



**ERGO pojišťovna, a.s.**  
**Vyskočilova 1481/4, Praha 4**

Zápis v Obchodním rejstříku u Městského soud v Praze,  
oddíl B, vložka 2740, IČO: 61858714, DIČ: CZ61858714

**Personal liability**  
**insurance - OOW 150301**

Platnost od 01.03.2015

**ERGO**

# Information for those interested in taking out an insurance contract (before concluding the insurance contract)

## 1. Information on the insurer

### A) Company name and legal form of the insurer

ERGO pojišťovna, a.s., identification No: 618 58 714, conducting insurance activities and activities related to the insurance and reinsurance activities pursuant to Act No. 277/2009 Coll., on Insurance, as amended.

### B) Address of the insurer

Vyskočilova 1481/4, 140 00 Prague 4, Czech Republic

### C) Registration in the Commercial Register

registered at the Municipal Court in Prague, Section B, Insert No. 2740

### D) Name and address of the authority responsible for supervising the activities of the insurer

Czech National Bank, Na Příkopě 28, 115 03 Prague 1

### E) Contact information and the manner of handling complaints

By phone: +420 221 585 111

By fax: +420,221,585,555

By e-mail: info@ergo.cz

Website: www.ergo.cz

By a letter: at the seat of the insurer

In person: at the address of the insurer's branch

Complainants can also contact the Czech Insurance Association and the Czech National Bank.

### F) The language of communication between the parties

Czech language

### G) Information on the solvency and financial condition of the insurer

is available at [www.ergo.cz](http://www.ergo.cz) in the section About us and also in the Collection of Documents of the Commercial Register kept by the Municipal Court in Prague

## 2. Information on the commitment

### A) The definition of liability insurance

The subject of insurance is compensation for the damage to life, health or property of a third party for which the insured person is liable under the relevant civil-law regulations.

This insurance arranged by ERGO pojišťovna, a.s. (hereinafter referred to as the "Insurer") is governed by Act No. 89/2012 Coll., the Civil Code and other generally binding legal regulations of the Czech Republic, the General Insurance Conditions of Liability Insurance - OOW 150301 (hereinafter "GTI"), an insurance policy/contract and any other contractual arrangements.

### B) The extent of insurance coverage

The insurance cover is agreed as liability insurance of a citizen for damage in ordinary civil life under Part II. of the GTI.

### C) Exclusions

Contractual arrangements limiting the scope of coverage are listed in:

a) Article 16 of the GTI ("Exclusions") - general exclusions from insurance covering the whole insurance contract;

b) Article 21 of the GTI ("Exclusions of Liability Insurance for Damage in Ordinary Civil Life") - specific exclusions regarding insurance of the owner or caretaker of a dog or horse pursuant to Part III. of the GTI.

### D) The period of validity of the insurance contract, the insurance period

The insurance commences on the date and at time specified in the insurance policy/contract as commencement of insurance. The insurance is valid for an indefinite period of time. The insurance period is agreed to in the insurance contract and corresponds to the frequency of payments stipulated in the insurance contract that are either monthly, quarterly, semi-annually or annually. Insurance cannot be agreed to retroactively.

### E) Methods of termination of insurance, withdrawal from the insurance contract

The insurance terminates by agreement between the policyholder and the Insurer; by the insurable interest ceasing to exist; by the insurance risk ceasing to exist; on the day of death of the insured natural person or dissolution of the juristic person without any legal successor, and/or by death or demise of the policyholder pursuant to Art. 8, Sec. 4 of the GTI; by the expiration of three months from the date of the insurance contract if no consent of the insured person is proved if such consent is required in accordance with generally binding legal regulations; as of the date of refusal to provide insurance indemnity according to Art. 5, Sec. 4 of the GTI; by disagreement of the policyholder with the change of the amount of insurance premiums pursuant to Art. 5, Sec. 5 of the GTI; by the deadline laid down in a notice to pay up due payments of premiums expiring in void.

The insurance may also terminate by notice from the Insurer or from the policyholder. The policyholder or the Insurer may terminate the insurance with an eight-day notice within the period of two months from the date of the insurance contract or with one month's notice within three months from the date of notification of the insured event; alternatively, the parties can terminate the insurance contract as of the end of the insurance period provided the notice is served at least six weeks before the end of the insurance period. The policyholder can terminate the insurance with eight days' notice if the Insurer violates the principle of equal treatment when determining the amount of premiums or while calculating the amount of indemnity; within one month from the day he/she is served a notice of transfer of the insurance portfolio or a part thereof or on conversion of the Insurer; or within one month from the date when a notice is published stating that the Insurer has lost its authorization to carry on the insurance business. The Insurer can terminate the insurance with an eight-day notice period if the policyholder does not agree to an increase in premiums; in case of an increase in insurance risk to the extent and under the conditions laid down in Art. 5, Sec. 9 items b) and c) of the GTI.

The insurance also expires by withdrawal from the insurance contract, effective as of the day of the insurance contract. The policyholder may withdraw from the insurance contract:

a) without stating the reason within fourteen days from the date of the insurance contract or from the day on which the insurance conditions were communicated to it in case that the insurance contract is concluded by distant access or off the premises of the Insurer;

b) if the Insurer or its authorized representative answering questions in the negotiation of the insurance contract or an amendment to the insurance contract willfully or negligently provide untruthful or incomplete answers to written questions of the policyholder concerning the insurance. The policyholder may exercise this right within two months from the date when such fact was identified by it;

c) if the Insurer had to be aware when concluding the insurance contract of discrepancies between the offered insurance and the applicant's requirements and did not advise the policyholder accordingly. The policyholder may exercise this right within two months from the date when such fact was identified by it.

The Insurer may withdraw from the insurance contract if during the negotiation of the insurance contract or of an amendment to the insurance contract, the policyholder or the insured person willfully or negligently answered Insurer's written questions concerning the insurance untruthfully or incompletely as long as the Insurer would have not entered into the insurance contract upon truthful and complete answers to such questions. The Insurer can execute this right within two months from the date when it finds about such fact.

The withdrawal by the policyholder shall be made in writing and sent to the Insurer. Without any undue delay but no later than one month from the date of receipt of the withdrawal from the insurance contract, the Insurer shall return the premium paid minus the amount that has already been paid out under the insurance, and the policyholder, the insured or the beneficiary shall at the same time return to the Insurer the amount of the insurance indemnification paid that exceeds the amount of the premiums paid. The right to withdraw from the insurance contract expires unless it is exercised by the deadline laid down for withdrawal for the various reasons of withdrawal described above.

Withdrawal form to withdraw from an insurance contract is available at [www.ergo.cz](http://www.ergo.cz) in section Customer Service or at the seat of the Insurer or at a branch of the Insurer.

