TO ACCIDENT OR SICKNESS AND/OR ACCIDENTAL DEATH

3) PASSIVE WAR / TERRORISM CLAUSE

TA AGENT: 1255 61-349

 MRELPROD

Harel Insurance Company Ltd. – Beit Harel, 3 Abba Hillel Street, POB 1951 Ramat Gan 5211802 www.harel-group.co.il

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|  |  | For your peace of mind |

Copy to the insured Page – 2

Agent: 1000060

Policy no.: 7021000032/15 Branch: 21

Name of Insured: T.A.Maccabi Basketball Club Company

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Expansions and supplements (continued)

4) ACCIDENTAL DEATH RIDER

MAXIMUM TTD BENEFIT PERIOD:

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44 WEEKS OR CONTRACT EXPIRY WHICHEVER THE SOONER.

TTD EXCESS PERIOD:

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BENEFIT PAYABLE FROM DAY 14 IN THE EVENT OF INJURIES LASTING IN EXCESS OF 28 DAYS EACH AND EVERY LOSS.

PTD ELIMINATION PERIOD:

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12 MONTHS IN RESPECT OF PERMANENT TOTAL DISABLEMENT.

REHABILITATION:

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25 GAME REHABILITATION CLAUSE TO APPLY.

BENEFICIARY:

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CLAIMS SHALL BE PAID TO THE INSURED (MACCABI TEL AVIV BASKETBALL CLUB) OR TO THE INJURED PLAYER IF THE INSURED SHALL INSTRUCT THE INSURER IN WRITING, TO DO SO.

GEOGRAPHICAL LIMITS:

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WORLDWIDE

OPERATIVE TIME:

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24 HOUR COVER.

CONDITIONS:

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* PROFESSIONAL ATHLETES WORDING AS PER ATTACHED
* PLAYERS WARRANTED FIT AND HEALTHY AT INCEPTION.
* FULL PRE-EXISTING MEDICAL CONDITION EXCLUSION TO APPLY PENDING RECEIPT OF SATISFACTORY PROPOSAL / MEDICAL FORM / DECLARATION OF HEALTH FORMS WITHIN 60 DAYS OF INCEPTION.

TA AGENT: 1255 61-349

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|  |  | For your peace of mind |

Copy to the insured Page – 3

Agent: 1000060

Policy no.: 7021000032/15 Branch: 21

Name of Insured: T.A.Maccabi Basketball Club Company

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Expansions and supplements (continued)

- A COPY OF PLAYERS CONTRACT TO BE PRODUCED IN THE EVENT OF LOSS.

LAW AND JURISDICTION:

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THIS INSURANCE SHALL BE GOVERNED BY ISRAELI LAW AND THE ISRAELI COURTS ALONE SHALL HAVE JURISDICTION IN ANY DISPUTE ARISING HEREUNDER.

PAYMENT TERMS:

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PREMIUM PAYMENT WARRANTY 60 DAYS FROM INCEPTION.

SCHEDULE OF INSURED PERSONS: A) 2

PERMANENT TOTAL DISABLEMENT DUE TO ACCIDENT AND/OR SICKNESS

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 PLAYER DATE OF AGE TTD SUM INSURED TTD TTD PREMIUM

 BIRTH FOR PAYABLE 44 RATE (USD)

 WEEEKS (USD)

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SYLVAN LANDSBERG 10/04/1990 25 900,000 1.20% 10,800

YOGEV OHAYON 24/04/1987 28 560,000 1.20% 6,720

DEVIN SMITH 12/04/1983 32 2,066,667 1.20% 24,800

TAYLOR CAMPBELL ROCHESTIE 01/07/1985 30 1,000,000 1.20% 12,000

DAGAN YIVZURI 15/10/1985 29 250,000 1.20% 3,000

JORDAN ROBERT FARMER 30/11/1986 28 1,300,000 1.20% 15,600

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 TOTAL: 6,076,667 72,920

TEMPORARY TOTAL DISABLEMENT DUE TO ACCIDENT AND/OR SICKNESS

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 PLAYER DATE OF AGE TTD SUM TTD SUM TTD TTD

 BIRTH INSURED INSURED RATE PREMIUM

 ANNUAL (USD) WEEKLY (USD) (USD)

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DEVIN SMITH 12/04/1983 32 990,000 22,500 2.44% 24,156

VITOR LUIZ FAVERANI 05/05/1988 27 723,600 16,445 2.44% 17,656

BRAYEN RENDEL 08/02/1985 30 486,000 11,045 2.44% 11,858

TREVOR OKAYCHUKWA

MACP MBAKWE 24/01/1989 26 753,750 17,131 2.44% 18,392

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 TOTAL: 2,953,350 67,122 72,062

