

ERGO Insurance SE

# ERGO Home Insurance Terms and Conditions

Unofficial translation. In case of differences in interpretation of following document, the Estonian text will be regarded as the original.



Dear Customer!

The terms and conditions of ERGO home insurance we explain the principles that will guide us in insuring your home.

The terms and conditions of home insurance apply to insurance policies where the insured object is a building and household property.

In addition to these terms and conditions, the General Terms and Conditions for ERGO Insurance Services also apply. In the event of any inconsistencies between these terms and conditions and the General Terms and Conditions, these terms and conditions shall prevail. All terms and conditions are always available on our website: [www.ergo.ee](http://www.ergo.ee).

Which terms and conditions apply to a particular service and insurance contract are indicated in the insurance policy.

Please take the time to read the terms and conditions of insurance carefully. For questions, please contact us at [info@ergo.ee](mailto:info@ergo.ee).

**We would be happy to help you.**

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## 1. What we insure

1.1. **The insured object** is specified in the policy as:

- a building (house, apartment or structure);
- household property.

1.2. **Building** (residential building, sauna, outbuilding or garage) is a structure permanently connected to the ground, with walls, a roof, and interior spaces, and all its essential parts, including fire extinguishing, fire and security alarm systems, solar panels installed on the building, a charging station for an electric car that is part of the building, electrical wiring, heating, ventilation and air conditioning systems, built-in furniture, integrated equipment.

- **Residential building**, including a part of a residential building, semi-detached house, or terraced house, is a building that you use for living purposes. The interior finishes and parts of a semi-detached or terraced house are insured up to the interior finishes of the neighbouring house or block, including parts of the structure which are co-owned.
- **Sauna** is a separate sauna building.
- **Outbuilding** or **garage** is a separate building which you do not use for living and which does not have a sauna. Outbuildings are, for example, sheds, granaries, barns, greenhouses.

1.3. **Apartment** is a structurally delimited dwelling and its parts, which can be altered without damaging the essential parts of the building, without infringing the rights of other owners and without altering the external appearance of the building. Together with the apartment, its interior finish, floors, ceilings, non-bearing partitions, doors, windows, built-in furniture, integrated equipment, balcony interior finish, terrace belonging to the specific physical share of the apartment, fire and security alarm systems, parts of fire-extinguishing, electric, gas, heating, water supply, sewerage, ventilation and cooling systems that only serve the insured apartment are insured. If the policy contains a corresponding entry, the share of co-ownership corresponding to the size of the ownership is insured together with the apartment (for example, part of the roof, load-bearing walls, stairwell of the building, equipment intended for servicing the building). In addition, a lockable storeroom, basement or garage box belonging to the apartment, located in the same apartment block and used exclusively by you is insured together with the apartment.

1.4. **Structures and small buildings**

- **Structure** is a construction permanently attached to the ground which is not a building.

### Example:

The structure includes fence, flagpole, swimming pool, summer kitchen, outdoor fireplace, terrace, exterior lights, barrel sauna, solar panels separate from the building and related equipment (e.g. inverter, power bank), electric car charging station separate from the building.

- **Small building** is a building (incl. a greenhouse) with closed net area of up to 10 m<sup>2</sup>.

Structures, small buildings and fuel necessary for heating the residential building (e.g. firewood, coal, heating oil, LPG) for one year are insured if a corresponding entry is made in the policy, the sum insured is indicated in the policy.

### Clarification

If you want to insure a greenhouse or building with a closed net area of more than 10 m<sup>2</sup> (e.g. sauna, garage, outbuilding), it must be insured as a separate building.

1.5. **Household property** is movable property which is located on the insured premises, and which belongs to you or a member of your family or is in your legal possession.

**Valuables** – works of visual art (paintings, graphics, sculptures, etc.), articles of precious metal, precious stones, watches and collections – are insured up to the sum of the valuables indicated in the policy.

1.6. **Insured objects do not include:**

- well, pond, structures built in water;
- plastic greenhouse;
- wind turbine with mast;
- soil, paved areas, ball courts and roads;
- water (including well water, water in pipes and swimming pools), gas in pipes or in equipment;
- structure in a state of disrepair or unusable (the structure cannot be used safely for its intended purpose);
- structure unlawfully built in an area with a building restriction. Nor do we insure household property in such structures;

### Example:

We do not wish to insure a building with a collapsed roof, a building in danger of collapse, or a building that has been extensively damaged by *Serpula lacrymans*.

- structures used for business purposes and/or objects or goods used for business purposes;

**Exception:**

The employer's office equipment and means of communication which have been made available to you for remote work are insured.

**Exception:**

A structure rented or leased out is insured if we have so agreed with you in the contract.

**Clarification**

We do not insure business-related risks with home insurance. To insure an accommodation or service building, shop, warehouse or production building, and property belonging to the company, please ask for the company property insurance offer.

