

## Special insurance terms for natural hazard insurance

### Article 1 Opening provisions

1. These special insurance terms for natural hazard insurance (hereinafter as the "OPPZ") supplement the provisions of the General insurance terms for property insurance (hereinafter as the "VPPM") and are an inseparable part of the policy. The natural hazard insurance is governed by the relevant provisions of the Civil Code, the VPPM, these OPPZ, and supplementary insurance terms and by the policy.

### Article 2 Subject of the insurance

1. If the subject of insurance is a building or a structure then the insurance shall cover all parts of then insured real property including its foundations, cellar walls, construction components and structural attachments of the building or structure.
2. If the subject of insurance is a building or a structure then the insurance shall also cover:
  - (a) the duly installed/mounted external mechanical barriers pertaining to the building or structure (e.g. fencing, ramp, turnstile),
  - (b) roads, pavements and paved surfaces belonging to the building or structure that are owned by the insured,
  - (c) other side buildings without house numbering (e.g. summer house, pool) that pertain to the insured building or structure.In case the objects indicated under letters (a) to (c) are not individually insured, for such objects the annual payment limit in amount of 10% of the sum insured of the building or structure these pertain to, however, maximum in amount of EUR 10,000, shall apply depending on whichever of these amounts is lower unless other sum has been agreed in the policy.
3. The insurance shall cover the objects under points 1. and 2. of this article only if these have been permitted for due use on basis of a house inspection permit, however, with exception of those structures under the point 2. where the building authority had waived the house inspection permit.
4. In case of building or structure insurance against the hazard water damage the subject of the insurance at the same time shall also be the following structural components if damaged or destroyed by the crack of:
  - (a) internal hot and cold water distribution systems, internal sewage systems,
  - (b) pipeline of the heating, air-conditioning or solar systems including armatures and heating bodies,
  - (c) systems of firefighting equipment including extinguishing equipment (e.g. sprinklers),
  - (d) drainage systems for atmospheric precipitation (including armatures) located inside the building.
5. Unless otherwise agreed upon in the policy, the subject of insurance for the breaking of glass hazard is any glass, while as glass are regarded all kinds of glass including synthetic glass made of polycarbonate or poly(methyl methacrylate) (acrylic safety glass):
  - (a) mounted into the external structural openings of the building or structure (windows, doors etc.), including glued sensors of electronic security systems or fire alarms, glued foil sheets, glass weathering or glass painting,
  - (b) glass mounted into firmly inbuilt structural components inside the building or structure (e.g. cross walls, walls),
  - (c) mounted on terraces and loggias.
6. If stated in the policy, then the subject of insurance of the breaking of glass hazard shall also be:

- (a) glass mounted on inside the building or structure that is part of structural modifications that have been carried out by the insured and on its own expense in the premises used under a lease agreement,
  - (b) furniture glass and desk and cabinet glass,
  - (c) illuminated signs, advertisements, tubes and panels including their electrical installations and supporting structures,
  - (d) traffic lights.
7. Unless otherwise agreed upon in the policy, this insurance shall not cover:
    - (a) cash, cash equivalents and valuables,
    - (b) data carriers and data restoration (hereinafter only as "data carriers"),
    - (c) papers, plans, account books and similar documents, files, drawings (hereinafter only as "documentation"),
    - (d) motor vehicles, trailers of motor vehicles and towing machines recorded in the accounting books as tangible fixed assets or inventory,
    - (e) cash registers, coins-or-bills-accepting vending machines (including cash or currency exchange machines) including their contents as well as cash-returning machines,
    - (f) works of art and collections,
    - (g) structural modifications carried out by the insured on its own expenses in the areas used under a lease agreement,
    - (h) exhibition models, patterns, prototypes, exhibits and production equipment impracticable for standard production,
    - (i) watercourse structures,
    - (j) personal things of the employees of the insured.

### Article 3 Place of insurance

1. For the subjects of insurance indicated in article 2 point 7. letters (a) to (c) the place of insurance shall be the depository located in the place of insurance as set forth in the policy.

