

General terms of insurance for property insurance

Article 1 Opening provisions

1. The insurance shall be governed by the applicable provisions of the Civil Code, the insurance policy and the insurance terms as stated in the insurance policy.
2. In addition to these general terms of insurance for property insurance (hereinafter as the „VPPM“) the conditions of insurance may be further stipulated by the special terms of insurance, complementary insurance terms and provisions of the insurance policy.
3. In case of discrepancies between the VPPM and a provision of the special terms of insurance terms the provision of the special terms of insurance shall prevail. Unless the provisions of the VPPM are different on the same matter with the provisions of the special terms of insurance, the provisions of the same shall simultaneously apply. The same shall also apply in relation to the provisions of the insurance policy, complementary insurance terms and these VPPM with the superiority of the provisions of the documents in the same order as are the documents referred to. For the avoidance of doubts, the provisions of the insurance policy shall prevail over the provisions of all insurance terms.

Article 2 Subject of the insurance

1. The subject of the insurance is individual movable assets and fixed assets or pools or selections thereof indicated in the insurance policy. The same shall be covered by the insurance, unless otherwise agreed in the insurance policy, only if they are registered in the books of the insured or in any other records of the insured under the applicable legal regulations. Any assets that ceased to be part of a pool shall cease to be insured.
2. In case of insurance of pools of assets the insurance shall also cover :
 - (a) the part of the insured pool of assets acquired provably by the insured, however, without undue delay due to objective reasons yet not registered in its book keeping,
 - (b) any asset which has become part of the insured asset pool after the conclusion of the insurance policy.
3. The insurance shall cover any asset:
 - (a) owned or jointly owned by the insured, i.e. own property,
 - (b) owned by a third party, i.e. a third party property the insured stated in the insurance policy:
 - (i) has been making use of on the basis of a written agreement; or
 - (ii) has taken over while providing services under a written contract, order or job order.

Article 3 Hazard

1. Hazard represents the potential causes of damage to the subjects of the insurance. The hazards are specified in the special terms of insurance, supplementary insurance terms or the insurance policy. The insurance shall only cover the hazards stipulated in the insurance policy.
2. The insurance shall cover the subject of the insurance even if it has been damaged, destroyed or lost in a causal relationship with an insured event the cause of which was the hazard agreed in the insurance policy.

Article 4 General exclusions from the insurance cover

1. The insurance shall not cover any damage and costs of any kind caused or resulted in chain of causation in connection with:
 - (a) act of terrorism.

- (b) a consequence of war events, regardless of whether war has been declared or not, act of foreign hostilities, civil war,
- (c) state of emergency declaration, revolution, uprising, rebellion, coup d'etat, a military coup, seizure, requisition for military purposes,
- (d) demonstration, internal strife, strike, lock-outs,
- (e) repressive intervention of public authorities or public administration,
- (f) the action of nuclear energy, nuclear radiation of any kind, radioactive contamination or pollution,
- (g) willful misconduct, willful omission or gross negligence of the policyholder, the insured or other person acting at the incentive or instruction,
- (h) pollution, contamination, including leaks, pollution of soil, water, including groundwater, air or environment,
- (i) fungi, molds or similar organisms and any by-products or infestation arising thereof (mycotoxins, spores etc.)
- (j) the result of continuous exposure to moisture, thermal, chemical, electrical or mechanical effects,
- (k) due to corrosion, oxidation, erosion, sediments or all kinds of fatigue of material,
- (l) lasting effect of operation, natural wear and tear or aging, premature wear,
- (m) soil movements caused by human activity (vibration, land subsidence, etc.)
- (n) loss, damage, destruction, failure, deletion, distortion or modification of the electronic data or software equipment for any reason whatsoever (including but not limited to computer viruses, malware, hacker attack) or reducing / limiting the functionality, usability and price thereof,
- (o) the deliberate use of alcohol, drugs or abuse of drugs by the policyholder or by the insured or other person acting under the incentive or instruction thereof, or a related person of the policyholder or of the insured or any other person cohabiting with the policyholder or with the insured,
- (p) defects or deficiencies that the insured asset suffered with already in the time of conclusion of the insurance and which were or could have been known to the policyholder or to the insured regardless of whether they were known to the insurer,
- (q) any decision of a state authority, an authority of local self-government, court order or other official measures undertaken for purposes other than for preventing or reducing the scope of the insured event,
- (r) loss or reduction of historical, cultural, artistic or collectors' value,
- (s) pure financial loss,
- (t) the contractual penalty, default interest or any other penalties, warranties or guarantees (financial performance, product warranties, refund, etc.), loans,
- (u) mining operations.

2. The insurance shall not cover any damages on above ground transmission and distribution lines, including wire, cables, poles, pylons, standards, towers, other supporting structures and any equipment of any type which may be attendant to such installations of any description, for the purposes of transmission or distribution of electrical power, telephone or telegraph signals, and all communication signals whether audio or visual. This exclusion applies also on damages caused by transmission and distribution of electrical power, telephone or telegraph signals, and all communication signals. This exclusion doesn't apply to equipment in the insured immovables, insured premises within immovables and equipment placed on the insured immovables.

