

General Terms and Conditions
Industry Insurance – Insurance of Thing and Other Property

Article 1
Introductory Provisions and Scope of Insurance

1. Private insurance is governed by Insurance Policy and Amendments in Related Legislation Act No. 37/2004 Coll. (hereinafter referred to as “Insurance” and “Act”). Allianz pojišťovna, a. s., as the Insurer, issues these General Terms and Conditions (hereinafter referred to as Insurance Conditions) pursuant to the Act. Where, in cases in which the Act allows to do so, these Insurance Conditions or Insurance Policy contain regulation deviating from certain provisions of the Act, the regulation specified in these Insurance Conditions or Insurance Policy shall apply. In the absence of such regulation in Insurance Conditions and Insurance Policy, the provisions of the Act shall apply.
2. Insurance Conditions are, pursuant to the Act, an integral part of Insurance Policy. Where there is reference in any provision of the Act to Insurance Policy, the regulation specified in these Insurance Conditions shall apply as if they were Insurance Policy.
3. The Policyholder must provably be familiarized with these Insurance Conditions prior to concluding the Insurance Policy, which he/she affirms by signing the Insurance Policy. These Insurance Conditions are in force for the entire duration of Insurance concluded by means of Insurance Policy and they cannot be changed without the Policyholder’s consent.
4. Other supplementary provisions related to this type of Insurance – Special Conditions and/or Endorsements – may be part of Insurance Policy.
5. The Insurance to which these Insurance Conditions apply is insurance against loss and damage, which is designed to provide compensation for damage caused by insured event.
6. Insured event is any fortuitous event which results in material damage to the Insured Thing or other Property (hereinafter referred to as “Thing” or “Insurance of Thing”) specified in Insurance Policy or these Insurance Conditions or Special Conditions, which the emergence of the Insurer’s duty to indemnify the Insured is subject to.
7. Insurance based on these Insurance Conditions may only be concluded where there is insured interest. Insured interest is defined as the justified need for protection from consequences of fortuitous event caused by Insured Peril.
8. Insurance may be concluded against individual insured perils or groups thereof, as listed in Articles 2 – 10 in these Insurance Conditions. In all cases, the Insurance only covers those individual insured perils or groups thereof against which the Insurance was expressly concluded.

Article 2

Insurance against Fire, Lightning, Explosion and Impact of Crash of Aircraft. Exclusions from this Insurance.

1. The Insurer shall indemnify the Insured where the Insured Thing was damaged, destroyed or lost in relation with insured event caused by:
 - a) Fire,
 - b) Lightning,
 - c) Explosion,
 - d) Impact or crash of aircraft or its component, or cargo being carried by aircraft.

2. For the purposes of these Insurance Conditions, the following definitions shall apply:
 - a) Fire shall mean fire which originated or spread by itself outside the designated fireplace; short circuit in the electrical wiring followed by light and thermal effect shall not be considered damage caused by fire;
 - b) Lightning shall mean the direct passage of lightning onto the Insured Thing; damage to electrical or electronic equipment caused by over voltage during a storm shall not be considered damage caused by direct lightning, unless Insurance against such damage is expressly stipulated in Insurance Policy;
 - c) Explosion shall mean a sudden manifestation or expandability of gasses or fumes outwards; explosion of pressure vessel permanently filled with compressed fumes or gasses shall mean tearing its wall to such extent that sudden equalization of inside and outside pressures occurs; where there is explosion inside a pressure vessel as defined in the first sentence of this paragraph as a result of chemical reaction, the Insurer shall indemnify the Insured for resulting damage also in cases where the wall of the vessel was not torn.
3. Based on Insurance as specified in this Article, the Insurer shall not be liable for damage caused by:
 - a) Singeing not caused by fire, explosion or lightning,
 - b) Exposure of Thing to useful fire or heat,
 - c) Under-pressure (vacuum) or implosion
 - d) Guided explosion while performing blasting operations or other pyrotechnical or similar work,
 - e) Insured peril specified in para.1 which was induced by:
 - e.1. earthquake (Article 4, para.3),
 - e.2. civil commotion

Article 3

Insurance against Windstorm and Hailstorm. Exclusions from this Insurance

1. The Insurer shall indemnify the Insured in cases where the Insured Thing was damaged, destroyed or lost in relation with insured event caused by:
 - a) Direct effect of windstorm or hailstorm on the Insured Thing,
 - b) The hurling of an object against the Insured Thing as a result of windstorm.
2. For the purposes of these Insurance Conditions, a windstorm shall mean the flow of air at the insurance location at a minimum of 75 km/hour. Where the speed of the flowing of air cannot be established the Insurer shall indemnify the Insured in cases where the Insured proves that:
 - a) The flow of air in the surroundings of the insurance location caused damage to buildings or structures similarly resistant which were in top condition,
 - b) With regard to the top condition of the insured building, the damage could only have occurred as a result of windstorm.
3. Based on Insurance as specified in this Article, The Insurer shall not be liable for damage caused by:
 - a) Fire, explosion, lightning (Article 2, para.2), impact or crash of aircraft or its component or cargo being carried by aircraft,
 - b) Avalanche (Article 4, para.7),
 - c) Penetration of precipitation or impurities into a building as a result of imperfect or insufficient closing of windows or outer doors and other apertures, provided the penetration did not occur as a result of damage to structural parts or other apertures caused by windstorm or hailstorm,
 - d) Rising of water caused by windstorm.
4. Unless otherwise stipulated in the Insurance Policy, the Insurer shall not be liable for Things located outside buildings with the exception of Things located on the outer shell of the building

which are fixedly attached to the outer shell of the building (e.g. lettering, neon advertisements, marquees, aerial systems, outside electrical wiring including supporting structures).

Article 4

Insurance against Natural Disasters (excluding Windstorm and Hailstorm). Exclusions from this Insurance.

1. The Insurer shall indemnify the Insured in cases where the Insured Thing was damaged, destroyed or lost in relation with insured event caused by:
 - a) Flood,
 - b) Earthquake,
 - c) Volcano eruption,
 - d) Subsidence or landslide,
 - e) Avalanche and the effects of weight of snow.The Insurance covers insured perils specified in this paragraph which were stipulated in the Insurance Policy; Insurance may be concluded against all these insured perils.
2. Flood
 - a) For the purposes of these Insurance Conditions, a flood shall mean flooding of the insurance location (Article 15) by water which rose above embankment of a water flow or reservoir as a result of natural phenomena (rain, thawing, ice drift, etc.) or disorder in water scheme etc., and flooding an area without a natural or sufficient drainage as a result of precipitation or during stream flow of precipitation water, so-called rainfall.
 - b) The Insurer shall not be liable for damage caused by flood in areas liable to floods unless otherwise stipulated in Insurance Policy. Areas liable to floods shall mean inundation areas (overflow land) flooded at intervals of 20 years or less. Inundation area shall mean the area adjacent to water flow which is flooded should the flow rate exceed the capacity of its tray.
 - c) The Insurer further shall not be liable for damage to or destruction of Insured Thing where flood was induced by:
 - c.1. water rising from sewage pipeline, unless otherwise stipulated in Insurance Policy;
 - c.2. fire or explosion (Article 2 para.2 a), c)),
 - c.3. earthquake (Article 3),
 - c.4. volcano eruption (Article 4),
 - c.5. civil commotion, willful damage, strike or lock-out,
 - c.6. effects of subsoil water,
 - c.7. rising of water as a result of windstorm.
 - d) Where Insurance against flood is concluded, the Insured is bound to ensure that the following safety measures are carried out at the insurance location:
 - d.1. Maintaining full pipe capacity (clearing) of sewage discharge piping,
 - d.2. In buildings located below ground floor level, store Insured Things minimum of 12 cm above the floor level of the underground floor.
3. Earthquake
For the purposes of these Insurance Conditions, earthquake shall mean earth shock caused by natural geophysical processes in Earth's interior. An earthquake shall be considered proved provided the Insured presents evidence showing that:
 - a) The earth shock caused damage to surrounding buildings which were in top condition,
 - b) The damage to the Insured Thing could only have been caused by an earthquake, with regard to its prior top condition.
4. Volcano eruption