### Article 4 Hazards

1. The basic natural hazard insurance shall cover any damage, destruction or loss of the insured object as a consequence of an insured event caused by:
  - (a) crash or fall of a flying object with crew,
  - (b) crash or fall of a flying object without crew,
  - (c) conflagration,
  - (d) direct lightning strike,
  - (e) explosion.
2. The extended natural hazard insurance shall cover any damage, destruction or loss of the insured object as a consequence of an insured event caused by:
  - (a) sonic bang,
  - (b) smoke,
  - (c) hailstorm,
  - (d) avalanche,
  - (e) crash of the motor vehicle driven by the insured,
  - (f) crash of the motor vehicle driven by a person other than the insured,
  - (g) tumble of trees, poles and other objects,
  - (h) fierce wind,
  - (i) weight of snow or ice,
  - (j) volcanic eruption,
  - (k) landslide, collapse of rocks or soil.
3. The insurance may be agreed for cases of damage, destruction or loss of the insured object as a consequence of an insured event caused by:

- (a) **flood or overflowing,**
  - (b) **earthquake.**
4. The insurance may be agreed for cases of damage, destruction or loss of the insured object as a consequence of an insured event caused by **water damage.**
  5. The insurance shall also cover any damage to the insured object by entry of **atmospheric precipitation** or dirt into the building through openings that have been formed by damage of structural components of the building as a consequence of hazards indicated under points 1. to 3. of this article while, at the same time, the given hazard has been agreed upon in the policy for the object damaged by atmospheric precipitation or dirt.
  6. Where the insurance has been agreed as **Complex natural hazard insurance coverage** the insurance shall cover the hazards indicated under points 1. to 4. of this article.
  7. The **breaking of glass** hazard may be also agreed upon in the policy.

### Article 5 Exclusions

1. This insurance shall not cover:
  - (a) motor vehicles, trailers of motor vehicles produced or approved for purpose of operation in the road traffic or are subject to registration in the vehicle register,
  - (b) aircrafts, watercrafts, railed vehicles, or any other machine able to move in the atmosphere,
  - (c) domestic, farm and wild animals and other species of higher organisms,
  - (d) waters, soil, fields, forests, stands and plants,
  - (e) public roads (highways, roads, local roads, public tertiary roads) including bridges, overpasses, tunnels, underpasses and overpasses for pedestrians,
  - (f) buildings during construction, mounting and reconstruction works and objects kept in such building, if the construction, mounting and reconstruction works have had any effect whatsoever on the cause of occurrence or intensification of the extent of results of the damage,
  - (g) plots of land, unpaved (earth) courtyards, embankments, ramparts, waterfronts not made of heavy materials (e.g. rock, concrete, metal, wood),
  - (h) public transmission and distribution lines for electricity, gas, water and heat systems and public electronic communication networks,
  - (i) software and electronic data,
  - (j) objects not used in long term or non-utilisable,
  - (k) losses resulted from operation shutdown such as economic loss, lost profits.

