

Special Insurance Terms and Conditions for Insurance of Flats and Apartment Buildings

PART I.

INTRODUCTORY PROVISIONS

1. These SITC for Insurance of Flats and Apartment Buildings (hereinafter referred to as "*OPP-HHI-B*") supplement the provisions of VPP-MZ and form an integral part of the insurance policy, if so provided for by the insurance policy.
2. The insurance of flats and apartment buildings (hereinafter referred to as the "*Insurance*") shall be governed by the relevant provisions of the Civil Code, VPP-MZ, these OPP-HHI-B and the insurance policy.
8. If the subject of the insurance is a apartment building, the insurance shall cover the following parts:
 - (a) communal areas and communal facilities,
 - (b) communal areas and communal facilities, including all its flats and non-residential premises,under the provisions of the insurance policy.
9. If the subject of the insurance is an apartment building, the insurance automatically covers all its parts (construction, technological), including their structures and accessories, for the risks specified in Art. 2, par. 2 of these OPP-HHI-B, except for the risk of external vandalism and for its structures, except for glass for the risks specified in Art. 2, par. 3 of these OPP-HHI-B.

PART II.

PROPERTY INSURANCE

Article 1

Subject of the Insurance

1. The subject of the insurance may be a building or its part owned by the insured specified in the insurance policy.
2. If the building is owned by a legal entity or natural person - entrepreneur, the insurance covers this building provided that it is registered in the insured's accounting records or, where applicable, in other insured's operational records in accordance with generally binding legal regulations.
3. The insurance also covers a building owned by other persons if it is used by the insured or taken over by the insured under a written contract.
4. The subject of the insurance can be a finished building or building under construction.
5. If the subject of the insurance is a separate flat or family house, the insurance automatically covers all their parts (construction, technological), including their structures and accessories.
6. If the subject of the insurance is a separate flat or family house, the insurance may, according to the insurance policy, also cover the following items:
 - (a) Rescue costs.
 - (b) Costs of removing residues.
 - (c) Costs of cleaning or drying damaged parts.
 - (d) Costs of water or other media leakage.
 - (e) Costs of removing undamaged parts.
 - (f) Costs of cleaning a well.
 - (g) Costs of replacement accommodation.
 - (h) Rental profit.
 - (i) Costs of restoring or repairing a gravestone or headstone.
7. If so agreed in the insurance policy, also the following supplementary insurance subjects may be the subject of the insurance:
 - (a) if the subject of the insurance is a separate flat:
 - (aa) a set of ancillary buildings,
 - (ab) a garage outside the place of insurance,
 - (b) if the subject of the insurance is a family house:
 - (ba) a set of ancillary buildings,
 - (bb) a garage outside the place of insurance,
 - (bc) building material,
 - (bd) construction machinery and mechanisms.Individual ancillary buildings can also be listed in the insurance policy (selection), in which case a separate limit of indemnity is agreed for each item listed in the insurance policy.
10. If the subject of the insurance is a apartment building, the insurance shall also cover the following Supplementary insurance subjects with its insured parts according to the preceding paragraph of this Article:
 - (a) Set of ancillary buildings.
 - (b) Structures and accessories for the risk of external vandalism referred to in Art. 2, par. 2, letter (c) of these OPP-HHI-B.
 - (c) Technological part of the building for the risks referred to in Art. 2, par. 3 of these OPP-HHI-B.
 - (d) Glass for the risks referred to in Art. 2, par. 3 of these OPP-HHI-B.
 - (e) Costs of removing residues.
 - (f) Costs of removing undamaged parts.
 - (g) Costs of water or other media leakage.
 - (h) Costs of replacement accommodation.
 - (i) Rental profit.
 - (j) Repair or technical improvement of the building parts.If so agreed in the insurance policy, the insurance shall also cover other Supplementary insurance subjects than those specified in this paragraph.

