

Special Insurance Terms and Conditions for Insurance of Flats and Family Houses

PART I.

INTRODUCTORY PROVISIONS

1. These OPP for Insurance of Flats and Family Houses (hereinafter referred to as "*OPP-HHI-B*") supplement the provisions of the VPP-MZ and form an integral part of the insurance policy, if so provided for by the insurance policy.
2. The insurance of flats and family houses (hereinafter referred to as the "*insurance*") shall be governed by the relevant provisions of the Civil Code, the VPP-MZ, these OPP-HHI-B and the insurance policy.

PART II.

PROPERTY INSURANCE

Article 1

Subject of the insurance

1. The subject of the insurance may be a building or its part owned by the insured specified in the insurance policy.
2. If the building is owned by a legal entity or natural person - entrepreneur, the insurance covers this building provided that it is registered in the insured's accounting records or, where applicable, in other insured's operational records in accordance with generally binding legal regulations.
3. The insurance also covers a building owned by third party if it is used by the insured or taken over by the insured under a written contract.
4. The subject of the insurance can be a finished building or building under construction.
5. If the subject of the insurance is a separate flat or family house, the insurance automatically covers all their parts (construction, technological), including their structures and accessories.
6. If the subject of the insurance is a separate flat or family house, the insurance may, according to the insurance policy, also cover the following items:
 - (a) rescue costs,
 - (b) costs of removing residues,
 - (c) costs of cleaning or drying damaged parts,
 - (d) costs of water or other media leakage,
 - (e) costs of removing undamaged parts,
 - (f) costs of cleaning a well,
 - (g) costs of replacement accommodation,
 - (h) rental profit,
 - (i) costs of restoring or repairing a gravestone or headstone,
 - (j) costs of restoration of permanent vegetation and plants as components of the building's structure.
7. If so agreed in the insurance policy, also the following supplementary insurance subjects may be the subject of the insurance:
 - (a) if the subject of the insurance is a separate flat:
 - (aa) a set of ancillary buildings,
 - (ab) a garage outside the place of insurance,
 - (ac) a garage.
 - (b) if the subject of the insurance is a family house:
 - (ba) a set of ancillary buildings,
 - (bb) a garage,
 - (bc) building material,
 - (bd) construction machinery and mechanisms.

Individual ancillary buildings can also be listed in the insurance policy (selection), in which case a separate limit of indemnity is agreed for each item listed in the insurance policy.

For the Supplementary Subjects of Insurance "Set of ancillary buildings" an automatic indemnity limit of up to EUR 2,000 is agreed and the limit agreed in the insurance policy shall represent the value of the increase of this automatic limit.

8. The insurance does not cover:
 - (a) waters, land, permanent overgrowth, and plants on the land,
 - (b) unpaved landscaping and areas,
 - (c) public roads (roads, local roads, public utility roads), including bridges, overpasses, tunnels, overpasses or underpasses for pedestrians,
 - (d) public transmission and distribution systems of electricity, gas, water, heat, and public electronic communication networks,
 - (e) construction site cabins, inflatable halls, or tents,
 - (f) greenhouses and polytunnels,
 - (g) buildings that are unused or unusable for a long time,
 - (h) buildings for which a demolition permit has been issued,
 - (i) parts of the insured building subject to repair in accordance with generally binding legal regulations for the performance of restoration activities; this exclusion shall only apply to the part of the damage that exceeds the reasonable repair costs.

The insurance does not cover the items listed in this paragraph even if they are part of an insured set of items.

9. Unless otherwise agreed in the insurance policy, the insurance does not cover the building during its repair or technical improvement performed by third parties; this exclusion shall only apply to that part of the damage caused by the work or the extent of the consequences of which is increased by the work, depending on the impact of such work on the extent of the insurer's obligation to provide insurance indemnity.

Article 2

Insurance risks

1. The insurance covers direct physical damage to the insured item caused by an accidental event that occurred unexpectedly and suddenly, during the insurance period, at the place of insurance and which is not excluded in the VPP-MZ, these OPP-HHI-B or in the insurance policy.
2. According to the provisions of the insurance policy, an accidental event may be the following event (insurance risk):
 - (a) Risk group **Fire**:
 - (aa) fire,
 - (ab) direct lightning strike,
 - (ac) explosion,
 - (ad) collision or crash of a manned flying object,
 - (ae) collision or crash of an unmanned flying object.
 - (b) Risk group **Elements**:
 - (ba) hailstorm,
 - (bb) frost,
 - (bc) avalanche,
 - (bd) heavy snow or ice,
 - (be) flood or inundation,
 - (bf) stormy wind,
 - (bg) volcano eruption,
 - (bh) earthquake,
 - (bi) landslide, collapse of rocks or soil.
 - (c) Risk group **Theft**:
 - (ca) theft,
 - (cb) robbery,
 - (cc) internal vandalism,

(cd) external vandalism.

(d) Risk group **Water:**

- (da) water from non-public distribution,
- (db) atmospheric precipitation,
- (dc) water return from the waste pipe,
- (dd) water from an aquarium, pool, bath or tank,
- (de) groundwater (increase in groundwater level),
- (df) water from gutters and downspouts.

(e) Risk group **Supplementary:**

- (ea) fall of trees, poles, and other objects,
- (eb) sonic boom,
- (ec) implosion (negative pressure)
- (ed) smoke,
- (ee) collision of a motor vehicle driven by the insured,
- (ef) collision of a motor vehicle driven by a person other than the insured,
- (eg) indirect lightning strike, overvoltage, undervoltage,
- (eh) overvoltage, undervoltage
- (ei) short circuit in an electric motor,
- (ej) breakage of glass,
- (ek) wildlife.

3. An accidental event may also be an event other than the ones specified (paragraph 2 of this Article of these OPP-HHI-B), which is further not excluded in VPP-MZ, in other paragraphs of these OPP-HHI-B, in the insurance policy or in this paragraph - the so-called All risks risk group.

The risk group *All risks* does not cover any damage to the insured building, except for its technological part, caused by:

- construction defect, design defect,
- a defect in material or workmanship, an internal or latent defect or material fatigue,
- operating error, clumsiness, lack of skill or negligence on the part of the operator, incorrect design, work error,
- failure of measuring, controlling, regulating or safety devices.

The risk group *All risks* also does not cover any damage to the insured building, including its technological part, caused by:

- permanent operation, natural wear and tear or ageing, premature wear and tear, material fatigue,
- permanent exposure to humidity, atmospheric, thermal, chemical, electrical or mechanical effects,
- corrosion, erosion, rust, oxidation, cavitation, sediments of all kinds,
- normal atmospheric conditions to be taken into account according to the season and local conditions,
- inherent nature of the item, regardless of any other concurrent causes,
- lack of water, oil, or lubricants,
- hardening of the contents of units retaining molten materials or concrete,
- a failure or interruption in the supply of electricity, gas, water or another medium,
- a defect related to the item repair, maintenance, reconstruction, modernization, testing and modifications,
- plants, fungi, moulds or similar organisms, and any by-products or infestations resulting from them (mycotoxins, spores, etc.),
- genetic alterations to animals or plants,
- asbestos
- subsiding, cracking, shrinking, bulging, expanding or collapsing of the building.

4. The insurance also does not cover any damage for which the supplier or contractual partner of the insured is liable under the law or the contract, including damages covered by the warranty of the manufacturer, contractor, or service provider.
5. The insurance covers damage, destruction, or loss of the subject of insurance that occurred in a causal connection with the accidental event referred to in paragraphs 2 and 3 of this Article of these OPP-HHI-B (consequent physical damage), resulting in the right of the insured to the insurance indemnity.