Article 5 Territorial validity of insurance and place of insurance

1. Unless otherwise stated in the insurance policy, the insurance shall cover the insured assets only in case if the damage to the assets occurred in a place that is specified in the insurance policy as the place of insurance.
2. The place of insurance is a building, room or place in the territory of the Slovak Republic, defined in the insurance policy as an address or cadastral territory and plot number (land) where the insured assets are located, unless otherwise stated by the insurance policy.
3. The place of insurance for:
 - (a) self-propelled work machinery, supported working machines and machines that are trailers,
 - (b) portable (mobile) electronics and electronics permanently installed in a motor vehicle,
 - (c) movable assets taken over by an employee of the insured under the direction of or with the consent of the employer for the purpose of carrying out their work tasks,shall be the territory of the Slovak Republic, unless otherwise indicated in the insurance policy.
4. In case of movable assets the insurance shall also apply to the location where such insured assets have been moved to from the place of insurance specified in the insurance policy for necessary period of time due to an imminent or already occurred insured event. For such place the insurance shall apply from the day on which the insured assets have been moved to this place only if such fact has been notified to the insurer by the insured and at the same time has provided the insurer with the address and a list of such relocated assets.
5. When an occurrence of an event is not an insured event only as a result of unaware error or unintentional omission:
 - (a) in the statement of place of insurance where the insured asset is located or,
 - (b) due to the non-inclusion of a place:
 - (i) owned, leased or subject of financial leasing by the insured as of to the day of commencement of the insurance, or
 - (ii) purchased, leased or subject to the commencement of the financial leasing during the duration of insurance,so the insurance shall cover also these places to the extent that the insurance would provide in case if there was no such unaware error or unintentional omission on condition that each unaware error or unintentional omission must be reported by the policyholders or by the insured along with the date of the detection and registration of repairs. This however, shall not increase the sums insured and limits of payment specified in the insurance policy and shall not relieve the policyholder or the insured of the obligation to report the new place of insurance to the insurer no later than 90 days following the date of its first use by the insured.

Article 6 Commencement, existence, changes and termination of the insurance

1. The insurance shall commence upon the moment defined in the insurance policy as the date and time of commencement of insurance, however not earlier than the conclusion of the insurance policy.
2. The insurance shall be agreed for an insurance period, which means the time for which the insurance policy is concluded. The insurance term is limited by the date of commencement of insurance and in case of insurance agreed for a definite term by the day of the end of insurance. Unless otherwise stated in the insurance policy the insurance shall be concluded for an indefinite term.
3. The provisions of the insurance policy may be altered by agreement of the policyholder and the insurer (e.g. by an amendment to the insurance policy). The conclusion of such an agreement shall be subject to the same rules as the conclusion of the insurance policy. The entry to force of any change to the insurance policy shall be stated in the agreement on such change.

4. In connection with the change of the insurance policy there shall be no change as to the start and end of the insurance period as agreed by the insurance policy unless agreed otherwise.
5. The insurance shall terminate as follows:
 - (a) upon **expiry of the insurance term** as agreed in the insurance policy in cases of insurance for a definite period,
 - (b) by written **notice of termination** of the insurer or of the policyholder:
 - (i) within two months from the date of conclusion of the insurance policy; the notice period shall be of eight days and shall commence at 00:00 of the day following the day of delivery of the termination notice to the other party; upon the expiry of the notice period the insurance shall expire, whereas the insurer shall be entitled to a proportionate part of the insurance premium corresponding to the duration of insurance,
 - (ii) within one month following the day of providing the payment or denial of payment; the notice period shall be of eight days and upon its expiry the insurance shall terminate,
 - (iii) at the end of the insurance period, if the termination notice has been delivered to the other party not later than six weeks before the end of the insurance period.
 - (c) by a written **notice of termination** of the insurer within two months from the date when he learned of the change in the facts that were the basis (written and e-mail communication, including attachments, questionnaires) for the conclusion of an insurance policy; if such changes have not been accepted by the parties by adjusting the insurance policy, the insurance shall terminate upon the delivery of the termination notice to the policyholder,
 - (d) by a written **agreement** between a policyholder and an insurer,
 - (e) by **withdrawal** of the insurer under the insurance policy due to willful breach of obligation of the policyholder. or of the insured "to answer truthfully and completely all written questions of the insurer concerning the negotiation of insurance", if the answers to the questions were true and complete the insurer would have not concluded the insurance; This right of the insurer may be exercised within three months from the date when the insurer learned on such fact, otherwise the right shall expire.
 - (f) **denial of payment** if the insurer becomes aware after the insured event that its cause is the fact that it could not detect while negotiating the insurance due to knowingly false or incomplete answers and which is essential for the conclusion of the insurance policy, the insurer shall be entitled to deny the payment under the insurance policy; upon denial of the payment the insurance shall terminate,
 - (g) for **non-payment of insurance premium** if the insurance premium for:
 - (i) the first period of insurance or a lump-sum insurance premium has not been paid for within three months following the date of maturity,
 - (ii) any other insurance period has not been paid for within one month following the date of delivery of the notice of the insurer for payment, in case the insurance premium has not been paid before the receipt of such notice. The notice for payment of the insurer shall include a statement that the insurance shall terminate due to non-payment of the insurance premium.The same shall apply when only a part of the insurance premium has been paid.
 - (h) the **dissolution of the insured**,
 - (i) where **the possibility that the insured event occurs has lapsed**, i.e. the insured asset has ceased to (e.g. the complete destruction (total damage), theft)
 - (j) **changes in the ownership of the insured asset as well as changes in the management of the insured asset or its use**, in case of insurance of pool of assets the insurance shall expire only to with relation to the asset which ceased to be part of the insured pool of assets,
 - (k) other reasons for termination of the insurance by generally binding regulations shall not be affected by the provisions of this Article.