## **F) Information on insurance premiums**

Premium is a payment in consideration for insurance coverage provided by the Insurer to the extent agreed in the insurance contract. The Insurer determines the amount of the premiums according to the scope of coverage selected by the applicant for insurance policy/contract and always communicates it to the applicant before the insurance contract is concluded.

### **G) Payment of premiums and maturity date of premiums**

Premiums may only be taken as regular premiums. The premiums for the first insurance period are payable on the day when the insurance commences. The premiums for the next insurance period is payable on the first day of the following insurance period. The premiums are payable to the bank account of the Insurer. First premium can be paid as cash or credit card payment thru the payment gate on the website of the Insurer.

Premiums paid without the variable symbol or with a wrong variable symbol are considered outstanding.

### **H) Fees**

The Insurer does not charge extra fees for using distance communication/remote access means. The following fees are charged apart from the premiums:

|                                                                                                                                                                                  |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Processing termination of the insurance contract within 2 months from the commencement of insurance (unless stated otherwise for specific insurance in the insurance conditions) | 200 CZK |
| Issuing a duplicate certificate of insurance / current status of the contract reflected in the system                                                                            | 50 CZK  |
| Issuing a photocopy of the proposal / contract from an external archive                                                                                                          | 100 CZK |
| Processing contract renewal after an interruption / cancellation                                                                                                                 | 300 CZK |
| Confirmation of payment of premiums (on request)                                                                                                                                 | 50 CZK  |

### **I) The law applicable to the insurance contract, dispute resolution**

All insurance contracts concluded with ERGO pojišťovna, a.s. are governed by Czech law. The courts in the Czech Republic have the jurisdiction to hear any dispute.

Those interested in concluding an insurance contract may obtain additional information on request regarding property and liability insurance. If this is an insurance contract concluded through remote access, the policyholder has the right to request the policy/contract conditions in printed form at any time during the term of the insurance.

### **3. Policyholder Statements**

1. In a clear and precise manner, I have been informed in writing in the Czech language of the terms of the insurance contract and of the scope of insurance coverage, insurance protection and indemnification.

I have acquainted myself with the above written information for those interested in taking out an insurance contract and I have been presented the General Insurance Conditions of Liability Insurance - OOW 150301 – for review at the same time. I represent that I understood all the terms and conditions of the insurance contract including the relevant interpretation of the defined terms.

2. I understand that all aspects related to insurance risk are essential for the Insurer in negotiating insurance contracts to determine the amount of insurance premiums and for a decision whether or not to conclude an insurance contract (i.e. to undertake to provide insurance cover). I represent that I have been acquainted with the amount of the premiums before concluding the insurance contract.

3. I understand the fact that a false answer to any question relating to insurance risk when concluding the insurance contract may bring about the consequences specified in the general insurance conditions or in the relevant provisions of the Civil Code.

4. I understand the fact that I am required to report any change relating to insurance risk during the insurance period, i.e. any change to originally answered questions relating to insurance risk in the insurance contract (it is irrelevant whether or not I think the question is relevant in this respect) and that a breach of this obligation may bring about the consequences specified in the general insurance conditions or in the relevant provisions of the Civil Code.

5. I have been informed that the insurance contract can be terminated by a notice within two months of the date thereof. The notice period is 8 days.

# General Insurance Conditions of Liability Insurance - OOW 150301

Valid from March 1, 2015

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## Part I. Introductory Provisions

Liability insurance (hereinafter referred to as the "insurance") is provided by ERGO pojišťovna, a.s. (hereinafter referred to as the "Insurer") pursuant to Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as "CC"), the relevant provisions of Act No. 277/2009 Coll., on Insurance, as amended, by these General Insurance Conditions of Liability Insurance - OOW 150301 (hereinafter referred to as "GTI") that are an integral part of the insurance contract, and any other contractual arrangements. Insurance is agreed upon as insurance of loss.

### Article 1 Subject of Liability Insurance

1. Under the insurance in the event of claims incurred during the term of the insurance, the insured is entitled to payment by the Insurer under these GTI of damages caused to an injured party or other damages (hereinafter in this section referred to as "damage") to life, health or property, or financial loss if an obligation to compensate the insured arises.
2. The insurance covers the statutory liability for damage to the extent specified in the insurance policy/contract according to these GTI.
3. Liability insurance according to these GTI may only be concluded as liability insurance of a citizen for damages in ordinary civil life (under Part II. of these GTI).

### Article 2 Insured Event Covered by Liability Insurance

1. An insured event is a random event set forth in these GTI that occurs during the insurance period, unless insurance is suspended as per this Article 4 of the GTI and with which the obligation to provide insurance indemnification is associated.
2. The insured event of liability insurance is the emergence of the insured person's obligation to pay damages pursuant to Art. 1 of the GTI.

3. Multiple claims for damages arising from one cause or multiple causes that are directly related to each other in time, place or otherwise, regardless of the number of injured parties, are considered to be one insured event.
4. When a public authority or any other competent body decides on damages, the Insurer is obliged to pay on the day when the decision of this body gains the power of res iudicata.

### Article 3 Establishment and Duration of the Insurance

1. The insurance commences on the date and at time specified in the insurance policy/contract as commencement of insurance.
2. The insurance is valid for an indefinite period of time.

### Article 4 Suspension of Insurance

1. If the premiums are not paid in full within two months after the due date thereof, the insurance is suspended. The suspension occurs after 2 months from the due date of the premiums.
2. The Insurer is entitled to premiums up to the beginning of the suspension.
3. Suspended insurance is not renewed by payment of overdue premiums.
4. The insurance may be resumed based on the policyholder's request. The Insurer has the right to refuse to renew the insurance or to determine the conditions under which the insurance can be renewed.
5. If the insurance is suspended during the insurance period, the obligation to pay insurance premiums does not last for the period of suspension and no right to indemnity arises from events that occur during the suspension that would otherwise be insured events. The period of suspension of insurance is counted towards the insurance period.

### Article 5 Termination of Insurance

1. The insurance may terminate by agreement between the Insurer and the policyholder.
2. The insurance terminates when the insurable interest ceases to exist. The Insurer is entitled to

premiums up until the moment when it learns of the insurable interests ceasing to exist.