The objects indicated under letters (a) to (k) of this point shall not be covered by the insurance even if these are parts of the insured set or selection of objects.
2. The **atmospheric precipitation** hazard shall not cover any damage caused:
  - (a) by soaking, steeping or saturating with water not produced as or by atmospheric precipitation,
  - (b) by entry of the atmospheric precipitation through openings in the roof or external walls caused by renovation, reconstruction, installations or any similar works,
  - (c) on roofing, external building components and external appurtenances of buildings,
  - (d) to stored inventory or to objects with features of inventory (for the purpose of this letter hereinafter as the "inventory") that at the time of the damaging event have not been kept at least 12 centimetres above the floor level if these are stored in the premises on the level of the ground floor or below the level of the ground floor; this exclusion shall not apply to damage to inventory caused by direct fall of the atmospheric precipitation onto the inventory and onto the inventory that is due to its features usually stored straight on the floor.
3. The **smoke** hazard shall not cover any damage caused by permanent effects of smoke.
4. The hazards **hailstorm** and **fierce wind** shall not cover any damage caused to movable objects located in the open areas, under shelters or in open buildings, except of objects that due to their features (size, weight etc.) are usually stored in such places (construction materials, metallurgical materials, heavy machinery, agricultural machinery etc.).
5. The hazard **crash or fall of a flying object without crew** shall not cover those damaging events that had not been reported to police that has carried out the investigation.
6. The hazard **crash of the motor vehicle driven by the insured** shall not cover any damage to the very motor vehicles, mobile work machines and their cargo.
7. The hazard **crash of the motor vehicle driven by a person other than the insured** shall not cover damage:
  - (a) to the very motor vehicles, mobile work machines and their cargo,
  - (b) that have not been reported to the police.
8. The hazard **conflagration** shall not cover any damage caused by:
  - (a) effects of the utility fire or radiant heat,
  - (b) smouldering with restricted air access unless otherwise specifically stated in the policy,
  - (c) short circuit of the electrical circuit or equipment provided that the flame produced by the short circuit has not spread.
9. The **flood** hazard shall not cover any damaging events occurring as a result of:
  - (a) flood or in a direct connection with the flood up to 10 days following the entering into the insurance unless otherwise agreed in the policy,
  - (b) regulated drainage of waters from watercourses.
10. The hazards **flood** and **overflowing** shall not cover any damage:
  - (a) caused to watercourse structures (water-gates, trunks, small hydro-electric power plants, embankments, pavements of banks etc.) or to objects placed therein or thereon if the peak flow rate has not reached in the place of insurance at least the point of twenty-year flow rate; the twenty-year flow rate is the peak flow rate of the water flow that is the long-term average reached or exceeded once every twenty years,
  - (b) caused by power effects of the water in the water pipelines, canals or tunnels,
  - (c) caused by scorching, putrefaction (rotting),
  - (d) caused by waters leaked from gutters and drainage to dispose of the atmospheric precipitation,
  - (e) caused to stored inventory or to objects with features of inventory (for the purpose of this letter hereinafter as the "inventory") that at the time of the damaging event have not been kept at least 12 centimetres above the floor level if these are stored in the premises on the level of the ground floor or below the level of the ground floor; this, however, shall not apply to inventory that is due to its features usually stored on the floor,
  - (f) if the incidence of flood or overflowing in the place of the insurance is more frequent than once per ten years prior to the date of the damaging event,
  - (g) caused due to malfunctioning caps preventing backflow of water from the sewers if these caps have been marked in the project documentation of the building or structure.
11. The hazard **direct lightning strike** shall not over any damage caused by overvoltage or induction on the equipment plugged in the electricity and/or data network.
12. The **breaking of glass** hazard shall not cover any damage that occurred to the insured glass:
  - (a) during transport,
  - (b) during installation, mounting or disassembly,
  - (c) caused by its scratching, painting, spray painting, covering with stickers or by any other similar way,
  - (d) caused during defrosting,
  - (e) caused by effects of radiant heat while removing paints or stickers,
  - (f) that is part of a greenhouse unless otherwise stated in the policy.
13. The **weight of snow or ice** hazard shall not cover any damage:
  - (a) to the external rain gutters or drainage if not damaged in a causal relationship with the damage of the roof covering, supporting or any other construction of the building (structure),