An automatic limit of indemnity (without the right to special premiums) of up to EUR 2,000 is agreed for each specified Supplementary insurance subject individually.

The specified limits of indemnity are the upper limit of the indemnity value from one insured event. Higher limits of indemnity may also be agreed for Supplementary insurance subjects in the insurance policy.
11. The insurance does not cover:
 - (a) water, soil, fields, land,
 - (b) forests, vegetation, crops and plants,
 - (c) unpaved landscaping and areas,
 - (d) retaining walls or parts of retaining walls which are not part of the fence,
 - (e) public roads (roads, local roads, public utility roads), including bridges, overpasses, tunnels, overpasses or underpasses for pedestrians,
 - (f) public transmission and distribution systems of electricity, gas, water, heat and public electronic communication networks,
 - (g) construction site cabins, inflatable halls or tents,
 - (h) greenhouses and polytunnels,
 - (i) buildings that are unused or unusable for a long time,
 - (j) buildings for which a decision to remove them has been issued,
 - (k) damage to roofs and other parts due to depressions that do not affect their functionality or service life,
 - (l) parts of the insured building subject to repair in accordance with generally binding legal regulations for the performance of

restoration activities; this exclusion shall only apply to the part of the damage that exceeds the reasonable repair costs.

The insurance does not cover the items listed in this paragraph even if they are part of an insured set of items.

12. Unless otherwise agreed in the insurance policy, the insurance does not cover the building during its repair or technical improvement performed by third parties; this exclusion shall only apply to that part of the damage caused by the work or the extent of the consequences of which is increased by the work, depending on the impact of such work on the extent of the insurer's obligation to provide insurance benefits.
13. It can be agreed in the insurance policy that the insurance also does not cover items other than those listed in these OPP-HHI-B.

Article 2

Insurance risks

1. The insurance covers direct physical damage to the insured item caused by an accidental event that occurred unexpectedly and suddenly, during the insurance period, at the place of insurance and which is not excluded in VPP-MZ, these OPP-HHI-B or in the insurance policy.

2. According to the provisions of the insurance policy, an accidental event may be the following event (insurance risk):

(a) Risk group Fire:

- fire,
- direct lightning strike,
- explosion,
- collision or crash of a manned flying body,
- collision or crash of an unmanned flying body.

The insurance risk *Fire* does not cover damage caused by:

- functional fire or radiant heat,
- smouldering with limited air access.

The insurance risk *Direct lightning strike* does not cover damage caused by overvoltage or induction on equipment connected to the electrical and/or data network.

The insurance risk *Explosion* does not cover damage caused by:

- explosion (reaction) in the combustion chamber of engines, firearm barrel and other equipment and activities in which the energy of the explosion is used purposefully,
- sonic boom,
- on pressure vessels and equipment (boiler, piping, etc.) as a result of an explosion in these pressure vessels or equipment due to their age, wear and tear, corrosion or due to deposits, sludge, cavitation and other permanent effects of the operation,
- vacuum (implosion).

The insurance risk *Collision or crash of an unmanned flying body* does not cover loss events that were not reported to the police.

(b) Risk group Elements:

- hailstorm,
- frost,
- avalanche,
- heavy snow or ice,
- flood or flooding,
- strong wind,
- volcano eruption,
- earthquake,
- landslide, fallen rocks or earth.

The insurance risk *Frost* does not cover damage:

- caused by a temperature lower than 0 °C, if this temperature did not last for at least 24 hours (ice day or all-day frost),
- if the ice day has not been confirmed for the place of insurance by the Slovak Hydrometeorological Institute,

- caused by water freezing due to the insured building not being heated.

The insurance risk *Heavy snow or ice* does not cover damage:

- on rain gutters and external downspouts, unless they are damaged in a causal connection with damage to the roof covering, load-bearing or other structure of the building,
- caused by lack of maintenance of the building roof or incorrect roof construction,
- caused directly or indirectly as a result of dilapidated, decaying or otherwise damaged roof, load-bearing and other structures.

