

CONDITIONS OF PROPERTY INSURANCE RISKS OF COMPANY

KT.0904.13

1. Fire insurance (fire)

- 1.1. Such damage shall be compensated which is directly caused by:
 - 1.1.1. fire, i.e. an open flame that has occurred outside its intended hearth or has exited it and is able to spread with its own force;
 - 1.1.2. direct strike by lightning, i.e. the direct contact between lightning and the insured object;
 - 1.1.3. explosion, i.e. a force with immediate effect that is created upon expansion of gases or vapours; an explosion of a container (boiler, pipeline, etc.) has taken place only in case if the wall of the container has broken insofar that the internal and external pressure of the container are rapidly equalised. If an explosion in a container takes place due to chemical handling, the occurred damage shall be compensated even if the wall of the container has not broken. Damage caused by under-pressure shall not be compensated;
 - 1.1.4. detonation of an explosive;
 - 1.1.5. falling of a piloted airborne vehicle, its parts or cargo from an height.
- 1.2. The following shall not be compensated:
 - 1.2.1. fire damage that is caused to the insured object by processing it with an open flame or heat (also applies to items in which or through which beneficial fire or heat is produced, mediated or controlled);
 - 1.2.2. burn damage, except for damage caused by reasons listed in clause 1.1.;
 - 1.2.3. damage caused by explosion in a combustion chamber of machinery with a combustion engine;
 - 1.2.4. damage caused to electrical installations by electric current, including excessive voltage, under-voltage or overvoltage, short circuit, grounding error, or other electrical failures.
- 1.3. If the event specified in clause 1.2. causes a fire, damage caused by the fire shall be compensated.

2. Pipeline leakage (pipe leakage)

- 2.1. Such damage shall be caused which is directly caused by:
 - 2.1.1. vapour, gas, water or other liquid that has unexpectedly and unforeseeably leaked out from the pipeline, container or equipment servicing the building.
- 2.2. In addition, compensation (up to 2000 euros) shall be paid for the expenses for repair of the container or equipment of the pipeline that caused damage as well as for costs related to elimination of cold damage caused to the in-house part of the pipeline, container or equipment servicing the building.
- 2.3. The following shall not be compensated:
 - 2.3.1. damage caused by condensate, water vapour or excessive moisture, except when caused by reasons listed in clause 2.1.;
 - 2.3.2. damage caused by water resulting from cleaning or tidying up or a natural event;
 - 2.3.3. damage caused to goods kept in an underground room if they were kept over 12 cm below the floor surface;
 - 2.3.4. normal wear and tear, corrosion, fatigue of material, rotting, fungal damage, dry rot fungus, moisture, dryness or other similar long-term process;
 - 2.3.5. cost of the leaked liquid or vapour.

3. Burglary insurance (burglary)

- 3.1. Such damage shall be caused which is directly caused by the following events occurring at the covered place:

- 3.1.1. burglary, i.e. theft by way of removing the barrier or lock that prevented entry to the place of location of the property;
- 3.1.2. robbery;
- 3.1.3. wrongful activity of a third party at the time of burglary or robbery.
- 3.2. Burglary has taken place in case if a person:
 - 3.2.1. used a forged key, lock pick or other instrument for removing a barrier or lock that prevented entry to the building or its room where the property is located;
 - 3.2.2. broke into a closed building or its room through a door, window, wall or roof, etc.;
 - 3.2.3. used an unlawfully received key for removing a barrier or lock that prevented entry to the building or its room where the property is located.
- 3.3. Robbery is understood as taking the assets by physical violence or a direct threat to use it.
- 3.4. Wrongful activity of a third party is understood as wrongful destruction or damage of the insured property at the time of burglary or robbery.
- 3.5. The insurer shall compensate for expenses necessary for restoring the border structures of a building or the parts thereof, broken or damaged during burglary or robbery or an attempt thereof.
- 3.6. If the policyholder or a person authorised by the policyholder has lost possession of a key or the lock code due to burglary or robbery and the lock needs to be replaced as a result thereof, the insurer shall compensate for the resulting damage to the extent of 1300 euros.
- 3.7. The following shall not be compensated:
 - 3.7.1. damage that occurred when a person employed by the insurer acted together with the burglar or robber, except when the policyholder supplies proof that the employee caused damage at a time when the building or room being the covered place was appropriately closed and locked;
 - 3.7.2. damage that occurred when a person cohabiting with the policyholder or his/her family member acted together with the burglar or robber;
 - 3.7.3. damage that occurred when the building or room being the covered place was not appropriately closed and locked;
 - 3.7.4. damage to property, proprietary rights or other proprietary damage caused by way of fraud.

4. Storm insurance (storm)

- 4.1. Such damage shall be caused which is directly caused by:
 - 4.1.1. storm (including hurricane, downpour, etc.);
 - 4.1.2. hail;
 - 4.1.3. trees or other items fallen on a building due to storm.
- 4.2. Storm is understood as a wind with an average speed or with gusts of at least 18 metres per second. If the wind speed cannot be identified at the place of the insured event, the storm is assumed to exist if the policyholder supplies evidence that damage to the insured buildings is caused only by storm.
- 4.3. The following shall not be compensated:
 - 4.3.1. damage that is directly or indirectly caused by flood, including when caused by storm;
 - 4.3.2. normal wear and tear, corrosion, fatigue of material, rotting, fungal damage, dry rot fungus, moisture, dryness or other similar long-term process;
 - 4.3.3. damage caused by precipitation penetrated through the openings or construction structures of the covered place, except for events when the opening was caused due to circumstances listed in clause 4.1. Such openings must be identifiable.