TA AGENT: 1255 61-349

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|  |  | For your peace of mind |

Copy to the insured Page – 4

Agent: 1000060

Policy no.: 7021000032/15 Branch: 21

Name of Insured: T.A.Maccabi Basketball Club Company

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Expansions and supplements (continued)

AMENDMENT 1 – AS AGREED BY THE REINSURERS:

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PROFESSIONAL ATHLETES WORDING

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A) PART THREE, ITEMS 1&2: THE WORDS “TWELVE MONTHS” SHALL BE AMENDED TO “TWENTY FOUR

 MONTHS”.

B) APPENDIX A (WAR TERRORISM AND MASS DESTRUCTION EXCLUSION) – THE FOLLOWING WORDS

 SHALL BE ADDED “THIS APPENDIX IS SUBJECT TO THE “PASSIVE WOR/TERRORIMS CLAUSE” AS DETAILED

 IN THE SCHEDULE”.

c) 1 Subject to the insurance offer attached herein.

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TA AGENT: 1255 61-349

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|  | **Page 1 of 4** |  | For your peace of mind |

**Copy to the insured Harel Insurance Company Ltd.**

**Details of insurance, which constitute an integral part of the insurance policy**

**Personal accident (Renewal 03)**

**(Cat. no. 7004817 9/2015)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Branch** | **Policy no.** | **Name and number of agent** | **Supplement no.** |
| 21 | 7021000032/16 | 100060 – Ian Israel/H |  |

|  |  |
| --- | --- |
| **Details of insured** | **All amounts are stated in US dollars** |
| **Name and address of insured** | T.A. Maccabi Basketball Club Company293 HayarkonTel Aviv 6350429 |
| **Period of the insurance**22/09/2016 to 21/09/2017 at midnight | **Date of commencement of supplement** |
| **Home phone** | **Mobile phone** | **email** |
| **P.C. no. insured**512120841 | **ID of spouse** | **Identification number**1938466 | **Secondary identification** |  |
| **Net insurance fee/premium**240,232.00 | **Registration fee**26,692.00 | **Policy fee** | **Levies** | **Credit fee**12,343.00 | **Total for payment**279,267.00 |

All amounts stated in US dollars

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Expansions and supplements

A) 1 ====================================================

THIS IS FRONTING POLICY

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TYPE:

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PERSONAL ACCIDENT AND/OR SICKNESS INSURANCE AND/OR ACCIDENTAL DEATH

INSURED:

-------------

MACCABI TEL AVIV BASKETBALL CLUB.

INSURED PERSONS:

---------------------------

AS PER SCHEDULE ATTACHED.

OCCUPATION:

-------------------

PROFESSIONAL BASKETBALL PLAYERS.

INTEREST AND SUMS INSURED:

--------------------------------------------

AS PER SCHEDULE ATTACHED

TA AGENT: 1255 61-349

 MRELPROD

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|  | **Page 2 of 4** |  | For your peace of mind |

Copy to insured Harel Insurance Company Ltd. Page 2

Agent: 1000060

Policy no.: 7021000032/15 Branch: 21

Name of Insured: T.A.Maccabi Basketball Club Company

- - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - - - - - - - - - -

Expansions and supplements (continued)

1) TEMPORARY TOTAL DISABLEMENT FROM USUAL OCCUPATION DUE TO ACCIDENT OR SICKNESS AND/OR ACCIDENTAL DEATH

2) PERMANENT TOTAL DISABLEMENT FROM USUAL OCCUPATION DUE TO ACCIDENT OR SICKNESS AND/OR ACCIDENTAL DEATH

3) PASSIVE WAR / TERRORISM CLAUSE

4) ACCIDENTAL DEATH RIDER

MAXIMUM TTD BENEFIT PERIOD:

-----------------------------------------------

44 WEEKS OR CONTRACT EXPIRY WHICHEVER THE SOONER.

TTD EXCESS PERIOD:

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28 DAYS EACH AND EVERY LOSS.

PTD ELIMINATION PERIOD:

--------------------------------------

12 MONTHS IN RESPECT OF PERMANENT TOTAL DISABLEMENT.

REHABILITATION:

--------------------------

25 GAME REHABILITATION CLAUSE TO APPLY.

BENEFICIARY:

--------------------

CLAIMS SHALL BE PAID TO THE INSURED (MACCABI TEL AVIV BASKETBALL CLUB) OR TO THE INJURED PLAYER IF THE INSURED SHALL INSTRUCT THE INSURER IN WRITING, TO DO SO.

