

PREMIUM Insurance Company, branch Czech Republic

## Article 1 Introductory Provisions

1. The insurance shall be governed by the relevant provisions of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "**Civil Code**"), the insurance contract and the insurance conditions specified in the insurance contract.
2. In addition to these General Insurance Conditions for Property Insurance (hereinafter referred to as "**GICPI**"), the terms and conditions of insurance may be regulated by special insurance conditions, supplementary insurance conditions and contractual arrangements referred to in the insurance contract and forming an integral part thereof.
3. The provisions of the insurance contract shall prevail over the provisions of the insurance conditions which form part of the insurance contract. The provisions of the Special and Supplementary Conditions of Insurance shall prevail over the provisions of the GCPM. The provisions of the supplementary policy conditions shall take precedence over the provisions of the special policy conditions.
4. By the insurance contract, the insurer undertakes to provide the policyholder or another beneficiary with an insurance benefit if an insured event occurs, and the policyholder undertakes to pay the insurer the insurance premium.
5. This insurance is a claims-made insurance within the meaning of Section 2811 et seq. of the Civil Code, the purpose of which is to compensate, to the extent agreed, for the loss of property resulting from an insured event. The insurance does not cover to non-pecuniary damage resulting from an insured event.
6. Insurance under these GICM may be arranged if the policyholder and/or the insured has an insurable interest in it. The insurable interest is the legitimate need for protection against the consequences of an insured event. The policyholder has an insurable interest in his own property. If the policyholder and the insured are not the same person, the policyholder's insurable interest is established if the insured has given the policyholder consent to the insurance. The policyholder shall inform the insured of the contents of the insurance contract relating to the insured's peril. Unless otherwise agreed in the insurance contract, insurance of someone else's peril is agreed in favour of the insured, i.e. the insured has the right to the insurance benefit, even if the insurer is obliged to pay the insurance benefit to which the insured is entitled to a person other than the insured.
7. For the purposes of this insurance, the provisions of the Civil Code laid down for contracts concluded by adhesion shall not apply, since the policyholder has had the actual opportunity to negotiate with the insurer the contents of the insurance contract, including the insurance conditions.

## Article 2 Subject matter of insurance

1. The subject of insurance are individual tangible movable assets, stocks and real estate or sets or selections thereof specified in the insurance contract. Unless otherwise agreed in the insurance contract, the insurance shall cover these items only if they are recorded in the insured's books of account or in other records of the insured within the meaning of the relevant legislation on the date of conclusion of the insurance contract. Property which, after the conclusion of the insurance contract, ceases to form part of the insured set of goods shall cease to be insured on the date on which such property ceases to form part of the insured set of goods.
2. In the case of insurance of a set of property, the insurance also covers:
  - (a) a part of the insured set of property which the insured has demonstrably acquired at the date of conclusion of the

insurance contract but has not yet kept it in his accounting records without undue delay for objective reasons,

- (b) property which has become part of that insured pool after the insurance contract has been entered into and the insured keeps a record of that property in its books or other records.
3. The subject of insurance is property:
    - (a) owned or jointly owned by the insured, the so-called own property,
    - (b) in the possession of a third party, so-called foreign property, which the insured:
      - (i) used by written agreement; or
      - (ii) accepted in the course of providing the service under a written contract, order or order letter.

## Article 3 Insured perils

1. Insured perils represent possible causes of an insured event. The insured perils are specified in the special insurance conditions, supplementary insurance conditions, contractual arrangements or the insurance contract, provided that the insurance covers only those insured perils which are expressly agreed in the insurance contract.
2. The insurance covers the insured object even if it has been damaged, destroyed or lost in a causal connection with the insured event, the cause of which was the insured peril agreed in the insurance contract.

## Article 4 General exclusions from insurance

1. The insurance does not cover damages caused to the insured property and costs of any kind caused in causal connection with:
  - (a) as a result of an act of terrorism,
  - (b) as a result of war, whether or not war has been declared, an act of foreign hostility, a civil war,
  - (c) by declaration of a state of emergency, revolution, insurrection, rebellion, coup d'état, military coup, seizure, requisition for military purposes,
  - (d) as a result of demonstrations, internal disturbances, strikes or lockouts,
  - (e) repressive interventions by state authorities or public administration,
  - (f) exposure to nuclear energy, nuclear radiation of any kind, radioactive contamination or pollution,
  - (g) the wilful act or wilful omission of the policyholder, the insured or any other person acting under their direction or authority,
  - (h) pollution, contamination including seepage, contamination of soil, water including groundwater, air, or the environment,
  - (i) fungi, moulds or similar organisms and any by-products or infestations arising therefrom (mycotoxins, spores, etc.),
  - (j) as a result of continuous exposure to moisture, temperature, chemical, electrical or mechanical influences,
  - (k) corrosion, oxidation, erosion, deposits of any kind or fatigue of the material,
  - (l) permanent effect of operation, natural wear or ageing, premature wear,
  - (m) soil movements caused by human activity (vibrations, subsidence, etc.),
  - (n) loss, damage, destruction, malfunction, deletion, distortion or modification of electronic data or software from any cause (e.g. computer viruses, malware, hacker attack, etc.) or reduction/limitation of functionality, usability or cost resulting therefrom,
  - (o) the conscious ingestion of alcohol, drugs or the use of medication by the policyholder or the insured or by another person acting at the policyholder's or the insured's instigation or instruction, a person close to the policyholder or the