- assets given at your disposal on a temporary basis (for up to 30 days), including rental tools, etc.;
- the structure whose roof construction has not been completed (the roof cover has not been fully installed), the doors and windows have not been installed and all other openings that would allow outsiders to enter the building without using any auxiliary equipment have not been closed, technical systems (e.g. heating, cooling, water, gas supply, sewerage, ventilation and electricity) have not been built. Nor do we insure household property in such structure;
- smartphones, smartwatches, tablets and their accessories over two years of age, TVs, desktop and laptop computers, monitors over five years of age (including those made available to you by your employer). The age of an object is calculated from the date of purchase as new. If the date of purchase isn't known, the date of release of the specific model will be used. If the computer consists of components purchased at different times, we calculate the age of the computer based on the purchase time of the component purchased at the earliest;
- agricultural machinery, motor vehicles subject to registration or capable of exceeding 15 kW (including lawn and garden tractors) and their trailers (including caravans) and accessories installed;

**Clarification**

To insure a vehicle with a registration plate, please ask for a motor hull insurance offer.

- aircrafts;

**Exception:**

Drones are insured for up to EUR 1500 per insured event.

- watercrafts (including scooters, jets);

**Exception:**

Insured objects include small craft (i.e., rowing boats, motorboats with a power of less than 25 kW and sailing yachts with a sail area of less than 25 m<sup>2</sup>) of up to 5 m in length on the insured premises and boat engines with a power of up to 25 kW in a locked structure on the insured premises.

**Clarification**

To insure larger or more powerful watercrafts, please ask for a boat hull insurance offer.

- cash (including e-money), documents, manuscripts, blueprints, drawings, archives, models, prototypes, securities, bonds;

**Exception:**

In the event of theft or robbery of a passport, ID card or driving licence, we will reimburse the costs of applying for a new document. When applying by normal procedure, we do not apply deductible.

- information and software contained in information processing systems and storage media (e.g. computer, tablet, smartphone);

**Exception:**

We will reimburse the cost of restoring legal software destroyed in an insured event, up to EUR 500, if you provide documentation of the purchase of the software.

- alcoholic beverages;
- ammunition, explosives;
- plants, forest, living beings.

**Exception:**

Flowers, shrubs and fruit trees are insured in case of fire.

## 2. What the insurance covers

### 2.1. Property insurance events and insurance cover, and the associated requirements and limitations

- 2.1.1. An insured event is a sudden and unforeseeable occurrence, as defined in the insurance contract, in which we have an obligation to fulfil the insurance contract. If it is not possible to determine the exact time of the insured event, we will consider it to be the time when you should have become aware of the insured event.
- 2.1.2. Property insurance events include **fire, pipe leakage, storm, flooding, vandalism and burglary** and **all risk**. We will explain the more detailed content and exclusions of the insured event in the following subsections.
- 2.1.3. In addition, you can opt for the supplemental insurance coverages set out in section 2.8.
- 2.1.4. The cover for property insurance may vary depending on the type of building, its use, age, etc., and the exact list and scope of cover is set out in the policy.
- 2.1.5. Please also refer to the exclusion clauses for which damages are not reimbursed.

### 2.2. Fire

We will reimburse for damage directly caused by:

- fire, including soot, smoke and fire extinguishing water. A fire is an open flame that has started outside or has escaped from a fireplace and is spreading under its own power;
- direct hit by a lightning, i.e. direct contact of lightning and insured object in which the lightning strikes through the object, causing obvious crushes or fire;

#### Clarification

You can choose supplemental cover to insure the damage caused by the overvoltage (including overvoltage caused by thunder), overload or electric current to a technical system up to seven years of age or domestic appliances up to four years of age and laptop and desktop computers up to three years of age (see sections 2.8.5 and 2.8.6).

- explosion, which is the instantaneous force produced by the expansion of gases or vapors;
- the falling of an aircraft or part thereof and its cargo.

If an explosion, the falling of an aircraft or part of an aircraft and its cargo results in damage but no fire, we will also reimburse for this damage.

In addition, without taking account of deductible, we will reimburse the costs of restoring insured property damaged by the actions of rescue services and not related to the insured event.

#### Example:

An extensive fire takes place in the apartment building and although your home is not on fire, the rescue services open the door of your apartment to make sure there is no one inside who needs assistance.

### 2.3. Pipe leakage

We will reimburse for damage directly caused by:

- leakage of liquid (including water from a tap) from a technical system of the building (water piping, heating, sewerage, drainage, rainwater pipes, fire extinguishing, ventilation or air-conditioning system);
- leakage of water due to the bursting of domestic appliances (including washing machines, dishwashers, boilers) and their fittings permanently connected to the structure's water supply.

### 2.4. Storm

We indemnify damage caused directly by a storm (wind speed at least 18 m/s), hail or damage caused to an insured structure by a tree or other object that has fallen due to the storm if the nature of the damage, weather station data or damage to the adjacent items indicate these circumstances. Storm or hail damage to a structure must be detectable. Damage incurred at the insured premises due to a storm within up to 72 hours is considered as one insured event.

#### Example:

As a result of the storm, a tree breaks and falls on the roof of the building and breaks it. We will indemnify the damage suffered.