Article 3

Territorial validity and place of insurance

1. Unless otherwise stated in the insurance policy, the insurance covers the insured items only if damage to the subject of the insurance occurred at the place stated in the insurance policy as the place of insurance.
2. Unless otherwise stated in the insurance policy, the place of insurance is a place located in the Slovak Republic, defined in the insurance policy by an address or cadastral territory and plot (land) number, and in the case of a separate flat also the flat number where the insured items are located.
3. For a gravestone or headstone, the place of insurance is a place located in the territory of the Slovak Republic.
4. If the subject of the insurance is a garage located at an address other than the insured flat or family house, its place of insurance is a place located in the Slovak Republic, in the same municipality as the insured flat or family house, defined in the insurance policy by a special address where the insured items are located.
5. For building materials and construction machinery and mechanisms, the place of insurance is the land or facility of the construction site located at the same address as the insured family house.

Article 4

Insured value, sum insured, limit of indemnity

1. The insured value is the value of the insured item when arranging the insurance and it is decisive for determining the sum insured.
2. The insured value may be:
 - (a) usual value,
 - (b) baseline value,
 - (c) recommended value,
 - (d) time value.
3. The sum insured represents the upper limit of the insurance indemnity for one insurance period, unless the limit of indemnity is agreed in the insurance policy for the subject of insurance, and it is also the basis for the calculation of the insurance premium. The sum insured is determined for particular items of the subject of the insurance and should correspond to their insured value.
4. The total sum insured for the insurance of a set of items or selection of items stated in the insurance policy is the sum of the sums insured of the individual insured items which the set of items or selection of items consists of. The sum insured of an individual insured item is the upper limit of indemnity for one insured event for this item.
5. The policyholder sets the sum insured and is liable for its correctness.
6. If, at the time of the occurrence of the insured event, the sum insured of the insured item is lower than its insured value by more than 20%, the insurer is entitled to decrease the indemnity by the same ratio as that of the sum insured to the insured value of the insured item.
7. If the sum insured stated in the draft insurance policy is equal to or higher than the "recommended" insured value, the insurer's right to decrease the indemnity pursuant to the provisions of the previous paragraph does not arise.
8. Limits of indemnity may be agreed in the insurance policy for individual subjects of insurance, sets of items, selections of items, individual insurance risks or groups of insurance risks. This method of insurance and the amount of the limit of indemnity must be explicitly stated in the insurance policy, if this method of insurance is agreed upon and if the limit of indemnity is lower than the sum insured, the provision of paragraph 6 of this Article shall not apply.
9. The limit of indemnity is the upper limit of indemnity for the insurer for one and all insured events during one insurance period.

10. Unless expressly agreed otherwise in the insurance policy, the insurer shall provide indemnity in one insurance period for all insured events caused by the individual risks from the Elements risk group, for each such risk separately, up to a maximum amount of EUR 4,000,000.
11. In accordance with the Article 6 para. 10 of these OPP-HHI-B, an automatic renewal of the sum insured, or the limit of indemnity is agreed. In such a case, after the payment of insurance indemnity, the sum insured or the limit of indemnity will be renewed to the original amount, i.e. it will be increased by the difference caused by the reduction of the sum insured or the limit of indemnity due to the payment of indemnity. The insurer has the right to request an additional payment of the proportional premium. The policyholder is obliged to pay proportional premiums corresponding to the increase in the sum insured or the limit of indemnity. For the avoidance of any doubts, if a claim for compensation from the insured event exceeds the agreed sum insured or the limit of indemnity, the amount of indemnity is limited by the agreed amount of the sum insured or the limit of indemnity, and the balance payment of indemnity from the renewed sum insured or the limit of indemnity may not be claimed.

Article 5

Indexation of the sum insured

1. If the indexation of the sum insured is agreed in the insurance policy, the insurer shall annually, during the insurance period, adjust the sum insured of the insured building by a price index from the following annual date.
2. In the case of indexation of the sum insured, the amount of the premium shall also be adjusted proportionately to the adjustment of the sum insured.
3. The price index is determined by the insurer on the basis of data from the Statistical Office of the Slovak Republic on the Price Indices of Construction Works and Price Indices of Materials and Products Used in the Construction Industry.
4. The insurer has the right to round the sum insured adjusted by the index to whole hundreds of EUR according to mathematical rules.
5. The policyholder and/or the insured may request the insurer to cancel/set up indexation at the end of the insurance period, and the request must be delivered to the insurer in writing no later than six weeks before the end of the insurance period.

Article 6

Insurance indemnity

1. The insured's right to indemnity from the insurer (insurance indemnity) arises when an insured event occurs.
2. An insured event is any accidental event connected with the insurer's obligation to provide insurance indemnity.
3. If an insured event occurred due to:
 - (a) damage to the subject of insurance, the insured is entitled to indemnity from the insurer in the amount of the reasonable costs incurred to repair the insured item,
 - (b) damage to or a loss of the subject of insurance, the insured is entitled to indemnity from the insurer in the amount of the reasonable costs incurred to reacquire the insured item.
4. In the event of destruction of an insured building that has been insured for a new or recommended value, the insurer shall only provide indemnity exceeding the time value if:
 - (a) its residual lifespan determined under generally binding legal regulations at the time of occurrence of the insured event is higher than 20%,
 - (b) the insured shall reacquire the insured item within three years from the insured event at the place of insurance, or also at another place within the territory of the Slovak Republic if the reacquisition at the place of insurance is not feasible for legal

or economic reasons. The insurer shall provide the part of insurance indemnity exceeding the time value of the item after the insured provides him with documents proving the reacquisition of the insured item.

5. In the event of damage, destruction or loss of items belonging to third parties, the insurer will provide indemnity in the time value only if the insured is obliged to bear the costs of repair of the damaged or destroyed item or reacquisition of a lost item and/or the insured has already incurred these costs. If the insured is not obliged to bear these costs, the insurer is not obliged to provide insurance indemnity.
6. In the event of an insured event occurring to glass, caused by the risk of breakage of glass, the insurer shall also cover the reasonable costs:
 - (a) of relocation, disassembly, assembly and installation of foils, safety bars, etc., auxiliary works such as scaffolding, lifting equipment, required to repair or install the insured glass after the insured event; the sum of these costs and the indemnity from the insurance risk of glass breaking may not exceed the sum insured agreed for the subject of insurance or the limit of indemnity agreed for the risk,
 - (b) associated with modifications in to temporarily protect the property until it is possible to replace the broken insured glass; the limit of indemnity for these costs is 20% of the limit of indemnity agreed for the risk and is agreed within the limit of indemnity agreed for the risk.
7. The insurer has the right to pay the insurance indemnity gradually on the basis of:
 - (a) calculations of construction works prepared by the insurer,
 - (b) calculations of construction works submitted by the insured and approved by the insurer,
 - (c) invoices for the performed construction works submitted by the insured and assessed by the insurer in accordance with the prices at the time the invoices are issued,
 - (d) an expert opinion.
8. The insurer will provide indemnity for all insured events during one insurance period up to the amount of:
 - (a) the sum insured or the limit of indemnity determined for the relevant subject of insurance or costs,
 - (b) the limit of indemnity agreed in the insurance policy for the relevant insurance risk.

The lower of the stated sums is decisive in terms of the amount of indemnity.
9. If the insurer is obliged to provide insurance indemnity in the event of an insured event, then to the insured who:
 - (a) is a payer of the value added tax ("VAT") the insurer shall pay the indemnity without VAT; unless the insured item has been stolen and VAT has been included in the sum insured, in which case the insurer shall pay the indemnity including VAT,
 - (b) is not a VAT payer the insurer shall pay the indemnity with VAT, but only provided that VAT is included in the sum insured of the insured item specified in the insurance policy.