- a) For the purposes of these Insurance Conditions a volcano eruption shall mean sudden release of pressure caused by rupture of earth layer followed by release of lava, ashes or other materials or gasses.
 - b) The Insurer shall not be liable for damage to or destruction of Insured Thing where the volcano eruption was induced by:
 - b.1. fire or explosion,
 - b.2. earthquake.
5. Subsidence
- a) For the purposes of these Insurance Conditions, subsidence shall mean the downcast of Earth's surface into Earth's cavities.
 - b) The Insurer shall not be liable for damage to or destruction of Insured Thing where the subsidence was induced by:
 - b.1. draught or dewatering,
 - b.2. fire or explosion,
 - b.3. earthquake,
 - b.4. volcano eruption,
 - b.5. flood,
 - b.6. downcast of Earth's surface towards the center of Earth caused by human activities including damage by industrial activity.
6. Landslide
- a) For the purposes of these Insurance Conditions landslide shall mean a sudden slide or collapsing of soil, rock or ground.
 - b) The Insurer shall not be liable for damage to or destruction of Insured Thing where the landslide was induced by:
 - b.1. fire or explosion,
 - b.2. earthquake,
 - b.3. volcano eruption,
 - b.4. flood,
 - b.5. landslide caused by human activities including damage caused by industrial activity,
 - b.6. natural influence caused by land subsiding into Earth's cavities.
7. Avalanche; effects of weight of snow
- a) For the purposes of these Insurance Conditions, an avalanche shall mean the falling of a layer of snow or ice from natural slopes. The effects of weight of snow shall mean damage to or destruction of Insured Thing by the weight of snow or ice layer.
 - b) The Insurer shall not be liable for damage to or destruction of Insured Thing where the avalanche or the effects of weight of snow was induced by:
 - b.1. fire or explosion,
 - b.2. earthquake,
 - b.3. flood.

Article 5

Insurance against the Effects of Water from Conveyance System. Exclusions from this Insurance.

1. The Insurer shall indemnify the Insured in cases where the Insured Thing was damaged, destroyed or lost in relation with insured event caused by effects of water from conveyance systems.
2. For the purposes of these Insurance Conditions, water from conveyance system shall mean water leaking or spilling, as a result of disorder or breakdown, from:
 - a) Pipes or hoses of intake and drainage water system,

- b) Other devices or equipment connected with water pipeline as specified in a),
 - c) Hot-water or steam heating, air conditioner, hot water pump or solar-powered system.
3. Water as specified in para.2 shall also mean water vapor and liquids transmitting heat, such as saline solutions, oils, coolants used in systems specified in para.2 c).
4. The Insurance covers:
- a) Inside buildings
 - a.1. damage caused by rupture or the effects of sub-zero temperatures on the Insured pipeline used for:
 - water supply (intake and drainage pipelines) ;
 - hot-water or steam heating, air conditioners, hot water pumps or solar heating;
 - sprinkler systems, atomizing systems and spray apparatuses;
 - a.2. damage caused by sub-zero temperatures caused to insured:
 - bath fixtures, washbasins, flushing toilets, water faucets, disconnecting traps, water meters and similar fixtures;
 - heating elements, heating boilers, boilers and other comparable components of hot water devices, steam-heating devices or air conditioners, hot water pump systems and solar heating systems, including their components;
 - components of sprinkler systems, atomizing systems and spray apparatuses which are not pipelines;
 - b) outside buildings
 - b.1. damage caused by rupture or the effects of sub-zero temperatures to Insured water supply intake pipe, Insured pipelines of hot water devices, Insured pipelines of hot-water or steam heating systems or air conditioners, Insured pipelines of hot water pumps or solar heating, provided the pipeline serves to supply the Insured buildings or equipment/devices, are installed on insured premises and are the property of the Insured;
- Pipelines which are component part of heating boilers, boilers, heat exchangers and similar fixtures are not considered pipelines as stated in a) and b).
5. Based on Insurance as specified in this Article, the Insurer shall not be liable for damage to or destruction of Insured Thing where any of the insured perils as stated in para.2 was induced by:
- a) Water used while washing or showering, water from opened faucets,
 - b) Backward rising of waste water from public sewage pipeline,
 - c) Effects of moisture and mould fungus,
 - d) Water from sprinkler systems, spray systems and fire extinguishers,
 - e) Landslide (Article 4, para.6), except where the landslide was caused by insured event as specified in para.1 of this Article,
 - f) Earthquake (Article 4, para.3),
 - g) Fire or explosion (Article 2, para.2),
 - h) Civil commotion, willful damage, strike or lock-out,
 - i) Subsidence (Article 4, para.5).
- Exclusions from Insurance stated in para.5 b) and c) do not apply to damage which occurred as a result of rupture of pipeline as stated in para.2, and damage as stated in para.1 which was caused by such rupture of pipeline.
6. Within the duration of Insurance, the Insured is obliged to:
- a) Keep water pipelines in top condition,
 - b) In areas which are located below ground floor level, ensure storage of Insured Things minimum of 12 cm above the level of the underground floor,
 - c) In cold seasons, ensure sufficient heating in the building and regular checks of water pipeline's condition,
 - d) Where necessary, shut off water inlet and drain the pipeline.

Article 6

Insurance against Water Leaking from Sprinkler Extinguisher Systems. Exclusions from this Insurance.

1. The Insurer shall indemnify the Insured in cases where the Insured Thing was damaged, destroyed or lost in relation with insured event which was caused by water from sprinkler extinguisher system where water was discharged as a result of faulty operation, or water was discharged from sprinkler extinguisher systems as a result of defect at the insurance location. The water in question must be water spilling from water tanks, distribution pipeline, cocks, pumps, valves and fittings, or intake pipeline serving exclusively to operate sprinkler extinguisher systems.
2. Based on Insurance as specified in this Article, the Insurer shall not be liable for damage to or destruction of the Insured Thing where any of the insured perils stated in para.1 was induced by:
 - a) Repair work, maintenance work or reconstruction of the building or fire-fighting equipment,
 - b) Subsidence, landslide or earth slide (Article 4, para.5 and 6), except where these were caused by insured event specified in para.1 of this Article,
 - c) The effects of moisture and mould fungus,
 - d) Fire or explosion (Article 2, para.2 a), c)),
 - e) Earthquake (Article 4, para.3),
 - f) Civil commotion, willful damage, strike or lock-out.

Article 7

Insurance against Burglary, Robbery, Act of Vandalism. Exclusions from this Insurance.

1. The Insurer shall indemnify the Insured in cases where the Insured Thing was damaged, destroyed or lost in relation with insured event caused by:
 - a) Burglary,
 - b) Robbery committed in the building or on premises,
 - c) Robbery during transportation of Insured Thing,
 - d) Act of vandalism after breaking and entering was committed, including attempted criminal acts stated in a) to c).
2. The Insurance covers those Insured Perils specified in para.1, which were stipulated in the Insurance Policy; Insurance against acts of vandalism after breaking and entering as stated in para.1 d) is subject to concluding Insurance against burglary as stated in para.1 a). The Insurance may be concluded against all insured perils stated in para.1.
3.
 - a) The Insurance covers Things located inside a building where there has been burglary as specified in para.4, robbery as specified in para.5 (this does not apply to robbery during transportation of Insured Thing as stated in para.6) or act of vandalism after breaking and entering as specified in para.7.
 - b) Things specified in Article 12, para.4 b) are only insured against insured perils stated in para.1 a), b) and d) provided they are stored in a locked depository or safe at the insurance location specified in Insurance Policy.
 - c) The commencement of transportation shall mean the moment of the taking over of the Insured Thing for the purpose of immediately following transportation; the termination of transportation (carried out the shortest possible way) shall mean delivery at the point of destination.

d) The Insurer shall not be liable for Things which were only taken to the place where a threat was made and which coincides with insurance location specified in the Insurance Policy upon the perpetrator's demand.

4. Burglary

For the purposes of this Insurance, breaking and entering shall mean entering a locked building or locked room or area within a building after provably overcoming security measures by force; burglary shall mean theft of a Thing after breaking and entering. For the purposes of these Insurance Conditions, breaking and entering/burglary shall mean specifically:

- a) entering by using false key (picklock) or another tool,
- b) forcible opening of locked depository (safe) located at the insurance location, or opening these by means of false key (picklock); in such cases, the Insurance only covers Things located in a locked depository (safe) at the insurance location;
- c) theft of Thing from a locked building which the perpetrator entered by means of ruse, provided the perpetrator provably overcame security measures by force upon leaving;
- d) entering a building or opening a depository (safe) by means of genuine key of which he/she had taken possession by burglary or robbery outside the insurance location.

The above mentioned facts must be proved by the Insured beyond reasonable doubt.

4.1 Where additional safety measures are stipulated in the Insurance Policy for Insurance of Things specified in Article 12, para.4 b) in these Insurance Conditions, opening a depository with a genuine key is considered breaking and entering/burglary provided the perpetrator took possession of the key:

- a) by breaking into a depository (safe) with equal or higher security than the depository (safe) where the Insured Things are deposited,
- b) by breaking into a depository with two or more locks while the relevant keys were kept separately outside the insurance location,
- c) by robbery committed outside the insurance location,
- d) by forcibly opening a locked depository located at the insurance location or opening a locked depository with a picklock or another similar tool.