3. The insurance shall expire in three months of concluding the insurance contract if no consent is demonstrated of the insured person if such consent is required in accordance with generally binding regulations.
4. The insurance expires on the date of refusal of insurance indemnity if the cause of the rejection is - :
  - a) information that the Insurer learned only after the occurrence of the insured event,
  - b) that the Insurer could not determine in negotiating the insurance contract or amendments thereto as a result of a negligent breach by the policyholder of its obligation to provide truthful information and
  - c) that would make the Insurer not conclude the insurance contract or conclude the insurance contract under different terms and conditions.
5. The insurance terminates if the policyholder does not agree to a change of the amount of premiums pursuant to Art. 10, Sec. 7 of the GTI within 1 month from the date when the proposed change in the amount of premiums is communicated to it. In this case, the insurance period shall expire at the end of the period for which premium has been paid.
6. The insurance expires if the Insurer asks the policyholder to pay premiums and advises it in the relevant notice that the insurance will expire unless premiums are paid during an additional period of time to be determined as at least one month from the date of receipt of the notice; the insurance terminates when the additional period of time expires in vain.
7. Either Party can terminate the insurance-:
  - a) within two months from the date of the insurance contract. the eight-day notice period commences on the day of receipt of the notice and the insurance terminates at the expiry of the notice period;
  - b) at the end of the insurance period. The notice shall be delivered at least six weeks before the end of the insurance period. However, if the notice is delivered to the other party later than six weeks prior to the date of expiry of the insurance period, the insurance terminates at the end of the next insurance period;
8. The policyholder may terminate the insurance with eight days' notice:
  - a) within two months from the day when it learns that the Insurer violated the principle of equal treatment laid down in the CC in determining the amount of premiums or when calculating the amount of indemnity;
  - b) within one month from the day he/she is served a notice of transfer of the insurance portfolio or a part thereof or on conversion of the Insurer;
  - c) within one month from the date when a notice is published stating that the Insurer has lost its authorization to carry on the insurance business.
9. The Insurer may terminate the insurance:
  - a) within two months of receipt of the policyholder's disagreement with the proposal to increase the premiums or until the moment when the period of time for the adoption of such proposal expires pursuant to Art. 9, Sec. 4 of the GTI. the eight-day notice period commences on the day of receipt of the notice and the insurance terminates at the expiry of the notice period;
  - b) within one month from the date on which they are notified of a modification of the scope of the insurance risk under Art. 9, Sec. 5 of the GTI provided it would not have entered into the insurance contract given the existence of such an insurance risk at the time of concluding the insurance contract. the eight-day notice period commences on the day of receipt of the notice and the insurance terminates at the expiry of the notice period;
  - c) within two months from the day when they learn about the increase in the insured risk if the change is not communicated to the policyholder or to the insured. The insurance expires on the date of receipt of the notice.

- 10.** The policyholder may withdraw from the insurance contract:
- a) without stating the reason within fourteen days from the date of the insurance contract or from the day on which the insurance conditions were communicated to it in case that the insurance contract is concluded by distant access or off the premises of the Insurer;
  - b) if the Insurer or its authorized representative answering questions in the negotiation of the insurance contract or an amendment to the insurance contract willfully or negligently provide untruthful or incomplete answers to written questions of the policyholder concerning the insurance. The policyholder may exercise this right within two months from the date when such fact was identified by it;
  - c) if the Insurer had to be aware when concluding the insurance contract of discrepancies between the offered insurance and the applicant's requirements and did not advise the policyholder accordingly. The policyholder may exercise this right within two months from the date when such fact was identified by it.
- 11.** The Insurer may withdraw from the insurance contract if during the negotiation of the insurance contract or of an amendment to the insurance contract, the policyholder or the insured person willfully or negligently answered Insurer's written questions concerning the insurance untruthfully or incompletely as long as the Insurer would have not entered into the insurance contract upon truthful and complete answers to such questions. The Insurer can execute this right within two months from the date when it finds about such fact.
- 12.** The withdrawal by the policyholder shall be made in writing and sent to the Insurer. Without any undue delay but no later than one month from the date of receipt of the withdrawal from the insurance contract, the Insurer shall return the premium paid minus the amount that has already been paid out under the insurance, and the policyholder, the insured or the beneficiary shall at the same time return to the Insurer the amount of the insurance indemnification paid that exceeds the amount of the premiums paid.
- 13.** The right to withdraw from the insurance contract expires unless it is exercised by the deadline.

- 14.** The insurance also expires by the insurance risk ceasing to exist, on the day of death of the insured natural person or dissolution of the iuristic person without any legal successor, or by death or demise of the policyholder pursuant to Art. 8, Sec. 4 of the GTI.
- 15.** In the event of termination or expiry of the insurance, the Insurer is entitled to premiums until the end of the insurance period.

## **Article 6 Insurable Interest**

- 1.** Insurable interest is a legitimate need for protection against the consequences of an insured event and is an essential condition for the occurrence and duration of insurance.
- 2.** The policyholder has insurable interest to their own property. It is understood that the policyholder has insurable interest to a property of a third party if it can be demonstrated that the policyholder would face the threat of direct property loss without its existence and duration of the insurance.
- 3.** It is understood that the policyholder's interest to have insurance is demonstrated in case that the insured person grants approval to the insurance.
- 4.** If the policyholder had no insurable interest and the Insurer knew that or should have known it at the time when the insurance contract was concluded, the insurance contract is invalid.
- 5.** If the policyholder deliberately insures nonexistent insurable interest but the Insurer did not know or could not have known it, the insurance contract is invalid. In this case, the Insurer is entitled to remuneration corresponding to the insurance premiums until the time when the Insurer learns of the invalidity.
- 6.** If the insurable interest terminates during the term of the insurance, the insurance cover expires. In this case, the Insurer is entitled to insurance premiums up until it learns of the termination of the insurable interests.

## **Article 7 Insured Amount, Limit of Indemnity**

- 1.** The upper limit of indemnity is determined by the indemnity limit. The indemnity limit is determined at the policyholder's own responsibility.

2. Unless stated otherwise, the indemnity limit applies to one event.

## **Article 8 Insurance of Another's Insurance Risk and Insurance in Favor of a Third Party**

1. If the policyholder concludes an insurance policy/contract for its own benefit covering the insured risk as a possible cause of an insurance event of a third party, the policyholder may exercise the right to indemnification if it proves that it has informed the third party of the content of the insurance contract and that the third party was aware of it and even though it is entitled to indemnification, it agrees that the policyholder shall receive the indemnification. If a descendant of the policyholder who is not fully sui juris is to be the insured person, no special approval is required as long as the policyholder himself/herself is the legal representative of the insured and no property insurance is taken.
2. If consent of the insured or his/her legal representative is required and the policyholder fails to prove such consent within three months from the date of the insurance contract, the insurance expires at the end of the said period of time. If there is an insured event during this time without the consent of the insured person being granted, the insured is entitled to the indemnification.
3. If the policyholder assigns the insurance contract without the consent of the insured or his/her legal representative, the assignment of an insurance contract is disregarded. This does not apply if the assignee is a person regarding which no consent to the insurance of the insured risk is required.
4. The insured enters into the rights and obligations under the insurance contract on the date of death of the policyholder or the date of termination of the policyholder without a legal successor; if, however, the insured notifies the Insurer in writing within thirty days of the policyholder's death or the date of its demise that it is not interested in the insurance, the insurance cover expires on the date of death or the date of demise of the policyholder. The effects of delays do not apply to the insured before the expiration of fifteen days from the date when the insured learns about his/her entering into the rights and obligations under the insurance.

