

Supplementary insurance terms and conditions for insurance of machinery and electrical equipment of sole traders and small-sized enterprises

Article 1

Introductory provisions

1. These OPP-SME for machinery and electronic equipment (hereinafter referred to as the "OPP-SME-TR") supplement the provisions of the VPP-SME, the OPP-SME-HV and form an integral part of the insurance policy.
2. The insurance machinery and electronic equipment (hereinafter referred to as the "insurance") shall be governed by the applicable provisions of the Civil Code, the VPP-SME, these OPP-SME-HV the DPP-SME-TR and by the insurance policy.

Article 2

Insurance cover

By way of derogation from Art. 2 of the OPP-SME-HV:

1. The subject of insurance may be:
 - (a) machines and immovable machinery,
 - (b) built-in electronic equipment;
 - (c) portable machinery and electronic equipment,
 - (d) mobile machines, axle(s)-driven, categories N, T, C, P, LS,
 - (e) mobile machines, towable or towed, categories O, R, S.
2. The insurance covers only machinery and/or electronic equipment and accessories thereof (hereinafter together referred to as "equipment") which:
 - (a) have passed the test, takeover and performance tests without any failure and
 - (b) have been put into service in accordance with the applicable legislation and instructions of the manufacturer and
 - (c) are properly maintained and used only for the purposes for which they are intended and
 - (d) at the time when the insurance was arranged and when the insured event occurred, they were demonstrably in full operable condition.
3. This insurance shall also apply to data carriers firmly built-in into any control and/or regulation unit of the insured equipment, including the operating system ensuring the performance of the essential functions of the insured equipment, which is supplied together with the equipment (hereinafter referred to as the "operating system").
4. The insurance shall cover the things referred to in para. 1 and 2 of this Article only if they are recorded in the accounting books or in any other obligatory records of the insured (e.g. order book).
5. Where insurance of a set of things has been arranged, the insurance shall also apply to objects which have become part of the insured set of things (which were included in the accounting records of the insured) after the conclusion of the insurance policy as at the date of their inclusion into the set. With respect to things which have ceased to be part of the insured set (they were excluded from the insured's accounting records), the insurance expires on the date of their removal from the set.
6. Insurance shall not apply to:
 - (a) motor vehicles belonging to categories M and L,
 - (b) the chassis, axles, the gearbox, the engine, the cabin including the facilities of vehicles belonging to the categories N and O if the damage occurred while driving and not by the working activity of such vehicles,
 - (c) bicycles, electric bicycles, electric kick scooters, gyroboards and hoverboards,
 - (d) cardiac pacemakers, hearing aids,
 - (e) data except of the operating system in the terms of the article 2 point 2 of these DPP-SME-TR,

- (f) public electricity, gas, water and heat distribution systems and public electronic communication networks,
- (g) damage caused in underground works or tunnel works.

7. Where at the same time due to the same reason the damage or the destruction of the insured equipment has not occurred for which the insurer should provide the insurance claim payment, the insurance shall not cover:
 - (a) equipment components, parts and widgets that are subject of regular replacement when changing work tasks or when worn (e.g. cutting tools, matrices, forms, coquilles, stamping tools, engraved and patterned barrels, accumulators, fuses, and light sources),
 - (b) components and parts that are subject of regular replacement due to their rapid wear and tear or ageing process (e.g. hoses, gaskets, rubber or plastic linings, belts, chains, straps, ploughshare, replaceable work parts of agriculture, construction or lumber machinery, brushes, tires, ropes, wires, sieves, work parts of grinders, buckets for pebbles or concrete, cables),
 - (c) brick linings, linings, and sedimentary layers (covers) that based on experience are subject to multiple replacement during the period of the service life of the insured equipment (in particular, in case of furnaces, fireplaces or any other equipment producing heat, equipment for steam production),
 - (d) foundations, frames, anchors, and pedestals of equipment, unless they are part or accessories of the insured equipment,
 - (e) parts of the insured equipment for skating and rolling bearings for rectilinear and rotational motion (e.g. bearings, pistons, cylinder liners, etc.),
 - (f) parts of glass and ceramic components of the insured equipment,
 - (g) damage to electrical wiring and optical fibres.

Article 3

Insured risks

By way of derogation from Art. 3 para. 3 of the OPP-SME-HV:

1. The insurance covers any damage or destruction of the insured equipment during its:
 - (a) operation,
 - (b) pause in operation;
 - (c) relocation within the place of insurance,as a result of any accidental damaging event which is by law and documents referred to in Art. 1, par. 1 of these DPP-SME-PR not excluded from the and is associated with the obligation of the insurer to provide insurance claim payment, the insurance of so-called **technical risks**.
2. The insurance also covers any damage caused to the insured equipment by:
 - (a) short circuit, voltage fluctuation, overvoltage, induction,
 - (b) design error, project error,
 - (c) defects in material or workmanship, internal or hidden defects or fatigue of the material;
 - (d) mistake of the operator, clumsiness, negligence, faulty execution, working error,
 - (e) malfunction of measuring, control, regulating or safety devices.
3. The insurance also covers damage caused to the insured equipment by its dismantling and subsequent reassembly for the purpose of cleaning, maintenance, or relocation within the place of insurance.
4. The insurance does not cover damage to insured equipment directly or indirectly caused or originated by:

- (a) insufficient use, long-term storage, or improper maintenance of the insured equipment,
 - (b) use of the insured equipment in conflict with the instructions of the manufacturer, technical conditions, or technical standards,
 - (c) loss, damage, destruction, malfunction, deleting, distortion, or modification of data of the insured equipment caused by malware,
 - (d) unauthorized access to the computer system,
 - (e) as a result of cavitation,
 - (f) damage to the appearance and aesthetic imperfections that do not affect the functionality of the insured equipment,
 - (g) costs incurred for the maintenance, standard care, attendance of the insured equipment or costs incurred in connection with the suppressing of functional imperfections if such imperfections have not been caused by the insured event for which the insurer shall provide the insurance claim payment; i.e. costs that would have to be incurred even without the occurrence of the insured event.
 - (h) costs associated with the modification of the equipment in any manner,
 - (i) damage of any kind to the operational and auxiliary materials (e.g. fuels, oils, chemicals, filter masses, coolants, catalysers) except of oil and gas fillings of transformers,
 - (j) damage to the equipment while being transported as cargo.
5. The insurance policy may deviate from the provisions of paragraphs 1 to 4.
 6. Other insurance exclusions may be agreed in the insurance policy.

Article 4

Territorial scope and the place of insurance

1. The place of insurance is the territory of the Slovak Republic, the Czech Republic, Hungary, Austria, and Poland, unless otherwise specified in the insurance policy.
2. If stipulated by the insurance policy, the place of insurance may also be the territory of the states:
 - (a) of the EU; or
 - (b) Europe.

Article 5

Insured value, sum insured, insurance claim payment limit

1. The insured value is the value of the insured thing at the time the insurance is arranged and is decisive for determining the sum insured.
2. The insured value is the replacement value of the insured thing, unless stated otherwise in the insurance policy. It is a value which needs to be incurred at a given time and place for the thing of same or comparable type, quality, and performance, including the costs related to its acquisition (costs of transport, assembly, commissioning and customs and other charges).
3. Other provisions of Art. 5 of the OPP-SME-HV on the sum insured and insurance claim payment limits, except for the provision of para. 10, shall also apply to this type of insurance.

Article 6

Insurance claim payment

1. If, as a result of an insured event, the following occurs:
 - (d) destruction of the insured equipment, then the insurer shall provide the insurance claim payment in the amount corresponding to the costs incurred in connection with the re-acquisition of the equipment, however, up to the maximum amount of the time value of the insured equipment at the time imminently prior to the occurrence of the insured event,
 - (e) damage to the insured equipment, then the insurer shall provide the insurance claim payment in the amount of reasonably and efficiently incurred costs necessary for the repair of the equipment which are standard in the place and

at the time of occurrence of the insured event; these costs shall also include the costs incurred for:

- (i) transport of the damaged equipment or the damaged part thereof into the repair shop and back,
- (ii) dismantling and assembly of the damaged equipment,
- (iii) customs and any other fees if these have been included into the sum insured of the damaged equipment,
- (iv) temporary repair of the damaged equipment, however, only in case if such costs have been included into the total repair costs and do not increase the total insurance claim payment.

In case the total costs under the point (b) exceed the time value of the insured equipment at the time imminently before the occurrence of the insured event, the insured thing shall be deemed to have been destroyed and the procedure under the point (a) of this paragraph shall be observed.

2. Time value is the replacement value reduced by the amount corresponding to the degree of wear and tear of the thing or other impairment of the thing.
3. In case only the operating system has been destroyed or damaged the insurer shall provide the insurance claim payment in amount of the costs necessary to be incurred for:
 - (a) the restoring of the operating system to the state prior to the occurrence of the damage or
 - (b) re-installation of the operating system.
 with an annual aggregate insurance claim payment limit in amount of EUR 1,000.00; these costs shall not include the value of the operating system itself.
4. In case the components required for the repair of the damaged equipment are no longer available on the market and may not be sufficiently substituted, the equipment shall be deemed to have been destroyed and the insurer shall provide the insurance claim payment corresponding to the time value of the damaged equipment at the time of the occurrence of the insured event.
5. If any of the things under Article 2 paragraph 6 of these DPP-SME-TR has been damaged during the damage or destruction of the insured equipment the insurer shall provide the insurance claim payment up to the amount of the time value of such thing.

Article 7

Franchise

1. Unless otherwise explicitly agreed in the insurance policy by the contracting parties, a franchise of EUR 200 shall apply to portable (mobile) electronics in the event of an insured event caused by fall, liquid spill, or immersion in liquid.

Article 8

Obligations of the insured

1. In addition to the obligations laid down by law and in documents referred to in Article 1 para. 1 of these DPP-SME-TR, the insured is obliged to:
 - (f) use the insured equipment only for the purposes specified by the manufacturer in accordance with the operating instructions or technical conditions; adhere to the technical and other standards relating to the operation and maintenance of the insured equipment,
 - (g) ensure the operation or management of the insured equipment by a person having the required qualification or authorization, or by a person demonstrably trained in the operation or management of the insured equipment,
 - (h) in the event of an insured event, retain all damaged parts of the insured equipment until the insurer has given its consent for their removal.