5. Flood insurance (flood)

- 5.1. Such damage shall be caused which is directly caused by natural flood.
- 5.2. Natural flood is understood as an extraordinary rise of the water level due to natural events (including storm, precipitation, flood of a water body) to such an extent where the ground and the drying system built according to the construction design (including the drainage and sewerage system) cannot accept such an extraordinary quantity of water caused by natural events.
- 5.3. The following shall not be compensated:
 - 5.3.1. damage caused by water or other liquid that has leaked out from a pipeline, container or equipment servicing the building, except for events taken place due to the reasons specified in clause 5.1.;
 - 5.3.2. damage caused by water that has moved below the ground, except for events that have taken place for the reason specified in clause 5.1.;
 - 5.3.3. damage caused to goods kept in an underground room if they were kept over 12 cm below the floor surface;
 - 5.3.4. damage caused by the construction or brokerage of a dam or other protection barrier.

6. Vandalism insurance (vandalism)

- 6.1. Such damage shall be compensated which is directly caused by the following events taken place at the covered place:
 - 6.1.1. wrongful actions of a third party aimed at damaging or destruction of the property of another;
 - 6.1.2. damage caused by collision with a land vehicle when it is not subject to compensation under any the Motor Third Party Liability Insurance Act.
- 6.2. The following shall not be compensated:
 - 6.2.1. damage caused by theft of the property of its parts;
 - 6.2.2. damage caused by detonation of an explosive;
 - 6.2.3. damage caused by arson.

7. Theft insurance (theft)

- 7.1. Such damage shall be compensated if it is directly caused by damage to the building or its external parts, being the insured object, through theft.
- 7.2. Damage to property, proprietary rights or other proprietary damage caused by way of fraud shall not be compensated.

8. Glass insurance (glass damage)

- 8.1. Such damage related to breaking of glass surfaces shall be compensated when it is caused by an unexpected and unforeseeable event.
- 8.2. The insurance cover includes glass surfaces (including texts, stickers, etc. on the glass surface) which are framed and/or stationarily mounted to their place. Plastic materials (incl. acrylic plastic, polycarbonate), which are used in place of glass, are considered to be equal to glass surfaces.
- 8.3. The following shall not be compensated:
 - 8.3.1. small cracks and damage caused to the glass surface which have left the glass unbroken;
 - 8.3.2. damage caused by the processing (incl. over-painting) of glass surfaces;
 - 8.3.3. damage caused by mistakes in installation of glass;
 - 8.3.4. damage caused by poor quality of glass;
 - 8.3.5. damage caused by the sinking, putting in place, breakdown, cracking, contraction or expansion of the building.

9. Electrical fault insurance (electrical fault)

- 9.1. Insurance covers damage directly caused to electrical installations by excessive voltage, under-voltage or overvoltage created by electric current, also short circuit, grounding error, or other electrical failures.
- 9.2. The following shall not be compensated:
 - 9.2.1. damage caused by the fact that the insured item has not been installed or used according to the requirements of the manufacturer, importer, seller or legislation;
 - 9.2.2. damage caused by an interruption in electricity supply.

10. Total risk insurance (total risk)

- 10.1. Such damage shall be compensated which is caused by any unexpected and unforeseeable event which is not specified in clauses 1 through 9 and which is not excluded in the terms and conditions of the insurance contract.
- 10.2. Exclusions.

In addition to the exclusions specified in clause 5 of the terms and conditions of property insurance of the company and the damage not subject to compensation on the basis of clauses 1-9, such damage shall not be compensated which is caused by the following circumstances.

 - 10.2.1. Loss of items for reasons other than burglary or robbery. Burglary has taken place in case if it is identified that a person:
 - 10.2.1.1. used a forged key, lock pick or other instrument for removing a barrier or lock that prevented entry to the building or its room where the property is located;
 - 10.2.1.2. broke into a closed building or its room through a door, window, wall or roof, etc.;
 - 10.2.1.3. used an unlawfully received key for removing a barrier or lock that prevented entry to the building or its room where the property is located;
 - 10.2.1.4. robbery is understood as taking the assets by violence or a direct threat to use it.
 - 10.2.2. Internal defects of inventory, equipment and structures. Insurance does not cover damage to items from which the insured event started. If also other items are damaged as a result of the insured event, such damage shall be compensated. Internal defects of equipment shall be compensated if the equipment is insured, besides a building, as an insured object.
 - 10.2.3. Concealed defect or operator's insufficient qualification. Insurance does not cover damage to items from which the insured event started. If also other items are damaged as a result of the insured event, such damage shall be compensated.
 - 10.2.4. Normal wear and tear, scratching, corrosion, fatigue of material, rotting, fungal damage, dry rot fungus, moisture, dryness or other similar long-term process.
 - 10.2.5. Use of the insured object for an unintended purpose or under unusual conditions.
 - 10.2.6. Poor-quality design, construction, repair or maintenance work, insufficient or deficient material.
 - 10.2.7. Insects, pests, rodents, birds or animals.
 - 10.2.8. The sinking, putting in place, breakdown, cracking, contraction, expansion, vaporisation or weight loss of the insured object.
 - 10.2.9. Change of the temperature, colour, taste, smell, texture or finish of the insured object.
 - 10.2.10. Damage to movable property located outside the building, except for events caused by reasons specified in clause 1.
 - 10.2.11. Contamination or pollution, except when caused by an insured event.
 - 10.2.12. Change of the groundwater level, except for events taken place for the reason specified in clause 5.
 - 10.2.13. Damage caused by an interruption in the supply of electricity, water, gas, etc.