

Supplementary insurance terms and conditions for liability insurance against environmental damage for sole traders and small-sized enterprises

Article 1 Opening provisions

1. These DPP-SME for liability insurance against environmental damage (hereinafter referred to as the "DPP-SME-EL") supplement the provisions of the VPP-SME, the OPP-SME-Z and form an integral part of the insurance policy.
2. The liability insurance against environmental damage (hereinafter referred to as the "insurance") shall be governed by the applicable provisions of the Civil Code, the VPP-SME, the OPP-SME-Z, these DPP-SME-EL, and by the insurance policy.

Article 2 Subject and scope of the insurance

By derogation from the Art. 2 of the OPP-SME-Z it is agreed:

1. The insured shall have the right to have the insurer pay to the "beneficiary" damages and compensation of insured costs associated with the occurrence or imminent threat of "environmental damage" in connection with the "insurance activity" or the "product of the insured" which is covered by this insurance.
 2. The liability insurance against environmental damage shall cover:
 - a) "Preventive measures",
 - b) "Mitigative measures",
 - c) "Remedial measures",
 - d) "Technical costs",
 - e) "Damage to things".
 - f) "Damage to health",
 - g) "Costs of legal representation".
 3. The insurer shall be obliged to provide the insurance claim payment only for damage suffered as a result of "damaging event":
 - a) which occurred during the term of the insurance and the "first finding" of which occurred during the term of the insurance, whereas
 - b) for the damage to health and damage to things it shall apply that the "claim" must be vis-à-vis the insured asserted for the first time during the term of the insurance, and at the same time,
 - c) the insurance shall not cover any damage or costs which occurred or were incurred before the start of the insurance.
 4. The insurance shall cover any environmental damage having occurred as a result of damaging event having occurred at the place of operation of the insured as specified in the accounting books of the insured as well as any environmental damage caused as a result of defectiveness of a product having occurred in the territory of Slovak Republic unless otherwise stated in the insurance policy.
 5. The extent of damages provided by the insurer shall be limited by the insurance claim payment limit or any other sublimits stipulated in the insurance policy and in these DPP-SME-EL. The sum of the insurance claim payments for any environmental damage, for the insured costs, for the damage to things and damage to health as well as for the costs of legal representation shall not exceed the insurance claim payment limit or the sublimit stated in the insurance policy.
- a) the occurrence or the threat of which the insured was aware of or must have been aware of before the arrangement of the insurance;
 - b) the occurrence of which has been caused or the extent of which has been increased due to the absence of prescribed safety measures which the insured is obliged to adopt pursuant to the applicable legislation or which result from any decision of relevant public authorities;
 - c) caused as a result of any occupational accident or occupational disease of the employee of the insured including any recourse claims of health insurance companies and of the Social Insurance Agency;
 - d) caused due to the acts of the insured as a result of which, prior to the conclusion of the insurance policy, there were proceedings on damages or any associated procedure initiated or commenced vis-à-vis the insured to prove the fault of the insured;
 - e) caused directly or indirectly by war (regardless of whether declared or not), act of terrorism, invasion, acts of foreign enemies, civil war, rebellion, revolution, uprising, military power, sabotage and strikes and riots, or by participating in riots, uprisings, strikes or caused by official measures undertaken for purposes other than to restrict the insured event;
2. Further, in addition to the exclusions provided for in the VPP-SME and the OPP-SME-Z, the liability insurance against environmental damage shall not cover any damage:
 - (a) which has been caused as a negative consequence of the normal effects of the operation of the insured on its surroundings and the damage caused as a result of diffuse pollution;
 - (b) caused due to use of inappropriate materials in the handling or storage of materials and substances which may cause environmental damage;
 - (c) caused by leakage of substances from "underground storage facilities;"
 - (d) caused due to damage of elevated or underground conduits of any kind (including sewerage);
 - (e) caused by geological survey or extraction of crude oil or gas;
 - (f) caused as a result of ownership and/or operation of mines and quarries, or by mining and tunnelling;
 - (g) caused as a result of demolition works or handling of explosives;
 - (h) caused by any kind of transport of substances and materials and loading or unloading thereof (outside the place of operation of the insured specified in the insurance policy);
 - (i) resulting from the ownership or operation of a landfill, including the disposal of and separation of waste;
 - (j) caused by ownership, operation or maintenance of railways, trailers, tram lines, cable railways, ski tows including any means of transportation and equipment operated thereon,
 - (k) caused by a product being part of a means of transport of any field and of any kind (road, air, sea, railroad, etc.) of mass or individual transport;

Article 4 Definitions

1. **Imminent threat of environmental damage** is a sufficient probability that environmental damage may occur in the near future.
2. **Additional remedy** are remedial measures that shall be adopted where restitution of natural resources or the functions thereof

stricken by environmental damage has not been accomplished by primary remedial measures.

3. **Environmental damage** is any damage to:
 - (i) protected species and protected biotopes having material adverse effects for accomplishment or sustainment of the favourable conservation status of protected species and protected biotopes except of the already identified adverse effects arising as a result of acts of the operator having been expressly authorized to in accordance with a special regulation;
 - (ii) waters which has material adverse effects to the ecological, chemical, or qualitative condition of waters or to the ecological potential of waters except of the adverse effects set forth in a special regulation, or
 - (iii) soil consisting of soil pollution which constitutes substantial risk of adverse effects to health as a result of direct or indirect application of substances, preparations, microorganisms onto the soil, into the soil or under the surface thereof.

