

**SPECIAL INSURANCE TERMS AND CONDITIONS OF PROPERTY AND BUSINESS  
INTERRUPTION INSURANCE  
(ZPP MAJ 01/2019)**

**Article 1 INITIAL PROVISIONS**

These special insurance terms and conditions, the insurance contract, the general insurance terms and conditions of property insurance and potentially the additional insurance terms and conditions form one integral package.

**Article 2 INSURED LOCATION**

The insurance exclusively applies to insured events occurring in the insured location specified in the insurance contract. The insured location is determined by the address or the lot, including the cadastral area and the lot number, or it can be otherwise specified in the insurance contract.

**PROPERTY INSURANCE**

**Article 3 INSURED EVENT**

For the purposes of these special insurance terms and conditions, an insured event means any sudden and unexpected damage or destruction or missing of the insured object of insurance as a result of the insured insurable peril, including cases when the insured object of insurance becomes damaged, destroyed or missing in causal relation to the insurable peril, provided that the insurer's obligation to provide an insured benefit is constituted by such an event.

**Article 4 OBJECT OF INSURANCE**

- 1) The insurance is arranged solely for the objects of insurance specified in the insurance contract. The insurance can mainly be taken out for the following objects of insurance:
  - a) buildings and other structures, including building furnishings;
  - b) tangible corporeal chattels, i.e. technical and business equipment of the establishment and supplies (it does not include any things of a special nature);
  - c) things of a special nature, which means:
    - i. cash money, payment cards, valuables, securities, deposit and cheque books and similar;
    - ii. documents, plans;
    - iii. data media;
    - iv. things of employees and/or guests, i.e. personal effects of employees and/or guests that they usually carry with them, excluding any means of transport and the things specified under point i. above and excluded under Art. 8.;
  - d) the costs of debris removal, or any other specified costs incurred after an insured event.
- 2) The insurance applies to the objects of insurance owned by the insured. If stipulated in the insurance contract, the insurance shall also apply to the things of another, which the insured is authorised to use or which the insured has received on the basis of a contract, but only if no claim for damages can be made for them from any other insurance.
- 3) Only if expressly stipulated in the insurance contract, the insurance shall also apply to the things of the insured that have been given into possession to a third party on the basis of a hire-purchase, a lease or usufructuary lease contract, a loan contract or any other contract with a deferred assignment of title.
- 4) If the insurance of buildings and other structures or tangible corporeal chattels has been arranged, the insurance shall automatically apply to the costs of debris removal, incurred as a result of an insured event, with the maximum sublimit of CZK 10,000,000 in one insurance period, unless otherwise agreed in the insurance contract.

- 5) If the insurance against a burglary has been arranged, the insurance shall automatically apply to the restoration costs, concerning the damage, incurred as a result of the burglary, to the furnishings of the building or structure, including locks or other lockable and security elements, with the maximum sublimit of CZK 500,000 in one insurance period, unless otherwise agreed in the insurance contract.

#### **Article 5 INSURANCE VALUE**

The insurance value of buildings, structures and tangible corporeal chattels is the new price, unless wear and tear or any other devaluation exceeds 65% of the new price. If wear and tear or any other devaluation exceeds 65% of the new price, the insurance value of buildings, structures and tangible corporeal chattels is their current price. The insurance value of the things of another used or received by the insured and of the things of employees and/or guests is the current price. If the insurance of damaged or permanently impaired things has also been stipulated in the insurance contract, the insurance value is the general price.

#### **Article 6 SUM INSURED**

The sum insured shall be determined by the policyholder under his own responsibility. The sum insured must correspond with the value of insured things at the time of entering into the insurance contract. The first risk insurance or a limit or sublimit of cover can be stipulated in the insurance contract.

#### **Article 7 SCOPE OF INSURANCE**

- 1) This property insurance is arranged against insurable perils of a fire, a direct strike of lightning, an explosion and a fall of aircraft (**FLEXA**).
- 2) Insurance against the following insurable perils can also be arranged in the insurance contract: windstorm, hailstorm, flood, earthquake, volcanic explosion, landslide and rockslide, avalanche, weight of snow and glaze ice, fall of an object, water damage, collision with a vehicle, smoke and sonic boom. If the insurance in the scope of "**combination of natural hazards**" has been stipulated in the insurance contract, it shall apply to all insurable perils specified under this point and to FLEXA insurable perils.
- 3) Insurance against the following insurable perils can also be arranged in the insurance contract: burglary, robbery, vandalism, breakage of glass, indirect strike of lightning, meteoric water, or any other insurable perils specified in the insurance contract.
- 4) If insurance coverage in the "**all risk**" scope has been stipulated in the insurance contract, the insurance shall apply to all insurable perils. The exclusions specified in the insurance terms and conditions or in the insurance contract also apply to the "all risk" insurance coverage.