If the insured structure was damaged by a tree that has fallen due to a storm and the removal of the tree is necessary in order to ascertain the extent of damage or restore the structure, we will compensate the costs related to the removal of the tree from the structure. In this case, we will also compensate the reasonable and justified costs of cutting the tree, milling the stump, removing the tree, utilising it and restoring the soil in the amount of up to EUR 500. We will not reimburse this cost if the place of growth of the tree is a third-party property.

## Clarification

Please note that if a flood occurs as a result of a storm, we will compensate for such damage from flood cover. We also do not compensate as storm damage any rainwater entering the structures that is not related to the storm. In order to cover the damage caused by the rainwater entering the structures, you can choose supplemental insurance cover (see section 2.8.4).

### 2.5. Flood

We will compensate for damage caused directly by natural flooding. Flooding is understood to mean an exceptional rise in the water level on the ground caused by natural phenomena (storm, rainfall, flooding of a water body) to such an extent that the ground and the drainage system (including drainage and sewerage systems) constructed in accordance with plans cannot absorb the resulting volume of water. Damage incurred at the insured premises due to a flood within up to 72 hours is considered as one insured event.

### 2.6. Vandalism and burglary

We will reimburse for damage on the insured premises, the direct cause of which is:

- an unlawful act of a third party aimed at damaging, destroying or stealing the insured object;
- a head-on collision by a land vehicle with the insured object, whereby the damage is not subject to indemnification under the Motor Third Party Liability Insurance Act;
- theft as a result of a break-in to a building or its premises. A break-in is the removal of a barrier, fence or lock preventing access to a building or room, as well as the opening of a lock preventing access to a building or room by means of a picklock or an illegally obtained key or other technical means;
- robbery. Robbery is the taking of an insured object by violence or threat of violence, as well as the destruction of or damage to an insured object in the course of robbery.

If the key to the insured residential building is stolen or robbed and this necessitates the replacement of the corresponding lock at the insured premises, we will reimburse the resulting reasonable and justified costs without deductible.

### 2.7. All risk (i.e. any other event not excluded)

We will reimburse for loss or damage directly caused by any other sudden and unforeseeable event not defined as an insured event in sections 2.2. to 2.6. above and not excluded in these terms and conditions.

### 2.8. Supplemental insurance cover

Supplemental insurance coverage only applies if we have agreed on it with you separately in the policy, as well as agreed on the sum insured for the respective supplemental insurance cover. Please note that the exclusions in section 2.9 also apply to supplemental insurance cover.

#### 2.8.1. ERGO home assistance

We indemnify the cost of home assistance in the case of an unexpected event with an insured structure that requires immediate action to prevent or reduce possible damage. The service only applies if you order it on the ERGO home assistance number provided on the policy.

Home assistance includes:

- counselling and, if necessary, assistance with the preparation of the loss event;
- in the event of theft or loss of a key, locking system failure, etc., opening the door, repairing or replacing the lock core if necessary (the cost of the lock core or new lock is at your expense);
- in the event of a pipe leakage, initial stopping the leak, replacing or repairing the part that caused the damage. If the tap needed to be replaced, the cost of the new tap is yours;
- drying of damaged structure (incl. rental of dehumidifier for up to two days) if necessary due to pipe leakage or flooding;
- temporary repair or covering of broken or cracked openings (windows, doors, roof) with temporary means to protect the property from external influences and increased damage. The service also includes the removal of a tree which fell on the structure if this is necessary due to the destruction caused to the building;
- the provision of physical guarding for up to 24 hours if, as a result of a fire, break-in or other event, openings have been made in the building and guarding is necessary to prevent further damage;
- assistance in finding and moving to a temporary residence if the home becomes uninhabitable due to an insured event.

We reserve the right to refuse to provide home assistance or to recover the costs incurred in providing the service if the event is not unexpected or unforeseen (e.g. repeated blockages in the pipeline, prolonged dripping of the pipe or tap).

### 2.8.2. Rent expenses for temporary residence

An insured event is the uninhabitable state of a permanent residence due to an insured event against which the apartment or residential building is insured. We will reimburse the reasonable and justified costs you incur to find, rent and move back and forth to an equivalent temporary residence. The sum insured for the rent expenses for temporary residence for one month is indicated in the policy.

We also compensate for the rent expenses for temporary residence if a fire or explosion occurs in the apartment building and as a result the supply of electricity, water or heat in the building is interrupted, but the insured apartment itself has not been damaged.

A residential building or apartment is uninhabitable if it is destroyed or damaged to such an extent that normal life in it is impossible or significantly impeded.

#### Example:

A detached house is damaged in a fire to such an extent that it is uninhabitable and is subject to demolition. We will indemnify the rent expenses for temporary residence.

#### Example:

An apartment is damaged by water damage from upstairs. There is no electricity in the apartment because the wiring has become unusable. We will indemnify the rent expenses for temporary residence.

We will reimburse the rent expenses for temporary residence, without deductible, for a maximum of 12 months from the date of the insured event, but not longer than until the insured premises are restored to a habitable state or until the residential building or part thereof (apartment) is replaced.