10. After the payment of the insurance indemnity, the sum insured or the limit of indemnity for the relevant item of the subject of insurance shall be reduced by the amount of indemnity paid. The sum insured or the limit of indemnity will be automatically increased to the original amount after the balance payment of the corresponding insurance premium. This balance payment of the premium may be deducted from the indemnity.

Article 7

Methods of securing the insured property

1. *Building structures and accessories* of buildings located on the outside of the insured building, for the case of theft and damage resulting from attempted theft, damage resulting from an attempt to break into the building where they are located or damage

resulting from vandalism, with the lower edge or lower edge of their structural mounting at a height of:

- (a) up to 3.5 m above the level of the surrounding terrain and up to 1.5 m from a place accessible in the horizontal direction, must be structurally fixed by non-removable connection,
 - (b) more than 3.5 m above the level of the surrounding terrain and more than 1.5 m from a place accessible in the horizontal direction, may be structurally fixed by non-removable connection.
2. *The place of insurance* must be, during the absence of the insured, secured against theft, damage resulting from attempted theft or burglary or damage resulting from vandalism as follows:
- (a) all entrance doors to the insured building must be properly closed and locked with a cylinder lock,
 - (b) all entrance doors to the insured ancillary building, garage or construction site facility must be properly closed and locked,
 - (c) windows, doors to balconies, loggias, terraces and other openings on the insured building, insured ancillary building or garage must be closed and secured from the inside by a closing mechanism so that they cannot be opened from the outside without mechanical damage or destruction.
3. *Building material and construction machinery and mechanisms* must be secured against theft, damage resulting from attempted theft or burglary or damage resulting from vandalism in one of the following ways:
- (a) they must be located in the insured family house, garage, ancillary building or on a construction site facility located on the same land as the insured family house, insured garage or insured ancillary building in the manner specified in paragraph 2 (a) to (c) of this Article of these OPP-HHI-B,
 - (b) they must be locked in another non-transferable object or locked to another non-transferable object located on the land that is fenced with a minimum fence height of 1.4 m and all passages/gates in the fence must be properly closed and locked; if a part of the fence consists of the external walls of the building, garage or ancillary building, all entrance doors and windows must be secured in accordance with para. 2 (a), (b) and (c) of this Article of these OPP-HHI-B.

Article 8

Obligations of the insured

1. In addition to the obligations specified in the VPP-MZ, the insured is obliged to:
 - (a) ensure full flow rate of the sewer drainage pipe,
 - (b) maintain water supply facilities in working order and ensure their regular inspection,
 - (c) ensure adequate heating of the building during cold seasons,
 - (d) close the water supply and drain the pipes in the event of a threat of water damage.
2. The insured is further obliged to:
 - (a) notify the insurer in writing of a change of owner of the subject of insurance specified in the insurance policy,
 - (b) secure the place of insurance in accordance with article *Methods of securing the insured property* of these OPP-HHI-B.

PART III.

LIABILITY INSURANCE

Article 1

Scope of insurance

1. If liability insurance has been agreed in the insurance policy for damage resulting from the ownership of the insured building, the insurance covers the insured's liability for damage caused to third parties or authorized persons:

- (a) resulting from the ownership of the insured building, at the place of insurance specified in the insurance policy and the land on which the insured building is located,
 - (b) during the repair or technical improvement of the building performed individually at the place of insurance specified in the insurance policy.
2. The insurance only covers damage resulting from a damage-causing event during the insurance period, for which the insured is liable within the scope of the insurance conditions (Loss Occurrence insurance principle).
 3. The insured has the right to have the insurer compensate the injured party within the scope of the insurance conditions for damage caused in connection with the ownership of the insured building for which the insured is responsible, caused to the item and/or health, while:
 - (a) damage to an item means physical damage to a tangible item including consequent damage to property or lost profit due to the loss of the possibility to use the damaged item or due to loss of functionality of the damaged item,
 - (b) personal injury means bodily injury to a person, including illness or death, and material damage, including lost profit, resulting therefrom, where personal injury also includes regressive claims from health insurance companies related to the personal injury of third parties,
 - (c) other material loss caused in direct connection with personal injury, loss of life and damage to an item, if the insured is liable for the damage under the relevant legal regulation.
 4. The insured is also entitled to compensation for reasonable costs:
 - (a) incurred in order to avert the damage covered by the insurance and/or to prevent an increase in the extent of the damage covered by the insurance already incurred, except for the costs incurred by the police, fire brigade or rescue service or other entities that are obliged to intervene in the public interest based on legal regulations; the insurance under this paragraph does not cover any costs incurred by the insured for the maintenance, repair of the item, replacement or improvement of the insured building,
 - (b) of legal representation (up to the amount of the attorney's tariff fee) in connection with a claim against the insured as a result of damage covered by the insurance, even if the claim against the insured is unjustified, but provided that the insurer has given prior written consent to the legal representation acts of the insured.

Instead of reimbursing the costs of legal representation, the insurer is entitled to appoint a legal representative for the insured to the necessary extent, who will represent the insured in proceedings on compensation for damage at the insurer's cost.

The insured is entitled to notify the insurer within ten days of the insurer's notification that the insured does not agree with the appointment of a legal representative. In such a case, the procedure under the introductory provision of letter b) of this paragraph of these OPP-HHI-B shall apply.

The insurer reserves the right to investigate, review and settle out of court any claim at its own discretion.

Article 2

Insurance exclusions

1. The insurance does not cover any liability for damage:
 - (a) for which the insured is not liable under applicable legal regulations,
 - (b) assumed beyond the scope stipulated by generally binding legal regulations, except in cases for which the insured person would be liable under generally binding legal regulations even if it did not commit to liability for damage by contract or agreement,
 - (c) assumed under a contract, including compensation for non-fulfilled contractual obligations,

- (d) caused by a breach of a legal obligation by the insured before concluding the insurance policy,
- (e) caused by an action, for which a legal regulation imposes an obligation to conclude liability insurance or which gives rise to claims subject to any compulsory, statutory or compulsory contractual insurance,
- (f) caused by a delay in fulfilling a legal or contractual obligation,
- (g) caused by non-fulfilment of the obligation to ensure that the insured event does not occur, to take appropriate measures to avert it and to mitigate its consequences,
- (h) not resulting directly from material damage to an item or personal injury, the so-called net financial loss, except in cases where this insurance is agreed in the insurance policy,
- (i) any claims related to breach of the right to personality protection or other costs resulting from non-material damage,
- (j) caused by a breach of the duty of household members in the personal (non-working) life of citizens.

2. The insurance also does not cover liability for damage:

- (a) to the insured building,
- (b) caused to a building that is used illegally by the injured party,
- (c) caused by soil subsidence, landslide, erosion,
- (d) damage caused as a result of vibration, demolition or removal works or use of explosives,
- (e) caused by failure or fluctuations of public distribution of electricity, gas, water, heat and public electronic communication networks,
- (f) caused by temperature, leaking substances (gases, vapours, smoke, etc.), noise or gradual penetration of moisture,
- (g) caused by fungi, moulds or similar organisms, and any by-products or infestations resulting from them (e.g. mycotoxins, spores),
- (h) to trees, garden and forest crops,
- (i) caused by formaldehyde, asbestos, silicon, persistent organic pollutants, polychrome biphenyls, methyl tert-butyl ether, lead, mercury, artificial mineral fibres,
- (j) due to a sudden and unforeseeable leak of pollutants (pollution incident),
- (k) caused by design and engineering activities and geological survey,
- (l) caused during construction works performed by a legal entity or a natural person - entrepreneur other than the insured,
- (m) caused by a long-term effect or impact of the construction on the environment, when it is not possible to objectively determine the time of an accidental event that caused the damage, or it is not possible to objectively determine the time of damage.