- insured within the meaning of Section 22 of the Civil Code or a person living in the same household as the policyholder or the insured,
- (p) the defect or deficiency from which the insured item suffered at the time of the conclusion of the insurance contract and which should or could have been known to the policyholder or the insured, whether or not it was known to the insurer,
  - (q) by any decision of a state authority, local authority, court decision or other official measures taken for purposes other than to prevent the occurrence or reduce the extent of the insured event,
  - (r) loss or diminution of historical, cultural, artistic or collector's value,
  - (s) net financial damage,
  - (t) contractual penalties, default interest, any other penalties, guarantees or warranties (financial performance, product guarantees, refunds, etc.) and loans,
  - (u) mining activity.
2. The insurance does not cover damage to overhead transmission and distribution systems, including wires, cables, poles, towers, towers, other supporting structures and any equipment connected to them for the purpose of transmission or distribution of electric power, telephone or telegraph signals and all communication signals of sound (audio) or image (video). Damage caused by the transmission and distribution of electrical energy, telephone or telegraph signals and all communication signals is also excluded. However, this exclusion does not apply to installations located within the insured's premises, attached to the insured properties and installations located within the insured properties.
  3. The insurance does not cover loss arising out of a claim made against the insured(s) arising out of any loss, liability, damage, indemnity, claim, costs or expenses of whatever nature for which the insured is liable and which arise directly or indirectly in connection with any communicable disease or the fear of its transmission or the threat (whether actual or perceived) of transmission of any disease, irrespective of the cause of its occurrence or the event which contributed to the transmission of the disease, the fear of its transmission or the threat of its transmission simultaneously or in any other order.

Communicable disease means any disease that can be transmitted by any substance or means from any organism to another organism if:

- a) the communicable substance or agent is a virus, bacterium, parasite or other organism or a variant or mutation thereof, whether or not they are considered to be alive, and
  - b) transmission between organisms, whether direct or indirect, takes place, inter alia, through the air, body fluids, from or to any surface or object in solid, liquid or gaseous form, and
  - c) the disease, communicable substance or agent of transmission itself causes or is likely to cause harm or endanger human health or welfare or causes or is likely to cause damage, impairment, loss of value, loss of marketability or loss of use of property or any loss of business opportunity.
4. Additional exclusions from insurance may be agreed in the insurance contract.

### Article 5 Place of insurance

1. Unless otherwise specified in the insurance contract, the insurance applies to the insured property only if the damage to the property occurred at the place specified in the insurance contract as the place of insurance.
2. The place of insurance is a real estate, room or other place located in the territory of the Czech Republic, defined in the insurance contract by the address or cadastral territory and parcel number where the insured things are located, or a place specified in the insurance contract in another way.
3. Place of insurance for:
  - (a) mobile machinery, work machines carried and machines which are trailers,

- (b) portable (mobile) electronics and electronics permanently installed in a motor vehicle,
  - (c) movable property taken over by an employee of the insured at the direction of or with the consent of the employer for the purpose of performing his or her employment duties, is the territory of the Czech Republic, unless otherwise specified in the insurance contract.
4. In the case of movable property and stock, the insurance covers also to the place to which the insured goods have been removed from the place of insurance specified in the insurance contract for the necessary period as a result of an imminent or already occurring insured event. The insurance shall apply to that place from the date on which the insured items are moved to that place only if the insured has notified the insurer in writing within 14 days of the move and has also provided the insurer with the address and a list of the items moved.
  5. In the event that the insured event is not solely due to an unconscious error or unintentional omission:
    - (a) in stating the place of insurance, where the insured thing is situated, or
    - (b) as a result of not including the site:
      - (i) a place owned, rented or otherwise rightfully occupied by the insured at the date of commencement of insurance, or
      - (ii) purchased or rented during the effective period of insurance,

then the insurance shall extend to such places of insurance to the extent that the insurance would have provided such coverage but for such unintentional error or omission, provided that any unintentional error or inadvertent omission must be reported to the insurer by the policyholder, or by the insured together with the date of discovery and recording of the correction. However, this possibility of rectification does not automatically increase the sum insured or the limit of indemnity specified in the policy and does not relieve the policyholder or the insured of the obligation to report the new place of insurance to the insurer no later than within 90 days of the date of its first use by the insured.

### Article 6 Formation, Duration, Changes and Termination of Insurance

1. The insurance shall commence at the moment defined in the insurance contract as the date and time of commencement of insurance, but not earlier than the date of conclusion of the insurance contract.
2. The insurance is taken out for the insurance period, which means the period of time for which the insurance contract is concluded. The period of insurance is defined as the date of commencement of insurance and, in the case of fixed-term insurance, the date of termination of insurance. The insurance shall be taken out for an indefinite period, unless the insurance contract specifies the date of the end of the insurance.
3. The provisions of the insurance contract may be amended by written agreement between the policyholder and the insurer (e.g. by an amendment to the insurance contract). The same rules apply to the conclusion of such an agreement as to the conclusion of the insurance contract. Effectiveness of an amendment to an insurance contract shall be specified in the agreement to amend it.
4. In connection with the change of the insurance contract, the beginning and end of the insurance period agreed in the insurance contract shall not be changed, unless otherwise agreed.
5. The insurance is terminated in the following ways:
  - (a) the expiry of the insurance period for which the insurance was agreed if the insurance contract is for a fixed period,
  - (b) by written notice from the insurer or the policyholder:
    - (i) within two months from the date of conclusion of the insurance contract; the notice period shall be eight days and shall commence on the day following the date of delivery of the notice to the other party; on expiry of the notice period the insurance shall lapse, and the insurer