#### **Article 8 EXCLUSIONS FROM INSURANCE**

- 1) The insurer shall not indemnify for any damage directly or indirectly incurred, caused or increased due to:
  - a) a war (including an undeclared war), warlike or enemy operations, armed conflicts, a civil war, civil unrest, strikes, invasion, mutiny, insurrection, military coup, revolution, declaration of martial law or use of weapons, including biological, chemical and biochemical means (called "war-related risks");
  - b) terrorism, acts of sabotage, strikes, lockouts, blockades, mutiny, plundering, political violence, civil unrest and internal disturbances or any other activities with political, social, religious or racial motivation (called "political risks");
  - c) ionising or radioactive radiation or contamination, direct or indirect impact of nuclear energy or in any relation to the production of nuclear energy, production / use / processing / storage of nuclear materials, fuel or waste (called "nuclear risks");
  - d) confiscation, takeover of control, seizure, an intervention or regulation of a public, government or administrative authority;
  - e) genetic manipulation or mutation or any other changes of genes;
  - f) pollution, contamination or leakage;

- g) financial or credit transactions, securities and guarantees of all kinds, loss of market, defaults, penalties and sanctions;
  - h) material defects, production defects or defective machining, processing or adjustment of things or in any other relation to the production (including solidification or spill of a melt), processing, repair, maintenance, servicing, inspections, testing, packaging or any other manipulation with insured things or as a result of mistaking one thing for another;
  - i) an error in the project, design or calculation;
  - j) failure or interrupted supply of fuels, steam, gas, water or power or of the services related thereto;
  - k) malfunctioning of cooling, freezing, air-conditioning and/or heating devices;
  - l) damage to machines, machinery/electrical/electronic devices or appliances owing to internal processes without any external influence and/or as a result of a lack of water or excess pressure of the steam in steam boilers and technical devices;
  - m) damage to transport means and mobile machines as a result of a collision, derailment, fall of ground, collapse of an arch, collapse of a bridge or a railway track, slide, collapse and mine burst, flooding out, slide of alluvial sand or as a result of its internal process without any outside influence;
  - n) cracking, subsidence, bulging, shrinking and/or expanding of buildings, structures or other objects and/or of their fixed parts;
  - o) oxidation, corrosion, moisture, dryness, smog, decay, shrinkage by drying, desiccation, evaporation, loss of weight, deterioration of appearance, bending, building, peeling off, discolouration, scratching, scraping, microorganisms, insect, rodents and other pests, mould, fungi, yeast cells, infections, poisons, boiler limescale, erosion, cavitation, gradual deterioration of condition, usual wear and tear or other operation influences with a slow effect, fluctuation of temperature, permanent effect of a chemical, thermal, mechanical, electrical or electromagnetic nature, hidden defects, internal changes without any outside factors, changes of the colour, smell, taste, structure or quality of surface;
  - p) intentional action or criminal activity of the insured or the policyholder or any other person acting at the instigation and/or at the request of the insured or the policyholder;
  - q) fraud, embezzlement, misappropriation or blackmail;
  - r) during the transport, including the loading and/or unloading relating to the transport;
  - s) simple theft, missing, loss, disappearance, including any losses detected in the stocktaking;
  - t) a wind of a speed below 20.8 m/s (approx. 75 km/h);
  - u) wastewater return from the sewage system and piping;
  - v) ground water penetration;
  - w) sea surf, tidal wave, tsunami, including inundation due to bursted protective dams resulting from these insurable perils;
  - x) asbestos in whatever form or quantity.
- 2) Any damage concerning the following items shall be excluded from the insurance:
- a) estate, trees, plants, crops;
  - b) animals, fish, birds;
  - c) tents, air-supported domes or other structures not firmly connected with the ground and not sufficiently fixed and resistant to weather and/or climatic conditions;
  - d) buildings and structures under construction, being reconstructed or pulled down, including the things placed therein;
  - e) buildings and structures placed on watercourses or natural or artificial water reservoirs of all kinds or outside the dry land, including the things placed therein;
  - f) things placed on the water surface;
  - g) things placed under the ground, excluding underground parts of buildings/structures and the things placed therein;
  - h) things placed in the open air (excluding buildings and structures), if the damage is a result of weather and/or climatic conditions (apart from the direct strike of lightning);
  - i) dilapidated, damaged or permanently deteriorated things;
  - j) things when the responsibility for the damage of things is borne by the manufacturer, supplier, contractor or another entity;