Any environmental damage must be unexpected, unforeseeable, and accidental, while the damage in this context means a measurable adverse change in any natural resource or measurable impairment of functions of any natural resource that may occur directly or indirectly. Environmental damage shall not cover any damage to property or damage to health.
4. **Compensatory remedy** are remedial measures adopted for the compensation of temporal losses of natural resources or the functions thereof having occurred from the day of occurrence of the environmental damage until the restoration of natural resources or functions thereof is accomplished by primary remedial measures.
5. **Remedial measures** are measures for removal or remedy of environmental damage by the insured or the relevant authorities of the public authority the objective of which is the restoration, regeneration, or replacement of the damaged "natural resources." The remedial measures consist of "primary remedy", "additional remedy" or "compensatory remedy".
6. **Costs of legal representation** are costs incurred (max. up to the attorney tariff remuneration) by the insured as a result of the environmental damage or imminent threat of environmental damage covered by the insurance, however provided that the acts of legal representation of the insured have been approved by the insurer in advance. In lieu of the reimbursement of costs, the insurer shall be entitled to appoint to the insured for a necessary time a legal representative that shall legally represent the insured at the expense of the insurer. The insurer reserves the right to examine, scrutinize and make an out-of-court settlement of any claim to its sole discretion. The costs of legal representation shall not increase the sum insured and the insurer shall provide the compensation thereof together with the compensation for the environmental damage and together with any other insured costs up to the amount of the sum insured or up to the amount of the sublimit if agreed in the insurance policy.
7. **Claim** is an action of the aggrieved party or any person entrusted by such party by means of which the insured is informed that due to the action or the effects of the operations of the insured a damage has been caused. The date of assertion of the claim shall be the date when the action of the aggrieved party (as indicated in the previous sentence) has reached the sphere of disposition of the insured or in the event that the aggrieved party has raised the claim directly vis-à-vis the insurer, the date of receipt of the notice on claim by the insurer, whichever of these shall occur first. Where, as a result of one damaging event, multiple claims have been asserted, the date of assertion of the claim shall be the date at which the first of these claims has been asserted.
8. **Elevated and underground conduits** are pipelines (e.g. water, sewage, gas, oil duct) and power (transfer and distribution of electricity), communication (telegraph, telephone, internet transferring visual and/or audio signals), controlling and managing cables including any poles, masts, stands, other supporting

structures and controlling and managing equipment and elements pertaining thereto.

9. **Beneficiary** is any legal entity or natural person that shall be entitled to receive the insurance claim payment as a result of an insured event.
10. **Underground storage facility** is any storage facility (container, tank, etc.) of which more than 10% of volume (including conduit connected with the tank) is located under the ground.
11. **Preventive measures** are measures adopted and carried out by the insured or on its behalf in order to avert the imminent threat of environmental damage the objective of which is the prevention or minimization of the environmental damage. These are measures under which reasonable expenses other than costs of maintenance, repair, replacement or improvement of operating facilities or equipment of the insured are spent.
12. **Primary remedy** are remedial measures to achieve restoration of natural resources or functions thereof damaged by environmental damage to the original condition or almost to original condition.
13. **Natural resources** are protected species, protected biotopes, waters, and soil.
14. **First finding** means the first verifiable finding on the occurrence of the insured event as a result of which the environmental damage or the imminent threat of environmental damage has occurred.
15. **Retrospective date** is the date stated in the insurance policy from which the insurance coverage shall be retrospectively provided for the period up to the start of the insurance stated in the insurance policy.
16. **Extended period for the opportunity to notify the claim** is an additional period following the termination of the period of insurance during which the policyholder or the insured may find and notify the insurer on any claim arisen or any circumstance that may lead to rise of a claim.
17. **Damage to things** is physical damage to tangible things caused as a result of the environmental damage, including any subsequent economic loss (lost profits) related thereto resulting from the loss of functionality or the possibility of using the damaged tangible thing.
18. **Damage to health** is material or immaterial damage caused as a result of the environmental damage due to direct or indirect health damage or death of a natural person including any loss of earnings resulting from the damage to health.
19. **Technical costs** are costs incurred by the insured in connection with the environmental damage for legal services, expert opinion, insurance surveyor, environmental consultants, or experts after a written consent of the insurer granted in advance. The insurer shall be entitled to decide that in the event of any damaging event it shall not cover the technical costs of the insured, however, it shall at its own expenses furnish a professionally qualified person to carry out for the insured the works covered by these technical costs.
20. **Mitigative measures** are any measures ordered by the insurer to mitigate the extent of the occurring environmental damage or the costs of adequate and urgent measures incurred by the insured or by a third person (firefighters, civil defence and so on) in order to mitigate the consequences of the occurring environmental damage, to mitigate the adverse effects of the insured event to health or to prevent any further worsening of natural resources provided that such costs are according to the applicable legal regulations not paid or refundable from public resources or are not paid by the insured as a lump sum regardless of whether the insured event will occur (e.g. included in the fees for emergency services, etc.).

The mitigative measures shall not include any costs of maintenance, repair, replacement or improvement of operational facilities or equipment of the insured or any costs of emptying the retaining safety systems (cesspit, septic tank, collecting tank, etc.).

Article 5
Closing provisions

1. These OPP-SME-EL form an integral part of the insurance policy and the parties may modify its provisions by agreement in the insurance policy.
1. The insurance policy the annex of which are these OPP-SME-EL shall be governed in matters of entry into force, interpretation, and implementation by the law of the Slovak Republic. The courts of the Slovak Republic shall have exclusive jurisdiction for any legal disputes arising from this insurance policy. The same shall also apply to any damage occurred abroad.
3. The provisions of these OPP-SME-EL relating to the insured shall also apply to the policyholder (if the policyholder is a person other than the insured) and/or to any other beneficiary.
4. These OPP-SME-EL enter into force on 01.10.2019.