The insurance risk *Flood* does not cover loss events caused by:

- a flood or in direct connection with a flood within 10 days after the conclusion of the insurance or after an increase in the sum insured, unless otherwise agreed in the insurance policy,
- a flood or in direct connection with a flood, if the draft insurance policy was concluded on the day or in the period of a declaration of a 2nd or 3rd degree of flood activity and which occurred during this period,
- regulated water discharge from watercourses or reservoirs.

The insurance risks *Flood* and *Flooding* do not cover damage:

- caused by the mechanical action of water in water pipes, canals and tunnels,
- caused by drying, rotting,
- caused by a flood or flooding that can be expected considering the situation at the place of insurance, i.e. if floods or flooding at the place of insurance were more frequent than once in ten years before the date of the loss event,
- caused by a malfunction of the closures preventing the return of water from the sewerage,
- caused by an increase in the groundwater level which was not caused by a flood or flooding,
- caused by an increase in the level of a reservoir or lake.

The insurance risk *Flooding* does not cover damages resulting from the creation of a water area caused by the insurance risk of water from non-public distribution systems.

The insurance risk *Strong wind* does not cover damages caused by the dynamic action of an air mass that does not reach a speed of 65 km/h (18.06 m/s) or more.

The insurance risk *Earthquake* does not cover damage caused by an earthquake that does not reach at least the 5th degree of the European Macroseismic Scale (EMS-98) at the place of insurance.

The insurance risk *Landslide, fallen rocks or earth* (hereinafter in this paragraph referred to as "landslide") does not cover:

- damage if, at the time of concluding the insurance policy, the landslide has already begun from the geological point of view,
- caused by the landslide that can be expected considering the situation at the place of insurance, i.e. it occurred more than once in ten years before the date of the loss event,
- damage if the landslide was caused by any industrial, construction or human activity,
- damage caused by soil subsidence,
- landscaping costs after landslides.

(c) Risk group Theft:

- theft,
- robbery,
- internal vandalism,
- external vandalism.

The insurance risk *Theft* does not cover damage:

- not reported to the police,

- if the insured did not allow the insurer access to the police investigation or similar file and did not provide copies of the documents contained therein at the request of the insurer,
- caused by misappropriation,
- caused by loss, i.e. ordinary theft without overcoming the security of the property against theft or vandalism, except in the case referred to in paragraph 4 of this Article hereof,
- of an aesthetic nature (painting, spraying, plastering, engraving, etc.), which does not affect the functionality of the insured item, beyond the costs of repainting or cleaning the destroyed part of the building, e.g. in the case of a multi-storey building, painting to the level of floors directly affected by the destruction,
- by a criminal offence caused by a computer, tablet, mobile phone or other information technology equipment,
- on glass.

(d) Risk group Water:

- water from non-public distribution,
- atmospheric precipitation,
- water return from the waste pipe,
- water from an aquarium, pool, bath or tank,
- groundwater (increase in groundwater level),
- water from roof gutters and external downspouts.

The risk group *Water*, except for the risk of atmospheric precipitation, does not cover:

- damage caused during pressure tests, repair or maintenance,
- damage to plumbing equipment due to natural wear and tear or human activity; natural wear and tear means corrosion, erosion, influence of mould, fungi, decay, etc., human activity means drilling, puncture, etc.,
- damage caused by soil subsidence, if it is caused by a risk other than the risk from the Water risk group.

The insurance risk *Atmospheric precipitation* does not cover damage caused by:

- soaking, drenching or water absorption not resulting from atmospheric precipitation,
- penetration of atmospheric precipitation through openings on the outside of the insured building due to repair or technical improvement,
- on the outside of the insured building (roofing, external walls, external structures and building accessories).