5. Robbery committed in the insured building or on the insured premises shall mean the perpetrator's taking possession of the Insured Thing:

- a) by using violence against the Insured or his/her representative,
- b) under threat of immediate violence against the Insured or his/her representative,
- c) by taking advantage of sudden physical or psychological distress of the Insured or his/her representative, caused by injury (however, this does not apply where there is a causal link between the injury and consumption of alcohol, drugs or medicament abuse by the Insured).

The Insured's representative shall mean his/her employee, or a person whom the Insured entrusted with attendance of the Insured Thing, or a person authorized to provide security at the insurance location.

6. Robbery during transportation of the Insured Thing shall mean the perpetrator's taking possession of the Insured Thing while the Thing is being transported, in the following ways:

- a) by using violence against the Insured or his/her representative,
- b) under threat of immediate violence against the Insured or his/her representative,
- c) by taking advantage of sudden physical or psychological distress of the Insured or his/her representative, caused by injury (however, this does not apply where there is a causal link between the injury and consumption of alcohol, drugs or medicament abuse by the Insured),
- d) by extorting the person performing the transportation,
- e) by deceiving the person performing the transportation,
- f) by theft of Things bodily protected by the person performing the transportation,

the limit being the amount stated in the Special Conditions.

In the event of robbery during transportation of the Insured Thing, the insurance location shall mean the territory of the Czech Republic, unless otherwise stipulated in the Insurance Policy.

7. An act of vandalism after breaking and entering shall mean willful destruction or damage to the Insured Things by a perpetrator who burgled insured premises in a way specified in para.4 of this Article.
8. Based on Insurance as specified in this Article, the Insurer shall not be liable for damage caused:
 - a) By willful conduct or the Insured's employees, unless this willful conduct took place outside the insurance location or at a time when the insured premises were closed to the persons in question,
 - b) By any of the insured perils specified in para.1, where there was a causal link between this insured peril and a fire, explosion (Article 2, para.2 a) and c)), water discharged from conveyance system (Article 5) or earthquake (Article 4, para.3).
9. Based on Insurance as specified in this Article, the Insurer shall not be liable for:
 - a) slot machines including their contents, money machines and money-changing machines, unless otherwise stipulated in the Insurance Policy,
 - b) locked cash registers,
 - c) damage caused by robbery during transportation of the Insured Thing based on contract of carriage,
 - d) damage caused by theft which did not occur by means of breaking and entering (burglary) (Article 4),
 - e) damage to Things located outside the main building, unless otherwise stipulated in the Insurance Policy.

Article 8

Insurance against the Impact of a Vehicle, Smoke and Sonic Boom Caused by Supersonic Aircraft.
Exclusions from this Insurance.

1. The Insurer shall indemnify the Insured in cases where the Insured Thing was damaged, destroyed or lost in relation with insured event caused by:
 - a) Impact of road or rail vehicle,
 - b) Smoke,
 - c) Sonic boom caused by a supersonic aircraft.
2. The damage caused by the impact of road or rail vehicle shall mean damage to, destruction or loss of an Insured Thing by direct collision with these vehicles or their cargo. The Insurer shall not be liable for damage caused:
 - a) To the vehicles themselves,
 - b) By wear and tear.
3. Damage caused by smoke shall mean such damage to, destruction or loss of Insured Thing which was caused by smoke suddenly released, as a result of malfunction, from heating device, combustor or cooking or drying devices which are located at the insurance location.
4. Damage caused by sonic boom caused by supersonic aircraft shall mean damage to or destruction of the Insured Thing caused by the aircraft crossing the sonic barrier.
5. Based on Insurance as specified in this Article, the Insurer shall not be liable for damage to or destruction of the Insured Thing where any of the Insured Perils stated in para.1 a) and b) was induced by:
 - a) fire or explosion (Article 2, para.2 a) and c)),
 - b) earthquake (Article 4, para.3),
 - c) civil commotion, willful damage, strike or lock-out.

Article 9

Insurance Against Other Perils. Exclusions from this Insurance – Allrisk 1

1. The Insurer shall indemnify the Insured in cases where the Insured Thing was damaged, destroyed or lost in relation with insured event which was caused by an Insured Peril other than those against which insurance may be concluded in accordance with Articles 2 to 8 and Article 10 in these Insurance Conditions and which consisted in the direct effects of an outside action or event. Destruction of or damage to the Insured Thing shall mean an unfavorable change in its nature which renders further full and proper use of the Thing for its designated purpose impossible.
2. Damage to or destruction of the Insured Thing as stated in para.1 shall not mean damage to or destruction of the Thing – regardless of change in nature occurring or not – where the damage or destruction was affected by a defect of the Thing which was known before insured event. Destruction of a Thing does not take place where an originally existing defect appears regardless of whether a change in nature occurs or not. The Insurer shall not be liable for the loss of the Insured Thing, even if it occurred through criminal act.
3. Insurance as specified in this Article may not be concluded for:
 - a) Data media and media with records of production and operational documentation,
 - b) Cash, stocks and bonds, valuable documents, precious metals, jewels and other valuables,
 - c) Prototypes, fair goods and manufacturing equipment unfit for use in standard production,
 - d) Slot vending machines and money machines including their contents,
 - e) Cash registers.
4. The Insurer shall only compensate for the expenses on data salvage (data meaning machine-readable information) where the destruction of, damage to or unfavorable change in data is caused by damage to or destruction of the data medium where this information was recorded and which was damaged or destroyed in a way specified in para.1 of this Article.
5. Based on Insurance as specified in this Article, the Insurer shall not be liable for damage caused:
 - a) To machines, machinery, electro technical or electronic equipment, which occurred in relation with the usage, maintenance, repairs or operation of the Thing (e.g., through fault of the operator, malfunction of measuring, controlling, regulating or safety equipment, lack of water, oil or lubricants);
 - b) By faulty design, material or workmanship;
 - c) By wear and tear or ageing;
 - d) By contamination (e.g., poisoning, sooting, clogging with sediments or dust, injecting) or corroding process; however, this exclusion does not apply where the contamination or corrosion was caused by other damage which occurred at the insurance location stipulated in the Insurance Policy and which the Insurer is obliged to indemnify the Insured for based on other insurances concluded by the Insured;
 - e) By normal atmospheric conditions which correspond with the local climate and are common in the course of a year;
 - f) By sagging, cracking, shrinking or expanding;
 - g) By inner decay, microorganisms, animals or plants;
 - h) Due to the nature of the Insured Things;
 - i) By feed of electric current or electric current outage;
 - j) By outage or malfunction of air-conditioning, heating or cooling systems where damage to stocks is involved;
 - k) By act of God;

- l) By flood which was caused by causes other than those specified in Article 4, para.2 in these Insurance Conditions;
- m) By rising of the sea waters;
- n) By genetic engineering, genetic mutations or other genetic changes;
- o) By liquid alloy of glass or metal;
- p) By draught or drying-up;
- q) By impact of vehicles of all kinds or their component part or their cargo;
- r) By working, processing, or manipulation;
- s) By subsidence (Article 4, para.5), where it occurred as a result of human activities;
- t) By a third party who is liable for damage as a supplier (manufacturer or seller), carrier or repairer.

The following applies to provisions a) to h) in this paragraph:

The Insurer shall indemnify the Insured where material damage occurred in this manner to other Insured Things or their component parts, unless these other Insured Things or their component parts are subject to provisions specifying exclusions from Insurance. Insured Things shall mean immovable property operating and manufacturing equipment, stocks, patterns and designs.

6. The following are as well excluded from the Insurance as specified in this Article:

- a) Live animals;
- b) Live plants located outdoors (i.e. plants in the open air or in the garden; however, the Insurance as specified in this Article applies to plants located in greenhouses and buildings);
- c) microorganisms;
- d) dumping grounds.

Article 10

Insurance against Other Perils. Exclusions from this Insurance – Allrisk 2

1. Insurance as specified in this Article may only be concluded against damage:

- a) to immovable property, manufacturing and operating equipment,
- b) to data media and media with records of production and operational documentation.

provided they occur in relation with insured event which was caused by an Insured Peril other than may be stipulated in accordance with Articles 2 to 9 in these Insurance Conditions or within supplementary provisions (Article 1, para.4). Destruction of or damage to Thing shall mean unfavorable change in its nature which renders further full and proper use of the Thing for its designated purpose impossible. The Insurance only applies to those Insured Things which are expressly stated in the Insurance Policy.