- (b) occurring as a result of failure to maintain the roof of the building (structure) or as a result of improper construction of the roof,
  - (c) occurring directly or indirectly as a result of dilapidated, rotten or otherwise deteriorated roof and other supporting structures.
14. The **water damage** hazard shall not cover:
- (a) costs incurred in connection with the leakage of water or other media (water supply and wastewater charges etc.),
  - (b) any damage caused by outflow of water from the sewage pipelines,
  - (c) any damage caused while carrying out pressure tests, repair or maintenance of the plumbing equipment,
  - (d) any damage caused by water leaking from roof canals and external drainage for atmospheric precipitation,
  - (e) any damage caused to the water supply system due to the natural wear and tear or human activities; natural wear and tear as corrosion, erosion, impact of mould, fungi, putrefaction, etc., human activity is piercing or puncture, etc.
  - (f) any damage caused by sedimentation of soil if caused to the other reason than water damage,
  - (g) any damage caused to stored inventory or to objects with features of inventory (for the purpose of this letter hereinafter as the "inventory") that at the time of the damaging event have not been kept at least 12 centimetres above the floor level if these are stored in the premises on the level of the ground floor or below the level of the ground floor; this, however, shall not apply to inventory that is due to its features usually stored on the floor.
15. The **explosion** hazard shall not cover any damage caused:
- (a) by explosion (reaction) in the combustion space of engines, barrels of firearms and in other equipment for which the energy of the explosion is purposefully used,
  - (b) by sonic bang in terms of article 3 point 2. letter (a),
  - (c) to pressure tanks and facilities (boiler, pipeline, etc.) as a result of explosion in these pressure tanks or facilities due to their age, wear, corrosion, or the influence of sediments, slags, cavitation and other lasting effects of the operation.
16. The **overflowing** hazard shall not cover any damage caused as a result of formation of a water area caused by the water damage hazard under the article 4 point 4.
17. The hazard of **landslide, collapse of rocks or soil** for this letter hereinafter referred to as "landslide") shall not cover:
- (a) any damage if at the time of the conclusion of the policy the landslide has in geological terms already began,
  - (b) any damage caused by landslide that with regard to the situation in the place of insurance may be expected, i.e. the incidence has been more frequent than once per ten years prior to the date of the damaging event,
  - (c) any damage if the landslide has been caused by any industrial, building or human activity,
  - (d) any damage caused by sedimentation of soil,
  - (e) any costs incurred with the field engineering following the landslide.

#### Article 6 Deductible

1. Unless otherwise specifically agreed by the parties in the policy, then for the hazard **crash of motor vehicle driven by the insured** a deductible in amount of 10% of the amount of the damage, however, in minimum amount of EUR 200.00 shall be applicable.

#### Article 7 The payment

1. In case of an insured event due to the **breaking of glass** hazard the insurer shall reimburse also the reasonable costs:
  - (a) for relocation, dismantling, mounting and installation of the security grille, foil sheets etc., ancillary works such as scaffolding, lifting devices, that have been necessary to incur with the repair or installation of the insured glass following the insured event; the aggregate of these costs and of the payment for the hazard breaking of glass shall not exceed the sum insured or the payment limit agreed for the subject of insurance,

- (b) associated with the modifications that serve to temporarily protect the property until it is possible to replace the broken insured glass; the payment limit for these costs is in the amount of 20% of the sum insured agreed for the subject of insurance and shall be agreed within the sum insured or payment limit agreed for the subject of insurance.

#### Article 8 Duties of the insured

1. When insuring against hazards **flood** and **overflowing** the insured shall ensure the full flow capacity of the off-taking sewage pipeline.
2. When insuring against hazard **water damage** the insured shall:
  - (a) maintain the plumbing equipment in working order and ensure its regular inspection,
  - (b) in cold season ensure adequate heating of the building,
  - (c) in case of threat of water damage close the water supply tap and drain the pipeline.

#### Article 9 Payment limit

1. Unless otherwise agreed upon in the policy, then in case of an insured event resulting from the hazard **conflagration** the insurer shall provide payment up to the amount of EUR 1,000.00 if the subjects of insurance were not kept in duly closed depositories with a fire resistance pursuant to the standard EN 1047-1:
  - (a) S 60 P for cash, cash equivalents or documentation,
  - (b) S 60 D for optical media (CD, DVD, Blue-ray discs) and flash memories (USB flash memories, memory cards),
  - (c) S 60 DIS for disc media.
2. Unless otherwise agreed upon in the policy, the insurer shall provide payment for period of insurance for all insured events up to the amount of:
  - (a) EUR 3,000,000 for insured events resulting from the hazard **hailstorm**,
  - (b) EUR 3,000,000 for insured events resulting from the hazard **flood** or **overflowing**,
  - (b) EUR 3,000,000 for insured events resulting from the hazard **fierce wind**,
  - (b) EUR 3,000,000 for insured events resulting from the hazard **volcanic eruption**,
  - (b) EUR 3,000,000 for insured events resulting from the hazard **earthquake**,
  - (f) EUR 3,000,000 for insured events resulting from the hazard **landslide, collapse of rocks or soil**.