5. If the insurance contract is entered into in favour of a third party, the third party can approve the agreement subsequently when exercising its right to indemnity. A third party has a right to indemnity if the insured or its legal representative granted their consent to the third party to receive indemnity after he was made familiar with the contents of the insurance contract.
6. If insured risk is insured to the benefit of a third party, the provisions of Sections 1-4 of this Article apply mutatis mutandis.

## **Article 9 Change to the Insurance Risk**

1. Whenever the circumstances that were listed in the insurance contract or regarding which the Insurer asked during the negotiation or modification of the insurance contract change so much that it increases the probability of the insured event under the specifically negotiated insurance risk, the insurance risk increases.
2. Without the Insurer's consent, the policyholder may neither do anything that increases the insurance risk nor to allow a third party to do it; if it finds later on that it allowed the insurance risk to increase without the Insurer's consent, it shall notify the Insurer without any undue delay. If the insured risk increases independently of the will of the policyholder, the policyholder shall notify the Insurer without any undue delay after it learns about it. If insurance risk of another is insured, the insured has this obligation.
3. In the event that the Insurer would have entered into the insurance contract under different terms and conditions if the increased insurance risk existed when the insurance contract was concluded, the Insurer has the right to propose a new amount of the premiums. Failure to do so within one month from the date the change is communicated to it means that this right to propose a new amount of the premiums ceases to exist.
4. If no proposal to increase premiums pursuant to Sec. 3 of this Article is adopted within one month from the date of receipt of the proposal to increase the premiums or if the increased premiums are not paid within one month from the date of receipt of the proposal to increase the premiums, the Insurer has the right to terminate the insurance with an eight-day notice period. This right of the Insurer expires if the Insurer does not terminate the insurance within two months of receipt of disagreement with the

proposal increased premiums or when the time for the adoption thereof elapses in vain.

5. In the event that the Insurer would not have entered into the insurance contract if the insurance risk existed in the increased extent when entering into the insurance contract taking into account the conditions at the time of concluding the insurance contract, the Insurer has the right to terminate the insurance with an eight-day notice period. If the Insurer does not terminate the insurance within one month of the date on which the change to the insurance risk is announced to it, its right to terminate the insurance contract ceases to exist.
6. Should the policyholder or the insured breach their obligation to report an increase in the risk, the Insurer has the right to terminate the insurance contract without notice. If the Insurer terminates the insurance contract, it is entitled to the premiums until the end of the insurance period in which the insurance ceased to exist; in this case, all of any one-off premium belongs to the Insurer. If the Insurer does not terminate the insurance within two months from the date when the increase in risk is communicated to it, its right to terminate the insurance contract ceases to exist.
7. Should the policyholder or the insured breach their obligation to report an increase in risk and an insured event occurs after such a change, the Insurer has the right to reduce the indemnity in proportion to the ratio of premiums which it has received and the premium that would have been paid to it if it had been notified of the increase of the insurance risk in a timely manner.
8. Provisions on increase of the insurance risk shall not apply where the increased risk occurred because of averting or reducing a higher damage or as a result of the insured event or as the result of conduct in a human manner.

## Article 10 Premiums

1. The Insurer is entitled to the premium for the insurance period unless agreed otherwise.
2. The policyholder shall pay premiums to the account designated by the Insurer stating a variable symbol which is the number of the insurance contract. Premiums paid without the variable symbol or with a wrong variable symbol are considered outstanding.

3. The premiums are agreed as regular premiums.
4. Regular premiums are payable on the first day of the insurance period.
5. Premiums are considered paid:
  - a) when paying by a bank transfer at the moment the appropriate amount of insurance is credited to the bank account of the Insurer; the payment of the first premium, however, is considered paid at the moment of debiting the respective amount of the premium from the bank account from which the premium is paid;
  - b) when paying through mail, the date of filing the payment at the post office;
  - c) when paying in cash on the day of payment to a representatives of the Insurer against an issued confirmation slip confirming the receipt of payment.
6. Payments of insurance premiums are always counted as payments of premiums towards the oldest unpaid insurance period.
7. The Insurer is entitled to adapt the amount of premiums for the existing insurance policy/contract to the developments of damages and costs to restore the balance between indemnity paid and insurance premiums received. The Insurer is obliged to communicate the new amount of insurance premiums to the policyholder not later than two months before the maturity of the insurance premiums for the insurance period in which the amount of premium is to change.
8. If the policyholder disagrees to the change of the amount of insurance premiums under Sec. 7 of this Article, the policyholder shall communicate its disagreement within 1 month of the date on which it learned of the proposed change in the amount of premiums. In this case, the insurance shall expire after the period for which premium has been paid, unless agreed otherwise. The Insurer is obliged to mention this outcome when communicating the newly determined amount of premiums.
9. If the policyholder or payer of premiums is in arrears in the payment of premiums, the Insurer is also entitled to default interest and compensation for costs associated with enforcement of the Insurer in addition to outstanding premiums.

10. The amount of premiums is governed by the agreed-upon subject of insurance chosen according to Art. 1, Sec. 3 of the GTI.
11. In circumstances that increase the insurance risk, the Insurer is entitled to agree to exclude certain risks, include further specified risks or adjust premiums. Some risks can be insured under a special insurance policy.
12. As a result of changes to reasons for discounts provided by the Insurer according to the price list of the Insurer, the Insurer is also entitled not to keep providing these discounts.
13. If the policyholder is in arrears in the payment of premiums and an insured event occurs, the Insurer is entitled to set off insurance indemnity against outstanding premiums and other amounts due under the insurance contract.
14. If an insured event occurs due to which the insurance expires, the Insurer is entitled to premiums until the end of the insurance period in which the insured event occurred; one-off premiums belong to the Insurer for the entire period for which the insurance was concluded in this case, unless agreed otherwise.

complete its investigation and shall provide the person upon his/her request an appropriate advance if there is no rational reason for denying the payment thereof. This period does not run if the investigation is prevented or hindered by the beneficiary, the policyholder or the insured. The insurance indemnity is payable within 15 working days after the end of the investigation necessary to determine the extent of the Insurer's duty to pay. The investigation is completed once the Insurer notifies the beneficiary of the results thereof.