Article 7 Insured value, sum insured, underinsurance

1. The insured value is the value of the insured asset at the time of the agreement on the insurance and shall be decisive for determining the sum insured.
2. The insured value may be:
 - (a) **The new value** - value that must be spent in the place of insurance for the recovery of the same asset or of an asset of comparable type, kind, quality and parameters,
 - (b) **Time value** - the new value reduced by the amount corresponding to the degree of wear and tear or other depreciation of the asset,
 - (c) **Nominal value** - for cash and cash equivalents, unless otherwise stated in the insurance policy.
 - (d) **Other value** stipulated by the insurance policy.
3. The sum insured represents the upper limit of payment for one insurance period and is the basis for the calculation of insurance premium. The insurance amount is determined for each item of subject of insurance and should correspond to the insured value.
4. The total sum insured for pool of assets insurance or selection of assets referred to in the insurance policy shall be the sum of sums insured for each individual insured asset of which the pool of assets or selection of assets consists of.
5. The sum insured shall be determined by the policyholder and it shall be liable for its accuracy.
6. If at the time of the insured event the sum insured of the insured asset is lower than the insurance value by more than 15%, the insurer shall be entitled to reduce payment before applying the deductible policy in the same ratio as is the sum insured to the insurance value of the insured asset. This provision shall not apply to first-loss policy in accordance with Article 9 Paragraph 3.

Article 8 Indexation of the sum insured

1. Upon the request of the policyholder the insurance policy may stipulate the indexation of sums insured. Indexation of sums insured means the adjustment of insurance sums agreed to a new value as to the first day following the insurance period and pursuant to the progress:
 - (a) of the price index of construction works, materials and components used in building industry for real estate and construction modifications,
 - (b) of the consumer price index for the manufacturing and operating equipment (movable assets).
2. In the case of indexation of the sum insured the amount of the insurance premium shall be adjusted as well in direct proportion to the sum insured adjustment.

Article 9 Payment limit, first-loss policy

1. The insurance policy may stipulate payment limits for individual subjects of the insurance, pools of assets, selections of assets, individual hazards or group of hazards. This method and amount of payment limits must be expressly stated in the insurance policy.
2. Payment limit shall be negotiated within the sum insured of subjects of the insurance and therefore it shall not increase the sum insured.
3. First-loss policy means the case if following the agreement of the insurer and the policyholder, or following the acceptance of the proposal of the insurer by the policyholder a sum insured less than the insured value is being negotiated. This method of insurance must be expressly stated in the insurance policy.
4. The insured sum agreed upon at the first-loss policy and limit of payment represent the upper limit of payment of the insurer for one and at the same time all insured events occurring in one insurance period.
5. The insurer and the policyholder may agree in the insurance policy on a so-called automatic renewal of the sum insured in case of insurance agreed as a first-loss policy. In this case, after the insurance claim the sum insured shall be restored to its initial amount, i.e. the sum insured shall increase by the difference generated as a result of decrease of the

sum insured due to the payment of the insurance claim. The policyholder shall pay the proportional insurance premium corresponding to the increase of the sum insured. For the avoidance of doubt, in cases where a claim for compensation from the insured events exceeds the agreed sum insured on insurance for the first-loss policy, then the amount of the payment shall be limited by the agreed amount of the sum insured and there shall be no claim available for the payment of the insurance claim from the renewed sum insured.

Article 10 Insurance premium

1. Insurance premium is a contractually agreed price for the insurance cover provided by the insurer to the extent stipulated by the insurance policy. The amount of the insurance premium shall be determined by the insurer. The insurance premium shall be paid by the policyholder in the amount and due dates agreed in the insurance policy. The amount of insurance premium, the due date of the insurance premium and the amount of insurance premium instalment provided that the insurance premium is to be paid in instalments shall be included in the insurance policy.
2. The part of the insurance term for which the insurance premium shall be paid is called the insurance period. Unless otherwise indicated the insurance policy, an insurance:
 - (a) for an indefinite period the insurance period is one year (1 insurance year, i.e. 365 consecutive calendar days or 366 days for leap years, respectively.)
 - (b) for a definite period, for a period of less than one year the insurance period and insurance term are identical.
3. If, during the course of the insurance period there is a change in the facts pursuant to which the amount of the insurance premium has been established, the insurer shall be entitled to adjust the amount of the insurance premium even retrospectively as to the date of such change.
4. The insurer shall be entitled to an insurance premium for the time period defined by the commencement and termination of the insurance. If the insurance expires before the end of the insurance period for which the insurance premium has been paid, the insurer shall return the outstanding amount of the paid insurance premium. In cases where the insured event occurred and thus the cause of further insurance has been lapsed (e.g. theft, destruction of the insured asset), the insurer shall be entitled for the insurance premium until the end of the insurance period during the course of which the insured event occurred.
5. The insurance premium shall be deemed to have been paid in time if it is credited to the bank account of the insurer in the correct amount no later than on the day of its maturity with a correctly indicated variable symbol assigned by the insurer.
6. The payment of the insurance premium for the insurance period may be stipulated by the insurance policy in half-yearly or quarterly instalments. In case where the insurance premium under the insurance policy is to be paid in instalments it follows that any non-payment of the instalment of the insurance premium the amount of the insurance premium corresponding to the end of the insurance period shall become due in full amount on the day following the due date of instalment of the insurance premium provided the insurer exercises this right to the due date of the next insurance premium instalment.