#### Article 10 Interpretation of terms

1. **Sonic bang** is a shock wave generated by passing of a supersonic aircraft.
2. **Atmospheric precipitation** means condensation or sublimation of water vapour in the atmosphere that subsequently falls down to the earth's surface. It is either in liquid or solid state (rain, drizzling, snow, graupel, snow grains, freezing rain, hail and hoar frost) falling to the earth's surface from all kinds of clouds, i.e. vertical precipitation.
3. **For smoke** is regarded a smoke that has suddenly leaked from combustion, heating, drying or boiling equipment.
4. **Hailstorm** is a phenomena when lumps of ice formed in the atmosphere fall to the earth surface.
5. **Avalanche** is a rapid flow of snow or ice cover from natural slopes including atmospheric pressure (shock wave) caused by avalanche,
6. **For crash or fall of a flying object without crew** is regarded a crash or a fall of a RC model or a pilotless aircraft (drone) that are movable and remotely controlled by a signal. The RC model is radio-controlled model of a miniature or imitation of a flying object (e.g. airplane, helicopter).
7. **For crash or fall of a flying object with crew** is regarded a crash or a fall of a flying object with a crew (airplane, skimmer, helicopter, airship, hot air balloon, rogallo wing and so on), its parts, objects or the crew that have fallen therefrom. For a crash or a fall of a flying object with a