## **Article 11 Payment and Maturity of Indemnity**

1. If an insured event occurs, the Insurer shall pay indemnification under the terms of the insurance contract. Insurance indemnification is payable in the Czech Republic in the domestic currency to the insured or to the person who is entitled to the indemnification. For the conversion of foreign currency, the exchange rate officially announced by the Czech National Bank on the day of the insured event shall be used.
2. The upper limit of indemnity is determined by the insured amount and may be limited by the indemnity limit.
3. Pretium affectionis is not refunded.
4. The Insurer shall terminate the investigation and notify the results to the beneficiary within 3 months from the date of notification of the insured event to the Insurer. If the Insurer cannot finalize the investigation within this period of time, it shall inform the person who may be or is entitled to indemnification the reasons why the Insurer cannot

5. The Insurer is entitled to postpone the indemnity payment or payment of an advance to indemnity if:
  - d) there is doubt about the legitimacy of indemnification, until the necessary evidence is provided to it;
  - e) criminal, administrative or other proceedings is commenced against the policyholder or the insured in connection with the insured event, until the end of the proceedings.
6. If a claim to financial compensation of the insured to a third party occurs in connection with the insured event which is the subject of this insurance, the right is transferred to the Insurer up to the amount of the indemnity paid under the insurance contract. If the insured waives the right or claim without the consent of the Insurer, the Insurer is not obliged to pay up to the amount of the above claim against the third party and in the event that the indemnity has been paid, the insured is obliged to return the payment to the Insurer up to the amount of the claim against the third party.
7. If insurance indemnity or deposit for insurance indemnity is paid in error, the person who has been paid the insurance benefit has an obligation to promptly return it even after the expiry of the insurance.
8. If, after the insured event from which the claim to insurance indemnification arises, the policyholder or another beneficiary finds out that the lost or stolen property is found, they shall notify the Insurer without any undue delay. When the Insurer provides indemnity after the occurrence of the insured event, ownership right to the insured property shall not pass to it, but the Insurer has the right to be issued whatever indemnification provided. The beneficiary may deduct the costs reasonably incurred for the removal of defects arising at a time when the beneficiary was deprived of the possibility to dispose of the property.
9. If the costs of the investigation incurred by the Insurer are caused or increased by a breach of obligations by the policyholder, the insured or any other person who claims the right to indemnification, the Insurer has the right to request adequate compensation from the person who breached the obligation.
10. If the insured person receives reimbursement from a third party that is obliged to provide such

reimbursement, the Insurer is entitled to appropriately reduce the insurance indemnification paid. The insured is obliged to inform the Insurer promptly on this.

11. Claims for insurance indemnity may be transferred with the prior written consent of the Insurer only.
12. If the insured causes damage through his/her actions committed under the influence of alcohol, narcotics or psychotropic substances, the Insurer has the right to reimbursement from the insured up to the amount that the Insurer has paid on their behalf.
13. Clause 12 of this Article shall not apply in cases where the insured takes drugs containing addictive substances or products containing addictive substances if these drugs are taken in the manner prescribed by a doctor and there has been no advice from a doctor or manufacturer of the drug that at the time of application of such a drug, it is not allowed to carry out the activities the result of which was the damage.

## Article 12 Refusal of and Reduction of Insurance Indemnification

1. If the policyholder or the insured person violated any of the obligations specified in the insurance policy/contract when negotiating the insurance contract or amendment to the insurance contract and if lower insurance premiums were consequently calculated, the Insurer has the right to reduce the amount of the insurance indemnity by a part thereof which complies with the ratio of premiums received to the premiums that the Insurer should have received.
2. If a breach of the obligations of the policyholder, the insured or any other person who is entitled to the indemnification substantially influenced the occurrence of the insured event, the development thereof or the extent of its consequences or to the possibility to detect or determine the amount of indemnity, the Insurer may reduce the amount of the insurance indemnity proportionately to the impact that this breach had on its obligation to pay up. This applies also in the case when the breach of the obligation makes it impossible to present evidence that an insured event within the meaning of these GTI occurred.
3. The Insurer may reject payment of indemnity under the insurance contract if the cause of the insured

event is a fact that he learned about only after the occurrence of the insured event and that the Insurer could not have determined when negotiating the insurance contract and an amendment thereto due to intentionally or negligently untruthful or incompletely answered written questions, and if the knowledge of such facts at the time of concluding the insurance contract would prompt the Insurer not to conclude such an agreement or to conclude it under different terms and conditions.

4. The insurance expires on the date of delivery of the notification of refusal to indemnify under Sec. 3 of this Article.
5. The right to insurance indemnity does not arise when the insured event is intentionally caused either by the person who exercises the right to indemnity or by a third party based on the initiative of the aforementioned person/beneficiary.

### **Article 13 Deductible**

1. If a deductible is agreed to, the person that has the right to indemnification contributes to the indemnification by a fixed amount or a percentage (deductible), i.e. the Insurer does not provide indemnity to the extent of the agreed-upon deductible. In the event that the total amount of indemnity does not exceed the agreed-upon deductible, the Insurer does not pay any indemnity.

### **Article 14 Salvage Costs**

1. Salvage costs shall mean the reasonable costs of:
  - a) averting an imminent insured event;
  - b) mitigating the consequences of an insured event;
  - c) removing damaged insured assets or the remains thereof if that is necessary for health, environmental or safety reasons.
2. Any salvage costs are capped by the agreed-upon limit of indemnity of 15% of the insured amount; this does not apply in the case of saving the life or health of persons where the agreed-upon limit of indemnity equals 30% of the agreed insured amount.
3. The upper limit of insurance indemnification shall not be decreased by the paid compensation of salvage costs.

4. The Insurer shall not cover the costs incurred for normal maintenance, repairing the property or meeting the legal obligation to prevent damage other than under Sec. 1 item a) of this Article.

### **Article 15 Insured Process Costs**

1. If the Insurer undertakes to do so in writing after the occurrence of the insured event, it will reimburse the following costs of the insured:
  - a) for the defense in the pre-trial and criminal proceedings in front of a court of the first instance brought against the insured person in connection with the insurance event;
  - b) of civil proceedings for compensation of damages if it is necessary to determine the liability of the insured or the amount of damages as long as the insured is obliged to pay these costs, including the costs of legal representation of the insured in this proceeding;
  - c) out-of-court negotiations regarding the claims of the victim.
2. The Insurer pays the costs of legal representation of the insured only up to the amount corresponding to the maximum non-contractual remuneration of an attorney-at-law under the current legal regulations that govern non-contractual remuneration and cash expenses of an attorney-at-law.
3. The Insurer shall cover the expenses under this Article even if they exceed the agreed insured amount.
4. If the insured is obliged to pay damages in excess of the insured amount, the Insurer shall cover process costs reduced in the ratio of the insured amount to the total amount of the claim for damages.
5. The insured person has the obligation to proceed in accordance with the instructions of the Insurer in any proceedings on the compensation of damages.