(e) Risk group Supplementary:

- fall of trees, poles and other objects,
- sonic boom,
- smoke,
- collision of a motor vehicle driven by the insured,
- collision of a motor vehicle driven by a person other than the insured,
- indirect lightning strike, overvoltage, undervoltage,
- short circuit in an electric motor,
- wildlife.

The insurance risk *Smoke* does not cover damage caused by the permanent effect of smoke.

The insurance risk *Collision of a motor vehicle driven by the insured* does not cover damage to the motor vehicles themselves, mobile machinery or their costs.

The insurance risk *Collision of a motor vehicle driven by a person other than the insured* does not cover damage:

- to the motor vehicles themselves, mobile machinery or their costs,
- not reported to the police.

The insurance risk *Indirect lightning strike, overvoltage, undervoltage* does not cover damage:

- to electrical wiring and cabling,
- electric motors.

The insurance risk *Short circuit in an electric motor* does not cover:

- electric motors older than 15 years,
- cases where the insured does not prove the age of the electric motor,
- damage to electric motors under warranty,
- damage caused by corrosion, wear and tear, and replacement of parts, except for replacement in connection with an insured event.

3. An accidental event may also be an event other than the specified one (paragraph 2 of this Article of these OPP-HHI-B), which is not further excluded in VPP-MZ, in other paragraphs of these OPP-HHI-B, in the insurance policy or in this paragraph, the so-called risk group Other non-excluded risks.

The risk group *Other non-excluded risks* does not cover damage to the insured building, except for its technological part, caused by:

- construction defect, design defect,
- a defect in material or workmanship, an internal or latent defect,
- error, clumsiness, lack of skill or negligence on the part of the operator, incorrect design, work error,
- failure of measuring, controlling, regulating or safety devices.

The risk group *Other non-excluded risks* also does not cover damage to the insured building, including its technological part, caused by:

- permanent operation, natural wear and tear or ageing, premature wear and tear, material fatigue,
- permanent exposure to humidity, atmospheric, thermal, chemical, electrical or mechanical effects,
- corrosion, erosion, rust, oxidation, cavitation, sediments of all kinds,
- normal atmospheric conditions to be taken into account according to the season and local conditions,
- inherent nature of the item, regardless of any other concurrent causes,
- lack of water, oil or lubricants,
- hardening of the contents of units retaining molten materials or concrete,
- a failure or interruption in the supply of electricity, gas, water or another medium,
- a defect related to the item repair, maintenance, reconstruction, modernization, testing and modifications,
- plants, fungi, moulds or similar organisms, and any by-products or infestations resulting from them (mycotoxins, spores, etc.),
- genetic alterations to animals or plants,
- asbestos,
- the building subsiding, cracking, shrinking, bulging, expanding or collapsing,
- indirect lightning strike, overvoltage, undervoltage,
- short circuit in an electric motor.

The risk group *Other non-excluded risks* also does not cover damage to the insured glass caused by its breaking:

- during transport,
- during installation, assembly or disassembly,
- by scratching, plastering, painting, spraying or in other similar manner,
- during thawing,
- by radiant heat during the removal of paints or stickers,
- that is part of a greenhouse, unless otherwise stated in the insurance policy.

And the risk group *Other non-excluded risks* also does not cover damage for which the supplier or contractual partner of the insured is liable under the law or the contract, including damages covered by the warranty of the manufacturer, contractor or service provider.

4. The insurance covers damage, destruction or loss of the subject of insurance that occurred in a causal connection with the accidental event referred to in paragraphs 2 and 3 of this Article of these OPP-HHI-B (consequent physical damage), resulting in the right of the insured to the insurance indemnity.
5. It can be agreed in the insurance policy that the insurance also does not cover accidental events or risks other than those listed in these OPP-HHI-B.