3. The insurance also does not cover liability for damage:

- (a) caused by the use of weapons or ammunition, their possession and carrying,
- (b) to movable property that is not owned by the insured, but has been leased to him or is used by him.

4. The insurance also does not cover liability for damage:

- (a) caused to a close person, the entitled person or a person living with the insured,
- (b) caused by their business partners, their close persons and persons living with the business partners in the common household,
- (c) to the business entity in which the insured, its close person or a person living with the insured has an ownership interest in the amount of the share of this ownership interest.

Article 3

Territorial validity of the insurance

1. The insurance covers insured events that occurred in the territory of the Slovak Republic, unless otherwise stated in the insurance policy.

Article 4

Limit of indemnity

1. The sum insured or the limit of indemnity is the amount determined by the insured that must always be stated in the insurance policy.
2. The sum insured or the limit of indemnity is the upper limit of the insurer's indemnity for one insured event under the conditions agreed in the insurance policy.
3. The sublimit is a part of the limit of indemnity agreed in the insurance policy as the maximum amount of compensation that the insurer will pay for a certain type of damage to which the sublimit applies, while the sublimit does not increase the limit of indemnity.
4. The insurer will provide the indemnity for all insured events during an insurance period up to the maximum amount of twice the limit of indemnity.
5. The costs of provided health care, indemnity provided from sickness insurance or pension insurance do not increase the limit of indemnity and the insurer will provide their compensation together with compensation for damage of up to a maximum of 10% of the sum insured or the limit of indemnity for liability insurance, unless otherwise stated in the insurance policy.
6. The costs of preventing the damage covered by the insurance and/or preventing an increase in the extent of the damage already covered by the insurance do not increase the limit of indemnity and the insurer will provide their compensation together with compensation for damage of up to a maximum of 20% of the sum insured or the limit of indemnity for liability insurance, unless otherwise stated in the insurance policy.
7. The costs of legal representation do not increase the limit of indemnity and the insurer will provide their compensation together with compensation for damage of up to the amount of the sum insured or the limit of indemnity for liability insurance, unless otherwise stated in the insurance policy.

Article 5

Insurance indemnity

1. Multiple time-related instances of damage resulting, directly or indirectly, from the same cause, source, circumstance, event, or other danger, are considered one damage, regardless of the number of injured parties (serial damage). The moment of occurrence of each damage from serial damage, regardless of the actual moment of its occurrence, is understood as the moment when the first of them occurred.
2. The insurer has the right to refuse indemnity if the insured does not object to the limitation period without the insurer's consent, undertakes to pay the time-barred claim or concludes a court settlement or fails to appeal in time against the decision of the competent authorities on damage compensation, unless the insured has received another written instruction from the insurer within the appeal period.
3. The insurer is entitled to reimbursement of the provided indemnity against the insured, if the insured intentionally misleads the insurer about the material circumstances concerning its obligation to perform.
4. If the insurer has compensated damage for the insured, the insured's right to compensation for damage or another similar right that the insured has against a third party in connection with its liability for damage shall pass to the insurer.
5. If the insured has a right against the injured party or a third party to a refund of the amount paid or to a reduction of the pension or to the suspension of its payment, this right passes to the insurer if the insurer paid this amount for the insured or pays a pension for the insured.
6. Also the following rights of the insured shall pass onto the insurer:

- (a) right to reimbursement of the costs of proceedings on compensation for damage awarded to the insured against the other party to the proceedings, if the insurer paid them,
- (b) right to settlement or sanction, up to the amounts the insurer paid for the insured.

Article 6

Obligations of the insured

1. In addition to the obligations specified in the VPP-MZ, the insured is obliged to:
 - (a) inform the insurer in writing that a claim for damages has been asserted against him,
 - (b) inform the insurer in writing that criminal proceedings have been initiated against him in connection with a damage-causing event,
 - (c) inform the insurer in writing that the right to compensation for damage has been asserted against him with court or another body,
 - (d) follow the instructions of the insurer (in particular, during proceedings on damage compensation).
2. In the event of circumstances that justify the transfer of rights, the insured is obliged to immediately notify the insurer and provide him with the documents necessary for the exercise of these rights.
3. In the event of a breach of the obligations specified in these OPP-HHI-B, the insurer is entitled to reimbursement of the provided indemnity from the insured, depending on the seriousness of the breach of an obligation.

Article 7

Termination of insurance

1. In addition to the provisions of the VPP-MZ, the liability insurance for damage resulting from the ownership of a building will also be terminated with the termination of the insurance of the insured buildings.

PART IV.

DEFINITIONS

1. **Sonic boom** is a shock wave caused by the flight of a supersonic aircraft.
2. **Atmospheric precipitation** is the condensation or sublimation of water vapour in the air, which then falls on the earth's surface. It is all water in a liquid or solid state (rain, drizzle, snow, hail, snow grains, freezing rain, hail and snow needles) falling to the earth's surface from all types of clouds, the so-called vertical precipitation.

The insurance risk of *atmospheric precipitation* does not apply to any damage caused:
 - (a) by getting soaked, drenched, or soaked with water, the source of which was not atmospheric precipitation,
 - (b) by penetration of atmospheric precipitation through openings on the outside of the insured building caused by repair or technical evaluation.
 - (c) on the outside of the insured building (roof covering, perimeter walls, external building components and building accessories).
3. **Stormy wind** is the dynamic action of a mass of air moving at a speed of 62 km/h (17.2 m/s) or faster (e.g. windstorm, whirlwind, hurricane, typhoon, cyclone, tornado). If this speed is not ascertained at the place of damage, the insured must prove that the air flow caused damage to properly maintained buildings or other equally durable things in the vicinity of the insured item, or that the damage could only have occurred as a result of a stormy wind in the flawless condition of the insured building in which the insured items are located.

For the purposes of determining the wind speed, only the measurement performed by the Slovak Hydrometeorological Institute is accepted. As part of stormy winds, insured events

caused by falling or throwing objects onto the insured property are also insured, if the fall or throwing was caused by stormy winds.

4. **Flat** is a dwelling room or a set of dwelling rooms with accessories, including balconies, loggias, or terraces, without a share in the common areas and facilities of residential houses or family houses, arranged in a functional unit with its own closure, intended for living.

For insurance purposes, premises that is registered as a non-residential premises in the title deed and are used for housing (e.g. an apartment) is also deemed to be a flat.

Dwelling room is a room that due to its construction solutions and facilities meets the conditions for permanent housing.

Flat accessories are rooms serving the communication, economic or hygienic functions of the flat. Accessories include ancillary rooms and premises intended to be used with the flat.

Ancillary rooms are non-residential rooms in the flat (e.g. bathroom, toilet, pantry) that are under the common closure of the flat and are covered by the insurance in the case of flat insurance.

Ancillary premises are non-residential rooms located outside the flat (cellar, warehouse, garage in the floor plan of the residential house or family house), which are not under the common closure of the flat, but are covered by the insurance in the case of flat insurance.