- shall be entitled to a pro rata part of the premium corresponding to the duration of the insurance,
- (ii) within one month from the date of the provision of the insurance benefit or from the date of the denial of the insurance benefit; the period of notice shall be eight days and shall commence on the day following the date of delivery of the notice to the other party; on expiry of the period of notice the insurance shall lapse and the insurer shall be entitled to a pro rata part of the premium corresponding to the duration of the insurance,
  - (iii) at the end of the policy period, provided that notice is given to the other party not later than six weeks before the end of the policy period,
- (c) by written notice from the insurer within two months from the date on which the insurer became aware of a change in the facts that formed the basis for the conclusion of the insurance contract (written and e-mail communication including attachments, questionnaires); if the parties do not accept the above changes by modifying the insurance contract, the insurance shall terminate upon delivery of the notice to the insurer, whereby the insurer shall be entitled to a pro rata part of the premium corresponding to the duration of the insurance,
- (d) by written agreement between the policyholder and the insurer,
- (e) cancellation of the insurance contract by the insurer in the event of a knowing breach of the policyholder's or insured's obligation to "answer truthfully and completely all written questions from the insurer concerning the insurance being taken out", if the insurer would not have concluded the insurance contract if the questions had been answered truthfully and completely; the insurer may exercise this right within two months of the date on which it became aware of such fact, otherwise the right shall lapse,
- (f) by the policyholder's withdrawal from the insurance contract in the event of a conscious breach of the insurer's obligation to answer truthfully and fully written questions during negotiations on the conclusion of the insurance contract or on its amendment, if the policyholder would not have concluded the insurance contract if the questions had been answered truthfully and fully; the policyholder may exercise this right within two months from the date on which he/she became aware of such fact, otherwise the right shall lapse,
- (g) denial of insurance benefits if the insurer learns after the insured event has occurred that the cause of the insured event is due to a fact which, due to knowingly false or incomplete answers, it could not have discovered when arranging the insurance and which was material to the conclusion of the insurance contract; the insurance shall lapse on the date of the refusal of insurance benefits,
- (h) for non-payment of premiums if the premium has not been paid within one month of the date of delivery of the insurer's demand for payment of the premium if the premium has not been paid before the service of that notice; the insurer's notice shall contain a warning that the insurance will lapse if the premium is not paid by the expiry of that period; the same shall apply even if only part of the premium has been paid,
- (i) the dissolution of the insured without a legal successor,
  - (j) extinction of the insurable interest (the insured thing) [e.g. its complete destruction (total loss), theft],
  - (k) the termination of the insurance risk,
  - (l) a change in the owner of the insured item, as well as a change in the management or use of the insured item (e.g. withdrawal of possession of the insured item from the insured as a result of its lease, leasehold); in the case of insurance of a set of items, the insurance shall lapse only in relation to the item which has ceased to be part of the insured set of items; the insurance shall lapse on the date of notification of such change to the insurer,
- (m) for other reasons of termination of insurance given by generally binding regulations.

## Article 7 Insurable Value, Sum insured, subinsurance

1. The insured value is the value of the insured item at the time of conclusion of the insurance contract and is decisive for determining the sum insured. The sum insured is stated in the insurance contract.
2. The insured value may be:
  - (a) **new value** - the value that must be spent in the place of insurance to reacquire the same item or an item of comparable type, kind, quality and parameters,
  - (b) **time value** - the new value less an amount corresponding to the degree of wear and tear or other deterioration of the item,
  - (c) **face value** - for money and valuables, unless otherwise stated in the insurance contract,
  - (d) **any other value** agreed in the insurance contract.
3. The sum insured represents the upper limit of the insurance benefit for one insurance period and is also the basis for the calculation of the premium. The sum insured is set out in the insurance contract for individual items of insurance and should correspond to their insurable value.
4. The total sum insured in the case of insurance of a set of goods or a selection of goods as specified in the insurance contract is the sum of the sum insured of the individual insured items of which the set of goods or selection of goods is composed.
5. The sum insured is determined and the policyholder is responsible for its accuracy.
6. If at the time of the insured event the sum insured of the insured item is lower than its insured value by more than 15%, the insurer has the right to reduce the insurance benefit before deduction of the deductible in the same proportion as the sum insured bears to the insured value of the insured item (**underinsurance**). This provision does not apply to first-risk insurance within the meaning of Article 9(3).

## Article 8 Indexation of the sum insured

1. The insurance contract may, at the request of the policyholder, agree on indexation of the sums insured, which means the adjustment of the sums insured to a new value on the first day of the following insurance period, according to the development:
  - (a) price index for construction works, materials and products consumed in the construction industry for real estate and construction works,
  - (b) the consumer price index for production and operating equipment (movable goods).
2. In the event of indexation of the sum insured, the amount of the premium shall also be adjusted in direct proportion to the adjustment of the sum insured.

## Article 9 Limit of Insurance Benefits, first risk insurance

1. In the insurance contract, limits of insurance benefit may be agreed for individual items of insurance, sets of items, selections of items, individual insurance perils or groups of insurance perils. This method of insurance and the amount of the limit of indemnity must be expressly stated in the insurance contract.
2. The limit of indemnity is agreed within the sum insured of the objects of insurance and therefore does not increase their sum insured.
3. First-risk insurance means if an insured sum less than the insured value is agreed between the insurer and the policyholder, or the insurer's proposal is accepted by the policyholder. This method of insurance must be expressly stated in the insurance contract.
4. The sum insured agreed in the case of first risk insurance and the limit of insurance benefit represent the upper limit of the insurer's insurance benefit for all insured events occurring in one insurance period.
5. The insurer and the policyholder may agree in the insurance contract the so-called automatic renewal of the sum insured in the case of



insurance for the first risk. In such a case, the sum insured shall be restored to the original amount after payment of the claim, i.e. increased by the difference resulting from the reduction in the sum insured as a result of the payment of the claim. The policyholder shall be obliged to pay a pro rata premium corresponding to the increase in the sum insured. If the claim for compensation from the insured event exceeds the agreed sum insured in the case of first risk insurance, the amount of the insurance benefit is limited to the agreed sum insured and no claim can be made for a supplementary claim from the reinstated sum insured.

### Article 10 Insurance premiums

1. The premium is the contractually agreed price for the insurance protection provided by the insurer within the scope agreed in the insurance contract. The premium shall be paid by the policyholder in the amount and on the due dates agreed in the insurance contract. The amount of the premium, the due date for payment of the premium and the amount of the instalment of the premium in the event of payment of the premium in instalments shall be specified in the insurance contract.
2. The period of time for which the premium agreed in the insurance contract is payable is called the policy period. Unless otherwise specified in the insurance contract, at the time of insurance:
  - (a) for an indefinite period, the insurance period is one year (1 insurance year, i.e. 365 consecutive calendar days, or 366 days in the case of a leap year),
  - (b) for a fixed period, where the period is less than one year, the period of insurance and the period of insurance shall be identical.
3. If the insurance is concluded for an indefinite period, the premium is set as normal and is payable on the first day of the relevant insurance period, unless otherwise agreed in the insurance contract.