- k) transmission and distribution lines and pipelines (aboveground and underground), including supporting structures and related equipment, unless they are located on the insured's operation premises or sites and/or in the maximum distance of 500m of them;
  - l) aircraft and any aeronautical or space equipment;
  - m) ships and other vessels, quayside cranes;
  - n) railway, tram and trolleybus transport means, cable/funicular railways;
  - o) motor vehicles and other means of transport with an assigned registration number;
  - p) water costs (water/sewer rates) incurred due to water leakage for any reason;
  - q) all property on the site of a nuclear power station / nuclear reactors, reactor buildings and plant and equipment therein on any site / all property, on any site, used or having been used for the generation of nuclear energy or for the production, use or storage of nuclear material / any weapon, device or other property employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter / any other property eligible for insurance by the relevant local nuclear insurance pool and/or association (called "nuclear risks");
  - r) vending machines, change machines, ATMs, gaming machines and other money machines, including their content;
  - s) precious metals, pearls and precious stones, including objects made of them;
  - t) works of art and things of a special cultural, historical or collector's value.
- 3) Any damage caused by the following insurable perils under the given specific circumstances shall be excluded from the insurance:
- a) meteoric water that has penetrated into the insured space through improperly closed windows, doors or other visible openings;
  - b) water from open water taps (e.g. when washing up, taking a shower, etc.);
  - c) any water damage as a result of pressure testing or insufficient heating of the building or improper inspection and/or maintenance of water and extinguishing installations;
  - d) bursting, overflow, overfill, freezing, draining or leaking out of water tanks, installations, piping, heating and cooling systems or fire extinguishing systems in unused buildings, unless the main shut-off valve for water or the particular agent has been closed on these premises;
  - e) landslide and rockslide as a result of mining, sinking or other earthworks, construction and demolition works;
  - f) landslide and rockslide as a result of the insured's activity;
  - g) weight of snow or glaze ice in the event that the insured has failed, within his possibilities, to take appropriate preventative measures to prevent formation of an excessive layer of the snow or glaze ice on insured buildings and structures;
  - h) any damage caused by a flood or water damage to the things located on underground floors that are not placed at least 10cm above the level of the floor;
  - i) any damage caused by a flood for which the peak flow and the flood volume of water of the relevant river measured by a river basin administration corresponded to a 20-year flood wave or less than a 20-year flood wave;
  - j) fall of an object that form part of the insured thing or of the insured set of things;
  - k) any damage to the vehicle that caused the collision – under the insurable peril of vehicle collision;
  - l) any vandalism or burglary or robbery that has not been investigated by the police.
- 4) **Sanction clause.** The insurer is not obliged to provide the insured benefit or any other compensation from this insurance if it would result in conflict with the sanctions, interdicts and restrictions given by UN resolutions or trade or economic sanctions, laws and regulations of the European Union and the United States of America or of the legislation of the Czech Republic.
- 5) **Cyber Exclusion.** Any loss, damage, liability, costs or expenses directly or indirectly caused by or contributed to or resulting from the cyber incidents are not covered by this insurance policy, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, liability, costs or expenses. The cyber incident is defined as a breach of a computer system's security policy or breach of its security in order to affect its integrity or availability and/or the unauthorised access or attempted access to a computer system or systems. In general, types of

activity that are commonly recognised as being breaches of a typical computer system's security policy or breach of its security are:

- a) attempts to gain unauthorised access to a computer system and/or to data;
- b) the unauthorised use of computer systems for the processing or storing of data;
- c) changes to a computer systems firmware, software or hardware without the system owner's consent;
- d) malicious disruption and/or denial of service.

- 6) **Electronic data Exclusion.** This insurance does not cover any loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment. COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to "Trojan Horses", "worms" and "time or logic bombs".

However, in the event that a peril not otherwise excluded results from any of the matters described in the previous paragraph, this insurance, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the insurance period to property insured by this insurance directly caused by such peril.