Article 11 Deductible

1. The deductible is the amount agreed in the insurance policy, by means of which the insured participates on the payment resulting from any insured event. The deductible may be set by a fixed financial amount, percentage, time period, or combinations thereof.
2. The insurer shall not provide any payment in the event that the total amount of the payment (i.e. the amount of the payment prior the deduction of the deductible) does not exceed the agreed deductible.
3. In case of deductible set by a time period the insurer shall provide the payment only if the term of existence of the damage exceeds the time period and for that part of the damage which exceeds the time period agreed as the deductible.

Article 12 Payment

1. The payment is a financial consideration paid by the insurer for the insured event, which arose as a result of the insured's right to receive an payment. The insurer shall provide the payment in the currency valid in the territory of the Slovak Republic. When converting foreign currency to a currency valid in the territory of the Slovak Republic the exchange rate of the European Central Bank valid on the date of occurrence of the insured event shall be applicable.
2. The remains of the damaged or destroyed insured asset shall remain the property of the insured.
3. The amount of the payment shall be reduced by the amount of remains in accordance with paragraph 2 and of the deductible.
4. In case of damage, destruction, loss or theft of the insured asset as a result of an insured event the insured shall be entitled to receive from the insurer the payment in the amount of reasonable costs. Reasonable costs are reasonable and expediently costs that are usual at the time and place of the occurrence of the insured event incurred in connection with the recovery or repair of the insured asset, whereas the lower of the following amounts shall be decisive. The appropriate costs:
 - (a) include costs associated with the placement or installation of repaired or of the recovered asset things to location prior to the insured event,
 - (b) does not include any pay for overtime, night time work, works on Sundays and bank holidays, travel and accommodation costs of technicians and experts from abroad, any costs of on expert and costs on ground and excavation work, any costs on additional project planning works, any transport costs on shipping of the damaged asset for repair abroad, including express charges and air transport of spare parts.
5. Any payment for stocks produced by the insured or expired stocks shall be limited by the acquirable price on sale.
6. Unless otherwise stipulated in the insurance policy, once the insurance claim has been paid the sum insured of the relevant item of the subject of the insurance shall be reduced by the amount of the payment. After having paid the relevant insurance premium the amount of the sum insured may be increased upon the request of the policyholder to its initial value.
7. In the event of damage, destruction, loss or theft of insured securities in paper form, money or valuables as a result of an insured event, the insurer shall pay for:
 - (a) the securities in paper form or cash the amount spent on redemption and provided that the issuer has failed to issue a duplicate thereof the amount by which the property of the insured in paper form securities or cash has been shortened in nominal value, in the amount indicated by the issue price or exchange rate in accordance with generally binding legal regulations,
 - (b) cash equivalents, unless the issuer has issued a duplicate thereof, the amount by which the property of the insured in valuables has been shortened in nominal value thereof.
8. In the case of destruction or loss of the insured asset that has been insured for new value, the insurer shall provide the payment in excess of the time value only if within three years following the insured event the insured has accomplished a recovery of the asset of the same type, kind, quality and parameters at the place of insurance, respectively, elsewhere in the territory of the Slovak Republic should the recovery be impracticable at the place of insurance due to legal or economic reasons.
9. The insurer shall provide the payment of the insurance claim for all insured events occurring during one insurance period in the maximum amount of:
 - (a) the sum insured determined for the insured asset,
 - (b) the aggregate limit of the payment negotiated in the insurance policy for the insured asset, pool or selection of insured assets,
 - (c) the aggregate limit of the payment negotiated in the insurance policy for the relevant insurance risk.For the amount of the payment the lower of the amounts thereunder shall be decisive.

10. If there is an obligation of the insurer to provide the payment upon the occurrence of the insured event, then the insured:
 - (a) who is subject to value added tax ("VAT") shall receive from the insurer the payment without VAT; unless the insured asset has been stolen and the VAT has been included in the sum insured, in such case the insurer then pays claims including,
 - (b) who is not subject to VAT shall receive from the insurer the payment provided that the VAT has been included in the sum insured of the insured asset indicated in the insurance policy,
 - (c) who has suffered damage by theft of property of the insured pursuant to the first loss policy, the insurer shall provide to the payment including VAT, regardless of whether the insurer has been subject to VAT.
11. The payment is payable within 15 days following the conclusion of the investigation carried out by the insurer necessary to determine the extent of the obligation of the insurer to provide the payment and determine the amount thereof.
12. The insurer shall pay the insured a co-called advance payment for the payment within 10 days following the date when during the ongoing investigation the insurer proves that an insured event has occurred and the insured shall be entitled to receive the payment. The amount of the advance payment for the payment is 20% of the preliminary determined value of payment. However, if it in the further course of the investigation or after its completion is proven that the insured has not been entitled to receive the payment or the provided amount thereof exceeds a certain total amount of the payment, the insured shall return the insurer the provided the payment, or the part thereof to which he has not been entitled to.
13. The insurer shall be entitled to:
 - (a) deduct from the payment the amount corresponding to the outstanding insurance premium and other due receivables of the insurer;
 - (b) adequately reduce the payment for deliberate breach of obligations under Article 15, paragraphs 2, 3 and 4 of these VPPM, the special terms of insurance, supplementary insurance terms, contractual arrangements and insurance policy if such breach has had a significant effect on the occurrence of an insured event or to increase the scope of its consequences; and accordingly, what effect has had the breach of obligations to the extent of the insurer's obligation to provide the payment.
14. In case the insured mislead the insurer in the circumstances related to their payment entitlement and/or payment amount, the insurer is not obliged to provide payment from damaging event.