2. Damage to or destruction of the Insured Thing as stated in para.1 shall not mean damage to or destruction of the Thing – regardless of change in nature occurring or not – where the damage or destruction was affected by a defect of the Thing which was known before insured event. Destruction of a Thing does not take place where an originally existing defect appears regardless of whether a change in nature occurs or not. The Insurer shall not be liable for the loss of the Insured Thing, even where it occurred through criminal act.

3. The Insurer shall only indemnify the Insured for damage to electronic structural elements (structural parts) provided the Insured Peril provably affected the replaceable unit (where repairs take place, usually the unit which needs replacing) or the entire Insured Thing from the outside. However, based on Insurance as specified in this Article, the Insurer shall indemnify the Insured for the consequent damage to other irreparable units.

4. The Insurer shall only compensate for the expenses on data salvage (data meaning machine-readable information) where the destruction of, damage to or unfavorable change in data was

caused by damage to or destruction of the data medium where this information was recorded and which was damaged or destroyed in a way specified in para.1 of this Article.

5. Based on Insurance as specified in this Article, the Insurer shall not be liable for damage caused by:

- a) Wear and tear or ageing;
- b) Contamination (e.g., poisoning, sooting, clogging with sediments or dust, injecting) or corroding process; however, this exclusion does not apply where the contamination or corrosion was caused by other damage which occurred at the insurance location stipulated in the Insurance Policy and which the Insurer is obliged to indemnify the Insured for based on other insurances concluded by the Insured;
- c) Normal atmospheric conditions which correspond with the local climate and are common in the course of a year;
- d) An act of God;
- e) Flood which was caused by causes other than those specified in Article 4, para.2 in these Insurance Conditions;
- f) The rising of sea water;
- g) Sagging of ground caused by surface or underground mining;
- h) Drought or drying-up;
- i) A third party who is liable for damage as a supplier (manufacturer or seller), carrier or repairer. í The following applies to provisions a) to c) in this paragraph:

The Insurer is obliged to indemnify the Insured for damage to other Insured Things or their component parts caused in this manner, unless these Insured Things are subject to provisions specifying exclusions from Insurance. However, this only applies where the consequent damage is sustained by Insured Things as specified in this Article. Insured Things shall mean immovable property, manufacturing and operating equipment, data media and media with records of production and operational documentation.

6. The following are excluded from Insurance as specified in this Article:

- a) Live animals;
- b) Live plants located outdoors (i.e. plants in the open air or in the garden; however, the Insurance as specified in this Article applies to plants located in greenhouses and buildings) ;
- c) Microorganisms;
- d) Dumping grounds;
- e) Operating media.

7. The Insurer shall not be liable for objects which require multiple replacement during the useful life of the Insured Thing (e.g. brick linings, paneling, covering layers, pipes and burners of heating equipment, moulds, and instruments, catalysts, tools and instruments, patterning and grooving rolls, mesh sieves, hoses, conveyor belts, caterpillar belts, cables, chains, ropes, filter cloth, filter cartridges, filtering material, rubber, textile and plastic covers and balls, metal plating, hammers and dash-plates of crushing plants, fuses, lighting sources, electron tube, graphic data carriers, batteries).

Article 11

General Exclusions from Insurance

1. In addition to exclusions stated in Articles 2 to 10 in these Insurance Conditions, the Insurer shall not be liable for any damage or liability for damage directly or indirectly increased or caused:

- a) by nuclear energy, radioactive radiation from any source and radioactive contamination or pollution of any kind,

- b) in relation with war, invasion, activities of foreign enemy, military activities (whether or not war be declared), civil war, act of terrorism, uprising, riot, mutiny, unlawful assembly, strike, lock-out, civil commotion, military or usurped power, interference of government authorities and security bodies, acts of a group of malicious persons, acts of persons acting in favor of a political party or in alliance with one, conspiracy, confiscation, commandeering, requisition, destruction or damage inflicted upon an order of *de iure* or *de facto* government or another public administration body,
 - c) by damage to building which at the time of insured event could not be operationally used for the designated purpose, or construction work is in progress which is subject to a building permit, or the building is under construction or has yet to be inspected and approved for use. Also included is damage to objects located in the building,
 - d) by contamination, clogging or covering with soot, sedimentation, alluvial deposits, damage by dust, chemical coagulation, poisoning; this exclusion does not apply where the damage was caused by one of the stipulated Insured Perils,
 - e) in relation with the use of asbestos and lead paints,
 - f) by loss of Thing, even if it occurred through criminal act.
2. Unless otherwise stipulated in the Insurance Policy, the Insurer shall not be liable for:
- a) Surface and ground waters, soil and fields,
 - b) Boring towers including accessories,
 - c) Equipment of nuclear power plants and equipment used for preparation of nuclear fuel for these power plants, including accessories,
 - d) Tunnels and devices for deep mines and boring towers,
 - e) Overhead electrical wiring located outside the insurance location,
 - f) Vessels and aircraft as well as motor vehicles subject to license to be operated on roads as specified in relevant legal provisions, with the exception of fork lifts and fork stackers.

Article 12 Insured Object

1. The Insured Thing as specified in these Insurance Conditions shall mean immovable and movable property specifically listed by item in Insurance Policy, and insured expenses, under conditions stated in Article 14.
2. Movable property is covered provided it is property of the Insured, unless otherwise stipulated.
3. Insurance of property owned by a third party may only be concluded provided the property is of the same kind or character as Insured Things, and the Insured took it over based on contract.
4. Where stipulated in Insurance Policy, the Insurance also covers:
 - a) Data media and media with records of production and operational documentation,
 - b) Cash, stocks and bonds, valuable documents, precious metals, jewels and other valuables,
 - c) Show-room patterns, patterns, prototypes, fair goods and manufacturing equipment unfit for use in standard production,
 - d) Slot vending machines and money machines including their contents,
 - e) Cash registers,
 - f) Personal belongings of the Insured's employees which are customarily brought into workplace; however, the Insurer shall not be liable for personal belongings of employees located in their residential premises.
 - g) Things which were brought into the workplace in relation with professional performance by an employee upon the request or with the consent of the employer,

The Insurance only covers Things specified in this paragraph, part b), provided they are stored in accordance with conditions stipulated in Insurance Policy. The Insurer shall not be liable for cash,

stocks and bonds and employees' motor vehicles, unless otherwise stipulated in the Insurance Policy.

5. Where Insurance of movable property which is the property of the Insured is stipulated in the Insurance Policy as specified in para.2 in this Article, this does not apply to motor vehicles, trailers and semi-trailers and towing vehicles subject to license to be used on the roads as specified in the relevant legal provisions, unless otherwise stipulated in the Insurance Policy.

Article 13

Sum Insured, Limit of Indemnity and Value Insured

1. The Sum Insured expresses the value of the Insured Thing and it is the maximum limit of indemnity by the Insurer. The Sum Insured is determined for individual items of the insured movable and immovable property and expenses incurred. At all times, the Sum Insured is determined by the Policyholder at his/her own risk. Limit of Indemnity as the maximum sum to be paid by the Insurer is stipulated in cases where at the time of conclusion of Insurance it is impossible to determine the Sum Insured (Article 18, para.2,3), or for individual Insured Perils against which Insurance is taken. The Insurer determines the limit of indemnity upon agreement with the Policyholder.
2. The Sum Insured may be specified in the Insurance Policy:
 - a) As new replacement value, i.e. the sum for which at the place and time in question identical or comparable property can be obtained as identical property or new property of the same kind and designated for the same purpose; where the Insured Thing is not new,
 - b) As usual trading price, which for the purposes of these Insurance Conditions shall mean price which would be fetched while selling identical or comparable property or while rendering identical or comparable service in standard business relations at the insurance location on the day of conclusion of the Insurance Policy.
3. For the Insurance of buildings, manufacturing and operating equipment and property of the Insured's employees (Article 12, para.4 f) and g), new replacement value is stipulated. Where the extent of wear and tear or degree of other depletion is higher than 60% of new replacement value, the Insurance can only be concluded up to the amount of usual trading price.
4. The Insurance of patterns, designs, prototypes, fair goods and manufacturing equipment unfit for use in standard production may be concluded; the Sum Insured is the usual trading price.
5. The Insured Value shall mean the maximum possible material loss which may occur as a result of insured event; the insured value of
 - a) Goods which the Insured manufactures, including work-in-process,
 - b) Goods which the Insured deals in,
 - c) Raw materials,
 - d) Natural products,is the sum which would have to be incurred to repurchase or manufacture these goods, raw materials or natural products of the same kind and quality; the decisive factor while determining the insured value is the lower sum at all times. The insured value of finished products is limited by the usual trading price (para.2 b)). The insured value and resulting insured sum may for the item "stocks" be determined as fixed sum, or a sum corresponding with the stock level on the determining day.
6. The insured value of stocks and bonds accepted for trade at the Stock Exchange is their rate in the table of exchange rates at Stock Exchange ("Burza cenných papírů") on the day of insured event. The insured value of other bonds, securities, etc. is their market value; the insured value of available bearer documents (savings books, etc.) is the amount of assets.
7. The insured value of works of art is the price which would have to be paid to have a duplicate made.

