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Israel Corporation Ltd.

Registrar Number: 520028010

Form 121

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Public

Sort name: Israel Corporation

Address: P.O.B. 20456, Tel Aviv 61204

Tel: 03-6844517, 6844500, Fax: 03-6844587

Email: NOGAY@ISRAELCORP.COM

Date of Transmission: 24/03/2010

Reference: 2010-01-428760

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: Insurance of Officers

See the attached herewith

The date when the event first became known to the corporation: 24/03/2010, time: 17:00.

Reference of former documents in this regard (referring does not constitute incorporation by reference):

Former name of reporting entity:

The Israel Corporation Ltd.

Form structure updated 15/03/2010

Name of Electronic Reporter: Noga Yatziv. Position: Company's Secretary.

Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – nogay@israelcorp.com

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The Israel Corporation Ltd.

Millennium Tower, 23 Aranha Street, P.O.B. 20456, Tel-Aviv 61204

Tel: 03-6844517, Fax: 03-6844587

THE ISRAEL CORPORATION

Adv. Noga Yatziv

Company Secretary and Assistant to the President

24 March 2010

To:

The Securities Authority

via MAGNA

Dear Sir/Madam,

To:

The Tel-Aviv Stock Exchange Ltd.

via MAGNA

Re: **Immediate Report - Insurance of Officers**

Further to the immediate report of 2 August 2007 (ref. no.: 2007-01-345580) (hereinafter: the "**Previous Report**") and the immediate report of 25 September 2008 (ref. no.: 2008-01-270852), the Company respectfully reports, in accordance with the Companies Regulations (Dispensations in Transactions with an Interested Party), 2000 (hereinafter: the "**Dispensation Regulations**") and the Securities Law Regulations (Periodic and Immediate Reports), 1970, as follows:

1. On 10 September 2007, the general meeting of the Company approved a "framework resolution"¹, which allows, during the course of 5 years commencing from the 2007 insurance year, renewal of the acquisition of insurance in relation to directors and officers, as stated in the Previous Report, from any insurance company in Israel and/or abroad selected by the Company's board, provided that the audit committee and the board of directors of the Company confirm, in relation to any renewal of insurance, that the terms of acquiring the policies are consistent with the terms of the framework transaction and the ratio of dividing the premium between ICL Group and the Company Group in relation to the common tier (as

¹ Within the meaning thereof in regulation 1(3) of the Companies Regulations (Interested Party Transactions), 2000.

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stated in the Previous Report), however the audit committee and the board of directors of the Company will have the authority to approve changes, from time to time, in connection with the ratio of division of the premium between the Company Group and ICL Group in relation to the common tier, provided the rate of the change will not deviate by more than 10% from the division described above, and that the audit committee and board of directors will have the authority to change, from time to time, the coverage or the ratio between the tiers of the insurance policies, subject to the proviso that if, in future insurance years, from the date of the resolution, the insurance premium which the Company is required to pay, becomes more expensive, the following rules will apply:

The annual premium to be paid by the Company in relation to the insurance year will not exceed by more than 15% per annum the premium amount, and in any event, it will not exceed 150% of the maximum premium (i.e., not more than 525 thousand U.S. dollars). For details regarding approval of the general meeting, as aforementioned, see the Company's immediate report of 11 September 2007 (ref.: 2007-01-391321) and the Previous Report, which are presented here by way of reference. Similarly, see immediate report of 25 September 2008, presented here by way of reference, regarding renewal of the insurance period.

2. By virtue of the said "framework resolution" and subject thereto, the audit committee and the board of directors of the Company approved, before the end of the insurance period, renewal of the acquisition of insurance for the directors and officers and approved this once again on the eve of publishing the present report, all effective from 1 September 2009. Equally, the audit committee and the board of directors confirmed that the terms of acquisition/renewal of the policy are consistent with the terms of the said "framework resolution" and the ratio of dividing the premium between ICL Group and the Company Group in relation to the common tier (as provided in the Previous Report).
3. The new policy includes a common first tier with ICL Group, for the coverage of claims of up to 20 million dollars and a separate second tier for coverage of an additional 120 million dollars (without any change relative to the previous policy), as stated in the Previous Report. The total premium paid by the Company for the new policy is approx. 208 thousand U.S. dollars (without any significant change

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relative to the previous policy). The premium does not include agents and consultants commissions, which are paid separately.

4. The policy was renewed, *inter alia*, on the basis of the parameters and reasons that were specified in the Previous Report and taking into consideration that the new terms of the policy are on terms similar to the terms of the policy for 2008-2009, and at a similar cost to the premium which is being paid by the Company, as aforementioned. The ratio of division of the premium between ICL Group and the Company Group remains without change from what was stipulated in the Previous Report.
5. In accordance with Regulation 1.c of the Dispensation Regulations: (a) the dispensation pursuant to regulation 1 of the Dispensation Regulations will not apply to the Company if one or more shareholders, who holds at least one percent of the issued capital or of the voting rights in the Company, has given notice of its opposition to the granting of such dispensation, provided the opposition was submitted to the Company, in writing, no later than fourteen days from the date on which this report was filed or from the date on which an amended report was filed hereto, if and to the extent filed; (b) in the event of opposition being filed, as stated in sub-section (a) above, the engagement in question will require approval in accordance with the provisions of section 273 or 275 of the Companies Law, 1999, as the case may be.

Sincerely yours,

Israel Corp. Ltd.