Article 13 Rescue costs

1. The rescue costs are considered reasonable and expediently incurred costs expended by the policyholder or the insured:
 - (a) to avert the imminent occurrence of an insured event,
 - (b) to mitigate the effects of ongoing insured event,
 - (c) as a result of a legal obligation for reasons of health, safety, environmental or public interest to remove the insured asset or its remains, damaged or destroyed by the insured event,
 - (d) for the transport related to the repair of the insured asset damaged by the insured event to the nearest available repair shop; these costs shall be borne by the insurer if the transport of assets takes place in the Slovak Republic, unless otherwise agreed in the insurance policy.The sum of the provided payment and reimbursements pursuant to paragraphs (a) to (d) shall not exceed the sum insured or the limit of the payment of the insured asset to which these costs relate. The costs referred to in points (a) and (b) shall also include any unsuccessful measures if they have been reasonable to the circumstances.
2. The insurer shall with the prior written consent of the insured pay the reasonable and expediently incurred costs of the insured and / or of the policyholder to determine the cause and extent of damage to the insured property affected by the insured event up to 3% of the sum insured or the limit of the payment of the insured asset affected by the insured event.

The sum of costs incurred and of the provided payment shall not exceed the sum insured or the limit of the

3. The insurance shall also cover reasonably and expediently incurred costs for:
 - (a) the dismantling and re-assembly of undamaged insured assets in connection with the repair or recovery of damaged, destroyed or lost assets in the course of the insured event,
 - (b) the vacation of place of insurance including tearing down the standing parts of the building, removal of debris and other remains to the nearest landfill and the cost of their storage or destruction in connection with repair or recovery of the damaged, destroyed or lost assets after the insured event.
- Unless otherwise agreed in the insurance policy, the amount of reimbursement of costs pursuant to paragraphs (a) to (b) by the insurer for any of such total costs shall not exceed 3% of the sum insured or the limit of the payment of the insured asset and shall be provided apart from thereof.
4. The insurer shall not be liable for any costs under paragraph 1 incurred by the Fire and Rescue Department, police or other entities that are obliged to intervene in the public interest under the legal regulations.
 5. The insurer shall always reimburse the costs to full extent incurred due to its instructions and even if the same exceed the agreed sum insured or the agreed limit of the payment of the insured asset.

Article 14 Expert's proceeding

1. In case of disputes on the cause or extent of the damage incurred or the amount of the payment the insured and the insurer may agree the same to be determined by so-called expert's proceedings. The expert's proceedings may be extended to other circumstances and facts resulting to the right for payment. The insured may also require the expert's proceedings upon a unilateral declaration vis-a-vis the insurer.
2. The principles of the expert's proceedings:
 - (a) each party shall designate one expert having no obligations whatsoever vis-à-vis the such party and shall immediately inform the other party thereon; any objections to the expert's person of the other party can be raised only prior to the start of its actions;
 - (b) the designated experts shall agree on a third expert who shall have the decisive vote in case of disputes between the experts designated by the parties,
 - (c) the experts designated by the insured and the insurer shall independently from each other generate expert reports on the issues in dispute,
 - (d) the experts shall submit their expert reports to the insured and to the insurer as well; in case the expert reports differ from each other the insurer shall the same refer to the expert having the decisive vote; the expert having the decisive vote shall decide the issues in dispute and shall submit its decision to the insured and the insurer as well,
 - (e) each party shall bear the costs incurred with regard to its designated expert, the costs incurred with regard to the expert having the decisive vote shall be borne equally by the parties.

In case the expert reports generated by experts designated by the parties are concurring in favour of the insured, the insurer shall pay the costs incurred by the insured with regard to its expert to the amount of EUR 500 per one policy period.

3. The expert's proceedings shall not affect the rights and obligations of the insured and the insurer set forth by legal regulations, these general terms of insurance, the special terms of insurance, the supplementary insurance terms, insurance policy and contractual arrangements.

Article 15 Obligations of the insurer, the policyholder and of the insured

1. In addition to the obligations set forth by generally binding legal regulations, the insurer shall:
 - (a) notify the policyholder on insurance terms relating to the insurance being negotiated,

- (b) without delay after notification of the insured event initiate an investigation that is necessary to determine the extent of its obligation to provide payment and the amount thereof,
- (c) conclude the investigation within fifteen working days upon the receipt of all documents and other necessary requirements, including documents drafted by a third party (e.g. an expert's opinion, a report on the intervention of the firefighters), documents and information necessary for the completion of the investigation and necessary to determine the scope of its obligation to provide payment and the amount of thereof,
- (d) upon request of the policyholder or of the insured, respectively, return any original documents, unless these documents are a necessary part of the case file of payment,
- (e) in a scheduled time allow the policyholder or the insured to inspect the file on its damaging event or insured event; upon a written request provide the policyholder with a copy of the documents from the case file on the damaging event or from the case file on the insured event, while the costs associated therewith shall be borne by the policyholder,
- (f) not disclose any facts that he has learned of during the negotiation of the insurance, insurance administration and claims investigations; such information may be provided to third parties only with the consent of the policyholder or of the insured if it is necessary for the proper insurance administration or investigation necessary to determine the extent of the insurer's obligation to provide the payment and the amount thereof.