GEOGRAPHICAL LIMITS:

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WORLDWIDE

OPERATIVE TIME:

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24 HOUR COVER.

CONDITIONS:

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* PROFESSIONAL ATHLETES WORDING AS PER ATTACHED

TA AGENT: 1255 61-349

 MRELPROD

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| --- | --- | --- |
|  | **Page 3 of 4** |  | For your peace of mind |

Copy to insured Harel Insurance Company Ltd. Page 3

Agent: 1000060

Policy no.: 7021000032/15 Branch: 21

Name of Insured: T.A.Maccabi Basketball Club Company

- - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - - - - - - - - - -

Expansions and supplements (continued)

* PLAYERS WARRANTED FIT AND HEALTHY AT INCEPTION.
* FULL PRE-EXISTING MEDICAL CONDITION EXCLUSION TO APPLY PENDING RECEIPT OF SATISFACTORY PROPOSAL / MEDICAL FORM / DECLARATION OF HEALTH FORMS WITHIN 60 DAYS OF INCEPTION.
* A COPY OF PLAYERS CONTRACT TO BE PRODUCED IN THE EVENT OF LOSS.

LAW AND JURISDICTION:

-----------------------------------

THIS INSURANCE SHALL BE GOVERNED BY ISRAELI LAW AND THE ISRAELI COURTS ALONE SHALL HAVE JURISDICTION IN ANY DISPUTE ARISING HEREUNDER.

PAYMENT TERMS:

--------------------------

PREMIUM PAYMENT WARRANTY 60 DAYS FROM INCEPTION.

SCHEDULE OF INSURED PERSONS: A) 2

PERMANENT TOTAL DISABLEMENT DUE TO ACCIDENT AND/OR SICKNESS

----------------------------------------------------------------------------------------------------------

 PLAYER DATE OF AGE TTD SUM INSURED TTD TTD PREMIUM

 BIRTH FOR PAYABLE 44 RATE (USD)

 WEEEKS (USD)

 ----------- ------------ ------ --------------------------------- --------- ---------------------

SYLVAN LANDSBERG 10/04/1990 25 450,000 1.20% 5,400

YOGEV OHAYON 24/04/1987 28 110,000 1.20% 1,320

DEVIN SMITH 12/04/1983 32 2,066,667 1.20% 24,800

GAL MEKEL 04/03/1998 28 1,360,000 1.20% 16,320

MEIK ZIRBES 29/01/1990 26 1,380,000 1.20% 16,560

CLARENCE WEEMS 08/07/1986 29 1,750,000 1.20% 21,000

QUINCY MILLER 18/11/1992 23 1,000,000 1.20% 12,000

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 TOTAL: 8,116,667 97,400

TEMPORARY TOTAL DISABLEMENT DUE TO ACCIDENT AND/OR SICKNESS

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 PLAYER DATE OF AGE TTD SUM TTD SUM TTD TTD

 BIRTH INSURED INSURED RATE PREMIUM

 ANNUAL (USD) WEEKLY (USD) (USD)

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DEVIN SMITH 12/04/1983 32 900,000 22,500 2.44% 24,651

GAL MEKEL 04/03/1998 28 1,150,000 26,136 2.44% 28,060

MEIK ZIRBES 29/01/1990 26 1,591,700 36,175 2.44% 38,837

CLARENCE WEEMS 08/07/1986 29 1,876,000 42,636 2.44% 45,774

TA AGENT: 1255 61-349

 MRELPROD

 - 7 -

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|  | **Page 4 of 4** |  | For your peace of mind |

Copy to insured Harel Insurance Company Ltd. Page 4

Agent: 1000060

Policy no.: 7021000032/15 Branch: 21

Name of Insured: T.A.Maccabi Basketball Club Company

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Expansions and supplements (continued)

ANDREW GOUDELOCK 07/12/1988 27 1,608,000 36,545 2.44% 39,235

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 TOTAL: 7,215,700 163,992 176,062

AMENDMENT 1 – AS AGREED BY THE REINSURERS:

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PROFESSIONAL ATHLETES WORDING

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A) PART THREE, ITEMS 1&2: THE WORDS “TWELVE MONTHS” SHALL BE AMENDED TO “TWENTY FOUR

 MONTHS”.

B) APPENDIX A (WAR TERRORISM AND MASS DESTRUCTION EXCLUSION) – THE FOLLOWING WORDS

 SHALL BE ADDED “THIS APPENDIX IS SUBJECT TO THE “PASSIVE WOR/TERRORIMS CLAUSE” AS DETAILED

 IN THE SCHEDULE”.