6. **Temporary housing** means that the subject of insurance is, or will be if it is under construction, inhabited for less than 183 days a year or is left, or will be left if it is under construction, uninhabited for more than 60 consecutive days during the year.
7. **Cylinder lock** is a mechanism that is usually separated from the respective lock and is controlled with a key.
8. **Third party** is a person other than the insured, the policyholder, a person living with the insured, an entitled person or an authorized person.
9. **Residential house** is a building with at least half of the floor area being intended for housing, consisting of four or more flats, common areas and facilities, with a common main entrance from a public road. A residential house may also include non-residential premises.
10. **Family house** is a building designed primarily for family housing with a separate entrance from a public road with a maximum of three flats, two floors and an attic. This category of houses includes all types of family houses, mainly detached houses, but also terraced, terrace, atrium, semi-detached houses and houses for individual recreation (small houses, cottages, chalets). A garage in the floor plan of the family house is also considered a part of the family house. A family house with more than 1 flat can also include common areas and facilities and non-residential premises.
11. **Smoke** is smoke suddenly released from combustion, heating, drying, or cooking equipment.

The insurance risk *smoke* does not apply to damage caused by permanent exposure to smoke.
12. **Erosion** is the physical process of disrupting and eliminating a part of the earth's surface by external (exogenous) factors.
13. **Garage** is a free-standing lockable space including garage parking space or garage parking box located outside the floor plan of the residential house or family house used to store a motor vehicle and its accessories located at the same address as the insured flat or family house. A garage, garage parking space, garage parking box can also be located at an address other than the insured flat or family house, provided that this address is specified in the insurance policy and is located in the same municipality as the insured flat or family house. A garage also includes its structural components and accessories.
14. **Pollution incident** is a sudden and unforeseeable release of pollutants causing personal injury and/or damage to items caused

or resulting from leakage, dispersion, emission, seepage, vaporization or release of pollutants into the soil, air or watercourses, provided, however, that it is exclusively a sudden, identifiable, unforeseeable and unintentional event that occurred in a specific time at a specific place, and provided, at the same time that a claim for compensation for damage against the insured person is exercised during the insurance period on the first occasion. Costs and expenditures incurred during the removal, elimination or clearing the consequences of the pollution incident are included in the damage.

Claims related to environmental damage under Directive 2004/35/EC of the European Parliament and of the Council on environmental liability with regard to the prevention and remedying of environmental damage or in accordance with generally binding legislation governing environmental liability or remedying environmental damage are not considered to be damage due to a pollution incident.

15. **Value:**

- (a) **time** value is the baseline or usual value reduced by the amount corresponding to the degree of wear and tear (technical value) and represents the price that the item had immediately before the insured event.
- (b) **recommended** value insurance value of the building as determined by the insurer on the basis of input data provided by the policyholder, which are specified in the draft insurance policy.
- (c) **usual** value is the resulting objectified value of buildings determined on the basis of an expert estimate as the most likely price on the date of their valuation, which they should achieve on the market in conditions of free competition (market value), in fair sales, when both buyers and sellers act with appropriate information and caution and with the assumption that the price is not influenced by any unreasonable motive.
- (d) **baseline** value is an estimate of the value for which the evaluated building could be acquired in the form of construction (construction costs) at the time of evaluation.

16. **Implosion** (negative pressure) is a sudden equalization of pressure inward a space that was previously closed.

17. **Structural mounting** is a fixed connection between the item and the building. A fixed connection between the item and the building can be of the detachable or non-detachable type.

A detachable connection is understood as a connection where only a minimum of hand tools is required to disconnect it.

A non-detachable connection is understood as a connection where the insured item cannot be disconnected without destructively disrupting the connection and/or the insured item.

18. **Theft** is the appropriation of the insured item by a third party if the perpetrator seizes the item in one of the following ways:

- (a) it entered the place of insurance with a demonstrable use of a tool or device which is not intended to open it properly or by any other destructive means,
- (b) it entered the place of insurance using a key intended for its proper opening, which was demonstrably seized by burglary or robbery,
- (c) it entered the place of insurance in a manner other than those referred to in point (a) or (b) of this paragraph, leaving traces proving its unauthorized presence, or there is other evidence (e.g. camera footage) confirming the intrusion and presence of the perpetrator.

The insurance risk *theft* does not apply to any damage:

- (a) which have not been reported to the police,
- (b) with regard to which the insured did not allow the insurer access to the investigative or similar file of the police and did not provide copies of the documents contained therein at the request of the insurer,
- (c) caused by embezzlement or fraud,
- (d) caused by the loss, i.e. regular theft without overcoming the security of property against theft or vandalism, except for the

case specified in Part II Article 2 para. 5 of these OPP-HHI-B.

19. **Hail** is a phenomenon occurring when pieces of ice formed in the atmosphere fall on the earth's surface.

The insurance risk of *hail* does not apply to any damage of aesthetic nature that do not affect the functionality or life span of the insured building.

20. **Avalanche** is a sudden fall of a snow or ice layer from natural slopes, including the atmospheric pressure (shock wave) caused by an avalanche.

21. **Robbery** is a seizure of the item by the perpetrator:

- (a) using violence or a threat of imminent violence against the insured, another entitled person or a person authorized by the insured,
- (b) by using the reduced resistance of the insured or entitled person or as a result of their physical weakness after an accident (not causally related to conscious consumption of alcohol, drugs or drug misuse) or as a result of another cause for which the insured, entitled person or person authorized by the insured may not be held responsible.

The insurance risk of *robbery* does not apply to any damage:

- (a) which have not been reported to the police,
- (b) with regard to which the insured did not allow the insurer access to the investigative or similar file of the police and did not provide copies of the documents contained therein at the request of the insurer.

22. **Place of insurance beyond municipal boundaries** is a place located outside the built-up territory of the municipality or outside the territory designated by the zoning plan for development (the so-called extraviľan or rural area). Rural area also include isolated settlements (e.g. artificial scattered settlements, hamlets, cottages, etc.).

In the event that the place of insurance, according to the entry in the title deed, is located in a rural area, but at the same time it is a built-up area of the municipality or an area designated by the zoning plan for development which is located behind the road sign Municipality or City District or within 200 m from the border of the urban area, for insurance purposes the place of insurance is considered to be located in a built-up part of the municipality (i.e. in the urban area).

23. **Modernization** is the extension of the equipment or usability of tangible assets by such components that the original assets did not contain, while forming an integral part of the assets. An integral part of assets is understood as independent items intended for common use with the main item and form one property unit with it.

24. **Frost** is a state when the temperature drops below 0 °C provided that such temperature lasted at least for 24 hours (arctic day, or day with all-day frost) and with regard to the place of insurance this state was confirmed by the Slovak Hydrometeorological Institute.

The insurance risk *frost* does not apply to any damage caused by freezing of water as a result of non-heating the insured building.

25. **Mycotoxins** are toxic organic substances that are produced by a number of microscopic fungi (moulds).

26. **Costs of replacement accommodation** are costs incurred in connection with an insured event on an insured item, as a result of a legal obligation for hygiene, safety, environmental reasons or in the public interest, for adequate replacement accommodation of the insured and persons living with the insured who live in the insured flat or family house. The subject of the indemnity is the costs for the period from the occurrence of the insured event on the insured building until the time of its reacquisition or repair, for a maximum period of 6 months.

27. **Costs of restoring or repairing a gravestone or headstone** are costs incurred in connection with an insured event for restoration or repair of a destroyed or damaged gravestone, headstone and

their components owned by the insured, which was caused by the groups of risks Element, Theft or Vandalism.

The condition for the right to indemnity in the event of the risk of Theft or Vandalism is to report the damage to the police.