We reserve the right to reduce the indemnity if the restoration of the insured premises is delayed for reasons within your control.

We do not reimburse utility bills, interest on arrears or contractual penalties for the temporary residence.

### 2.8.3. Legal advice

You can ask for free legal advice on legal issues related to insured housing objects (e.g., rental disputes, neighbourhood disputes, problems with a housing association or a service provider, etc.). Legal advice is provided during office hours only by telephone and on the basis of information provided by you orally. We do not work through written material or prepare written documents or responses.

#### Clarification

You can insure a wider range of legal assistance services with coverage of legal expenses with legal protection insurance.

### 2.8.4. Rainwater ingress

We will reimburse for damage to interior finishes or household property caused by the first-time infiltration of rainwater or meltwater. The sum insured for the rainwater ingress is indicated in the policy. The cover is valid on condition that the water has not entered the insured premises in the last five years.

We will not indemnify any damage caused by the apparent or known poor condition of the building or part thereof and any failure to comply with due diligence (e.g. ignoring the need for repair or not implementing primary loss prevention measures).

### 2.8.5. Internal failures of technical systems

We indemnify damage to the building's technical systems (e.g. heat pump, boiler, solar panels and related accessories, electric car charging station, underfloor heating, geothermal heating system) and to the building's electronic components (e.g. gate automation, door drive mechanism, electronic fencing, surveillance systems), provided that the damaged system or component is not older than seven years, where such damage is caused by interruptions, disturbances or voltage fluctuations in the electricity supply, or by internal electrical or mechanical faults or malfunctions of the insured object itself. The age of the equipment is calculated from the day it was purchased as new. If the date of purchase is not known, the date of release of the specific model will be used. If the technical system consists of components purchased at different times, we calculate the age based on the purchase time of the component purchased at the earliest.

Technical systems are insured on the basis of the following principles:

- the insurable value of a device up to 4 years old is 100% of the replacement cost of an equivalent new device;
- the insurable value of a device of 4 to 7 years old is 50% of the replacement cost of an equivalent new device.

**2.8.6. Internal failures of household appliances**

We reimburse damage to household appliances (e.g. refrigerator, washing machine, stove, camera, robotic lawn mower, TV, monitor) that are not older than four years, and to laptop and desktop computers that are not older than three years, where such damage is caused by interruptions, disturbances or voltage fluctuations in the electrical supply and internal electrical or mechanical faults or malfunctions of the insured object itself. The age of the equipment is calculated from the day it was purchased as new. If the date of purchase is not known, the date of release of the specific model will be used. If the household appliance consists of components purchased at different times, we calculate the age based on the purchase time of the component purchased at the earliest. For the insurable value of TVs, laptop or desktop computers and monitors, please refer to section 4.10.

**Example:**

The computer on the charge is damaged by overvoltage caused by a thunderstorm. We will indemnify the damage suffered.

**2.8.7. Breakage of smart device**

We will reimburse for damage caused by the breakage or damage of a smartphone, smartwatch, tablet and their accessory, provided that they are not older than two years. The age of the equipment is calculated from the day it was purchased as new. If the date of purchase is not known, the date of release of the specific model will be used. Please refer to section 4.9 for the insurable value of these items. The protection is valid within Estonia also outside the insured premises.

**Example:**

The smartphone falls on the stone floor and breaks. We will indemnify the damage suffered.

**2.8.8. Household property outside the insured premises**

Household property accompanying you or a member of your family within Estonia as well as the European Union, the United Kingdom, Switzerland, Iceland, Norway, and Liechtenstein is also insured outside the insured premises provided for in the insurance contract, up to EUR 2000. Your spouse or partner, your children, parents and dependants who live with you at the insured premises are considered to be your family members.

Outside the insured premises, the accompanying household property must be under constant personal supervision, locked in a locker or room in such a way that the third party does not have access to the property, or in a locked car in a place not visible in the glove or luggage compartment. Electronic and smart devices must not be stored in the luggage compartment of a plane, ship, bus or train. In the accommodation establishment valuables and watches must be stored in a safe or in a guarded storage room.

If you leave a bicycle, scooter, pram, wheelchair or wheelchair vehicle outside the insured premises without personal supervision, you must place it in a locked building or lock it with a wheel lock. A bicycle, scooter, pram, wheelchair or wheelchair vehicle left outside for the night is not insured.

If you leave a bicycle, scooter, pram, wheelchair or wheelchair vehicle in a shared stairwell, garage, attic or basement of an apartment building, it must be locked with a wheel lock even if the front door of the apartment building is locked.

**2.8.9. Loan or lease payment insurance**

If the insured residential building or apartment is more than 50% destroyed as a result of an insured event, we will reimburse the loan or lease payments taken out from a credit institution (bank or branch of the bank or leasing company registered in Estonia) and payable for its acquisition or renovation. We will reimburse these costs without applying a deductible and until the residential building or apartment is restored, up to a maximum of five months.

**2.8.10. Loss of rental income**

An insured event is the uninhabitable state of a rental property due to an insured event against which the residential building or apartment is insured.