If the insurance is for a fixed term, the premium shall be shall be fixed as a single premium and shall be payable on the date of commencement of the insurance, unless otherwise agreed in the insurance contract.
4. If there is a change during the insurance period in the facts relevant to the determination of the amount of the premium, the insurer shall be entitled to adjust the amount of the premium on the date of that change. The insurer shall communicate the adjusted amount of the premium at the latest two months before the premium due date for the insurance period in which the amount of the premium is to be changed.
5. The insurer is entitled to the premium for the duration of the insurance. If the insurance ceases before the expiry of the insurance period for which the premium has been paid, the insurer shall be obliged to refund the remaining pro rata part of the premium paid. In the event of an insured event resulting in the cancellation of the insurance contract (e.g. theft, destruction of the insured item), the insurer shall be entitled to the insurance premium until the end of the insurance period in which the insured event occurred.
6. Premiums shall be deemed to have been duly and timely paid if it is credited to the insurer's bank account, or to the account of an authorised broker, in accordance with the insurance contract, no later than on the due date with the correct variable symbol assigned by the insurer.
7. It is possible to agree on the payment of the premium in the insurance contract for the insurance period in half-yearly or quarterly instalments. In such a case, failure to pay an instalment of the premium shall render the premium due until the end of the policy period payable in full on the day following the due date of the instalment of the premium, provided that the insurer exercises this right before the due date of the next instalment of the premium.

### Article 11 Participation

1. Deductible is the amount agreed in the insurance contract which the insured shares in the insurance benefit from each insured event. The excess may be expressed as a fixed sum, a percentage, a time period or a combination thereof.

2. The insurer shall not provide insurance benefits if the total amount of the insurance benefit (i.e. the amount of the insurance benefit before deduction of the deductible) does not exceed the deductible agreed in the insurance contract.
3. In the case of a deductible expressed in terms of a time period, the insurer shall only provide the insurance benefit if the duration of the damage exceeds the time period and for the part of the damage that exceeds the time period agreed as a deductible.

### Article 12 Insurance benefits

1. The insurance benefit is the financial benefit provided by the insurer to the insured in the event of an insured event. The insurer provides the insurance benefit in the currency valid in the Czech Republic.

When converting foreign currency into the currency valid in the Czech Republic, the exchange rate of the European Central Bank valid on the date of the insured event shall be used.
2. The remains of the damaged or destroyed insured item remain in the possession of the insured.
3. The amount of the insurance benefit provided shall be reduced by the value of the residue of the insured item according to the previous paragraph 2. and by the deductible.
4. In the event of damage, destruction, loss or theft of the insured item as a result of an insured event, the insured shall be entitled to,

to be indemnified by the insurer in the amount of the reasonable costs incurred. Reasonable costs shall be the economic costs customary at the time and place of the occurrence of the insured event incurred for the reacquisition or repair of the insured item, the lower of these amounts determined by the competent claims adjuster of the insured event in question being decisive. Reasonable costs include:

  - (a) include the cost of placing or fitting the repaired or reacquired item in place, where it was before the insured event,
  - (b) does not include pay benefits for overtime, night work, nights and holidays, travel and accommodation costs for technicians and experts from abroad, costs of the cost of an expert witness, the cost of earthwork and excavation, the cost of additional project planning work, the transport costs of sending the damaged item abroad for repair, including express surcharges and air freight for spare parts.
5. The insurance benefit for the stocks produced by the insured or the stocks that have been expired is limited to the price obtainable at the time of their sale.
6. If the insured securities, money or valuables are damaged, destroyed, lost or stolen as a result of an insured event, the insurer shall pay for:
  - (a) the certificated securities or money, the amount expended in redemption and, if the issuer does not issue a duplicate, the amount by which the insured's assets in certificated securities or money have been reduced in nominal value, in value expressed at the issue rate or at the within the meaning of generally binding legal provisions,
  - (b) securities, unless the issuer issues a duplicate, the amount by which the insured's assets in the securities have been reduced in their face value.
7. In the event of destruction or loss of an insured item that has been insured for a new value, the insurer shall provide insurance benefits exceeding the time value only if the insured, within three years from the occurrence of the insured event, realizes the reacquisition of the item of the same type, kind, quality and parameters at the place of insurance, or at another place within the territory of the Czech Republic, if the reacquisition at the place of insurance is not feasible for legal or economic reasons.
8. The insurer shall provide insurance benefits for all insured events occurring during one insurance period up to a maximum of:
  - (a) the sum insured specified for the relevant insured item,
  - (b) the aggregate limit of indemnity agreed in the insurance contract for the relevant insured item, set or selection of insured items,
  - (c) the aggregate limit of indemnity agreed in the insurance contract for the relevant peril.

The lower of (a) - (c) is decisive for the amount of the insurance benefit.

9. If the beneficiary is a payer of value added tax (VAT) at the time of the insured event, then this tax is not included in the insurance benefit.
10. The insurance benefit shall be payable within 15 (fifteen) days after the completion of the investigation of the notified insured event by the insurer necessary to determine the extent of the insurer's obligation to provide insurance benefits and to determine the amount thereof.
11. The insurer shall pay the insured the so-called advance payment for the insurance benefit within 10 (ten) days of the date on which the insurer's ongoing investigation proves that the insured event is an insured event and the insured is entitled to receive the insurance benefit. The amount of the advance payment shall be 20% of the provisional value of the insurance claim as determined by the insurer. If, however, in the course of or after the investigation, it is established that the insured was not entitled to the insurance benefit or the amount of the advance payment for the insurance benefit exceeds the total amount of the insurance benefit, the insured shall reimburse the insurer for the insurance benefit provided or the part of the insurance benefit to which he is not entitled.
12. The insurer shall have the right to deduct from the insurance benefit any premium due or other claims arising from the insurance.
13. The insurer is entitled to proportionately reduce the insurance benefit in the event of a breach of the obligations set out in these GCPM, special and supplementary insurance conditions applicable to related to the insurance, contractual arrangements or in the insurance contract, if such breach of duty had a material effect on the occurrence of the insured event or the extent of the consequences of the insured event.
14. The insurer shall be entitled to refuse to pay the insurance benefit if the insured misleads the insurer in the circumstances concerning regarding the origin of the claim and/or the amount of the insurance benefit.