- 7) If an individual exclusion is included in the insurance via the additional insurance terms and conditions or via any other stipulation in the insurance contract, the validity of the other exclusions shall remain effective. Other exclusions can be arranged in the insurance contract.

#### **Article 9 CALCULATION OF INSURED BENEFIT**

- 1) In the event of **indemnifying at the new price**, the insurer shall cover the costs of the thing's replacement if it has been destroyed or stolen, or the reasonable costs of repair of the damaged thing if it has been damaged, but to the maximum extent of the thing's new price immediately before the insured event's occurrence, reduced by the price of the remains of damaged parts. If the insured fails to restore or replace the destroyed or stolen thing and/or to arrange a repair of the damaged thing within three years of the insured event's occurrence, the insurer shall provide an insured benefit up to the current price maximum. The three-year limit shall also be observed in cases when firm orders for restoration, replacement or repair of the thing have been placed.
- 2) In the event of **indemnifying at the current price**, the insurer shall cover the costs of the thing's replacement if it has been destroyed or stolen, or the reasonable costs of repair of the damaged thing if it has been damaged, reduced in proportion of the thing's current price immediately before the insured event's occurrence to the thing's new price and also reduced by the price of the remains of damaged parts.
- 3) In the event of **indemnifying at the general price**, the insurer shall pay an amount corresponding to the thing's general price immediately before the insured event's occurrence if the thing has been destroyed or stolen, or to the difference between the general price of the thing immediately before the insured event's occurrence and the general price of the damaged thing after the insured event's occurrence, if the thing has been damaged.
- 4) When **indemnifying for cash money, payment cards, valuables, securities, deposit and cheque books** and similar, the insurer shall cover the nominal value, or the amount used for their redemption.

- 5) When **indemnifying for any data media**, the insurer shall cover the cost to repair, replace or restore data media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA (as defined in Art. 8.6) contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts incurred by the insured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this insurance policy does not cover any amount pertaining to the value of such ELECTRONIC DATA, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.
- 6) When **indemnifying for documents or plans**, the insurer shall cover to the Insured all reasonable and necessary costs of reprinting or making copies of damaged or destroyed documents and plans. However, the insurance does not cover the actual value of documents and plans, even if they cannot be reprinted or copied.
- 7) The insured benefit from the insurer according to the previous paragraphs is limited by the sum insured agreed for the particular thing and by the potentially arranged limit and/or sublimit of cover, whichever figure is the lowest.
- 8) If the agreed sum insured is lower at the time of the insured event's occurrence than the insurance value of the insured thing, it shall be considered underinsurance. In the event of underinsurance, the insurer shall reduce the insured benefit in the same proportion as is the proportion of the agreed sum insured to the actual insurance value of the insured thing. Underinsurance shall not be applied to first risk insurance.
- 9) If the agreed sum insured is higher at the time of the insured event's occurrence than the insurance value of the insured thing, it shall be considered overinsurance. In the event of overinsurance, the insurer shall pay an insured benefit up to the amount of the insurance value of the thing insured at most.
- 10) In the event of multiple insurance, the insurer shall cover the damage in proportion of the agreed sum insured or the limit of cover to the sum of all the agreed sums insured or limits of cover for the particular thing.
- 11) The insured benefit shall be reduced by the deductible stipulated in the insurance contract.
- 12) If, apart from this insurance, damages can also be claimed from government or similar insurance programmes or pools or the mandatory insurance, the insurer shall indemnify only if the damage cannot be compensated from these sources or if it can be compensated from them only partially.

## **BUSINESS INTERRUPTION INSURANCE**

### **Article 10 INSURED EVENT**

For the purposes of these special insurance terms and conditions, an insured event means a decrease in revenues of the insured due to an interruption or limitation of the insured's activity in the insured location (hereinafter referred to as the "business interruption") as a direct consequence of the insured material damage to property. The insured material damage to property means any damage incurred by any of the things insured in the insured location as a result of an insurable peril against which the insurance of this thing and of business interruption has been arranged at the same time and to which none of the exclusions specified in the insurance terms and conditions and in the insurance contract applies and provided that such an event constitutes the insurer's obligation to provide an insured benefit.

### **Article 11 GROSS PROFIT**

If the insurance against a business interruption has been arranged in the insurance contract, the insurance shall also cover the gross profit of the insured that could have been achieved by uninterrupted business in the period of business interruption, but in the agreed coverage period maximum, had there

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been no business interruption. Gross profit is the sum of fixed costs and a profit, or the difference between fixed costs and a loss if the insured business is operating at a loss. Fixed costs are such permanent costs that have to be spent even if business is interrupted. The insured gross profit does not include the costs and revenues not directly related to the insured business, non-operating and extra costs and revenues.