Article 14
Insured Expenses and Salvage Costs

1. For the purposes of the Insurance as specified in these Insurance Conditions, the insured expenses shall mean the Insured's expenses which arose as a result of insured event under circumstances specified below. Insurance of these expenses must be expressly stipulated in the Insurance Policy.
 - a) In such cases, the Insurer shall indemnify the Insured for expenses reasonably and economically incurred:
 - a.1. to clear the insurance location, including pulling down parts as yet erect, removal of debris and other remains and their transport to the nearest dump and their storing or disposal; however, the Insurer shall not be liable for the cost of decontamination of soil and water. Where there was insured event as specified in Article 3 or 4, the Insurer shall cover the cost of clearing of the insurance location and also places outside the insurance location, provided the Things in question are included in the Insurance Policy,
 - a.2. to cover the cost of construction work and dismantling or reassembly of other undamaged Insured Things, carried out in relation with repurchase or repairs of Things damaged, destroyed or lost in the course of insured event,
 - a.3. to cover the cost of recovery of manufacturing and operational documentation where it is made within two years of insured event; in other cases the Insurer shall only indemnify the Insured for the purchase price of the material.
 - b) Where in the Insurance Policy Insurance against burglary, robbery or acts of vandalism is stipulated as specified in Article 7, para.1, a), b) and d) in these Insurance Conditions, extended cover may be stipulated for:
 - b.1. Insurance of expenses on correction of damage to:
 - roofs, ceilings, walls, floors, doors, locks, windows (with the exception of the glazing of shop windows), blinds, safety grids on buildings at the insurance location (damage to buildings), and
 - showcases and display cabinets (with the exception of glazing) outside the building but at the insurance location,
 - b.2. insurance of expenses on the replacement of locks of outer doors of the building at the insurance location where a loss of key occurred as a result of insured event, or an act outside the insurance location as specified in Article 7, para.1 a) to c) in these Insurance Conditions; however, this stipulation does not apply to vault doors,
 - b.3. insurance of expenses caused by the loss of keys to vaults, multiple-layer steel safes weighing 300 kg or more, or bricked-in steel safes with multiple-layer doors which are located at the insurance location; the indemnity shall be paid for expenses on replacement of locks, purchasing new keys, including expenses necessary to forcibly open the safes and purchase new safes or block access into these.
 - c) The Insurer shall only indemnify the Insured for actually incurred expenses as listed in a) and b) in this paragraph, the limit being the stipulated limit of indemnity.
 - d) The Insurance for all items listed in insured expenses section as specified in a) and b) in this paragraph is concluded on First Loss basis at all times (Article 18, para.2).
 - e) Provision in para.2 in this Article shall not be precluded by provisions in this paragraph.
2. Salvage costs shall mean reasonably incurred expenses which the Policyholder:
 - a) Incurred to avert imminent insured event;
 - b) Incurred to moderate the consequences of insured event which had already occurred;

c) Was obliged to incur for sanitary, environmental or safety reasons while removing the damaged Insured Property or its remains.

The amount of indemnity for salvage costs, with the exception of expenses incurred in the course of saving persons' lives and health, is limited by 2% of the most recently stipulated sum insured for the insured item for which the expenses were incurred. The total amount of indemnity for salvage costs, irrespective of which insured items they were incurred for, shall be limited by CZK 10,000,000, unless otherwise stipulated in the Insurance Policy.

Where these measures were taken upon the Insurer's instruction, they shall be compensated for even where their cost exceeds the stipulated sum insured.

3. The provision in this Article does not apply to loss occurrences which were caused by circumstances which bar the right to indemnity as specified in these Insurance Conditions.
4. The Insurer shall not be liable for expenses on actions of fire brigade or other persons who are obliged to act and who acted in the public interest.

Article 15 Insurance Location

1. The Insurer shall only indemnify the Insured where insured event took place at the place specified in the Insurance Policy as insurance location, unless otherwise stipulated.
2. The insurance location shall mean the building, premises or plot of land as specified in the Insurance Policy, including showcases, parking areas, delivery track, appropriately marked car parks, and shingles. Where more than one insurance location is stipulated in the Insurance Policy, the Insurance covers all these insurance locations.
3. The Insurance also covers property which was, as a result of imminent or instant insured event, removed from the insurance location.

Article 16 Commencement and Changes in Insurance

1. The Insurance commences at 00:00 a.m. of the day following the day of conclusion of the Insurance Policy, unless it was stipulated in the Insurance Policy that it commences upon the conclusion of the Insurance Policy, or at a later time. Where the Insurance is to commence later, a day is stipulated in the Insurance Policy when the Insurance commences.
2. Where, based on the Insurer's offer to conclude an Insurance Policy, a premium was paid in the amount and within the period specified in the offer (where unspecified, the period is one month), the Insurance Policy comes into effect on the day the premium is paid into the Insurer's or an insurance broker's account, or the day when the Insurer or the broker issued a receipt of payment in cash.
3. The Insurance Policy must be made in writing; otherwise it is null and void. The same applies to any changes in the Insurance Policy.

Article 17 Insured Period and Termination of Insurance

1. The Insurance is stipulated for a period of one year, unless otherwise stipulated in the Insurance Policy. Where the Insurance Policy is concluded for the period of one year, it is renewed under the same conditions for another year, unless the Insurer or the Policyholder notify the other party that they are no longer interested in renewing the Policy, the latest date of notification being six weeks prior to the end of insured period. Where the insured period is shorter than one year, the

Insurance terminates upon the end of the insured period, unless otherwise stipulated in the Insurance Policy.

2. Furthermore, the Insurance terminates:

a) Due to failure to pay premium

Where premium or its part (part of premium shall also mean an installment) is overdue, the Insurer may send a reminder where they set a period within which the premium or its part must be paid; the period must not be shorter than one month. The Insurance terminates on the day following the day when the time lapses. The Insurer's reminder must include notification of termination of Insurance should the overdue premium not be paid, and it must be delivered to the debtor. The period specified in the first sentence may be extended upon agreement before it elapses.

b) By mutual agreement

The Insurer and the Policyholder may agree to terminate the Insurance. In this agreement, the exact time of termination must be specified, as well as the way to settle any mutual liabilities. The agreement must be made in writing; otherwise it is null and void.

c) By revocation

Where Insurance is stipulated with current premium, the Insurance terminates upon revocation by the Insurer or the Policyholder at the end of period of insurance. The notification of revocation must be delivered no less than six weeks prior to the end of period of insurance, otherwise it is void.

The Insurer or the Policyholder may revoke the Insurance within two months of the day the Insurance Policy was concluded. On the day the notice of revocation is delivered an eight-day notice period commences upon whose lapse the Insurance terminates. In such cases, the Insurer is entitled to a portion of the premium proportionate to its length.

The Insurer or the Policyholder may revoke the Insurance within three months of the day when notification of insured event was delivered to them. On the day the notification of revocation is delivered to the other party a period of one month commences upon whose lapse the Insurance terminates.

d) By withdrawal

Should the Policyholder or the Insured willfully or negligently fail to answer the Insurer's written queries related to the Insurance completely and truthfully, the Insurer is entitled to withdraw from the Insurance Policy where, had the queries been answered truthfully and completely the Insurer would not have concluded the Insurance Policy. The Insurer may exercise this right within two months of the day when they became aware of the situation, or the right lapses. The same applies where changes are made to the Insurance Policy.

The same right to withdraw from the Insurance Policy is granted, under conditions specified in the previous paragraph, to the Policyholder, should the Insurer or their authorized representative (insurance broker) fail to answer his/her written queries related to the Insurance completely and truthfully.