#### Article 13 Rescue costs

1. Salvage costs means necessary, reasonable and expedient costs incurred by the policyholder or the insured:
  - (a) to avert an imminent insured event,
  - (b) to mitigate the consequences of an insured event that has already occurred,
  - (c) as a result of fulfilling the obligation to remove damaged property or its remains for hygienic, ecological or safety reasons,
  - (d) for transport costs related to the repair of the insured item damaged by the insured event to the nearest suitable repair shop; these costs shall be covered by the insurer when transporting the item within the Czech Republic, unless otherwise agreed in the insurance contract.The sum of the benefits and reimbursements provided under (a) through (d) of this paragraph shall not exceed the sum insured or the limit of insurance of the insured item for which these costs relate to. The costs referred to in points (a) and (b) of this paragraph shall include unsuccessful measures implemented by the policyholder and/or the insured, provided that they were reasonable in the circumstances of the insured event.  
Reimbursement of costs under (a), (b) and (c) incurred to save the life or health of persons shall be limited to an amount equivalent to 30 % of the sum insured or the limit of indemnity agreed in the insurance contract.
2. The insurer shall reimburse the insured for the reasonable and reasonably incurred costs incurred by the insured and/or the policyholder to determine the cause and extent of damage to the insured property affected by the insured event up to 3% of the sum insured or the limit of indemnity of the subject matter of insurance affected by the insured event, provided that such costs have been agreed in writing in advance by the insurer. The sum of the costs so incurred and the insurance benefit provided shall

not exceed the sum insured or the limit of insurance of the insured item to which such costs relate.

3. The insurance also covers the reasonable and expedient costs of:
  - (a) dismantling and reassembly of undamaged insured items in connection with the repair or reacquisition of items damaged, destroyed or lost in an insured event,
  - (b) clearance of the insured site including demolition of standing parts of the property, removal of debris and other remains to the nearest waste disposal site and the cost of storing or destroying them in connection with the repair or reacquisition of damaged, destroyed or lost items after the insured event.Unless otherwise specified in the insurance contract, the amount of reimbursement provided by the insurer under (a) and (b) for all such costs shall be limited to a total amount equal to 3% of the sum insured or the limit of indemnity of the insured item and shall be provided within the sum insured or the limit of indemnity.
4. The insurer shall not be obliged to reimburse the costs referred to in paragraph 1 of this Article incurred by the competent fire and/or rescue brigade, the competent police authority or other bodies obliged to intervene in the event of an insured event in the public interest on the basis of legal provisions.
5. The provisions of this Article 13 shall not apply to claims caused by circumstances which exclude the right to insurance benefits under these GCPM.
6. The insurer is always obliged to fully reimburse the costs that have been carried out on its instructions, even above the agreed sum insured or the limit of indemnity agreed for the insured item.

#### Article 14 Expert proceedings

1. In the event of a disagreement between the insured and the insurer as to the cause and/or extent of the loss or the amount of the claim the insured and the insurer may agree in writing that the cause and/or extent of the loss shall be determined by an expert determination. The expert procedure may also be extended to other circumstances and facts of the right to claim. The insured may also request an expert examination by making a unilateral declaration to the insurer.
2. The principles of the expert procedure are as follows:
  - (a) each party shall designate in writing one expert who is not a person close to it within the meaning of Section 22 of the Civil Code and who cannot be under any obligation to it, and shall immediately inform the other party thereof; objections to the person of the other party's expert may be raised only until the commencement of the expert's activities,
  - (b) the designated experts agree on the person of a third expert who shall have a casting vote in the event of disagreement between the experts designated by the parties,
  - (c) experts appointed by the insured and the insurer shall independently draw up expert reports on the disputed issues,
  - (d) the experts shall forward their expert reports simultaneously to the assured and the insurer; if the expert reports differ, the insurer shall forward both reports to the expert with the casting vote; the expert with the casting vote shall decide the issues in dispute and forward his decision to the assured and the insurer,
  - (e) each party shall bear the cost of its chosen expert, the cost of the expert with a casting vote being borne equally by the parties.In the event that the expert reports prepared by the experts chosen by the parties agree in favour of the insured, the insurer shall reimburse the costs incurred by the insured for the expert chosen by the insured up to CZK 20,000 per insurance period.
3. The rights and obligations of the insured and the insurer as provided for by the legislation, the GCPM, special insurance conditions, supplementary insurance conditions, contractual arrangements and the insurance contract are not affected by the expert procedure.