#### **Article 12 ADDITIONAL COSTS**

If additional costs are covered by the insurance contract, the insurance applies to the necessary and reasonably spent additional costs of arranging substitute business operation of the insured during a business interruption, but for the agreed coverage period maximum. Unless the insurance contract otherwise stipulates, it shall concern the following additional costs:

- a) lease of substitute premises;
- b) costs of cleaning and adjusting the substitute premises;
- c) lease of substitute machines and devices, or any other necessary equipment;
- d) costs of transporting the devices and equipment to substitute premises (including the moving costs);
- e) increased cost of the premium owing to the additional cover of substitute premises;
- f) other costs relating to the operation of substitute premises;
- g) increased costs of power supply;
- h) extra pays for overtime work concerning substitute operations.

Additional costs are insured with the first-risk limit, i.e. beyond the sum insured determined by the insured for gross profit.

#### **Article 13 LOSS OF RENT**

If the insurance against loss of rent from the lease has been arranged in the insurance contract, the lost rent that would have been obtained by the insured in case of uninterrupted business for the period of the business interruption, but for the agreed coverage period maximum, is insured. Lost rent is the difference between the rent from the insured building, in which the business was interrupted, and the costs that the insured stopped to cover in relation to the business interruption (e.g. costs of maintenance, taxes and levies, energy, etc.).

#### **Article 14 INSURANCE VALUE**

The insurance value is the gross profit, or the lost rent in the event of the insurance against loss of the rent that is achieved by the insured for 12 consecutive months.

#### **Article 15 SUM INSURED**

The sum insured shall correspond to insurance value. The sum insured is determined by the policyholder under his own responsibility on the basis of the gross profit, or the lost rent in case of the insurance against lost rent, achieved in the last completed accounting period immediately preceding the arrangement of the contract and taking into account the expected market trends and specific circumstances of the insured's business.

#### **Article 16 COVERAGE PERIOD**

The insurer shall cover any damage caused by the business interruption (i.e. the insured gross profit or lost rent) for the coverage period stipulated in the insurance contract at most. The coverage period starts running at the moment when the material damage is incurred. The insurer's coverage for the damage caused by the business interruption shall expire at the moment when the interrupted business is restored, i.e. from the moment when there are no more losses due to the insured material damage, but no later than upon expiry of the coverage period. Any termination or discharge of the insurance contract during the coverage period does not affect the insurer's obligation to indemnify for any damage caused by the business interruption.

#### **Article 17 SCOPE OF INSURANCE**

This business interruption insurance is arranged against insurable perils of a fire, a direct strike of lightning, an explosion and a fall of aircraft (FLEXA). It is also possible to stipulate in the insurance contract the business interruption insurance against the listed insurable natural perils or in the scope

“combination of natural hazards” (defined in art. 7.2) and/or “all risk” (defined in art. 7.4). Business interruption insurance can only be arranged against those insurable perils covered by the property insurance. If the insurance contract stipulates a limit of cover (e.g. annual or for one insured event) for any particular insurable peril, this limit shall be used for all claims from both the property insurance and the business interruption insurance (called “combined limit of cover from the property and business interruption insurance).

#### **Article 18 EXCLUSIONS FROM INSURANCE**

- 1) Material damage, within the meaning of article 10 of these insurance terms and conditions, means only damage to the insured things specified in article 4(1)a and/or b of the insurance terms and conditions. Any damage due to a business interruption resulting from any material damage to any other things shall be excluded from this insurance.
- 2) The insurance shall not apply to any business interruption the consequences of which can be eliminated in the course of operation without any more serious costs incurred.
- 3) The insurer shall not cover any damage due to a business interruption to the extent to which it has been increased by:
  - a) any extraordinary events and/or permanent conditions during the period of the business interruption;
  - b) reconstruction, repair or replacement of the damaged or destroyed things in a wider scope than the original condition of things was immediately before the insured event;
  - c) business innovations implemented after the insured event in relation to business restoration;
  - d) interventions or instructions of any public, government or administrative authorities that delay or make impossible the restoration of the business;
  - e) extraordinary delay in business restoration (e.g. as a result of explaining any possessory, proprietary or lessor-lessee relationships, inheritance procedure, judicial proceedings, etc.);
  - f) insufficient funds on the part of the insured necessary for business restoration;
  - g) penalties, sanctions or damages of all kinds.
- 4) The insurance shall not apply to any business interruptions concerning any cancelled and/or permanently stopped businesses.