28. **Costs for the restoration of permanent vegetation and plants as part of the structure of the building** are costs incurred in connection with an insured event for the restoration of permanent vegetation and plants that form part of the structure of the building and are part of the project documentation of the building (e.g. so-called green roofs).
29. **Costs of removing residues** are costs incurred in connection with an insured event for clearing the place of insurance, including the removal of standing damaged parts of the insured buildings, removal of rubble and other residues to the nearest landfill and their storage or destruction.
30. **Costs of removing undamaged parts** are costs incurred for material and work done in connection with an insured event for dismantling or re-mantling the undamaged parts of the insured buildings.
31. **Costs of cleaning or drying damaged parts** are costs incurred in connection with an insured event, as a result of a legal obligation for hygiene, safety, environmental reasons or in the public interest, for cleaning or drying parts of the insured buildings.
32. **Costs of cleaning a well** are costs incurred in connection with an insured event, as a result of a legal obligation for hygiene, safety, environmental reasons or in the public interest, for cleaning a well at the place of insurance which is the only source of drinking water.
33. **Rescue costs** are reasonable and functionally incurred costs under the article Rescue Costs of the VPP-MZ.
34. **Costs of water or other media leakage** are costs incurred in connection with an insured event to cover the costs of sudden and unexpected leakage of water or other medium from the internal distribution of the building, resulting from the difference between the consumption and the delivered volume of the medium by its supplier. The subject of insurance only covers damage that occurred in a causal connection with the accidental event referred to in paragraphs 2 and 3 of the article Insurance Risks of these OPP-HHI-B (consequent physical damage), resulting in the right of the insured to insurance indemnity. The subject of insurance is not gradual or expected leakage of water or other medium.
35. **Collision or crash of an unmanned flying object** is a collision or crash of an RC model or an unmanned aerial vehicle (drone) that is movable and controlled remotely by a signal. An RC model is a radio-controlled scale model, or an imitation of an aerial vehicle (e.g. aircraft, helicopter).
36. **Collision or crash of a manned flying object** is a collision or crash of a manned aerial vehicle (aircraft, glider, helicopter, airship, balloon, hang glider, etc.), its parts, objects or crew that have fallen from it. Collision or crash of a manned flying object also include cases where the flying object took off with the crew, but as a result of an event preceding the collision or crash, the crew left the flying object.
37. **Collision of a motor vehicle driven by the insured** is a collision of a motor vehicle or mobile industrial machine (hereinafter referred to as "*vehicle collision*") driven by the insured or persons living with the insured in a common household. Vehicle collision also includes the collision of a vehicle cargo or the ejection of an object caused by the vehicle collision.

The insurance risk *collision of a motor vehicle* driven by the insured does not apply to any damage caused to motor vehicles and mobile work machines themselves and their cargo.

38. **Collision of a motor vehicle driven by a person other than the insured** is a collision of a motor vehicle or mobile industrial machine (this term hereinafter referred to as "*vehicle collision*") driven by a person other than the insured or persons living with the insured in a common household. Vehicle collision also includes collision of a vehicle cargo or the ejection of an object caused by the vehicle collision.

The insurance risk *collision of a motor vehicle driven by a person other than the insured* does not apply to any damage caused to motor vehicles and mobile work machines themselves and their cargo.

39. **Non-residential premises** means a room or a set of rooms designated by the building authority for purposes other than housing. Non-residential premises do not include flat accessories or common areas and common facilities of a apartment building, these can be converted into non-residential premises only with the permission of the building authority.
40. **Wear and tear** is the natural loss of value of an item caused by its use.
41. **Repair (maintenance)** removes, in particular, partial physical wear and tear or damage for the purpose of its restoration to original or serviceable condition. The costs of repair include costs of material and work. Restoration to serviceable condition means repairs using also non-original materials, spare parts, components or technologies, without changing the technical parameters or increasing the performance or changing the purpose of use of the item. Maintenance slows down physical wear and tear, prevents its consequences and eliminates minor defects.
42. **Fall of trees, poles and other objects** is a movement of objects with the characteristics of a fall caused by the earth's gravity, while the object is not part of the damaged item.

The insurance risk of *fall of trees, poles and other objects* does not cover any damage caused by falling trees, poles and other objects caused by any human activity.

43. **Fraud** is any wilful action of a person, the intention of which is to mislead a person, or to take advantage of his/her mistake in order to enrich himself/herself or another or to cause damage to another person.
44. **Flood** is the flooding of the premises at the place of insurance with water overflowed from the banks of surface water (rivers, lakes, reservoirs, etc.) or breaking these banks. In the case of a fenced watercourse, the banks of watercourse mean the dam body.

Flood also includes:

- (a) an increase in the ground (subterranean) water level due to floods or atmospheric precipitation at the place of insurance,
- (b) return of water from the sewerage caused by floods or atmospheric precipitation at the place of insurance.

The insurance risk *flood* does not apply to damage-causing events occurring as a result of:

- (a) flood or in direct connection with a flood within 10 days after taking out the insurance or after increasing the sum insured, unless otherwise agreed in the insurance policy,
- (b) flood or in direct connection with the flood, if the draft insurance policy was accepted on the day or during the declaration of level 2 or 3 flood activity and which occurred during this period,
- (c) regulated discharge of water from waterways or reservoirs.

The insurance risk *flood* also does not apply to any damage:

- (a) caused by the mechanical actions of water in water pipes, canals, and tunnels,
- (b) caused by drying out, putrefaction (rotting),
- (c) caused by a flood that with regard to the situation in the place of insurance can be expected, i.e. if the occurrence of floods in the place of insurance was more frequent than once in ten years before the date of occurrence of the damage-causing event,
- (d) caused as a result of missing caps preventing the backflow of water from the sewers, or their malfunction,
- (e) an increase in the level of the ground (underground) water, which was not caused by a flood,
- (f) backwater effect of reservoirs or lakes.

45. **Fire** is a fire in the form of a visible flame that occurred outside the designated fireplace or that left such a fireplace and spread by its own natural force or was intentionally made and/or spread by the

perpetrator. Fire also includes its accompanying phenomena in the form of heat and combustion products generated during a fire and the action of an extinguishing agent used in putting out the fire.

The insurance risk *fire* does not cover any damage caused by:

- (a) exposure to domestic fire or radiant heat,
- (b) smoldering with limited air access.

46. **Overvoltage, undervoltage** means the effects of electromagnetic energy on the insured electrical and electrotechnical devices and equipment including their electronic elements and other electronic components as a result of a voltage peak or a sudden decrease in voltage in the electrical network.

The insurance risk *overvoltage, undervoltage* does not apply to any damage:

- (a) caused by the insurance risk *indirect lightning strike*,
- (b) caused to electrical cables and wiring (e.g. supply or connecting cables, sockets, transformers),
- (c) to devices connected to the electrical and/or data network without any external cause.

47. **Reasonable costs of repairing the item** is the price of repairing the insured item (or its part) to restore the same parameters and performance that the insured item had before the insured event. The price of the repair must be usual at the time and place of the damage.

Reasonable costs of repairing the items or its part do not include wage indemnity for overtime work, night work, holiday work, travel and accommodation costs of technicians and experts from abroad, costs of an expert opinion, costs of earthworks and excavations, costs of additional design work, transport costs of sending the damaged item for repair abroad, including express surcharges and air transport of spare parts.

Reasonable costs of repairing the item only include costs that do not exceed:

- new prices of replaced parts and materials set by the manufacturer and/or importer and/or seller of the relevant item in the Slovak Republic in the given region,
- time standards of repairs and technological procedures set by the manufacturer of the relevant item and/or hourly rates of an authorized serviceman of the relevant item in the Slovak Republic in the given region.

48. **Building accessories** mean items intended to be permanently used with the building and connected to the building with detachable structure mounting.

49. **Reconstruction** means interventions in tangible assets resulting in a change in its purpose of use, a qualitative change in its performance or technical parameters.