Article 3

Territorial validity and place of insurance

1. Unless otherwise stated in the insurance policy, the insurance covers the insured items only if damage to the subject of the insurance occurred at the place stated in the insurance policy as the place of insurance.
2. Unless otherwise stated in the insurance policy, the place of insurance is a place located in the Slovak Republic, defined in the insurance policy by an address or cadastral territory and plot (land) number, and in the case of a separate flat also the flat number where the insured items are located.
3. For a gravestone or headstone, the place of insurance is a place located in the territory of the Slovak Republic.
4. If the subject of the insurance is a garage outside the place of insurance, its place of insurance is a place located in the Slovak Republic, in the same municipality as the insured flat or apartment building, defined in the insurance policy by a special address where the insured items are located.
5. For building materials and construction machinery and mechanisms, the place of insurance is the land or facility of the construction site located at the same address as the insured family house.

Article 4

Insured value, sum insured, limit of indemnity

1. The insured value is the value of the insured item when arranging the insurance and it is decisive for determining the sum insured.
2. The insured value may be:
 - (a) New value – a value that needs to be paid at the place of insurance for the reacquisition of the same item or an item of a similar type, kind, quality and parameters.
 - (b) Recommended value – a new value determined by the insurer according to the floor or usable area of the insured building.
 - (c) Other value, if so agreed in the insurance policy.
3. The sum insured represents the upper limit of the insurance indemnity for one insurance period, unless the limit of indemnity is agreed in the insurance policy for the subject of insurance, and it is also the basis for the calculation of the insurance premium. The sum insured is determined for particular items of the subject of the insurance and should correspond to their insured value.
4. The total sum insured for the insurance of a set of items or selection of items stated in the insurance policy is the sum of the sums insured of the individual insured items which the set of items or selection of items consists of. The sum insured of an individual insured item is the upper limit of indemnity for one insured event for this item.
5. The policyholder sets the sum insured and is liable for its correctness.
6. If, at the time of the occurrence of the insured event, the sum insured of the insured item is lower than its insured value by more than 20%, the insurer is entitled to decrease the indemnity by the same ratio as that of the sum insured to the insured value of the insured item.
7. If the sum insured stated in the draft insurance policy is equal to or higher than the "recommended" insured value, the insurer's

right to decrease the indemnity pursuant to the provisions of the previous paragraph does not arise.

8. Limits of indemnity may be agreed in the insurance policy for individual subjects of insurance, sets of items, selections of items, individual insurance risks or groups of insurance risks. This method of insurance and the amount of the limit of indemnity must be explicitly stated in the insurance policy, if this method of insurance is agreed upon and if the limit of indemnity is lower than the sum insured, the provision of paragraph 6 of this Article shall not apply.
9. The limit of indemnity is the upper limit of indemnity for the insurer for one and all insured events during one insurance period.
10. Unless expressly agreed otherwise in the insurance policy, the insurer shall provide benefits in one insurance period for all insured events caused by the individual risks from the Elements risk group, for each such risk separately, up to a maximum amount of EUR 4,000,000.
11. In accordance with the final paragraph of the article *Insurance Benefits* of these OPP-HHI-B, an automatic renewal of the sum insured, or the limit of indemnity is agreed. In such a case, after the payment of insurance benefits, the sum insured or the limit of indemnity will be renewed to the original amount, i.e. it will be increased by the difference caused by the reduction of the sum insured or the limit of indemnity due to the payment of benefits. The policyholder is obliged to pay proportional premiums corresponding to the increase in the sum insured or the limit of indemnity. For the avoidance of any doubts, if a claim for compensation from the insured event exceeds the agreed sum insured or the limit of indemnity, the amount of benefits is limited by the agreed amount of the sum insured or the limit of indemnity, and the balance payment of benefits from the renewed sum insured or the limit of indemnity may not be claimed.