2. In addition to the obligations set forth by generally binding legal regulations, the policyholder and the insured shall:

- (a) respond fully and truthfully to all written questions of the insurer, including e-mail communications and filling out questionnaires concerning the insurance being negotiated,
- (b) allow the insurer or his representative entry to the insured buildings and sites, thus enabling them to assess the insurance risk, to check the functioning and operation of facilities used for the protection of property; also, they shall produce to the insurer or his representative inspection project documents, fire-fighting, flood-protection, accounting and other similar documentation.
- (c) promptly notify the insurer in writing on any change in the terms that have been the basis for entering into the insurance policy, in particular, any changes to the operating activities of the insured, the type and extent of the insurance risk, the insured value of the insured property, place of insurance, equipment for protection of the insured property,
- (d) maintain the accounting records on the insured property specified in the insurance policy and keep such records in such a manner not to be damaged, destroyed, lost or stolen together with the insured property in case of an insured event,
- (e) maintain the insured property in good condition, comply with technical standards and regulations and laws of general application, VPPM, the special terms of insurance related to the arranged insurance, supplemental insurance policies and insurance policies
- (f) in the event that the insured person is a person other than the policyholder, the policyholder shall immediately after the conclusion of the insurance policy make the insured person familiar with the contents of these VPPM, special and supplementary insurance terms related to the agreed insurance, contractual arrangements and insurance policy,
- (g) particular about to avoid any occurrence of insured event and implement appropriate measures to avert it,
- (h) notify the insurer in writing on any change of the insurance value of the insured asset, pool or selection of insured assets, if there has been an increase thereof of more than 10%,
- (i) notify the insurer that it has concluded an additional insurance with coverage of the same property and insurance risks with other insurers, including information on the amount of sums insured, limits of payments and business name of the insurer with which it entered into additional insurance.
- (j) the policyholder pay the insurance premium pursuant to Article 10 paragraph 5 of these VPPM.

3. In the case of a damaging event, the insured shall:

- (a) immediately notify the insurer on the damage and complete such notice within 5 days in writing,
 - (b) carry out appropriate measures to mitigate the damage and ask the insurer for instructions and act in accordance therewith,
 - (c) refrain from changing the condition caused by the damage without the consent of the insurer, unless this is necessary to avert or mitigate the effects of damage, or contrary to the public interest; the insured shall also provide sufficient evidence on the extent of the damage and the cause of the damage for example by means of investigation by the police or other investigative bodies, photographs or film records,
 - (d) immediately notify the police on the damage that has occurred in the circumstances raising suspicion of committing a criminal offence and allow the insurer access to the investigation case file of the police,
 - (e) immediately notify the insurer on finding of the insured assets or the remains thereof if lost or stolen during the insured event; when taking these assets over or the remains thereof the insured shall no later than 30 days following the date of the finding thereof return the monetary amount corresponding to the amount of the payment; in case the insured assets have been damaged during the time of the insured event to the time of finding thereof, the repair costs of the damaged asset shall be borne by the insurer as in the event of an insured event,
 - (f) shall immediately commence redemption proceedings or other similar proceedings on paper form securities, deposit and check books, credit cards, cash equivalents and other similar documents that have been destroyed, lost or stolen during the insured event,
 - (g) provide for right to damages vis-a-vis any other or other similar rights and a claim for damages vis-a-vis the person responsible for such damage.
4. Other obligations of the insured may be set out in special terms of insurance, contractual arrangements or in the insurance policy.

Article 16 Implication of breach obligations

1. If the policyholder, the insured or the beneficiary knowingly or as a result of consumption of alcohol, drugs, or drug abuse violates one or more of the obligations referred to in Article 15, paragraphs 2, 3 and 4 of these VPPM and such breach significantly contributes to the occurrence of an insured event or to the increase of extent of consequences of the insured event, the insurer shall be entitled to reduce the payment adequately to the effect this breach of obligation has had on the extent of the insurer to provide payment.
2. In case the insured frustrates the opportunity or to fails to provide the insurer the necessary or required assistance needed to enable the insurer to exercise the right to damages vis-à-vis a third party (pursuant to Article 15 paragraph 3, letter (g)), or if the consequences of the same shall manifest only after the payment has been provided by the insurer, the insurer shall have, in addition to the right referred to in paragraph 1 of this Article, the right for refund of the payment or any part thereof.
3. If the insurer due to breach of any obligations under Article 15, paragraphs 2 to 4 suffers any damage, or the insurer incurs in this respect any unnecessary costs (e.g. costs of litigation), it shall be entitled for compensation by the policyholder or the insured, whose breach of obligation resulted into the occurrence of such damage or unnecessary costs.
4. In the event the policyholder is in default with the payment of insurance premium the insurer shall be entitled to:
 - (a) demand default interest on the late payment of insurance premium for each day of delay in accordance with generally binding regulations,
 - (b) the reimbursement of expenses incurred in connection with the service of documents relating to payment of the owed insurance premium,
 - (c) deduct from the amount of the payment an amount corresponding to the owed insurance premium, including the default interests, in the event that the insured event occurs at a time when the policyholder

or the insured has been in default with the payment of the insurance premium.