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

1. In addition to the obligations laid down by generally binding legal regulations, the insurer is obliged to:

- (a) to acquaint the policyholder with the insurance terms and conditions relating to the insurance being taken out,
  - (b) after notification of the insured event, without undue delay, to initiate the investigation necessary to determine the extent of its obligation to provide insurance benefits as well as the amount of the insurance benefits,
  - (c) complete the investigation of a duly notified insurance claim within 15 (fifteen) working days after receipt of all documents and other necessary particulars, including documents prepared by a third party (e.g. expert report, firefighters' report), documents and information necessary to complete the investigation required to determine the extent of the insurer's obligation to provide insurance benefits and the amount of the insurance benefit,
  - (d) return to the policyholder or the insured the original documents requested by the policyholder or the insured, unless such documents are a necessary part of the claim file,
  - (e) to allow the policyholder or the insured to inspect the file relating to his claim or insured event at a predetermined time; to provide the policyholder, on written request, with a copy of documents from the claim file the cost of making such copies shall be borne by the policyholder,
  - (f) maintain confidentiality of all facts that has learned in the course of arranging insurance, administering insurance and investigating insurance claims; it may disclose such information to third parties only with the consent of the policyholder or the insured if this is necessary for the administration of the insurance or the investigation necessary to determine the extent of the insurer's obligation to provide insurance benefits and the amount of the insurance benefit. The insurer shall be exempt from this obligation if it is obliged to disclose those facts to third parties under the law.
2. In addition to the obligations laid down by generally binding legal regulations, the policyholder and the insured are obliged to:
- (a) answer fully and truthfully all written questions from the insurer, including email communications and completion of questionnaires, relating to the insurance,
  - (b) allow the insurer or persons authorised by the insurer to enter to the insured buildings and premises and thereby enable them to assess the insurance risk and to examine the functionality and operation of the equipment used to protect the property; they shall also be obliged to submit to the insurer or persons authorised by it project, fire, flood protection, accounting and other similar documentation for inspection,
  - (c) promptly notify the insurer in writing of any change in the particulars which formed the basis for the conclusion of the insurance contract, in particular changes in the insured's business activities, the type and extent of the insured risk, the insured value of the insured property, the place of insurance, the facilities used to protect the insured property,
  - (d) keep accounting records of the insured property specified in the insurance contract and keep such records in such a manner that in the event of an insured event they cannot be damaged, destroyed, lost or stolen together with the insured property,
  - (e) maintain the insured property in good technical condition,
  - (f) comply with the provisions of the technical standards and regulations, generally binding legal regulations, the VPPM, special insurance conditions relating to the insurance taken out, supplementary insurance conditions and the insurance contract,
  - (g) if the insured is a person other than the policyholder, the policyholder shall, immediately after the conclusion of the insurance contract, inform the insured of the contents of these GCPM, the special and supplementary insurance conditions relating to the insurance contracted, the contractual arrangements and the insurance contract,
  - (h) prevent the occurrence of an insured event and take reasonable measures to avert it,
  - (i) notify the insurer in writing of a change in the insured value of the insured item, set or selection of insured items if there has been an increase of more than 15% during the period of insurance,
- (j) notify the insurer that it has taken out further insurance with cover for the same subject matter and perils with another insurer, including information on the amounts of the sums insured, limits or sublimits of indemnity and the business name of the insurer with whom the further insurance has been taken out,
  - (k) pay the premiums within the meaning of Article 10 enough. 5. of these GCCM (applies only to the policyholder),
  - (l) notify the insurer of a change of ownership, change of management or change of use of the insured item.
3. In the event of a claim, the insured is obliged to:
- (a) immediately notify the insurer of the occurrence of the loss and document this report in writing within five (5) days at the latest,
  - (b) implement appropriate mitigation measures and to seek and follow the insurer's instructions to do so,
  - (c) not to change the state caused by the damage without the consent of the insurer, unless this is necessary to avert or mitigate the consequences of the damage or contrary to the public interest; the insured is also obliged to provide sufficient evidence of the extent of the damage and its cause (e.g. submission of relevant photographic or video recordings, notification of the competent law enforcement authority),
  - (d) promptly report to the law enforcement authority the occurrence of damage that has occurred under suspicious circumstances of a criminal offence and to allow the insurer access to the investigation file of the competent law enforcement authority,
  - (e) immediately notify the insurer of the discovery of the insured goods or their remains if they have been lost or stolen in the event of an insured event; on receipt of such goods or their remains, the insured shall return the sum of money corresponding to the amount of the insurance benefit provided, within 30 days of their discovery at the latest; if the insured goods have been damaged within the period since the insured event until they are found, the cost of repairing the insured item so damaged shall be borne by the insurer as in the event of an insured event,
  - (f) immediately commence redemption or other similar proceedings in respect of certificated securities, deposit and cheque books, payment cards, valuables and other similar documents which have been destroyed, lost or stolen in an insured event,
  - (g) to secure against another a right to compensation for the damage suffered or other similar right and to assert a claim for compensation against the person liable.
4. Other obligations of the insured may be set out in special and supplementary insurance conditions, contractual arrangements and/or the insurance contract.
- ### Article 16 Consequences of breach of obligations
1. The insurer is entitled to reduce the insurance benefit proportionately for breach of the obligations referred to in Article 15, paragraphs 2 to 4, of these GCPM, the obligations specified in the Special Insurance Conditions, Supplementary Insurance Conditions and the insurance contract, if this had a significant effect on the occurrence of the insured event or on the increase of the extent of its consequences, depending on the effect of the breach of obligations on the extent of the insurer's obligation to provide insurance benefits.
  2. If the Insured fails to provide the Insurer with the necessary or required cooperation to enable the Insurer to exercise the right to claim compensation against a third party [pursuant to Article 15(3)(g) of this GCPM], or if the consequences of such action by the Insured become apparent only after the Insurer has provided the insurance benefit, the Insurer shall have the right to recover the insurance benefit or part thereof from the Insured in addition to the right referred to in paragraph 1 of this Article.
  4. If the insurer incurs damage as a result of a breach of any of the obligations referred to in Article 15, paragraphs 2 to 4 of these



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or the insurer incurs unnecessary costs in this connection (e.g. litigation), the insurer shall be entitled to compensation against the policyholder or the insured who caused such damage or unnecessary costs by the breach of duty.

5. If the policyholder is in default in the payment of the premium, the insurer shall be entitled to:
  - (a) claim statutory default interest for each day of delay in payment of the premium, and/or
  - (b) claim compensation for the costs incurred in connection with the service of documents relating to the payment of premiums due and/or the recovery of premiums due, and/or
  - (c) set off against the insured's due claim for the insurance benefit the insurer's due claim for the insurance premium including statutory default interest.