Article 9

Definitions

1. **Data** means machine-readable information and software stored on data carriers.
2. **Data carrier** is a data memory designed for storage of machine-readable data.
3. **Electronic equipment (electronics)** is any equipment which for its function uses predominantly electronic elements.
4. **Built-in electronic equipment** - equipment firmly mechanically connected to a building, structure, immobile or mobile machine which cannot be dismantled without using tools.
5. **Europe** (for the extension of territorial coverage) means the territory of the following states: Albania, Andorra, Belgium, Belarus, Bosnia and Herzegovina, Bulgaria, Cyprus, Czech Republic, Montenegro, Denmark, Estonia, Finland, France, Greece, Netherlands, Croatia, Iran, Ireland, Iceland, Israel, Liechtenstein, Lithuania, Latvia, Luxembourg, Hungary, Malta, Monaco, Moldova, Former Federal Republic of Macedonia, Germany, Norway, Portugal, Poland, Austria, Romania, Republic of Russia (only the geographical part of Europe), San Marino, Slovak Republic, Slovenia, United Kingdom and Northern Ireland, Serbia, Spain, Switzerland, Sweden, Italy, Vatican, Ukraine.
6. **European Union (EU)** for the purposes of extending the territorial coverage, shall mean the territory of the states of the European Union and the states of Andorra, Liechtenstein, Monaco, San Marino, Switzerland, and the Vatican.
7. **Cavitation** is a hydrodynamic void formed in liquid when subjected to rapid local decrease of the surrounding pressure. After the termination of the underpressure that had produced the cavitation the cavitation ceases by implosion. Cavitation is formed in technological equipment moving rapidly in liquid (e.g. on blades of screw propellers, blades of turbines, in pumps, in curves of pipes).
8. **Full operable condition** means such a condition of the equipment when following the successfully finished benchmark and hand-over test and testing phase the equipment is able to perform the functions and meet the values of the project parameters within the limits stated by the technical documentation or by the manufacturer.
13. **Computer system** consists of hardware, operating system, and application software (other software of the equipment).
14. **Damage of equipment** means any damage which may be remedied by repair while the costs of such repair shall not exceed the sum corresponding to the current price of the equipment at the time imminently preceding the occurrence of the insured event.
11. **Equipment accessory** means auxiliary equipment, auxiliary instruments and facilities firmly attached to the equipment which from technical perspective are necessary for the operation of the equipment according to its purpose. Data of any nature is not regarded as equipment accessory.
12. **Machine** is a technical equipment consisting of jointly connected parts and components.
13. **Mobile machine** - for the purposes of this insurance it means a machine specifically designed and equipped for the performance of work activities other than operation in road traffic, and which moves either by its own motor power or is being towed or carried without its own source of propulsion. Any work machine permitted for operation in road traffic is also a mobile machine.
14. **Machinery** are machines, instruments, sets of machines, e.g. production lines, flexible production systems, etc., having individual technical and economic designation and are designated by the manufacturer, importer, or seller for performance of operational and technical functions. Machinery may involve electronic elements.

15. **Immobile machines and machinery** - equipment firmly mechanically connected to a building or structure and which cannot be dismantled without using tools.
16. **Portable machinery and electronic equipment** - for the purpose of this insurance means such machines or equipment the normal work activity of which is carried out in different places and it is usual to transfer or move them to the place of work (e.g. in a briefcase or bag, using built-in wheels, etc.). Examples of such devices are: hand tools, measuring instruments, garden equipment, medical and computing equipment (e.g. pressure gauges, endoscopes, laptops), consumer electronics (e.g. cameras, mobile phones).
17. **Malware** is a software that may spread itself without the knowledge of the user including computer viruses, worms, Trojan horses, adware, spyware etc.
18. **Equipment maintenance** means a complex of activities ensuring the technical capability, operational capability, efficiency, and operational security of the equipment. These activities consist, in particular, of regular and preventive inspections, attendances, and setups of equipment, of observing the grease plans, of timely replacement of worn components or sets and parts of equipment and all that in accordance with the applicable regulations, provisions or instructions specified by the manufacturer.
19. **Equipment destruction** means damage of such a degree that may not be remedied by repair whereas the equipment may not be used for its designed purpose anymore. As destruction is also regarded such a damage of equipment that may be remedied by repair, however, the costs of such repair would exceed the current price of the equipment at the time imminently preceding the insured event.

Article 10

Closing provisions

1. These DPP-SME-TR form an inseparable part of the insurance policy and the parties hereto may by way of derogation modify the provisions hereof in the insurance policy.
2. The provisions of these DPP-SME-TR regarding the insured shall also apply to the policyholder (if the policyholder is a person other than the insured) and/or to any other authorized person.
3. These DPP-SME-TR shall enter into force as of 01.10.2019.