We will reimburse for the loss of rent due to the insured event for the period during which the rented property was uninhabitable, up to a maximum of 6 months. There is no deductible.

The loss of rent is calculated on the basis of the rent in the written lease contract in force at the time of the insured event. You will provide proof of the amount of rent and its payment (including a valid rental agreement). If the rent differs significantly from the market average, we have the right to base the compensation on the average rent in the respective area.

We reserve the right to reduce the indemnity if the restoration of the rental property is delayed for reasons within your control.

If the amount of annual rental income indicated in the policy is less than the actual rent in force at the time of the insured event, we will base the compensation on the amount of annual rental income indicated in the policy divided by months.

We will not reimburse you for loss of rental income if the lease is terminated due to the expiry of the term or if the lease contract was terminated or the rent was not paid for any reason other than an insured event.

### 2.8.11. Damage caused by tenant

We will reimburse for damage caused intentionally or due to gross negligence by the tenant or a person living with the tenant to the interior finishing or household property of the insured building. The sum insured for damage caused by the tenant is indicated in the policy.

The insurance cover applies only to a long-term rent period of more than 30 days and a rental agreement entered into in writing. During the insurance period, we will indemnify one event.

We will not compensate for any damage caused by the theft of property or damage if the tenant is staying at the insured premises without authorisation after the expiry of the rental agreement.

## 2.9. In what cases does insurance cover not apply (exclusions)

We do not reimburse for:

- damage if the event does not correspond to the characteristics of the insured event;
- damage caused gradually over a long period of time or as a result of a long-term process (e.g. corrosion, oxidation, scale formation, accumulation of particles or sediment, formation of condensate, build-up of excess moisture and mould, decay, formation of a *Serpula lacrymans* or other fungal damage), wear and tear, ageing, deterioration, material fatigue;
- damage caused by poor or incorrect maintenance, repair or handling or unintended use;

### Example:

Stains have appeared on the wall and you try to remove them, but during cleaning you will wipe holes into the wallpaper. We will not reimburse you for this damage.

### Example:

Not enough oil has been added to the lawnmower and the engine of the lawnmower crashes. We will not reimburse you for this damage.

- the cost of maintenance work, maintenance repairs, as well as the cost of spare parts replaced during maintenance;
- damage caused by the construction or breaking of a dam or other flood barrier structure;

### Example:

A dam built on a river bursts, flooding a nearby property and causing damage to a building.

- damage caused by the infiltration of rainfall through the external structure of the building (e.g. roof, wall) or through a window or door that is open or ventilated;

### Example:

With rainfall, the roof starts to leak and causes damage to the interior finish. We will not reimburse you for this damage.

### Exception:

Damage caused by the rainfall entering the structures will be compensated if there is an insurance cover for the rainwater ingress (see section 2.8.4.).

- damage caused by the movement of water below ground level, where the water enters the structure only through the underground structure. We do not apply this exclusion in the case specified in clause 2.5.

### Example:

Spring groundwater level rise, which has resulted in the property not being flooded, but the water in the ground penetrates through the basement wall or floor into the building. We will not reimburse you for this damage.

- damage caused by the tenant due to breach of reasonable due diligence (e.g. cleaning), intentionally or due to gross negligence;

### Exception:

Damage caused by the tenant intentionally or due to gross negligence will be compensated if there is a supplemental insurance cover for damage caused by tenant (see section 2.8.11.).

- damage caused by an inherent defect or latent defect in the insured object;

### Example:

A defective tap causes a flood. We will reimburse the cost of eliminating the flood, but not the cost of replacing the broken tap.

- damage caused by the contraction or expansion of a building or parts thereof, unless this is the direct consequence of an insured event;

### Example:

The parquet is fitted with insufficient expansion space. At the end of the heating season the humidity in the room increases, the parquet swells and because there is no expansion space the flooring is damaged. We will not reimburse you for this damage.

**Example:**

Cracks appear in the building or its finishes as a result of the drying of the wood. We will not reimburse you for this damage.

- damage caused by rising of the soil, the run-off of the soil, the sinking of the soil, the building or parts thereof, regardless of the event or the cause of the sinking;

**Example:**

Cracks appear in the building or its finishes as a result of the sinking. We will not reimburse you for this damage.

- damage caused by insects, rodents and other pests or birds;

**Exception:**

The woodpecker damaged the wall of the house. We will not reimburse you for this damage.

**Exception:**

We compensate for damage if a fire occurs as a result of the activities of rodents or birds or if the bird causes the glass surface of the building to break.

- damage caused by chewing, tearing, scraping or secretions of domestic animals;

**Exception:**

We compensate for damage if a fire occurs as a result of the activities of domestic animals.

- damage caused by the weight or movement of ice or snow;

**Exception:**

We compensate for damage caused by the movement of ice or snow to the insured object if the overall risk cover has been chosen.

- cosmetic defects (e.g. scratches, dents, stains, tears, discoloration) which do not affect the intended use of the insured object;

**Example:**

The vase of flowers has been standing on the windowsill for a long time, and the windowsill has not faded from under the vase in the same way as the surface of the rest of the windowsill. We will not reimburse you for this damage.