Withdrawing from the Insurance Policy renders the Policy null and void from the very beginning. The Insurer is obliged, without unnecessary delay and no later than 30 days of withdrawal from the Insurance Policy, to pay back the premium paid, minus the compensation which has already been paid. Where the Insurer withdraws from the Policy, they are also entitled to deduct costs related to the inception and administration of the Insurance. Within the same period, the Policyholder or the Insured who is not a Policyholder is obliged to pay back to the Insurer any compensation paid which exceeds the amount of premium paid.

e) By denial of the Insurer to pay indemnity where:

- The cause of insured event was a fact which the Insurer did not become aware of until after insured event and which they could not have detected while concluding or changing

the Insurance Policy as a result of written queries being willfully or negligently not answered completely and truthfully, provided that had they known of the real state of affairs at the time of conclusion of the Insurance Policy they would not have concluded the Policy or would have concluded it under different conditions, or

- While claiming indemnity, the Beneficiary purposely states untrue or materially biased information related to the extent of insured event, or withholds substantial information related to the event.

The Insurance terminates on the day of notification of the Insurer's denial to pay indemnity.

- f) On the day when the Insurance Risk or the Insured Thing (e.g. by liquidation, disposal, loss, total destruction) ceased to exist.
- g) By the death of the Insured individual (natural person) or on the day when the Insured legal entity was dissolved without succession, unless otherwise stipulated in the Insurance Policy.
- h) By change in the owner or co-owner of the Insured Thing.

Article 18

Underinsurance, First Loss Insurance

1. Where the sum insured is, at the time of insured event, lower than the insured value of the Insured Thing, the Insurer shall reduce the indemnity in the same ratio as is the proportion of the sum insured to the actual insured value of the Insured Thing.
2. For the purposes of this Insurance, the First Loss Insurance shall mean such Insurance where the basis for calculation of premium is not the sum insured but a fixed sum – limit of indemnity for any and all insured events within the period of insurance.
3. The First Loss Insurance may be concluded for:
 - a) all items listing insured expenses,
 - b) other items listed in the Insurance Policy.

In such cases, the Insurer shall only indemnify the Insured up to the amount of sum insured stipulated for cases specified in parts a) and b) in this paragraph. Provisions in para.1 shall in such cases be rendered void.

Article 19

Premium and Changes in Premium

1. The Premium is determined as a percentage of the stipulated sum insured for each insured item. The rate is set by the Insurer at all times. The Policyholder shall obtain the premium statement together with the Insurance Policy.
2. The Insurer's right to premium arises on the day of conclusion of the Insurance Policy, unless it was stipulated in the Insurance Policy that this right shall arise at a later time. Current premium is due on the first day of period of insurance; lump sum premium is due on the day of commencement of the Insurance, the Insurance only commencing by premium being paid, unless otherwise stipulated in the Insurance Policy.
3. It may be stipulated in the Insurance Policy that premium may be paid in installments. When paying premium bi-annually or quarterly a surcharge of 3% or 5% is charged respectively. Where the Policyholder fails to pay an installment (portion of premium) the Insurer is entitled to demand the payment of premium for the entire period of insurance, including interest for late payment for

each day of delay. Where a Policyholder fails to pay a premium installment (or a portion of premium), the Insurer may proceed as specified in Article 17, para.2 a).

4. Where payment is made by means of bank transfer, money order transfer, etc., premium is deemed paid on the day the money is credited to the Insurer's or insurance broker's account (provided the Insurer authorized the broker to receive the payment). Where payment is made in cash, the premium is deemed paid on the day the Insurer or insurance broker, who is entitled to receive the payment, confirms the receipt of premium in cash.
5. The Insurer is entitled to premium for the insured period, unless otherwise stipulated in the Insurance Policy. Where there was insured event which resulted in termination of Insurance, the Insurer is entitled to premium until the end of the period of insurance in which insured event occurred. Where premium is paid as lump sum, the Insurer is entitled to premium for the entire period for which the Insurance was concluded.
6. The amount of premium paid so far may only be changed by the Insurer upon agreement with the Policyholder, or upon complying with conditions stipulated in the Insurance Policy in advance. The Insurer is obliged to notify the Policyholder of the new premium to be paid no later than two months prior to the day when premium is due for the period of insurance in which the premium is to change.
7. Where the Policyholder does not agree with the change in premium as specified in para.6, he/she is obliged to demonstrate his/her disapproval within one month of the day when he/she became aware of the proposed change in premium. In such cases, the Insurance shall terminate upon the end of the period of insurance for which the premium was paid, unless stipulated otherwise. While proposing the change in premium, the Insurer is obliged to notify the Policyholder of this possible consequence.
8. The Insurer is entitled to deduct any overdue premium or other debts related to Insurance from any compensation to be paid.
9. Where the Insurance terminates prior to the end of the period stipulated in the Insurance Policy, the Insurer is entitled to a portion of premium proportionate to the actual length of Insurance, unless otherwise stipulated in the Insurance Policy.
10. Where the Insurance was concluded for an insured period shorter than one year, for each commenced month of Insurance the Insurer may charge 10% of annual premium.
11. Where the Insurance is concluded for a period shorter than one year but not shorter than ten months the Insurer may charge the entire annual premium.

Article 20

Indemnity and When Compensation is Due

1. Where insured event is constituted by damage to Thing which can be so repaired that it may again be used as if it were without fault, the Insurer shall pay the price of the repair up to the amount of new replacement value (Article 13, para.2 a)), the limit being the stipulated sum insured.
2. Where the Insured Thing is damaged by insured event to such degree that it cannot be, even after repairs, used as if it were without fault, or where the Thing is completely destroyed, stolen or lost (so-called total loss), the Insurer shall pay compensation in the amount of the price of Thing set according to Article 13, para.2, the limit being the sum insured stipulated in the Insurance Policy.
3. However, where the Thing is insured for new replacement value (Article 13, para.2 a)) and it is damaged to the extent specified in para.2 in this Article, the Insurer shall only pay compensation exceeding the current price provided the Insured purchases, within three years of insured event, again a thing of the same kind and quality at the insurance location (where movable property is involved), or even in another place within the territory of the Czech Republic (where immovable

property is involved and where its reestablishment is impossible in the current insurance location due to legal or economic reasons).

4. The Insurer shall pay compensation to cover all insured events occurring within the insured period in the maximum amount of:
 - a) Sum insured stipulated for the relevant item and insured period,
 - b) Limit of indemnity stipulated for that particular item or Insured Peril against which the Insurance was concluded.
5. Where the degree of wear and tear or other depletion of building, manufacturing and operating equipment exceeds, at the time of insured event, 60% of new replacement value, the indemnity shall be paid in the amount of current price (Article 13, para.15).
6. The remains of the damaged or destroyed property remain the property of the Insured and the price of these remains is deducted from the compensation to be paid.
7. The compensation is due within 15 days of the day when investigation of insured event is completed (Article 24, para.4). The investigation is completed once the Insurer notifies the Beneficiary of its conclusion. Where the Beneficiary assigns this claim as a receivable to another, or pledges the claim or otherwise secures it in favor of another, prior to completion of investigation, the Insurer is not to be bound by this act of the Beneficiary.
8. The Beneficiary shall not be entitled to indemnity even in cases where he/she caused the insured event or instigated another person to do so.

Article 21 Deductible

1. It may be stipulated in the Insurance Policy that the Insured contributes to the indemnity a fixed amount (hereinafter referred to as "Deductible").
2. The Deductible stipulated in the Insurance Policy is deducted from the total calculated indemnity, i.e. including the insured expenses as specified in Article 14 in these Insurance Conditions. Additionally stipulated deductibles for individual insured items or for additional extensions in scope of insurance shall be the first items to be deducted.

Article 22 Rights and Obligations of Parties to Insurance upon Concluding Insurance Policy

1. The Policyholder and the Insured are obliged to truthfully and completely answer all written queries of the Insurer related to the Insurance. The same applies where changes are to be made in the Insurance.
2. The Insurer owes the same obligation as specified in para.1 to the Policyholder and the Insured. An insurance broker may meet this obligation on behalf of the Insurer.
3. Where another's insurance risk is insured, the Policyholder is obliged to familiarize the Insured with the contents of the Insurance Policy related to the insurance of his/her Insurance Risk.