#### **Article 19 CALCULATION OF INSURED BENEFIT**

- 1) The insured benefit for any damage due to business interruption shall be calculated from the non-acquired insured gross profit or lost rent for the period of the business interruption, but for the coverage period at most, minus the saved insured costs and plus the increased operating costs aimed at minimising the damage. The increased operating costs are unavoidable costs that are reasonably spent in order to mitigate the scope of the damage resulting from the business interruption and they are covered up to the amount corresponding to the provable reduction of the scope of the damage resulting from the business interruption maximum.
- 2) The amount of the insured benefit is limited by the sum insured stipulated in the insurance contract, while taking into account the arranged coverage period, or the limit or sublimit of cover.
- 3) When calculating the lost gross profit and/or the lost rent, all the circumstances affecting these amounts have to be considered, which means mainly (but not exclusively) the technical and economic situation of the insured business, seasonal or other changes of the market situation, the influence and impact of force majeure or insolvency and/or bankruptcy of the insured person.
- 4) The following shall be considered in the calculation of the insured benefit:
  - a) the profit achievable after the insured event through evaluation of raw materials and the work in progress;
  - b) the possibility of using any substitute, emergency or leased establishment;



- c) the possibility of replacing the interruption by increased production, processing or sale of goods after the business has been restored or through any other increased business performance during the coverage period or within a reasonable period of time after the coverage period.
- 5) When calculating the insured benefit for businesses with uneven distribution of the gross profit or lost rent during the year, the part of the gross profit or lost rent not acquired during the coverage period that has already been acquired or can be acquired in a period outside the coverage period.
- 6) If the sum insured agreed is, at the time of the insured event's occurrence, lower than the insurance value of the insured gross profit or lost rent, it shall be considered underinsurance. In the event of underinsurance, the insurer shall reduce the insured benefit in the same proportion as is the proportion of the agreed sum insured to the actual insurance value of the gross profit or lost rent.
- 7) Overinsurance and/or multiple insurance are taken into account in the same way as in the PROPERTY INSURANCE part according to these insurance terms and conditions.
- 8) The insured benefit shall be reduced by the deductible arranged for business interruption insurance with no regard to the deductible arranged for property insurance, by which the insured benefit from the stipulated property insurance shall be reduced.
- 9) If, apart from this insurance, damages can also be claimed from government or similar insurance programmes or pools or the mandatory insurance, the insurer shall indemnify only if the damage cannot be compensated from these sources or if it can thusly be compensated only partially.

#### **PRESCRIBED METHOD OF SAFEGUARDING AGAINST BURGLARY AND ROBBERY**

##### **Article 20 LIMIT OF COVER IN CASE OF ASPORTATION**

If there is any damage incurred to insured things as a result of the insurable perils of burglary or robbery, the limit of cover for one insured event shall be determined according to the safeguarding of the insured things in the insured location at the moment of the insured event's occurrence. The prescribed safeguarding and the limits of cover corresponding thereto are specified in the following articles. Any individual safeguarding can be stipulated in the insurance contract. The conditions of safeguarding against asportation for any limits of cover exceeding the limits of cover specified in the following articles shall be arranged on an individual basis in the insurance contract, otherwise the limits of cover specified in the following articles shall apply.

##### **Article 21 SAFEGUARGING OF CORPOREAL CHATTELS**

For insured tangible corporeal chattels, including supplies, things of a special nature and interior furnishings of buildings and structures, the following safeguarding and limits of cover corresponding thereto are arranged:

- 1) **Limit of cover up to CZK 100,000:** A locked room.
- 2) **Limit of cover up to CZK 250,000:** A locked room all the entrance doors of which are equipped with a safety cylinder lock or a lever lock or a padlock.
- 3) **Limit of cover up to CZK 500,000:** A locked room all the entrance doors of which have no vision panels, are protected against unhinging, have a safety cylindrical lock and safety fittings. All the entrance doors with a vision panel and all the windows, shop windows and other openings, enabling a perpetrator to break into the locked room, the bottom parts of which are placed less than 3m above the surrounding terrain or above any other potential ways of access (stairways, galleries, courtyard balconies, scaffoldings, annexes, etc.), shall be equipped with bars or a functional lockable roller shutter or safety glass or safety foil.
- 4) **Limit of cover up to CZK 1,000,000:** The safeguarding, specified for the limit of cover up to CZK 500,000, supplemented with a functional security and alarm system with space protection, with a

signal being transmitted to the place of constant surveillance or the service desk in the insured location and/or via a GSM gate to mobile phones of at least two people appointed by the insured person. The security and alarm system can be replaced by constant qualified physical surveillance with at least two members in the insured location who perform regular patrols of insured premises.