C) 1 Subject to insurance offer attached herein.

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Agent cell: 1255 (reprinting on 01/01/2017

Signed for the Harel Company and in its name on 22/12/2016 (24381)

 MRELPROD 61-349

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Harel Insurance Company Ltd. – Beit Harel, 3 Abba Hillel Street, POB 1951 Ramat Gan 5211802 www.harel-group.co.il

**APPENDIX B**

**DOCTOR’S CERTIFICATE WRITTEN BY DR. MORAG**

**District Court Civil Case 18/**

**In the matter of: Tel Aviv Maccabi Basketball Club - vs Harel Insurance Company**

**Doctor’s Certificate**

**Name of physician**: Dr. Guy Morag

**Home address and place of work**: Expert in orthopedic surgery

 Souraski Medical Center Tel Aviv

**License number**: 31446, (Expert license – 20559)

I the undersigned hereby testify and confirm that on the dates detailed in the medical certificate attached and marked as Appendix A, I examined Mr. Devin Smith and determined that due to his medical condition, he has lost his ability to continue as a professional basketball player – as detailed in Appendix A attached herein.

This certificate is being given by me for the purpose of its being submitted as evidence in the court, and I hereby declare that I am well aware that in the matter of the provisions of criminal law regarding perjury under oath in court, this certificate when duly signed by me is the equivalent of testimony under oath given by me in the court.

11/6/ 2018 (signature and stamp)

 Dr. Guy Morag, Orthopedic Surgeon

 L.N. 31446, Spec. Lic.20559

Date Dr. Guy Morag

- 9 -

**Morag, G. M.D.**

**Orthopedic surgeon**

**L.N 31446 Spec. Lic. no. 20559 .**

**Sportopedia**

**34 Sokolov Str.**

**Ramat Hasharon**

**Tel. 077-5404040 Fax 077-2072164**

**15th August 2017**

**Medical opinion**

**Re: Devin Smith, d.o.b. 12th of April 1983, Basketball player of Maccabi Tel Aviv basketball team**

Devin was injured on his right knee on the 10th of February 2016 and had an

arthroscopy of his knee with cartilage treatment, partial lateral

meniscectomy, shaving of spurs and synovectomy on the 22nd of February

2016. After surgery he entered his rehabilitation process.

Devin went through a rehab plan as built for him by the relevant staff. Team

Head Physician, physiotherapists and the fitness coach.

A substantial element of a rehabilitation program for a basketball player is

progressively activating the injured limb, and this is carried out by allowing

him to participate in practices and in games, for a short pre- measured time

each time. This is an essential part of a process which by the end of it, the

player should become fit to practice and play normally.

As part of his rehab, his action on court slowly increased all the way to his

inclusion in team’s games for an increasing number of minutes.

Based on this planned process, Devin was supposed to reach 35-36 minutes

per game after 5-6 games. He never reached that since his rehab plan failed

when in the third game he was included for 25-26 minutes, but his injury got

worse and all of his rehab process recessed substantially.

As a result, Devin wasn’t ready for the start of training and his rehab process

continued begin of 2016-17 season. At that time, his minutes per game are

still limited and supervised and he was not registered to the Israeli league,

since his physical state does not enable him the same activity as other

players. The plan was to enable him to get back to full ability in the latter stages of 2016/17.

During the 2016/17 season Devin tried to get back in to shape but suffered

all the time from pain and serious limitations in his function

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Devin was checked by me today for medical evaluation.

Devin reports of having pain everyday even in daily activities, he sometimes

even feels the swells up in minimal stresses.

He has pain climbing stairs and sometimes even playing with his kids.

**On examination**:

Right knee- limited range of motion- extension – minus 10 degrees, flexion

- minus 10 degrees in comparison to the left leg.

Tenderness on the lateral joint space, pain and cracking patellofemoral.

Knee is stable.

**Conclusion**:
Mr. Smith did not recover from his injury as expected, the cartilage injury

was crucial this time for returning to play in such competitive levels.

Therefore I explained to him the situation and concluded that the injury actually

ended Devin’s basketball career.

Sincerely,

**Dr. Guy Morag**

**Orthopedic Surgeon**

**Head of Sports Unit**

**Tel Aviv Sourasky Medical Center**

**Head Team Physician of maccabi tel Aviv basketball team**

(signature and stamp)

Dr. Guy Morag, Orthopedic Surgeon

L.N. 31446, Spec. Lic.20559

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