### **Article 16 Exclusions**

1. The insurance does not cover damages caused directly or indirectly in connection with:
  - a) nuclear energy, radioactive contamination, laser rays, concentrated radiation rays and also by formaldehyde and asbestos;

- b) wartime events of all kinds and other armed conflicts;
  - c) internal unrest, revolution, secession, rebellion, uprising, coup or other violent unrest such as terrorist attacks or strikes; terrorist action which means any activity that persons or groups of persons carry out to achieve political, ethnic, religious, ideological or similar goals and which spread fear and panic among the population or groups of population, thereby putting pressure on government or state institutions;
  - d) interference by public authority or public administration;
  - e) declaring a state of emergency.
2. Unless otherwise agreed in the insurance contract, the insurance does not apply to liability of the insured person for damage:
- a) caused intentionally or that occurs by the insured person keeps the status quo triggered by the insured event intend to increase the damage caused; an act or omission in which the damage had to be assumed or expected and the insured person was satisfied that the event would arise is treated the same as intention. conscious knowledge of the defectiveness or harmfulness of goods and quality of labor carried out equals intention;
  - b) caused as a result of the application of narcotic and psychotropic substances or by drinking alcohol;
  - c) assumed or acknowledged by the insured person beyond the decision of the competent authority or beyond the framework established by generally binding legal regulations;
  - d) caused by the breach of the obligation to avert damage;
  - e) caused to property by gradual effect of temperature, gases, vapors or moisture deposits (smoke, rust, ash, dust, etc.), by wastewater and solid waste of all kinds, formation of mud, soil subsidence and the resulting subsidence of buildings or facilities, by landslides, tremors due to construction or demolition activities, floods caused by standing or running water;
  - f) caused by the introduction or expansion of an infectious disease of humans, animals or plants, including by negligence;
  - g) caused to the environment;
  - h) caused by an activity which is subject to an obligation to conclude an insurance contract based on generally binding legal regulations or for which it is determined that insurance arises without concluding an insurance contract based on a different legal reason.
3. in the event of a claim, there is no right to indemnification at the level of a special price of premium affectionis.

## **Article 17 Obligations of the policyholder and the insured person**

1. The policyholder and the insured person shall truthfully and completely answer all questions of the Insurer during negotiations to conclude an insurance contract or in negotiations to amend an insurance contract as well as share such facts that are relevant to the Insurer's decision to assess the risk, whether or not it provides insurance covers and under what conditions. The policyholder and the insured are obliged to notify the Insurer without any undue delay of changes that occur during the insurance period regarding the facts about which they provided answers during negotiations to conclude an insurance contract or in negotiations on an amendment to the insurance contract.
2. The policyholder and the insured person shall:
  - a) immediately notify the Insurer in writing of any change regarding the insured, the insurance and changes in risk;
  - b) notify the Insurer of a change of residence or mailing address;
  - c) notify the Insurer that it has an insurance policy as additional insurance for the insurance threat with another insurer; it is obliged to disclose the name of the insurer and the insured amount;
  - d) take adequate measures to avert impending damage and try to ensure that the insurance event does not occur, particularly not to act contrary to obligations aimed at averting or reducing risk pursuant to generally binding legal regulations or by the insurance contract;

- e) notify the Insurer of the Insurance interest ceasing to exist and to prove the same.
3. In the case of an insured event occurring, the insured person, the policyholder and the beneficiary shall:
- a) notify the Insurer immediately of the event;
  - b) provide the Insurer with a truthful explanations and evidence on the origin and extent of the event;
  - c) promptly notify law enforcement authorities of any event that occurred under circumstances indicating an offense or crime committed or an attempted offense or crime,
  - d) not to change the status quo resulting from the insured event without the consent of the Insurer, unless it is necessary to begin to repair the damaged property or the removal of the remnants thereof earlier due to health, safety or environmental reasons, whereas they are obliged to ensure that the damage and the amount thereof are evidenced; the Insurer shall grant this approval within 10 working days of notification of the damage, or otherwise the insured person is entitled to commence repairs to the property or works on elimination of the residues while maintaining the relevant evidence of the damage and the amount thereof;
  - e) ask the Insurer to provide instructions necessary to mitigate the consequences of the damage and to comply with them;
  - f) preserve the damaged or destroyed items related to the insured event for the purposes of assessment by the Insurer;
  - g) allow the Insurer or the Insurer's representatives to carry out any investigations necessary for the assessment of the claim and the amount thereof and submit all required original documents that the Insurer requires for this purpose and possibly to allow the Insurer to make copies of these documents. Ownership of documents submitted to the Insurer passes to the Insurer and it is entitled to further dispose of them;
  - h) ensure the right to compensation for damages towards third parties and secure other similar rights and claim compensation for damages against the person;
- i) notify the Insurer without any delay that the injured party asserted the right to damages against the insured person, the policyholder or the beneficiary and express their opinion on their liability for the damage and the required compensation and the amount thereof;
  - j) notify the Insurer without any undue delay that criminal proceedings, proceedings in front of a state authority or court or arbitration proceedings against them are commenced in connection with the insured event, disclose the name of their attorney and inform the Insurer of the progress and outcome of the proceedings. If the Insurer provide for an attorney-at-law, the insured is obliged to let him/her represent the insured.
4. In any compensation proceedings, the insured shall proceed in accordance with the instructions of the Insurer and to authorize the Insurer to lead negotiations regarding any third party claim at the Insurer's request.

## Article 18 Consequences of Breach of Obligations

1. If the policyholder or the insured person violated any of the obligations specified in the insurance policy/contract when negotiating the insurance contract or amendment to the insurance contract and if lower insurance premiums were consequently calculated, the Insurer has the right to reduce the amount of the insurance indemnity by a part thereof which complies with the ratio of premiums received to the premiums that the Insurer should have received.
2. If a breach of the obligations of the policyholder, the insured or any other person who is entitled to the indemnification substantially influenced the occurrence of the insured event, the development thereof or the extent of its consequences or to the possibility to detect or determine the amount of indemnity, the Insurer may reduce the amount of the insurance indemnity proportionately to the impact that this breach had on its obligation to pay up. This applies also in the case when the breach of the obligation makes it impossible to present evidence that an insured event within the meaning of these GTI occurred.

3. If the negligence of the policyholder, the insured, persons living in the same household with the insured person or any other person who is entitled to indemnification caused the insured event or an increase of the impacts thereof or made it impossible to safeguard evidence that the damage occurred by an insurance event under these GTI occurring, the Insurer is entitled to decrease the indemnification under the insurance contract according to what effect this negligence had on the extent of its obligation to pay up.
4. The Insurer may withdraw from the insurance contract pursuant to Art. 5, Sec. 11 of the GTI or to decline insurance indemnity under the insurance contract pursuant to Art. 12, Sec. 3 of the GTI. It is possible to withdraw from the insurance contract even after the occurrence of the insured event.
5. If the notification of the insured event contains knowingly false or grossly distorted significant information concerning the extent of the damage or if the notification knowingly fails to include information regarding the event, the Insurer is entitled to reimbursement for expenses incurred in the investigation of the facts on which such data was not disclosed or was withheld. It is understood that the Insurer incurred expenses in the documented amount in an efficient manner.