50. **Glass** means all types of glass, including artificial glass made of polycarbonate or polymethyl methacrylate (plexiglass):

- (a) installed in external building openings (windows, doors, etc.), including attached sensors of electrical security systems or fire alarms, with a special surface treatment (glued foils, glass etching or glass painting, etc.),
- (b) glass installed in fixed building structures inside the building (e.g. partitions, walls),
- (c) installed on terraces and loggias or pools,
- (d) light pipes, chains, hoses and panels, including their electrical installations and supporting structures.

The insurance risk *breakage of glass* does not apply to any damage to the insured glass caused by its breakage that is caused:

- (a) during transport,
- (b) during installation, assembly, or disassembly,
- (c) caused by scratching, beplastering, painting, spraying or by other similar methods,
- (d) caused by its thawing,
- (e) by the effects of radiant heat when removing coatings or stickers,

- (f) which is part of a greenhouse, unless otherwise stated in the insurance policy.

51. **Short circuit in electric motor** is a short circuit of fixed electric motors intended exclusively for the operation of the insured building (e.g. electric motors of fans, air conditioning units, water and sludge pumps, shading systems, elevators) including damages without any external cause.

The insurance risk *short circuit in electric motor* does not apply to:

- (a) any damage to electric motors within its warranty,
- (b) damage caused by the permanent effects of operation, wear and tear and replacement of parts, except for any replacement in connection with an insured event.
- (c) caused by permanent exposure to moisture, atmospheric, temperature, chemical, electrical or mechanical effects,
- (d) caused by corrosion, erosion, rust, oxidation, cavitation, sediments of all kinds.

52. **Water return from waste pipe** is the outflow of liquid from non-public sewerage that is not caused by a flood, flooding or atmospheric precipitation.

53. **Groundwater** is an increase in the subterranean water level that is not caused by a flood, flooding or atmospheric precipitation.

54. **Embezzlement** is an unlawful appropriation of the entrusted insured item.

55. **Building** is a building structure built by construction works from building products that is firmly affixed to the ground or the placing of which requires modification of the foundation. Firmly affixed to the ground means:

- (a) fixed by a solid foundation,
- (b) fastening with machine parts or welding to a solid foundation in the ground or to another structure,
- (c) anchoring with piles or ropes with an anchor in the ground or
- (d) on another structure,
- (e) connection to networks and technical equipment of the zone,
- (f) placement underground.

A building means any residential house, family house, garage, and ancillary building including all their structures and accessories. The building can be a finished building or a building under construction.

56. **Finished building** is a building suitable for independent use on the basis of:

- (a) valid occupational permit,
- (b) valid decision to waive the occupational permit,
- (c) valid permit for early use of the building.

A building that has not yet been handed over for proper use on the basis of an occupancy permit is also considered a finished building, while, at the same time, the following conditions are required to be met:

- (a) documents were submitted to the building authority proving satisfactory results of the required tests (mandatory inspections) in accordance with the relevant regulations,
- (b) fire protection of the building in terms of the fire protection project is functional and operable.

57. **Building under construction** is a building that is not suitable for individual use (does not meet the definition of a finished building), it is at least at such a stage of construction that its technical and functional arrangement of its first floor is obvious (it is sufficient if the external walls are completely built up to a height of at least one meter a, the partitions inside the building are not necessary) and that is being carried out on the basis of a building permit, or a construction announcement.

58. **Ancillary building** is the following building at the place of insurance of the subject of insurance:

- (a) farm building (shed, barn, workshop, summer kitchen, facilities for breeding domestic animals and growing plants, storage buildings, boiler room, etc.),
- (b) garden shed, gazebo, shelter for garbage containers, etc.,
- (c) well, borehole, cesspool, septic tank, water shaft, water treatment facility, sauna, etc.
- (d) children's and sports playgrounds,
- (e) gas storage, including all building structures, technical, energy and technological equipment of the ancillary building and external connections,
- (f) paved areas such as areas for parking of vehicles, non-public roads, pavements, terraces, etc.
- (g) outdoor lighting, poles, etc.,
- (h) swimming pools including technology which are completely or partially sunk into the ground (e.g. masonry, concrete, prefabricated, ceramic, carbon, laminate, polypropylene, heavy foil pools (must be concrete and/or masonry at the same time), acrylic, composite, skimmer, pools with overflow gutters). Ancillary building does not include pools that are not recommended to be sunk by the manufacturers,
- (i) reinforced above-ground landscaping such as embankments, banks, cascades, rockeries, reservoirs, ditches, drainages, irrigation systems, and minor architecture,
- (j) mechanical barriers for direct securing of the building or its parts against unauthorized intrusion located outside the building (e.g., ramps, roadblocks, turnstiles, gate, fencing). For the purposes of this term, unauthorized intrusion means unwanted entrance,
- (k) retaining walls or parts of retaining walls that are not part of the fence.

Ancillary buildings also include their structures and accessories.

59. **Building structures** are items that belong to the building by their nature and that are built into the building or are connected to it by non-detachable structural mounting.

60. **Building material** is any material that is used for the construction, maintenance, and reconstruction of the insured building and that is located on the same plot as the insured building. These include naturally occurring substances such as clay, stone, sand, wood, or manufactured products. The subject of the insurance does not include more complex building components of a multi-element or movable structure nature, such as windows or doors.

61. **Loss of item** is a situation where the insured has lost, in connection with an insured event and independently of his will, the opportunity to dispose of the item.

62. **Security service** is a regularly trained person who is physically and mentally fit to perform such an activity and is contractually obliged to perform the protection of entrusted property for a specified period of time and in a specified manner.

63. **Construction machinery and mechanisms** are equipment weighing up to 200 kg, including (e.g., mixer, construction lift, mortar pump, hand construction tools), used for the construction, repair, maintenance of an insured flat or family house and located on the same plot as the insured flat or family house.

64. **Technical improvement** is the construction of a superstructure, extension, construction works according to the Building Act, as well as the reconstruction or modernization of property.

65. **Actual residual lifespan** is the technical condition of the property component, which represents its real residual technical and moral condition which it had immediately before the insured event.

66. **Technological part of the building** means operational sets (a set of machines, equipment, and inventory, including their assembly, which is performed in a separate technological process), construction machines and equipment.

67. **Heavy snow or ice** is the destructive effect of excessive weight of snow or ice on roof coverings, load-bearing and other building structures. Excessive weight of snow or ice means a load on the building structure exceeding the values set by the valid standard at the time of issuing an occupational permit.

An insured event caused by heavy snow or ice also includes the leakage of water from melting snow or ice into the building through an opening caused by damage to the building structures due to the weight of snow or ice.

The insurance risk *heavy snow or ice* also does not apply to any damage:

- (a) arising as a result of neglecting the maintenance of the roof of the building or improper construction of the roof,
- (b) caused directly or indirectly as a result of dilapidated, rotten or otherwise damaged roof, supporting or other structures.

68. **Lightning strike:**

(a) **direct** is the direct impact of lightning energy or the temperature of its discharge on the insured item, including damage or destruction of the insured item by a falling object, if its fall was caused by a lightning strike.

The insurance risk *direct lightning strike* does not cover any damage caused by insurance risks *indirect lightning strike, overvoltage, undervoltage and short circuit in electric motor.*

(b) **indirect** is the indirect effect of electromagnetic energy as a result of an excessive increase in current intensity and jumps from overvoltage or induction during lightning strikes or static electricity discharge in the atmosphere on insured electrical and electrotechnical devices and equipment, including electronic elements and other electronic components of these objects.

The insurance risk *indirect lightning strike* does not cover any damage:

- (ba) caused to electrical cables and wiring,
- (bb) to devices connected to the electrical and/or data network without any external cause.

69. **Vandalism:**

(a) **internal vandalism** is intentional damage or destruction caused inside the insured building, where the insured household is located, by a third party (offender).