- damage which results in a scratched, dirty or less transparent glass surface, but which has not lost its durability and does not endanger the health or life of a person;
- damage caused during construction work;

**Clarification**

Construction work is the erection, extension, reconstruction of an insured building, modification of technical systems (e.g. electrical wiring, pipelines, heating system) or demolition of the building. Repairs to interior finishes such as wallpapering, painting, flooring installation, washroom tiling, tap/toilet exchange are not part of the construction work.

**Exception:**

We will compensate for the damage caused by the fire during the construction work.

- damage caused by defective construction or repair work; a planning or design error; the use of defective or inappropriate building materials;

**Exception:**

We compensate for the water damage caused by the leakage of the pipelines due to these reasons.

**Exception:**

We indemnify the damage caused by the fire caused by these reasons if the construction work was carried out up to three years ago and the builder was registered in the register of economic activities or if the work was carried out before the acquisition of the building and the defective construction work was not visible. If the work was carried out more than three years ago, we will compensate for the damage caused by the fire regardless of the person who carried out the construction work.

**Example:**

A builder registered in the register of economic activities installed a chimney pipe of a sauna heater too close to a wooden ceiling in violation of fire safety requirements and a fire occurred during heating. We will compensate for the restoration of the building.

**Example:**

You installed the chimney pipe of a sauna heater yourself, but unfortunately you did so in violation of fire safety requirements by placing the pipe too close to the wooden ceiling. During the first heating, a fire emerged as there was not enough distance between flammable materials and hot surfaces. We will not reimburse you for the damage caused.

**Clarification**

We do not reimburse the cost of replacing, repairing or otherwise eliminating a defect in construction of a substandard part of the insured object. Nor shall we reimburse the cost of opening, closing and restoring high-quality parts of the building (incl. structures) with the aim of repairing or replacing of the substandard part or otherwise eliminating the construction fault.

- damage caused to the technical system of the building (e.g. heat pump, boiler, solar panels, electric car charging station, underfloor heating, geothermal heating system) and electronic parts of the building (e.g. gate automation, door drive mechanism, electronic fencing, surveillance systems) due to interruptions, disturbances or voltage fluctuations in electricity supply and internal electrical or mechanical faults or disturbances of the insured object itself;

**Exception:**

We will compensate for damage caused to a technical system up to seven years of age if supplemental insurance cover exists for internal failures of technical systems (see section 2.8.5.).

- damage caused to household appliances (e.g. refrigerator, washing machine, stove, camera, robotic lawn mower, TV, monitor) caused by interruptions, disturbances or voltage fluctuations in the electrical supply and internal electrical or mechanical faults or disturbances of the insured object itself;

**Exception:**

Damage caused to household appliances up to the age of four years and to laptop and desktop computers up to the age of three years will be compensated if supplemental insurance cover exists for internal failures in household appliances (see section 2.8.6.).

- damage caused by the breakage or damage of smartphones, smartwatches, tablets and their accessories;

**Exception:**

Damage to smart devices up to two years of age will be compensated if supplemental cover is available for the breakage of the smart device (see section 2.8.7.).

- damages for which compensation can be claimed from another person on the basis of a contract or guarantee;
- damages compensated on the basis of mandatory liability insurance;
- damage caused by blasting or excavation work, vibration;
- damage caused by the loss or forgetting of the insured object;
- the cost of remedying environmental pollution;
- damage caused by planned works;

**Example:**

In an apartment building, the apartment association changes radiators, pipes or windows and, in connection with this, damage is caused to the walls or bathroom. We will not reimburse you for this damage.

- damages as a result of events to which the insurance cover does not extend in accordance with the General Terms and Conditions of ERGO insurance services (general exclusion clauses).

### 3. Where and when does the insurance apply

The insured premises are the building, part of the building or apartment at the address shown in the policy. The insured premises are also a lockable storeroom, basement or garage box or small building located on the same property as the dwelling and in your exclusive use. Shared spaces of a residential building with multiple apartments are not insured premises.

The insurance cover for household property intended for outdoor use also applies in the yard of the insured building. When it is dark or when leaving the insured premises, take the aforementioned property, with the exception of garden furniture, a trampoline, a barbecue or smoke oven, a robotic lawnmower, into a locked building.

### 4. What is the insurable value and the sum insured

- 4.1. The insurable value of a building is its restoration value, i.e. the reasonable cost of restoring a similar building.
- 4.2. If the depreciation of the building is more than 60%, the insurable value in the event of fire will be the residual value. Under the residual value, we understand the restoration value, which has been reduced by the depreciation of the building. The amount of depreciation will be determined, if necessary, by an expert following a loss event.
- 4.3. If, upon entry into the contract, you have provided us with inaccurate information about the insured object, we will base the calculation of the insurable value on the actual data.