#### **Article 19 The right of the Insurer to identify and review data of the policyholder and the insured**

1. The Insurer is authorized to ascertain and examine all the necessary information on the policyholder and the insured related to the insurance. The policyholder and the insured are obliged to answer truthfully and completely all the Insurer's written questions relating to the insurance. Insured and the Policyholder have this obligation in the event of changes to the insurance contract or in the event of a loss event.

## Part II. Liability insurance for damage in ordinary civil life

### Article 20 Subject of liability insurance for damages in ordinary civil life Insurer and territorial validity

1. The insurance covers liability for damage or other harm as well as (hereinafter referred to as "damage") caused by its activities, which is common in civilian life, unless such activity is excluded in these GTI.
2. The insurance also covers liability for damage caused by the insured:
  - a) as owner or as depositary of pets and small farm animals, except dogs, horses, cattle, wild animals and all animals kept for farming or gainful activity;
  - b) weapons legally held for private purposes.
3. Insurance protection applies simultaneously with the insured to the following co persons if they live in the same household with the insured person:
  - a) spouse of the insured;
  - b) registered partner of the insured;
  - c) partner of the insured;
  - d) children, adoptive children placed in foster care or the insured persons referred to in item a), b) and c) of this paragraph, however, up to 25 years of age.
4. Insurance under this Article shall also apply to civil liability:
  - a) of persons in the household of the insured perform odd jobs;
  - b) of persons whom the insured person entrusted the custody or routine maintenance of his apartment. The condition is that the damage was caused by housekeeping or operation of equipment. Insurance does not cover damages caused to the insured or a member of his household.
5. The insured event is the duty of the insured to pay damages pursuant to Sec. 1 and 2 of this Article.

6. The insurance covers insured events that occur throughout the world.

### Article 21 Exclusions of liability insurance for damage in ordinary civil life

1. Unless otherwise agreed in the insurance contract, the insurance does not apply to liability of the insured person for damage:
  - a) caused to things that were loaned, rented or used by the insured for any other reason or that he keeps. This exclusion does not apply to damage caused to these matters by fire, explosion, tap water facilities, burglaries and robberies.
  - b) resulting from active participation in any sports events and races of all kinds, including preparations for them (training);
  - c) to greenery caused by grazing livestock and damage caused by animals;
  - d) incurred to things accepted from another person for processing, repair, modification, sale, storage, testing, etc.;
  - e) caused by the exercise of hunting rights;
  - f) caused by spills of oil, lubricants or other fluids from tanks or containers;
  - g) for which the insured person is liable towards their spouse, siblings, relatives in direct line, persons who live with them in a shared household, the policyholder and the co-insured persons;
  - h) for which the insured person is liable to their shareholders or to their spouses, siblings or relatives in direct line or persons living with a shareholder in a joint household;
  - i) incurred in the discharge of their duties in labor relations (profession) or in direct connection therewith;
  - j) caused to the results of work or things manufactured or supplied by the insured person (or on their behalf or at their account by third parties) the cause of which lies in production or supply;

- k) entrepreneurs in the performance of their business, including liability for damage caused by its employees in the performance of work-related tasks or in direct connection therewith, and to product liability;
  - l) for which the insured person is liable as a result of having breached the obligations imposed on them by third parties or when they acquiesced to breaches of obligations by third parties imposed by the insured person;
  - m) caused by the operation of a motor vehicle or trailer behind a motor vehicle;
  - n) caused by the operation of a motor or non-motorized craft, including windsurfing;
  - o) caused by the operation of an aircraft;
  - p) caused to property and arising from contracts of carriage;
  - q) which the insured person causes during transportation by vehicles or other means of transport operated on their own account outside the scope of transportation contracts;
  - r) which the Insurer would otherwise be obliged to pay but the insured person fails to raise an objection of time-barred claim or limitation without the knowledge and consent of the Insurer, the insured person neither appeals against the decision nor objects a payment order or has entered into a settlement agreement or reached court settlement;
  - s) the reimbursement claim of which was time-barred and yet the insured person has undertaken to pay the damages;
  - t) caused by unauthorized execution of construction works.
2. The Insurer will not provide indemnification for fines, sanctions or other contractual, administrative or criminal penalties or other payments that are of punitive, exemplary or preventive nature.

## Part III. Final Provisions

### Article 22 Costs and Fees

1. If the policyholder or payer of premiums is in arrears in the payment of premiums, the Insurer is entitled to reimbursement of costs associated with raising the claims of the Insurer arising from outstanding insurance premiums. These costs are determined on the basis and in accordance with current regulations governing non-contractual remuneration and cash expenses of an attorney-at-law.
2. The Insurer reserves the right to levy extra charges for specific tasks, such as providing a record of a security, statement of assignment, changing the contents of an insurance contract, issuing replacement documents, transcripts, etc. The schedule of fees is as follows:

|                                                                                                                                                                                  |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Processing termination of the insurance contract within 2 months from the commencement of insurance (unless stated otherwise for specific insurance in the insurance conditions) | 200 CZK |
| Issuing a duplicate certificate of insurance / current status of the contract reflected in the system                                                                            | 50 CZK  |
| Issuing a photocopy of the proposal / contract from an external archive                                                                                                          | 100 CZK |
| Processing contract renewal after an interruption / cancellation                                                                                                                 | 300 CZK |
| Confirmation of payment of premiums (on request)                                                                                                                                 | 50 CZK  |

### Article 23 Legal proceedings, delivering written matter

1. All communications to the policyholder or the insured person shall be made in writing and sent to the address of the Insurer. The representatives of the Insurer shall be entitled to accept notices, but each notice is considered delivered to the moment when the Insurer demonstrably receives it.

2. Insurer's documents intended for the policyholder or the insured person will typically be delivered by a postal license holder but can also be delivered by a representative of the Insurer to the last known address.
3. A shipment sent using a postal license holder is considered delivered on the third working day following dispatch, however, if sent to another country then on the fifteenth working day after dispatch.
4. If the policyholder or the insured person unreasonably refuse to accept the document, the document is considered delivered on the date when receipt is denied by the policyholder or the insured person.
5. If neither the policyholder nor the insured can be reached and the document of the Insurer has been deposited by the postman at the post office or with the local municipality, the document of the Insurer is considered delivered on the last day of the storage period even if the policyholder or the insured person do not learn about it being deposited.
6. If the document is returned undelivered for other reasons than those mentioned in the previous clause, the document is considered delivered on the day of its return to the Insurer.

### Article 24 Final Provisions

1. The insurance contract can differ from the above GTI if required by the purpose and nature of the insurance. In other cases, the clauses of an insurance contract may be different from the GTI only if it is for the benefit of the insured person.
2. These GTI become effective on March 1, 2015.
3. If the insurance contract is influenced by legal defects as a result of changes in the general legislation or otherwise, such defects cannot cause legal invalidity or ineffectiveness of the entire insurance contract. All the provisions of the insurance contracts are severable and if any of its provisions becomes invalid, illegal or contrary to public order, the validity of the remaining provisions shall remain unaffected and the insurance contract will be considered as if it has never contained the invalid provisions. Instead of the invalid or ineffective clause, the parties undertake to replace this provision by another clause with language that

allows achieving the purpose of this insurance contract.