### Article 17 Interpretation of terms

1. **Building** means a spatially concentrated roofed ground structure, including underground spaces, which is structurally suitable and designed for the protection of persons, animals or property; a building need not have walls for the purposes of this insurance.
2. **Valuables** are deposit and cheque books, credit cards, securities, postage stamps, stamps, lottery tickets, public transport tickets and coupons, mobile phone top-up coupons, vignettes, meal vouchers, etc.
3. **Valuables** are:
  - (a) precious metals, precious stones, semi-precious stones, pearls and articles thereof,
  - (b) costume jewellery, wrist and pocket watches, spectacles and pens with a selling price exceeding CZK 5 000.Parts and components of machinery and machinery equipment (hereinafter referred to as "machinery") which form part of the insured machinery, i.e. are properly mounted, installed or fitted in the machinery, are not considered to be valuables. However, these items shall be considered as valuables if they were not part of the insured machine at the time of the insured event.
4. **Net financial loss** is monetary loss that is not a direct consequence or consequence of physical damage or destruction of the insured property (i.e., loss that is not preceded by physical damage or destruction of the insured property).
5. **Erosion** is the physical process of eroding and removing parts of the earth's surface by external (exogenous) agents.
6. **Movable things** are things that are not immovable property and meet the requirements of these GICPM, Special Policy Conditions, Supplementary Policy Conditions, Contractual Arrangements and the Insurance Policy in order to be insured and are not excluded from insurance.
7. **A structural attachment** is a fixed detachable or non-deployable connection of an accessory structure or building to real property. A detachable connection is one that requires at least the use of hand tools to overcome. A non-dismountable connection is one in which the insured item cannot be disconnected without destructive damage to the connection and/or the insured item.
8. **Malware** is malicious software that can spread itself without the user's knowledge, including computer viruses, worms, Trojan horses, adware, spyware, etc.
9. **Mechanical barriers** are means for directly securing a building or structure or parts thereof against unauthorized entry (e.g. ramps, roadblocks, turnstiles, fencing, doors, windows, grilles, locks, locking systems, safes, security films).
10. **Mycotoxins** are toxic organic substances that are produced by a number of microscopic fungi (moulds).
11. **Real estate** means buildings, halls and structures, including their structural components and accessories, in which the insured's business is carried out.
12. **Refusal of insurance benefit** is a case when the insurer is entitled to refuse to pay the insurance benefit because the insurer learns only after the insured event that its cause is a fact which, as a result of the culpable breach of the policyholder's obligation to provide true and complete answers to the insurer's questions, could not have been ascertained by the insurer when arranging

the insurance and which was material for the conclusion of the insurance contract.

13. **An entitled person** is a person who, as a result of an insured event, becomes entitled to an insurance benefit.
14. **The insured** is the person whose property is covered by the insurance.
15. **The policyholder** is the person who has concluded the insurance contract with the insurer.
16. **Money** is valid domestic and foreign banknotes and coins.
17. **An insured event** is any accidental damage event, which, under the relevant provisions of the insurance contract, gives rise to an obligation on the part of the insurer to provide an insurance benefit. An accidental damage event is an event which occurs at the place of insurance during the period of insurance, suddenly and unexpectedly and which, at the time of conclusion of the insurance contract, the insurer and the insured assume may occur but it is uncertain whether and when it will occur.
17. **An insurance contract** is a written contract which gives rise to insurance of natural or legal persons.
18. **Insurance risk** is a measure of the probability of an insured event caused by an insured peril.
19. **The insurer** is PREMIUM Insurance Company Limited, an insurance company with registered office at Level 3, CF Business Centre, Triq Gort, STJ 3061, St Julian's, Malta, registered in the Register of Companies in Malta under registration number C 91171, acting through PREMIUM Pojišťovna, Branch Office Czech Republic, having its registered office at Pobřežní 620/3, Karlín, 186 00 Prague 8, Czech Republic, registration number: 196 86 030, registered in the Commercial Register maintained by the Municipal Court in Prague, file number A 80427.
20. **Damage to an insured item** is an adverse change in its condition, as a result of which the item cannot be used for the purpose for which it is objectively intended for, and the damage can be objectively repaired.
21. **The first use** is the date:
  - (a) a final building approval decision owned by the insured,
  - (b) a decision of the building authority to refrain from approving a building owned by the insured,
  - (c) the acquisition by the insured of ownership of a building which has been finally approved or a building for which the building authority has waived approval,
  - (d) the commencement of the use of the building by the insured under the lease or lease agreement.
22. **Accessories of a building or structure** are those things that are intended to be permanently used with the building or structure and are usually removably attached to the inside or outside of the building or structure [electronic security systems (ESS), electronic fire systems (EFS), antennas, camera systems, shielding technology, mechanical barriers excluding mechanical barriers located outside the structure or building and those which by their nature are building components (e.g. windows, doors, etc.)]. External connections, roads, paved areas, wells, septic tanks and other structures or installations outside the building or structure are also considered as accessories of the building or structure, provided that these items are included in the sum insured and are located at the place of insurance specified in the insurance contract.
23. **A building** is a structure constructed by building work from building products, which is firmly connected to the ground or whose installation requires the modification of the substrate. Buildings are divided into buildings (civil engineering structures) and civil engineering structures according to their structural design. Fixed connection to the ground means:
  - (a) connection by a solid foundation,
  - (b) fixing by means of mechanical components or welding to a solid foundation in the ground or to another structure,