- 4.4. The insurable value of household property is its replacement value, i.e., the reasonable cost of replacing an equivalent new object (with similar technical characteristics).
- 4.5. The sum insured is the maximum amount payable by us per one insured event. The sum insured shall not be reduced by the amount of insurance indemnity paid out.
- 4.6. Household property located in another building on the same property as the insured residential building (e.g. sauna, garage, outbuilding, small building) or apartment building on the same property as the dwelling and in a locked storage room, basement or garage box or small building in your exclusive use is insured in total to the extent of up to 25% of the sum insured of the household property.
- 4.7. In a residential building or apartment under construction, as of yet non-installed building materials (e.g., bricks, pipes, paint, parquet, wires), as of yet non-installed equipment (e.g., sanitary equipment, air conditioning, heating system) and tools are insured up to 25% of the sum insured for household property. These items are insured if they are in a building where the doors are properly locked, the windows are closed and all other openings, which would allow unauthorized persons to enter the building without the use of aids, are securely closed.
- 4.8. Gardening equipment for domestic use (e.g. robotic lawn mower) and motor vehicles with a capacity of up to 15 kW (including an electric scooter or a bicycle) are insured up to 25% of the sum insured for household property.
- 4.9. Smartphones, smartwatches, tablets and their accessories are insured on the following principles:
  - the insurable value of a device up to 5 months (inclusive) old is 100% of the replacement cost of an equivalent new device;
  - the insurable value of a device of 6 to 12 months old is 75% of the replacement cost of an equivalent new device;
  - the insurable value of a device of 13 to 24 months old is 50% of the replacement cost of an equivalent new device;
  - the age of the equipment is calculated from the day it was purchased as new. If the date of purchase is not known, the date of release of the specific model will be used.
- 4.10. TVs, laptop or desktop computers, monitors are insured on the following principles:
  - the insurable value of a device up to 12 months (inclusive) old is 100% of the replacement cost of an equivalent new device;
  - the insurable value of a device of 13 to 24 months old is 70% of the replacement cost of an equivalent new device;
  - the insurable value of a device of 25 to 60 months old is 50% of the replacement cost of an equivalent new device;
  - the age of the equipment is calculated from the day it was purchased as new. If the date of purchase is not known, the date of release of the specific model will be used.

## 5. What are the principles of compensation

### 5.1. Procedure for payment of insurance indemnity

- 5.1.1. We will reimburse for direct damage to property and other reasonable and justified expenses as specified in the policy. We calculate the indemnity on the basis of the value of the insured object damaged, destroyed or lost as a result of the insured event at the time of the insured event.
- 5.1.2. In order to pay the indemnity, we issue a letter of guarantee to the construction company that restores the building or pay financial compensation pursuant to the insurance contract. Upon restoration of the building, you enter into a contract for restoration work with the construction company, who is also responsible for the quality of the work. You have the right to choose a construction company, our indemnity obligation is limited to reasonable costs.
- 5.1.3. In the case of financial compensation, we will first compensate for the reasonable and justified expenses necessary for restoring the building or repairing the interior finish on the basis of coordinated calculations to the extent of 70% of the cost of restoring the damaged insured object, taking into account possible reductions in the indemnity and deductibles. We will pay the remainder of the cost of restoration if you prove that you have used the first part of the indemnity to recover the damaged insured object within two years of receiving it. To prove the restoration costs, you must provide us with verifiable checks, invoices, and photos of the stage of restoration work.
- 5.1.4. We will not compensate for damage if the insured object was damaged so significantly before the occurrence of the insured event that it would require repair or replacement regardless of the occurrence of the damage caused by the insured event. In the above case, we do not consider damage caused by an insured event.

#### Example:

The flooring is worn out from long-term use and would require replacement. Water leaks onto the floor and stains remain from drying. We will not reimburse you for this damage.

**Example:**

Last year, water damage occurred in your apartment and insurance compensated for the cost of changing damaged wallpaper. No wallpaper was exchanged for the compensation received. There will be new water damage and the same wallpaper will be damaged again. We will not reimburse you for this damage.

- 5.1.5. If the insurable value of the insured object is a residual value, we reduce the amount of damage by the depreciation of the building.
- 5.1.6. If it is economically feasible to repair the insured object, we will reimburse the reasonable cost of the repair, giving priority to solutions that are more environmentally friendly and less burdensome to the environment. If the insured object is neither repaired nor replaced, we will reimburse the cost of replacement.

**Example:**

The hammer falls to the floor and damages the parquet. A spot repair makes it possible to fix the damaged area in such a way that the damage is no longer visible. If no other damage has occurred, we will reimburse the cost of the spot repair without taking into account the deductible.

**Example:**

Spare parts for a heat pump are no longer supplied, we will compensate the cost of purchasing a new heat pump.

- 5.1.7. We do not reimburse the expenses related to the part of the building which has not been damaged in order to harmonise the parts of the building restored as a result of an insured event.

**Example:**

The hall floor was damaged. The entire floor of the apartment is mounted without transitions (without spacer bars). Since the other rooms were not damaged, we only compensate for the replacement of the hall floor. If necessary, spacer bar will be inserted.

**Example:**

Differences in colour tone between new and previous colour or flooring.