## Part IV. Glossary of Terms

**Regular premium** is the premium for the agreed insurance period.

**Pretium affectionis** means an extraordinary cost of property with regard to the particular circumstances or to the special popularity due to random attributes of the item.

**Financial loss** means especially lost profits and costs to the harmed party that are not damage to health, life or property but are incurred in connection therewith (e.g. the cost of disposing of damaged items, hire of replacement vehicle, cancellation fee for canceling a vacation due to damage to health).

**One-off premium** is premium lay down for the entire period for which the insurance is to last.

**Burglary** means misappropriation of the insured chattel by a perpetrator obtaining it by obviously overcoming of an obstacle, i.e.:

- a) The perpetrator enters the insured place using tools which are not designed for proper opening of doors. The use of these tools is not proved by the mere finding that theft of the insured chattel occurred;
- b) The perpetrator enters the insured place using a key which they have seized in a robbery;
- c) The perpetrator enters the insured place using violence (e.g. breaking into, damaging a wall, breaking through doors, windows, walls, floor or ceiling) or overcoming obstacles that hinder entrance into an existing hole which does not serve the purposes of entering the building and prevents normal movement (e.g. ventilation shaft).

Burglary is not theft, damage or destruction of the insured property in cases when the penetration into a locked insured place occurred in an unknown manner.

**Robbery** means:

- a) Seizing the insured chattel by the perpetrator by demonstrated use of violence against the insured person or a proven threat of immediate violence;
- b) if the insured chattel is taken from the insured person because their physical condition due to

injury or due to other causes not attributable to them means that the insured cannot defend themselves.

**Fortuitous event** is an event which is possible and that it may or may not happen during the period of insurance and the time of occurrence is not known.

**The beneficiary** is a person that has the right to insurance indemnity due to the insured event.

**The payer of insurance** is the person who complies with the obligation to pay the premium or a proportional part thereof on the basis of an agreement with the insured person; this shall not affect the obligation of the policyholder to pay premiums.

**The Insurer** is ERGO pojišťovna, a.s., identification No. 618 58 714, which is authorized to carry on the insurance business under special legislation.

**The insurance policy/contract** is a written document issued by the Insurer serving as confirmation of the insurance contract in the given extent.

**The insured amount** is the amount agreed to in the insurance contract representing the maximum amount of the indemnity payable by the Insurer under the conditions and circumstances specified in the insurance policy.

**The insurance period** is the period for which the insurance is arranged.

**The insured value** is the highest property damage that may occur as a result of an insured event.

**Insurance coverage** is the overall coverage listed in the insurance policy.

Insured event is a random event with which the provisions of the insurance contract connects the obligation to provide insurance indemnification.

The premium is the payment for insurance under contract.

The insurance threat is the possible cause of an insured event.

The insurance period is the period agreed to in the insurance contract for which regular premiums are paid.

The insurance risk is a measure of the probability of occurrence of an insured event caused by the insurance threat.

The policyholder is the person who concluded the insurance contract with the Insurer and is obliged to pay premiums.

The insurance year is the period from the anniversary of the beginning of the insurance until the next anniversary of insurance.

The insurable interest is a legitimate need for protection against the consequences of an insured event.

The insured person / insured is the person to whose life, health, property or liability or another value of the insurable interest the insurance applies.

Insurance is an obligation of the Insurer and the policyholder confirmed by the insurance contract in which the Insurer agrees to provide the policyholder or a third party insurance indemnity when an insured event arises and the policy holder undertakes to pay premiums to the Insurer for the insurance coverage provided.

Capitalized insurance is insurance the purpose of which in the event of an insured event is a one-off or repeated insurance indemnity in the agreed-upon extent and the basis for determining the amount of premiums and the calculation of the insurance indemnity is the amount determined in the insurance contract as the amount that the Insurer shall pay out in the event of an insured event or the basis is the amount and frequency of payment of the pension.

Loss insurance is insurance designed to compensate in the agreed-upon extent the loss of property resulting from an insured event.

Subsidence means descent of the land surface toward the center of the Earth due to the action of natural forces or human activity.

Damage by an unauthorized third party means damaging or destroying doors, locks, windows, shutters and grilles of the insured building / apartment that demonstrably occurred by an unauthorized third party:

- a) breaking into the insured building / apartment by using violence (e.g. breaking, destroying, drilling thru a wall) or got into the insured building using tools which are not designed for proper opening of doors (the use of these tools is not proved by a mere finding that an unauthorized third party got into the insured building or that things were stolen);

- b) tried to get into the insured building / apartment in the manner described in item a) of this Article.

Damage to health means bodily damage. Health damage does not include physical and mental damage or deterioration of mental, social and psychosocial well-being.

Fire means a fire that originated outside of designated fire pit or spread beyond the fire pit on its own.

Labor-law relationship is relationship between employer and employee regulated by labor law.

A professional driver is a driver who drives a vehicle in an employment relationship and for whom driving is a type of work agreed to in their employment contract.

A shareholder means a partner of a trade company registered in the Commercial Register.

Deductible is the amount determined by the Insurer or a percentage to be deducted from the insurance indemnification.

Loss event is a situation from which damage arises and which could give rise to a right to insurance indemnity.

Injury means an unexpected and sudden impact of external forces or of somebody's own physical force independent of the will of the insured person or the unexpected and uninterrupted effects of high or low temperatures, gases, vapors, electricity and poisons (except for microbial toxins and immunotoxic substances) that occurs during the period of insurance and which causes bodily harm or death to the insured person.

Water distribution facility means

- a) pipelines for the supply, distribution and discharge of water, including fittings and equipment attached to them;
- b) distribution of heating and air conditioning systems including equipment and devices connected to them. Outside rain gutters and downspouts are not considered water distribution facilities.

Explosion means a sudden power of gases or vapors expanding.

Anniversary date of insurance means the day which coincides (by day and month) to the date specified in the insurance policy/contract as the commencement of insurance (also called the anniversary of the beginning

of the insurance). If there is no such day in the month, the anniversary date is the last day of the month.

Flooding means creating a continuous water surface which stands or flows for some time in the place of insurance and may be caused from sources other than waterways, e.g. rainfall, snowmelt and the like.

A representative of the Insurer is a person authorized to act on behalf of the Insurer.

Environmental pollution means damage to the environment and its components (e.g. contamination of soil, rocks, air, surface and underground waters, living organisms). Damage caused by environmental pollution also means subsequent damage which was causally related to environmental pollution (e.g. death of fish and animals due to water contamination, crop destruction due to soil contamination, loss of profits). Contamination means pollution or other deterioration in quality, value, or condition of the individual components of the environment.