- 5) **Limit of cover up to CZK 2,500,000:** The safeguarding, specified for the limit of cover up to CZK 500,000, supplemented with a functional security and alarm system with space and shield protection, with a signal being transmitted to a surveillance and alarm receiving centre of the police or a guarding and protection agency with a permanent service and a response time of 10 minutes maximum. The security and alarm system can be replaced by qualified physical surveillance with at least two members in the insured location who perform regular patrols of insured premises and who are each equipped with an appropriate means of defence. All the entrance doors to the locked room shall comply with at least RC3 resistance rating or its equivalent.
- 6) **Limit of cover up to CZK 5,000,000:** The safeguarding, specified for the limit of cover up to CZK 500,000, supplemented with a functional security and alarm system with space and shield protection, with a signal being transmitted to a surveillance and alarm receiving centre of the police or a guarding and protection agency with a permanent service and a response time of 5 minutes maximum or to constant qualified physical surveillance with at least two members in the insured location who perform regular patrols of insured premises and who are each equipped with an appropriate means of defence. All the entrance doors to the locked room shall comply with at least RC3 resistance rating or its equivalent.
- 7) **Limit of cover up to CZK 10,000,000:** The safeguarding, specified for the limit of cover up to CZK 500,000, supplemented with a functional security and alarm system, with space and shield protection, with a signal being transmitted to a surveillance and alarm receiving centre of the police or a guarding and protection agency with a permanent service and a response time of 5 minutes maximum and, at the same time, to constant qualified physical surveillance in the insured location. Surveillance in the insured location shall be ensured by a qualified, at least two-member security guard team who perform regular patrols of insured premises and who are each equipped with an appropriate means of defence. All the entrance doors to the locked room shall comply with at least RC3 resistance rating or its equivalent.

## Article 22 SAFEGUARDING OF VALUABLES

The insured cash money, payment cards, valuables, securities, savings bank books and cheque books and similar shall be safeguarded as defined for corporeal chattels for their particular limit of cover and shall be stored in a locked safe deposit box or a locked safe firmly connected with the floor or integrated in the wall or weighing at least 100kg and having a resistance rating (according to the current ČSN standard) corresponding with the below specified limits of cover:

- 1) **Limit of cover up to CZK 25,000:** a safe deposit box or a petty cash box placed in a locked cabinet or secured in a similar way
- 2) **Limit of cover up to CZK 100,000:** a safe without indication of the resistance rating or a safe of unknown construction
- 3) **Limit of cover up to CZK 500,000:** a safe of resistance rating 0 minimum
- 4) **Limit of cover up to CZK 1,500,000:** a safe of resistance rating I minimum
- 5) **Limit of cover up to CZK 3,000,000:** a safe of resistance rating II minimum
- 6) **Limit of cover up to CZK 5,000,000:** a safe of resistance rating III minimum
- 7) **Limit of cover up to CZK 7,000,000:** a safe of resistance rating IV minimum
- 8) **Limit of cover up to CZK 10,000,000:** a safe of resistance rating V minimum

The keys to the safe deposit box or the safe must be kept out of the reach of a perpetrator and properly safeguarded.

### **Article 23 SAFEGUARDING OF CORPOREAL CHATTELS IN OPEN AREAS**

For tangible corporeal chattels that cannot be placed into a locked space for their considerable weight, volume or for operating reasons and that are placed in an open area in the open air (this cannot be arranged for the things of a special nature), the following safeguarding and limits of cover corresponding thereto are arranged:

- 1) **Limit of cover up to CZK 100,000:** The area is surrounded with a continuous, functional and undamaged fence (i.e. free entry is not possible) of the minimum heights of 180cm and all the entrances and entryways to the area (gates, doors, entrances, etc.) are locked.
- 2) **Limit of cover up to CZK 500,000:** The area is surrounded with a continuous, functional and undamaged fence (i.e. free entry is not possible) of the minimum heights of 180cm and all the entrances and entryways to the area (gates, doors, entrances, etc.) are locked. The area is illuminated and the functional security and alarm system is in operation, including complete perimeter protection with the signal transmitted via the GSM gate to mobile phones of at least two people appointed by the insured person. The security and alarm system can be replaced by a qualified, at least single-member surveillance team (security guard) that makes regular patrols of the insured area and is equipped with an appropriate means of defence.
- 3) **Limit of cover up to CZK 1,000,000:** The area is surrounded with a continuous, functional and undamaged fence (i.e. free entry is not possible) of the minimum heights of 180cm and all the entrances and entryways to the area (gates, doors, entrances, etc.) are locked. The area is illuminated and the functional security and alarm system is in operation, including complete perimeter protection with the signal transmitted to the permanent surveillance at the insured location. Surveillance in the insured location shall be ensured by a qualified, at least single-member security guard team that makes regular patrols of the insured area and is equipped with an appropriate means of defence. The security and alarm system can be replaced by a second member of the security guard team. The security guard team can be replaced by transmitting the signal of the security and alarm system to a surveillance and alarm receiving centre of the police or a guarding and protection agency with a permanent service and a response time of 10 minutes maximum.
- 4) **Limit of cover up to CZK 2,000,000:** The area is surrounded with a continuous, functional and undamaged fence (i.e. free entry is not possible) of the minimum height of 180cm, the top of which is equipped with barbed wire, and all the entrances and entryways to the area (gates, doors, entrances, etc.) are locked. The area is illuminated and the functional security and alarm system is in operation, including complete perimeter protection with the signal transmitted to the permanent surveillance at the insured location and, at the same time, to a surveillance and alarm receiving centre of the police or a guarding and protection agency with a permanent service and a response time of 10 minutes maximum. Surveillance in the insured location shall be ensured by a qualified, at least two-member security guard team that makes regular patrols of the insured area and is equipped with an appropriate means of defence.

### **Article 24 SAFEGUARDING AGAINST ASPORTATION OF PARTS AND FURNISHINGS OF BUILDINGS AND STRUCTURES**

Any building furnishings on the outer parts of buildings and structures must be safeguarded against asportation through proper and standard fastening or anchoring so that the relevant furnishing of the building/structure can only be removed, or separated from the building/structure, by using tools or instruments.

### **Article 25 SAFEGUARDING AGAINST ROBBERY**

- 1) For the insurable peril of a robbery, it is arranged that, at the moment of a robbery, the insured things must be safeguarded according to previous articles of these insurance terms and conditions; however, the security and alarm system needs not be activated and the insured premises need not be locked if the insured's employees are present on the insured premises.

- 2) At the moment of a robbery, the insured cash money, payment cards, valuables, securities, savings bank books and cheque books and similar must be safeguarded according to the defined security requirements for valuables according to these insurance terms and conditions and, at the same time, the following safeguarding and limits of cover corresponding thereto are arranged:
- a) Without additional safeguarding.
    - Limit of cover up to CZK 100,000 – a locked safe;
    - Limit of cover up to CZK 50,000 – an open safe or a safety deposit box behind a security counter under constant surveillance of a responsible person;
  - b) At the moment of a robbery, the security and alarm system is in operation, sending the signal from emergency transmitters to a surveillance and alarm receiving centre of the police or a guarding and protection agency with a permanent service and a response time of 10 minutes maximum.
    - Limit of cover up to CZK 500,000 – a locked safe;
    - Limit of cover up to CZK 100,000 – an open safe or a safety deposit box behind a security counter under constant surveillance of a responsible person;
  - c) At the moment of a robbery, the security and alarm system is in operation, sending the signal from emergency transmitters to a surveillance and alarm receiving centre of the police or a guarding and protection agency with a permanent service and a response time of 5 minutes maximum.
    - Limit of cover up to CZK 1,500,000 – a locked safe;
    - Limit of cover up to CZK 250,000 – an open safe or a safety deposit box behind a security counter under constant surveillance of a responsible person;
  - d) At the moment of a robbery, the security and alarm system is in operation, sending the signal from emergency transmitters to the constant physical surveillance in the insured location who is equipped with an appropriate means of defence.
    - Limit of cover up to CZK 3,000,000 - a locked safe;
    - Limit of cover up to CZK 500,000 - an open safe or a safety deposit box behind a security counter under constant surveillance of a responsible person.