Article 17 Interpretation of definitions

1. **The Building** is a spatially centered roofed ground-based structure including an underground area that is from construction engineering perspective suitable and designed to protect humans, animals or assets; it does not have to have walls but a roof.
2. **Cash equivalents** are considered to be deposit and cheque books, payment cards, securities, post stamps, fee stamps, lottery tickets, travel tickets and slips of urban mass transportation, and prepaid mobile phone vouchers, vignettes, dining coupons, etc.
3. **Valuables** are:
 - (a) precious metals, precious stones, semi-precious stones, pearls and products made thereof,
 - (b) fashion jewellery, wrist watches and pocket watches, glasses and pens with selling price exceeding 160 euros.
 Valuables are not considered to be components and parts of machinery and equipment (the "equipment"), which form part of the insured machinery, i.e. are properly mounted, installed or embedded in machines. However, these items are considered valuables if the same are not part of the insured machine at the time of the damaging event.
4. **Pure financial loss** means pecuniary damage not being the direct consequence or result of physical damage or destruction of insured property (i.e. damage which is not preceded by physical damage or destruction of the insured property).
5. **Erosion** is a natural process of dissolving and removing part of the earth's surface by external (exogenous) factors.
6. **Movable assets** are considered to be any assets not being immovable and in order to be insured the same meet the requirements of these general conditions of insurance, special terms of insurance, complementary insurance terms and insurance policy.
7. **A structural fixing** means a fixed connection of the appurtenance of a construction or buildings with an immovable of demountable or non-demountable type. A demountable connection means a connection that needs to be overcome minimally with use of hand tools. A non-demountable connection means a connection where the insured asset may not be disconnected without a destructive disturbance of the connection and / or of the insured asset.
8. **Malware** is a malicious software that is able to spread itself without the user's knowledge including in itself computer viruses, worms, Trojan horses, adware, spyware, etc.
9. **Mechanical barriers** are considered to be means for direct securing of building or buildings or parts thereof against unlawful entry (eg. ramps, road blockers, turnstiles, fencing, doors, windows, grillage, locks, locking systems, safes, security foils). For purpose of this definition an unlawful entry means any unwanted entry.
10. **Mycotoxins** are toxic organic compounds produced by organisms of microscopic fungus kingdom (molds).
11. **Immovable** are considered to be buildings, halls and constructions including construction components and appurtenance.
12. **Denial of insurance payment** means pursuant to the Section 802 of the CC a situation when after the insured event the insurer learns that the cause of the insured event is a fact that for knowingly false or incomplete answers could not be detected in the negotiating of the insurance while being essential for the conclusion of the insurance policy.
13. **The insured** is a person:
 - (a) whose property is covered by the insurance, or
 - (b) a person to whom the insurer shall provide the payment under the law or the insurance policy, either directly or with the consent of the insured specified in the insurance policy.
 The policyholder refers to a person holding the insurance policy under the insurance policy concluded with the insurer.
14. **Policyholder** is a person who concluded an insurance contract with the insurer.

15. **Cash** are considered to be valid domestic and foreign banknotes and coins.
16. **An insured event** is any random damaging event that under the applicable provisions of the insurance policy results to the obligation of the insurer to provide to the insured the payment. **A random damaging event** is such an event that occurs in the place of insurance during the insurance period suddenly and unexpectedly, that at the time of conclusion of the insurance policy the insurer and the insured assume it could occur, however uncertain whether it would ever occur and when it would occur.
17. **Insurance policy** is a written bilateral legal act which results into the insurance of natural or legal persons.
18. **The insurer** is PREMIUM Insurance Company Limited, insurance company with registered seat at 68 George Borg Olivier Street, STJ 1081, St. Julian's, Malta, acting on the territory of Slovak Republic by its organizational unit PREMIUM Insurance Company Limited, branch of a insurance company from other member state, with its registered seat at Námestie Mateja Korvína 1, 811 07 Bratislava – district Staré Mesto, Slovak Republic, Business ID No.: 50 659 669, registre in Business register District court Bratislava I, section: Po, insertion No.: 3737/B.
19. **Damage to the insured asset** is a change of condition that can be objectively removed by repair.
20. **The first use** refers to the date:
- of the lawful final building approval of the building owned by the insured,
 - indicated on the instrument of resolution of the building authority on waiver of final inspection of the building owned by the insured,
 - of acquisition of the lawfully final inspected building or of a building by the insured the final inspection of which has been waived by the building authority,
 - of start of use of the building by insured under the insurance policy.
21. **Appurtenance of the construction or building** refers to things that are determined to be permanently used with a building or construction and are usually removable but fixed inside or on the outside of the building or construction (electronic Security systems (ESS), electronic fire systems (EFS). aerials, CCTV systems, shading equipment, mechanical barriers except of mechanical barriers located outside the construction or building and those which by their nature belong to the building components (e.g. windows, doors), etc.). For appurtenance of buildings or structures are not considered to be external connection points, infrastructures, paved areas, wells, septic tanks and other structures or facilities outside the building or structure.
22. **Requisition** is an official seizure, occupation, confiscation of something in time of extraordinary need (e.g. for the army).
23. **A structure** is a building construction erected by building works of construction materials that is solidly attached to the ground or the fitting of which requires adjustment of the footing. According to the civil engineering are divided into buildings (structural engineering) and civil engineering. Solid attachment to the ground refers to:
- attachment with a solid foundation,
 - fixing with mechanical components or welding on a solid foundation in the ground or other structure,
 - attachment by piles or anchor ropes in the ground or on another building,
 - connection to supply systems and to the area hardware devices,
 - underground placement.
24. **Construction components of a building or a structure** are considered the things which by their nature belong to the building or a structure and usually concern things that are built in the building or the structure, or are solidly attached thereto, namely:
- the internal pipework for of cold and hot water (including the pipework for central heating), steam and associated regulatory and metering equipment, internal sewer system, internal waste pits, indoor air (air conditioning and ventilation) and gas distribution systems, firefighting equipment, including fire extinguishers,
 - internal electrical wiring, including ceiling and wall lighting units and relevant distribution cabinets and distribution boards, low-voltage and telecommunication internal wiring including the wiring of security and safety equipment, wiring of data networks, lightning conductors, passenger and freight elevators, local and central heating including boilers and heat exchanger stations,
- built-in constructions (e.g. metal ones) serving for attachment of devices and objects, building construction of crane tracks including mobile rails and collectors,
 - doors, windows, shutters, grillage, roller shutters, jalousie, awnings, insulation of structures and buildings of any kind, lining of walls and ceilings including dropped ceiling (e.g. coffering), built-in furniture, railings, built-in works of art in buildings and structures, mailboxes,
 - the basic fittings and equipment associated with the built structure (sanitary fittings, faucets, hand dryers, kitchen cookers, glass-ceramic cooktops, exhaust hoods, water heaters),
 - external lighting of buildings and structures except of manufacturing and operating lighting equipment, lighting of high-rise buildings, traffic signs and road signalling.
25. **Construction modifications** are considered building components and appurtenances of a building or structures carried out by the insured at its cost in premises owned by a third person.
26. **A loss of an insured asset** is considered to occur when the insured regardless of its will has lost the opportunity to dispose of the asset insured.
27. **A pool of assets** is made of different assets having the same or similar nature, or is intended for the same purpose / use. Insurance of specifically stated assets of such nature is called insurance of **selected assets**.
28. **Damage** means physical damage or destruction of the insured asset or loss of property of the insured that may be objectively quantified in monetary terms.
29. **Act of terrorism** means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
30. **For a denial of payment** is considered to be the right of the insurer to withhold the insurance claim payment in case of breach of the obligations set forth in these general terms of insurance for property insurance, the special terms of insurance relating to the insurance, contractual arrangements or insurance policy, unless such breach of obligation had a substantial effect on the occurrence of the insured event or on the extent of the consequences of the insured event.
31. **The expiry of insurance** is the termination of the effectiveness of the insurance policy.
32. **Stocks** are assets that are as stocks specified in the current chart of accounts.
33. **Destruction of the insured asset** is a change of condition where the insured asset may be no longer used for the intended purpose and it is not possible to restore the same in such a condition. For destruction it is also considered a condition in which the repair costs would exceed the cost of the recovery of the same asset or of an asset of comparable type, kind, quality and parameters.