- (c) anchorage by piles or ropes with an anchor in the ground or on another structure,
  - (d) connection to the technical equipment networks of the territory,
  - (e) underground location.
24. **The structural components of a building or structure** are things which belong to the building or structure by virtue of their nature and, as a rule those things which are incorporated in or fixed to the building or structure, namely:
- (a) indoor distribution of cold and hot water (including central heating), steam and related control and measuring equipment, indoor sewage distribution, indoor sewage shafts, indoor air distribution (air conditioning and ventilation) and gases, fire-fighting equipment distribution, including fire-fighting equipment,
  - (b) indoor wiring including ceiling and wall lights and relevant distribution cabinets and switchboards, low-current and telecommunication indoor wiring including distribution of safety and security equipment, data network wiring, lightning conductors, passenger and freight elevators, local and central heating including boilers and heat exchanger stations,
  - (c) built-in structures (e.g. metal) used for attaching equipment and objects, crane track structures including mobile rails and pickers,
  - (d) Doors, windows, shutters, grilles, blinds, awnings, insulation of buildings and structures of any kind, wall and ceiling coverings including suspended ceilings (e.g. coffered), built-in furniture, railings, built-in works of art in buildings and structures, mailboxes,
  - (e) fittings and equipment associated with the work (sanitary appliances, taps, hand dryers, kitchen cookers, ceramic hobs, kitchen hoods, boilers, etc.),
  - (f) outdoor lighting of buildings and structures, except lighting of production and operating facilities, lighting of high-rise buildings, traffic signs and road markings.
25. **Building alterations** are structural components and accessories of a building or structure which the insured has carried out at his own expense on someone else's premises.
26. **Loss of an insured item** is a condition where the insured independently the insured has lost possession of the insured thing independently of his will.
27. **A set of items** is made up of individual items that are of the same or similar nature or intended for the same use/use. Insurance of specifically named items of such a nature is called insurance of **a selection of items**.
28. **Damage** is a property loss to the insured consisting of physical damage or destruction of the insured thing, which can be objectively quantified in money.
29. **An act of terrorism** is an act involving the use of force or violence and/or threats of force or violence by any person or group(s) of persons, whether acting alone or on behalf of someone or in association with any organisation(s) or government(s), committed for political, religious, ideological, social or similar reasons, including the intention to influence any government and/or to intimidate the public or a section of the public.
30. **Termination of insurance** is the termination of the insurance contract.
31. **Inventories** are those items that are specified as inventories in the insurer's current chart of accounts.
32. **Destruction of an insured item** is an adverse change in its condition, when the insured item can no longer be used for the purpose for which it was intended and cannot be restored to its original condition. Destruction is considered to be shall also be deemed to be a condition in which the cost of repair would exceed the cost of reacquiring the same item or an item of comparable type, kind, quality and parameters.
33. **Confiscation** is the official seizure, confiscation, seizure of any thing in time of exceptional need (e.g. for the military).

## Article 18 Complaints Procedure

1. The policyholder, the insured and the authorised person may lodge a complaint at any time during the insurer's operating hours in person or in writing at the insurer's correspondence address in the Czech Republic.
2. The complaint will be dealt with without undue delay, at the latest within 30 days of receipt. In the event that this is not possible due to the circumstances of the case, the complainant will be informed of the reasons for the extension of the time limit for handling the complaint with an indication of the expected date for handling the complaint.
3. The above-mentioned persons may also contact:
  - the Czech National Bank, with registered office at Na Příkopě 864/28, 115 03 Praha 1, which is the supervisory authority for the insurance industry in the Czech Republic, or
  - the Malta Financial Services Authority, having its registered office at Triq L-Imdina, Zone 1, Central Business District, Birkirkara, Republic of Malta, which is the insurance supervisory authority in the insurer's home Member State, or
  - the office of the Arbiter for Financial Services, located at Arbiter for Financial Services, 1st Floor, St Calcedonius Square, Floriana FRN 1530, Republic of Malta.

## Article 19 Penalty clause

1. Insurance (reinsurance) under this insurance contract shall not be deemed to be validly contracted and the insurer (reinsurer) shall not be obliged to indemnify or provide any kind of benefit or other advantage where the validity of the insurance, indemnity, benefit or other advantage would be in contravention of any decision of the United Nations (including its affiliated international organizations), European Union or U.S. authorities to impose political, trade and/or economic sanctions, or should such action by the insurer (reinsurer) be subject to applicable sanctions regulations laws and regulations would result in the imposition of a sanction, ban or other restriction.

## Article 20 Final Provisions

1. These GICMs form an integral part of the insurance contract and may be deviated from in the insurance contract. Insofar as the provisions of the GCPMs conflict with the provisions of the insurance contract, the provisions of the insurance contract shall prevail.
2. Relations arising from the insurance contract, which is annexed to this GICM, are governed by the law of the Czech Republic. The courts of the Czech Republic shall have exclusive jurisdiction over disputes arising out of this insurance contract. The aforementioned shall also apply to damages incurred abroad.
3. The provisions of these GICPM relating to the insured shall apply also apply to the policyholder (if the policyholder is a person other than other than the insured) and/or to any other person entitled thereto.
4. Letters shall be delivered to the insurer, the policyholder and the insured to their last known registered office address, or to the correspondence address of the policyholder and the insured if it is different from the registered office address and the insurer has been notified of this fact. The policyholder and the insured shall be obliged to notify the insurer of any change of their address and registered office without undue delay.
5. A letter from the insurer addressed to the policyholder and/or the insured (hereinafter referred to as the "addressee") shall be deemed to have been delivered on the date of delivery to the addressee. If the document is deposited at the post office due to the failure to reach the addressee and the addressee fails to collect it within the relevant deposit period, the document shall be deemed to have been delivered on the day following the day on which it was deposited at the post office, even if the addressee was not aware of its deposit. The same shall apply if the document is returned to the insurer as undelivered because of a change of address not notified by the policyholder or the insured. If the



addressee refuses to accept the document, the document shall be deemed to have been served on the date on which acceptance was refused.

6. Changes in the registered office and business name or other data of the policyholder and the insured, if their form allows, may be notified by telephone or electronic mail (e-mail). However, the insurer has the right to request that such notifications be supplemented in writing.
7. Notification of a claim can also be made by telephone on the insurer's telephone number or by e-mail to the insurer's e-mail address or via the insurer's electronic mailroom set up for this purpose. However, this does not relieve the insured of his obligation to also submit a notification of the claim in writing on the insurer's prescribed form.
8. These GTCM shall take effect on 13 September 2024.