- crew are regarded cases when the flying object had taken off with a crew, however, in consequence of an event that had preceded the crash or fall the crew abandoned the flying object.
8. **Crash of the motor vehicle driven by the insured** means a crash of a motor vehicle or of a mobile work machine (this term hereinafter only as the "crash of the vehicle") driven by the insured, its employees or by persons living with the insured in the same household. The crash of the vehicle refers also to crash of the goods in transit of the vehicle or objects thrown out of the vehicle due to the crash of the vehicle.
  9. **Crash of the motor vehicle driven by a person other than the insured** means a crash of a motor vehicle or of a mobile work machine (this term hereinafter only as the "crash of the vehicle") driven by a person other than the insured, its employees or by persons living with the insured in the same household. The crash of the vehicle refers also to crash of the goods in transit of the vehicle or objects thrown out of the vehicle due to the crash of the vehicle.
  10. **Tumble of trees, poles and of other objects** is a motion of trees, poles and other object having signs of fall generated by the earth gravity while the object is not part of the insured object.
  11. **Breaking of glass** means breaking of glass by any accidental event not excluded by the VPPM, OPPZ, complementary insurance terms, contractual arrangements or the policy. Breaking of glass also refers to its fragmentation, cracking, or such damage that its replacement is essential due to imminent occurrence of threat to life or other property.
  12. **Flood** is overflowing of spaces in the place of insurance with water that has overtopped banks of surface waters (rivers, lakes, dams and so on) or has broken these banks; in case of dammed watercourse as for banks of the watercourse are regarded the dam supporting mass. Flood also refers to:
    - (a) increase of groundwater level due to flooding or atmospheric precipitation in the place of insurance,
    - (b) backward overflowing of water from sewer pipes caused by flood and atmospheric precipitation in the place of insurance.
  13. **Conflagration** means a fire in a form of visible flame that has been created off the designated fireplace or that has exited the fireplace and by its natural own has spread or has been intentionally created and/or spread by the offender; for conflagration are regarded also its attendant phenomenon in form of heat and combustion products resulting from conflagration and action of the extinguishing agent used while firefighting.
  14. **Direct lightning strike** is direct effect of the energy of the lightning or of the heat of its discharge on the insured object including damage or destruction of the insured object by a flying object the fall of which has been caused by the lightning strike.
  15. **Fierce wind** is a dynamic effect of the air mass moving with a speed of 65 km/h (18,06 m/s) and more. including including damage or destruction of the insured object by a flying object the fall of which has been caused by the fierce wind. If such speed has not been determined for the place of the occurrence of the damage, the insured shall prove that the air circulation has caused in the surroundings of the insured object damage to the duly maintained buildings or to any equally resistant objects or that while the free-of-defects condition of the insured building or structure in which the insured objects are place the damage could have occurred only as a consequence of the fierce wind. For the purpose of determining the speed of the wind only the measurement carried out by the Slovak Hydrometeorological Institute shall be accepted. The insured events caused by fall or throwing of objects to the insured object shall be also insured within the fierce wind provided the fall or throwing has been caused by the fierce wind.
  16. **Watercourse structures** are bridges, sluices, dams, levees and other structures forming the construction of the flow profile or reach into such profile.
  17. **Weight of snow or ice** means destructive effect of excess weight of snow or ice to roof coverings, supporting or other building structures. The excess weight of snow or ice refers to load of the building construction of the building (structure). An insured event caused by weight of snow or ice refers also to leakage of snow melt or ice melt water into building through an opening made of defects of building construction due to the weight of snow or ice.
  18. **Depositories** are areas bordered by special structure ensuring maximum possible security of objects deposited inside against damage or destruction. For the purpose of these special insurance terms the depositories are referred to as double-shelled fireproof with insulating padding.
  19. **Personal things of employees of the insured** are things usually brought to work or things kept by the employee while fulfilling its work duties or in a direct connection therewith in a designated place where such things are usually kept and this place is located within in the place of insurance. This insurance shall not cover any objects set out in these OPPZ in article 2. point 7. letters (a) to (f) and (h).
  20. **Water damage means** an unsuspected and sudden leakage of water, vapour or liquid:
    - (a) inside a building or structure from inbuilt water or sewage pipelines, heating, air-conditioning, solar or firefighting systems including sanitary facilities, armatures or facilities connected to these systems,
    - (b) from internal pipelines designed for drainage of atmospheric precipitation,
    - (c) from tanks with volume in excess of 50 litres that are not part of systems under (a) of this paragraph.
 For the purposes of these OPPZ the facilities indicated under letters (a) to (c) are referred to as **plumbing equipment**.
  21. **Explosion** means a rapid destructive display of a shock wave formed due to the expansion of gases or vapour. For an explosion of a pressure tank with compressed gas or vapour (boiler, pipeline and so on) is regarded a rapid disruption of its walls to such extent that a sudden equalization of pressure between the inner part of the tank and external environment has occurred.
  22. **Volcanic eruption** means a release of pressure caused by rupture of the earth's crust associated with eruption and casting of lava, escape of ash and of other materials or gases.
  23. **Overflowing** means contiguous water area formed by natural forces that persists or flows for some time in the place of insurance. As overflowing is regarded also:
    - (a) increase of groundwater level due to flooding or atmospheric precipitation in the place of insurance,
    - (b) backward overflow of water from sewer pipes caused by flood and atmospheric precipitation in the place of insurance.
  24. **Earthquake** means shakes of the earth's surface resulting from the motion of the earth's crust with minimum of 6th degree of the European macroseismic scale (EMS-98) in the place of insurance.
  25. **Landslide, collapse of rocks or soil** (for this letter hereinafter referred to as "landslide") is a rapid and unforeseen slip or collapse of soil, mould or rocks including any objects set into motion by the landslide caused by natural and climatic forces.

#### Article 11 Closing provisions

1. The OPPZ form an inseparable part of the policy and if not specifically prohibited in these OPPZ the parties may modify by way of derogation the provisions thereof in the policy.
2. The provisions of these OPPZ regarding the insured shall also apply to the policyholder (if the is a person other than the insured) and / or another authorized person.
3. These OPPZ shall enter into force as of 10<sup>th</sup> January 2017.