(b) **external vandalism** is intentional damage or destruction (e.g., painting, spraying, plastering, engraving) of an insured item located in an area immediately adjacent to a publicly accessible place or on the same plot as the insured household, committed by a third party (offender).

The insurance risk *vandalism* does not cover any damage:

- (a) which have not been reported to the police,
- (b) with regard to which the insured did not allow the insurer access to the investigative or similar file of the police and did not provide copies of the documents contained therein at the request of the insurer,
- (c) of aesthetic nature (painting, spraying, beplastering, engraving, etc.), except for the costs of repainting or cleaning the part of the building that has been damaged, e.g. in the case of a multi-storey building, painting to the level of those floors that were directly affected by the damage.

70. **Water from non-public distribution systems** is unexpected and sudden leakage of water, steam or liquid from non-public distribution systems, i.e. fixed water supply or sewerage pipes, heating, air-conditioning, solar or fire-fighting systems, including connected sanitary installations, fittings or equipment connected to these systems belonging to the insured building.

Insurance risk *water from non-public distribution systems* does not apply to:

- (a) any damage caused during pressure tests, repairs or maintenance of items,
- (b) any damage caused to water supply equipment as a result of natural wear and tear or human activity; natural wear means corrosion, erosion, effects of mold, fungi, rotting, etc., human activity means drilling, puncture, etc.,
- (c) any damage caused by soil consolidation if caused by a risk other than a risk from the *Water* risk group.

71. **Water from aquarium, pool, bath or tank** is unexpected and sudden leakage of water, steam or liquid from tanks with a volume of more than 50 litres.

72. **Water from gutters and downspouts** is unexpected and sudden leakage of water or liquid from rain gutters and external downspouts located outside of the insured building designed to drain atmospheric precipitation and which belong to the insured building.

This insurance risk does not apply to any damage caused to water systems as a result of natural wear and tear or human activity; natural wear and tear means corrosion, erosion, effects of mold, fungi, rotting, etc., human activity means drilling, puncture, etc.

73. **Wildlife** are wild animals, not domestic animals, which have caused damage or destruction of the insured building on its outside, e.g., on the external walls or roof structure, etc.

The coverage also includes the costs:

- (a) incurred to remove beehives, wasp or hornet nests, provided that they were preceded by damage caused by wildlife,
- (b) incurred for disinsection and/or rodent control in relation to damage caused by wildlife; this does not apply to cases where the insured is obliged to take the given measures under applicable law, operating rules or other similar document.

74. **Explosion** is sudden destructive action of the compressive force created by the expansion of gases or vapours. Explosion of a pressure vessel with compressed gas or steam (boiler, piping, etc.) means sudden rupture of its walls to such an extent that causes sudden equalization of pressure between the inner part of the vessel and the external environment.

The insurance risk *explosion* does not cover any damage caused by:

- (a) by explosion (reaction) in the combustion space of engines, firearm barrels and other devices and activities in which the energy of the explosion is purposefully used,
- (b) on pressure vessels and equipment (boiler, pipes, etc.) as a result of explosion in these pressure vessels or equipment due to their age, wear and tear, corrosion or due to sediments, sludge, cavitation and other permanent effects of operation.

75. **Volcano eruption** is a release of pressure caused by the disruption of the earth's layer associated with the spewing and pouring of lava, the release of ash or other material or gas.

76. **Inundation** is the creation of a continuous water area by natural effects that stands or flows at the place of insurance for a certain period of time. Inundation also includes:

- (a) an increase in the ground (subterranean) water level due to flooding or atmospheric precipitation at the place of insurance,
- (b) return of water from the sewerage caused by inundation or atmospheric precipitation at the place of insurance.

The insurance risk *inundation* does not apply to any damage:

- (a) arising as a result of creation of a water surface caused by the insurance risk *water from non-public distribution systems*,
- (b) caused by the mechanical actions of water in water pipes, canals, and tunnels,
- (c) caused by drying out, putrefaction (rotting),
- (d) caused by inundation that can be expected with regard to the situation at the place of insurance, i.e. if the occurrence of inundation in the place of insurance was more frequent than once in ten years before the date of occurrence of the damage-causing event,
- (e) caused as a result of missing caps preventing the backflow of water from the sewers, or their malfunctioning,
- (f) increase in the level of the ground (subterranean) water, which was not caused by inundation,
- (g) backwater effect of reservoirs or lakes.

77. **Construction site facility** means ancillary buildings and facilities which, during construction, reconstruction, or maintenance work

on the subject of insurance, temporarily serve an operational, production, storage and social purposes.

78. **Earthquake** is the shaking of the surface of the Earth resulting from movements of the Earth's crust that reaches at least the 5th degree of the European Macroseismic Scale (EMS-98) at the place of insurance.

79. **Rental profit** is the difference between the rental income from the insured building and the fixed expenses (payments to the administrator, energy costs, insurance premiums, loans, taxes, etc.) for its operation. By way of derogation from Article 3 (3) (f) of the VPP-MZ, the subject of insurance includes lost profit from the contractual lease of the insured building arising in connection with the insured event. The subject of insurance includes the lost profit for the period from the occurrence of the insured event on the insured building until the time of its reacquisition or repair, however, for a maximum period of 6 months.

80. **Reacquisition** of a new item:

- (a) for a family house and a garage or ancillary building belonging thereto, it is their
 - (aa) usual value, while maintaining the same type, kind, quality, and parameters as they had immediately before the insured event, or
 - (ab) baseline value, while maintaining the same type, kind, quality, and parameters as they had immediately before the insured event, including necessary costs for project and engineering activities,

The choice of the insured shall be decisive for the amount of the insurance indemnity, when choosing from the stated amounts, but the resulting amount cannot exceed the amount specified in par. ab).

- (b) for a flat and its parts, i.e. living room and accessories of the apartment (ancillary room and ancillary areas), it is their:
 - (ba) usual value, while maintaining the same type, kind, quality, and parameters as they had immediately before the insured event, or
 - (bb) baseline value, while maintaining the same type, kind, quality, and parameters as they had immediately before the insured event, including necessary costs for project and engineering activities,

The higher of the stated amounts shall be decisive for the amount of the insurance indemnity.

81. **Landslide, collapse of rocks or soil** is sudden and unforeseen slide or collapse of soil, earth or rocks caused by natural and climatic effects, including objects that have been set in motion by the landslide.

The insurance *risk landslide, collapse of rocks or soil* (for the purpose of this paragraph hereinafter referred to as "landslide") does not apply to:

- (a) any damage if at the time when the insurance policy was concluded, the landslide had already begun in geological terms,
- (b) any damage caused by landslide, which can be expected with regard to the situation at the place of insurance, i.e. its occurrence was more frequent than once in ten years before the date of occurrence of the damage-causing event,
- (c) any damage where the landslide was caused by any industrial, construction or human activity,
- (d) any damage caused by soil consolidation,
- (e) any costs incurred in connection with landscaping after a landslide.

82. **Domestic animals** are animals bred for the pleasure of citizens (dog, cat, terrarium and aquarium animals, songbirds and ornamental birds, etc.) or for the purpose of obtaining products of animal origin for their own use (poultry, sheep, goats, pigs, cattle), i.e. not for profit.

PART V.
FINAL PROVISIONS

1. The provisions of these OPP-HHI-B relating to the insured shall apply to the policyholder (if the policyholder is a person other than the insured person) and/or other entitled person.
2. In the insurance policy it can be agreed that the insurance applies/does not apply to subjects of insurance other than the subjects specified in these OPP-HHI-B.
3. The insurance policy may deviate from the provisions of these OPP-HHI-B.
4. These OPP-HHI-B shall take effect on 20.07.2022.