Article 23 Rights and Obligations in Cooperation of Parties to Insurance during Insurance

1. The Policyholder is obliged:
 - a) To take all reasonable precautions to ensure that insured event does not occur; specifically, the Policyholder may not breach duties which are to avert or minimize the risk of insured

event occurring, which are imposed upon him/her by legal regulation or regulation based on legal regulation, or duties which he/she assumed by conclusion of the Insurance Policy. Furthermore, the Insured may not tolerate breaching these regulations and obligations by third parties. The Insured is obliged to ensure that the Insured Things are kept in good technical condition and that they are used solely for the purpose designated by the manufacturer;

- b) To notify the Insurer in writing without unnecessary delay of any change in manner or kind of business activities;
 - c) At any time to allow the Insurer or persons authorized by them to enter the premises where Insured Things are located and assess the extent of Insurance Risk and Insured Peril and submit detailed information necessary to assess these;
 - d) To notify the Insurer in writing of concluding any additional insurance for the same items against the same Insurance Risk with another insurer and submit the name of company and the sum insured or limit of indemnity;
 - e) To keep inventory of Insured Things listed in Article 12, para.4 b) and keep the list in such a place that should insured event occur the list shall not be destroyed, damaged or lost together with the Insured Things;
 - f) Where insurance against burglary and robbery as specified in Article 7, para.1 a) to c) in these Insurance Conditions is concluded and there occurs a loss of key to the front door of the insurance location or of key to the depository where the Insured Things are kept in accordance with stipulated safety measures, to replace the current lock without delay with another lock of the same kind and quality;
 - g) To consult the Insurer in advance about any intended change which might result in higher Insurance Risk to enable them to assess whether there might be a substantial increase in risk which might give grounds to proceed as specified in para.2 in this Article, or to propose a change in conditions for further duration of the Insurance.
2. In the event of change in or cessation of Insurance Risk the Insured is obliged to notify the Insurer in writing without unnecessary delay of this change:
- a) Where the Insurance Risk is within the insured period substantially reduced, the Insurer is obliged to proportionately reduce the premium, effective on the day when they became aware of the reduced risk;
 - b) Where the Insurance Risk within the duration of Insurance substantially increases to such extent that had it existed in such extent at the time of conclusion of the Insurance Policy the Insurer would have concluded the Policy under different conditions, the Insurer assumes a right to, within one month of the day when they became aware of the increased risk, propose a change in the Insurance Policy since the day when the Insurance Risk increased; the Policyholder is obliged to give his/her opinion within one month of its delivery, unless a longer period is stipulated in the Insurer's proposal;
 - c) Where the Policyholder does not agree with the proposed changes in the Insurance Policy or does not give his/her opinion within the period specified in part b), the Insurer is entitled to revoke the contract within two months of the day when the Insurer obtained the Policyholder statement of disapproval or from the day when the Policyholder's reply was due. In that event, the Insurance terminates eight days after the notice of revocation was delivered to the Policyholder;
 - d) Where the Insurance Risk significantly increases within the duration of Insurance, so that if such a risk had existed at the time the policy was concluded the Insurer would not have concluded the policy under existing conditions, the Insurer is entitled to revoke the policy within one month of the day when they became aware of the increased risk. In such cases, the Insurance terminates eight days after the notice of revocation was delivered to the Policyholder;

- e) Where the Insurer did not revoke the Insurance Policy within the prescribed period and did not propose changes in the Policy, the Insurance continues to last under the existing conditions.
3. Where insurance against another's Insurance Risk is concluded, the obligations specified in para.1 and 2 apply to the Insured.

Article 24

Rights and Obligations of Parties to Insurance upon Insured Event

1. The Policyholder is obliged, where damage exceeding the stipulated deductible is involved without unnecessary delay, where other damage is involved within three days of insured event, to notify the Insurer in writing of insured event, give a truthful account of the origin and extent of consequences, calculate the amount of the claim, submit documents necessary to determine circumstances decisive for assessment of the claim and the amount to be paid, allow the necessary investigation to take place and generally proceed in a manner stipulated in the Insurance Policy or these Insurance Conditions. Where the Policyholder is not the Insured, this obligation applies to the Insured, or the Beneficiary.
2. The first notification of insured event shall include the time and place of insured event, specification of the damaged, destroyed or lost Thing(s), the supposed cause of insured event, an estimated extent of damage, and telephone or fax numbers of persons who might provide any information about insured event.
3. The Insurer is obliged, upon notification of insured event which results in an insurance claim, to start the investigation necessary to establish the extent of their duty to indemnify the Insured without unnecessary delay.
4. The Insurer is obliged to complete the investigation within 3 months of the day when they were notified of insured event. This period may be extended upon agreement. Where the Insurer cannot complete the investigation within a period specified in the first sentence they are obliged to notify the person to whom the right to settlement is to arise or has arisen of reasons for which the investigation cannot be completed, and upon his/her request provide an appropriate advance payment. The period specified in the first sentence does not commence where the investigation is marred or hindered through the fault of the Beneficiary, the Policyholder, or the Insured.
5. During the investigation as specified in para.4 the Policyholder / the Insured is obliged to enable the Insurer or persons authorized by the Insurer to carry out all investigation necessary to assess the right to indemnity and the amount to be paid and to submit all necessary documents and information, and furthermore is obliged to:
 - a) Take all available measures to ensure that the damage sustained so far does not increase;
 - b) Ensure that the state of property caused by insured event is not changed until the Event has been investigated by the Insurer; this provision does not apply where the change is in the public interest or where it is necessary to moderate the consequences of insured event; he/she is also obliged to arrange for the storage of damaged property until the Insurer or person authorized by the Insurer has viewed the property;
 - c) Upon the instruction of the Insurer, postpone repairs of the Insured Thing or the removal of its remains, the limit being the period of one week of receiving the Insurer's instruction, provided the repairs or removal of remains need not be commenced earlier for safety, sanitary, environmental or other compelling reasons.
6. The Policyholder / the Insured is obliged to report to the Police or another competent authority the occurrence of any insured event where there is any suspicion of a criminal act in relation with the Event. Where any criminal proceedings are initiated by a body of the State in relation

with insured event, the Policyholder / the Insured is obliged to notify the Insurer of this fact without delay, even in cases where insured event has already been reported.

7. Where, in relation with insured event, a loss of stocks and bonds, securities or other valuable documents attesting certain entitlements occurs, the Insured is obliged to commence redemption proceedings without delay.
8. Where, after insured event or indemnity payment has taken place, the Policyholder or the Beneficiary becomes aware of the fact that the lost or stolen Thing(s) affected by insured event have been found, he/she is obliged to notify the Insurer without unnecessary delay; the ownership of the found Property is not transferred to the Insurer. Where the Policyholder or the Beneficiary has received indemnity for the said Thing he/she is obliged to repay the amount upon deduction of appropriate expenses on the repairs of damage sustained by the Thing during the time when he/she was unable to dispose of it.
9. Where the cost of investigation as specified in para.3 incurred by the Insurer was caused or increased by breach of duty on the part of the Beneficiary or the Policyholder, the Insurer is entitled to demand adequate compensation of the person who breached the duty.
10. It may be stipulated in the Insurance Policy that the Policyholder / the Insured is not bound to meet certain obligations stated in the paragraphs above, or, other duties may be stipulated which are not stated in the paragraphs above.

Article 25 Breach of Duty and Its Consequences

1. Where the Policyholder or the Insured breached any of their duties stipulated in the Act, these Insurance Conditions, or the Insurance Policy while concluding this Insurance or making changes to it, and lower premium was set as a consequence, the Insurer may proportionately reduce the indemnity.
2. Where the breach of duties stipulated in the Act, these Insurance Conditions or the Insurance Policy significantly affected insured event, its development or an increase in the extent of its consequences, or the establishing or determining of the amount of indemnity, or rendered impossible the submission of documents attesting that the damage occurred due to an insured event as specified in these Insurance Conditions, the Insurer may reduce the indemnity proportionately to the influence the breach had on the extent of the Insurer's duty to indemnify the Insured.
3. The Insurer shall reduce the indemnity in all cases where the occurrence of insured event and its extent was caused by gross negligence of the Policyholder, the Insured, the Beneficiary, or their respective representatives.
4. Where the duty to report an increased insurance risk was not complied with and the Insurer, upon finding out, revoked the Insurance Policy, the Insurer is entitled to the premium until the end of the period of insurance in which the Insurance terminated. Where lump-sum premium is involved, the Insurer is entitled to the entire sum.

Article 26 Coinsurance

1. Where more than one Insurer (Coinsurer) is party to Insurance, it must be stipulated what portion of rights and obligations related to Coinsurance each Coinsurer shall assume.
2. The Coinsurer who in the Insurance Policy is referred to as the Lead Coinsurer sets the Insurance Conditions and the amount of premium to be paid, handles administration of the

Coinsurance and is entitled to receive notifications and declarations of the Insured's will on behalf of all participating Coinsurers.

Article 27
Interruption of Insurance Coverage

1. The provisions of the Act on the interruption of insurance coverage upon failure to pay premium within two months of its due date does not apply to this Insurance.
2. Conditions under which interruption of insurance coverage takes place may be stipulated in the Insurance Policy.