- 5.1.8. Upon indemnification of household property, we proceed from the value of the insured object as new at the time of re-acquisition. If the same items are no longer sold, the indemnity will be based on items that are as similar as possible to the destroyed items, but not inferior, such as a new version of the same model. We reserve the right to procure an item as close as possible in functionality and appearance. Please also see sections 4.9 and 4.10.
- 5.1.9. In case of an insured event, we will reimburse you for reasonable expenses incurred by you to prevent or reduce the loss.

**5.2. Deductible**

We deduct the deductible from the insurance indemnity.

In the event of damage caused by construction or repair, we will apply a deductible of three times the amount shown on the policy.

In compensating for smartphones, tablets and other smart devices and their accessories, we apply the contractual deductible to each device individually (incl. when damaged in the same incident), unless the device was damaged or destroyed as a result of fire, pipe leakage, storm, flood, burglary or robbery.

We will not take into account a deductible if:

- you recover all damage using the spot repair agreed with us. We will not apply the deductible exception in the case of repair of technical systems, electronic equipment and home appliances;
- the insured building is more than 50% destroyed;
- only the glass surface of the front door, window or balcony railing of the building has been damaged due to an insured event and there are no other damages, except if the greenhouse has been damaged.

**5.3. Reduction of indemnity**

We will not pay indemnity, either in part or in full, if you have not:

- complied with the safety requirement described in section 5.4 and there is a causal link between the non-compliance and the insured event or the amount of damage caused by the insured event;
- followed the instructions in section 5.5 and failure to follow the instructions will have an impact on the identification of the insured event or our obligation to perform;
- other cases (breaches) specified in the general terms and conditions of ERGO insurance services.

#### 5.4. Safety requirements for damage prevention

Regard your property carefully and prudently, and do everything you can to prevent a potential insured event and reduce damage, including:

- clean flues and chimneys as necessary, at least once a year. Chimneys in single-family house may be cleaned by a person who is not a certified chimney sweep. At least once every five years, you must order a chimney sweeping service performed by a certified chimney sweep for your single-family house. In apartment blocks, you must order a chimney sweeping service performed by a certified chimney sweep every year;
- observe that the gas installation and associated technical system have been inspected for safety by a qualified person at the frequency prescribed by the manufacturer or the legislator;
- do not leave candles burning unattended and make sure that children and pets are not left alone with a burning candle in the same room;
- do not place unextinguished coal or ash in combustible waste storage facility, combustible container and/or a place where it may cause damage to the insured objects if ignited;
- choose a place for open fires at a safe distance from the building or flammable materials. A safe distance is considered to be 8 m for a 1 m diameter bonfire and 15 m for a larger bonfire;
- when carrying out hazardous work, avoid sparks falling on flammable substances or materials and keep primary fire extinguishing equipment in working order nearby;
- have fire and electrical work carried out only by a person with the relevant professional certificate;
- heating and electrical systems must be designed, constructed, installed and put into service properly and, in the absence of requirements, in such a way that their use and maintenance are safe. During installation and design of heating equipment ventilation flues must not be used for directing smoke;
- close and lock doors and windows when leaving home;
- ensure that smoke and carbon monoxide detectors, water leak detectors and surveillance systems are operational and maintained regularly;
- clean and maintain the gutters and roof (remove moss if necessary). During the winter period, clean the roofs of buildings from snow and ice and eaves from icicles;
- to prevent the piping and technical system from freezing, close and drain the water, cooling and heating systems in the unheated building or part thereof;
- if heating is switched on in the building or part of the building during the winter period, adjust the power of the heating equipment so that the unexpected colder than average air temperature does not cause freezing damage;
- in the case of construction and/or repair work, comply with the requirements arising from the Building Code and, if there is an apartment association, with the requirements provided by the apartment association;
- a return valve must be installed at the opening of the sewerage system in order to prevent water penetration through the sewerage system into the building;
- follow the manufacturer's instructions when using equipment, including maintenance requirements.

#### 5.5. What to do in the event of loss or damage

In the event of a loss or damage, do the following:

- immediately take all necessary measures to preserve the insured object, to prevent increased damage and to minimize the damage;
- immediately report the incident to the police if you suspect intentional action on the part of a third party, or to the emergency services in the event of fire or explosion; in other cases, to the appropriate competent authorities or persons;
- inform us as soon as possible and provide details of the incident, the estimated amount of damage, witnesses, parties involved and the person responsible, and follow any further instructions we give you;
- if possible, keep the place of the insured event intact until you receive our instructions;
- present the damaged property or its remains in the condition following the insured event to us for inspection. Do not proceed to restore damaged property or dispose of destroyed property without our agreement;
- provide us with the information we need to determine our obligations under our contract, for example:
  - explanation and evidence of the loss event;
  - a police statement in the event of vandalism, burglary, theft or robbery;
  - a statement from the Rescue Board in case of fire;

- a list of damaged property;
- documents proving the costs incurred as a result of the loss event;
- proof of purchase, such as the original purchase receipt of the store;
- other documents, if necessary, to determine the circumstances and extent of the loss event.