Article 18 Handling Complaints

- You may submit your complaint to any establishment of the insurer during business hours either personally or in writing to: PREMIUM Insurance Company Limited, a branch of an insurance company from another member state, with its registered office at Námestie Mateja Korvína 1, 811 07 Bratislava – district Staré Mesto, Slovak Republic You may send your complaint to the following e-mail address: staznosti@premium-ic.sk. For more information on where and how to file your complaint and further steps for its handling go to the Insurer's website: www.premium-ic.sk
- The provisions of these VPPM General terms related to the insured person apply to the policy holder (if the policy holder is not the insured person) and/or another authorized person. Your complaint will be handled without undue delay, within 30 days from its delivery at the latest. If that is impracticable due to circumstances of the case, you will be informed

about the reasons for the extension of the deadline for handling your complaint with an indication of the expected date of handling your complaint.

Article 19 Final provisions

1. The VPPM constitute an inseparable part of the insurance policy and the parties may modify the provisions hereof by a stipulation in the insurance policy unless explicitly prohibited by the VPPM.
2. The insurance policy the annex of which is these VPPM in the matters of legal effectiveness, interpretation and implementation shall be governed by the law of the Slovak Republic. For legal disputes arising out of this insurance policy are exclusively competent the courts of the Slovak Republic. The same shall apply also to any damage occurring abroad.
3. The provisions of the VPPM relating to the insured shall apply also to the policyholder (provided the policyholder being a person other than the insured) and/or to other beneficiary.
4. Any written communications shall be delivered to the insurer, the policyholder and the insured to their last known address of registered office or postal address of the policyholder and of the insured if different from the registered office and the insurer has been notified thereof. The policyholder and the insured shall without undue delay inform the insurer on any change of address.
5. Any written documents shall be sent by the insurer to the last known address of the policyholder or the insured. A document of the insurer meant for the policyholder or the insured (the "recipient") shall be deemed to have been delivered on the date of delivery to the recipient. If due to the absence of the recipient the document has been stored at a post office and has not been collected by the recipient in an appropriate storage time, the document shall be deemed to have been delivered on the date of its deposit at the post office, even though the recipient has not been aware thereof. The same shall also apply if the document has been returned to the insurer as undelivered due to the failure of the policyholder or the insured to notify the change of address. If the recipient refuses to receive the document, the document shall be deemed to have been delivered on the day of such refusal.
6. Change of registered address, change of business name or other data if permitted due to their form may be notified by telephone or electronic mail (e-mail). The insurer shall be entitled to request the completion of such notifications in writing.
7. Any notice on damaging event may be filed also by telephone on the phone number of the insurer or by electronic mail on the e-mail address of the insurer set up by the insurer for this purpose. However, the above does not relieve the insured of its obligation to file a notice on insured event in writing in the standard form of the insurer.
8. This VPPM shall enter into force as of 21st August 2020.