Article 28
Transfer of Rights onto Insurer

1. Where the Insured or the Beneficiary or the person who incurred salvage costs has a right against another for damages or another similar right, upon payment of indemnity the right is transferred onto the Insurer, up to the amount of sums which the Insurer granted to the Insured, the Beneficiary, or the person who incurred the salvage costs. In such cases, the Insured is obliged to ensure that the Insurer may put forward the claim for damages or other similar claims against the person liable for damage.
2. Where the Beneficiary, the Insured or the person who incurred the salvage costs waived their right to damages or a similar right or failed to put forward their claim in due time, or otherwise frustrated the transfer of their rights onto the Insurer, the Insurer is entitled to reduce the indemnity up to the amount of sums which they otherwise would have been able to gain, unless otherwise stipulated in the Act.
3. Where the consequences of actions listed in para.2 are not demonstrated until after the indemnity has been paid the Insurer is entitled to demand repayment of the indemnity paid up to the amount of sums which they otherwise would have been able to gain.

Article 29
Delivery

1. For the purposes of this Insurance, a dispatch shall mean any document of sum of money which the Insurer mails to the Policyholder or the Beneficiary and vice versa. The Insurer mails dispatches to the Policyholder at his/her most recent known address; the Insurer mails dispatches to the Beneficiaries at the address they have notified the Insurer of in writing. The Policyholder is obliged to notify the Insurer of any change of address used for delivery of dispatches. The Insurer may send sums of money to an account whose number the Policyholder or Beneficiaries submitted. The Policyholder and the Beneficiaries shall mail documents to the Insurer at the Insurer's registered office, and they shall send sums of money to the Insurer's accounts whose numbers the Insurer provides. The mailing of dispatches is done through the post license holder but they may also be delivered in person. Sums of money may be sent through banking institutions.
2. A document meant for the Insurer is deemed delivered on the day the Insurer affirms its receipt. The same applies where the document was delivered through an insurance broker. A sum of

money meant for the Insurer is deemed delivered on the day the sum is credited to their account or on the day its receipt in cash was affirmed in writing by the Insurer.

3. A document sent by the Insurer meant for the Policyholder or the Beneficiary (hereinafter referred to as "recipient") is deemed delivered on the day the recipient receives it or on the day the recipient denies its receipt. If the recipient was not reached the document mailed through a post license holder is stored with the post license holder and the recipient is asked to collect it. A document is deemed delivered on the day it was stored with the post license holder, even if the recipient was not aware of the fact, or on the day it was returned to the Insurer as undeliverable due to a change of address of which the Insurer was not notified; this does not apply where the recipient proves that they were unable to collect the dispatch or report the change of address due to hospitalization, stay at a health resort (spa), staying abroad or other compelling reasons. Where cashless transfer is applied, a sum of money meant for the recipient is deemed delivered on the day it is credited to the recipient's account. Where the payment is made through the post license holder, the sum is deemed delivered upon its submission to the post license holder.
4. Delivery as defined in para.2 and 3 above applies to delivering documents and letters with delivery-acceptance certificate or mail delivered into the recipient's own hands. A document mailed through a post license holder as ordinary letter or registered mail is deemed delivered only if the sender proves its delivery to the recipient, or the recipient confirms receipt.
5. Sending documents via wire, fax or by electronic means, the effects of delivery being as specified in para.2 and first sentence in para.3 may either be agreed upon by parties to Insurance in an Agreement on Sending Documents and Confirming their Receipt, or upon recipient's confirmation made in a manner past question (e.g. by using the electronic signature).

Article 30 Arbitration

1. Where doubt arises about the amount of indemnity to be paid (while the claim was otherwise admitted) the parties to Insurance may agree that the amount to be paid shall be determined by means of arbitration of the disputed claim (hereinafter referred to as "Arbitral Award"), in order to avoid litigation.
2. The Arbitral Award is arrived at by means of investigation as specified in Article 24, para.3 and 4 and consists in consideration of the disputed claim by one or more arbitrators, where parties to Insurance:
 - a) Agree on a single arbitrator in writing, or
 - b) Each appoint their own arbitrator; the arbitrators' assignment is to make a joint award on the disputed claim, and where such joint award cannot be agreed on they are obliged to appoint an umpire without delay or at the latest within one month (para.4).
3. The arbitrator (umpire) may not be related with any of parties to Insurance in any way, whether based on employment contract, business relation or family relation. Where this condition is not complied with and a party to Insurance argues that it has not been complied with, the Arbitral Award (including the Joint Award made by arbitrators appointed as specified in para.2 b)) of such arbitrator (umpire) shall not be binding as specified in para.5.
4. The umpire shall consider the disputed claim by him/herself or in cooperation with arbitrators who appointed him/her, and shall elaborate an Award which shall be decisive in the determination of the claim.
5. The conclusion of the Arbitral Award is binding on the parties to Insurance.
6. The costs of hiring an arbitrator appointed in a manner specified in para.2 a) and of an umpire are covered by parties to Insurance equally. The costs of hiring an arbitrator appointed by parties to Insurance as specified in para.2 b) are covered by each party to Insurance separately.

7. The Arbitral Award must be completed within a period of time specified in Article 24, para.3 and 4, unless the period is extended upon agreement by parties of Insurance. Where the Arbitral Award is not completed within the period specified in the quoted Article or within the extended period the investigation as specified in this Article terminates, unless all parties to Insurance expressly insist that the investigation continue. The investigation shall also terminate where arbitrators fail to appoint an umpire where conditions specified in para.2 b) arise.
8. The rights and obligations of parties to Insurance provided for in legal regulation shall not be precluded by provisions stipulated in this Article.

Article 31 Definitions of Terms

For the purposes of Insurance concluded pursuant to these Insurance Conditions, the following definitions shall apply:

1. The Insurer shall mean Allianz pojišťovna, a.s., registered office at Římská 103 / 12, Praha 2, Czech Republic, Registration number 47115971, licensed to carry out insurance activities pursuant to special Act.
2. The Policyholder shall mean the person who concluded an Insurance Policy with the Insurer and who is, pursuant to this Policy, obliged to pay premium. Where the Policyholder is the Insured, the rights and obligations stipulated in the Insurance Conditions for the Insured apply to him/her.
3. The Insured shall mean the person whose property is covered by insurance. Unless otherwise stipulated in these Insurance Conditions, the rights and obligations stipulated for the Policyholder also apply to the Insured.
4. The Beneficiary shall mean the person who, as a result of insured event, becomes entitled to indemnity benefits (the Insured, the owner of Insured Thing(s), the Injured in Liability Insurance).
5. Insured period shall mean the time for which the Insurance is concluded.
6. Premium shall mean the consideration for Insurance which the Policyholder is obliged to pay to the Insurer.
7. Current premium shall mean premium set for a period of insurance (monthly, quarterly, bi-annual, annual).
8. Period of insurance shall mean the period of time stipulated in the Insurance Policy for which premium is paid; basic period of insurance in this Insurance is a period of insurance of one year.
9. Lump-sum premium is premium set for the entire period for which the Insurance was concluded.
10. Insured Peril is the possible cause of insured event.
11. Insurance Risk is the probability of insured event occurrence caused by Insured Peril.
12. Insurance against another's Insurance Risk shall mean insurance which the Policyholder concludes against the Insurance Risk of the Insured who is not the Policyholder.
13. An insurance broker is an individual (natural person) or corporation (legal entity) who/which carries out professional activities toward concluding Insurance Policies and performing other related activities. The status of insurance brokers and their rights and duties are governed by Insurance Brokers and Independent Loss Adjustors Act.
14. Gross negligence shall mean such negligence of caution and providence, breach of legal regulation or regulation issued based on legal regulation, or obligations assumed by contract, whose consequence was the loss occurrence or its aggravated consequences (e.g. breach of fire protection regulation, major breach of technological rules, major breach of Traffic Code, acting under the influence of alcohol or addictive substances, etc.); gross negligence shall mean any conduct of the Insured which resulted in insured event and for which the person specified in

Article 25, para.3 who was sentenced for a negligent crime upon a final and conclusive judgment.

15. Current price shall mean the price the Insured Property had immediately prior to insured event. It is calculated from the new replacement value (Article 13, para.2 a)) with regard to the extent of wear and tear and other depletion or the improvement of Thing which occurred by means of repairs, modernization or in another manner.

Article 32 Final Provisions

1. Insurance stipulated in the Insurance Policy whose integral part is a copy of these Insurance Conditions is governed by the Czech Law. Any dispute is in the jurisdiction of Czech Courts of Justice. The same applies to Insurance Risks located abroad, unless the legal regulation in the state where the Insurance Risk is located stipulates that their legislation be applied.
2. These Insurance Conditions come into force on January 1, 2005.