Article 5

Indexation of the sum insured

1. If the indexation of the sum insured is agreed in the insurance policy, the insurer shall annually, during the insurance period, adjust the sum insured of the insured building by a price index from the following annual date.
2. In the case of indexation of the sum insured, the amount of the premium shall also be adjusted proportionately to the adjustment of the sum insured.
3. The price index is determined by the insurer on the basis of data from the Statistical Office of the Slovak Republic on the Price Indices of Construction Works and Price Indices of Materials and Products Used in the Construction Industry.

Article 6

Insurance benefits

1. The insured's right to benefits from the insurer (insurance benefits) arises when an insured event occurs.
2. An insured event is any accidental event connected with the insurer's obligation to provide insurance benefits (Article 3 of these OPP-HHI-B).
3. If an insured event occurred due to:
 - (a) damage to the subject of insurance, the insured is entitled to benefits from the insurer in the amount of the reasonable costs incurred to repair the insured item,
 - (b) damage to or a loss of the subject of insurance, the insured is entitled to benefits from the insurer in the amount of the reasonable costs incurred to reacquire the insured item.
4. In the event of destruction of an insured building that has been insured for a new or recommended value, the insurer shall only provide benefits exceeding the time value if:

(a) its residual lifespan determined under generally binding legal regulations is higher than 20% of its expected lifespan determined under these regulations,

(b) the insured shall reacquire the insured item within three years from the insured event at the place of insurance, or also at another place within the territory of the Slovak Republic if the reacquisition at the place of insurance is not feasible for legal or economic reasons. The insurer shall provide the part of insurance benefits exceeding the time value of the item after the insured provides him with documents proving the reacquisition of the insured item.

5. In the event of damage, destruction or loss of someone else's items, the insurer will provide benefits in the time value only if the insured is obliged to bear the costs of restoring the damaged, destroyed or lost item to its original condition and/or the insured has already incurred these costs under the written contract concluded before the damage. In cases not mentioned in the previous sentence, the insurer is not obliged to provide insurance benefits.

6. In the event of an insured event on glass, caused by the risk of glass breaking, the insurer shall also cover reasonable costs:

(a) of relocation, disassembly, assembly and installation of foils, safety bars, etc., auxiliary works such as scaffolding, lifting equipment, required to repair or install the insured glass after the insured event; the sum of these costs and the benefits from the insurance risk of glass breaking may not exceed the sum insured agreed for the subject of insurance or the limit of indemnity agreed for the risk,

(b) associated with modifications in to temporarily protect the property until it is possible to replace the broken insured glass; the limit of indemnity for these costs is 20% of the limit of indemnity agreed for the risk and is agreed within the limit of indemnity agreed for the risk.

7. In the event of an insured event caused by a short circuit in an electric motor, the insurer will primarily pay the costs of rewinding the electric motor, if possible. In other cases, the insurer shall pay an amount corresponding to the reasonable costs of a new electric motor (of similar quality and power) up to the amount of:

(a) a time value of the electric motor,

(b) the limit of indemnity for the risk of short circuit in the electric motor.

The lower of the stated sums is decisive in terms of the amount of benefits.

8. The insurer has the right to pay the insurance benefits gradually on the basis of:

(a) calculations of construction works prepared by the insurer,

(b) calculations of construction works submitted by the insured and approved by the insurer,

(c) invoices for the performed construction works submitted by the insured and assessed by the insurer in accordance with the prices at the time the invoices are issued,

(d) an expert opinion.

9. The insurer will provide benefits for all insured events during one insurance period up to the amount of:

(a) the sum insured or the limit of indemnity determined for the relevant subject of insurance or costs,

(b) the limit of indemnity agreed in the insurance policy for the relevant insurance risk.

The lower of the stated sums is decisive in terms of the amount of benefits.

10. If the insurer is obliged to provide insurance benefits in the event of an insured event, then to the insured who:

(a) is a payer of the value added tax ("VAT") the insurer shall pay the benefits without VAT; unless the insured item has been stolen and VAT has been included in the sum insured, in which case the insurer shall pay the benefits including VAT,

(b) is not a VAT payer the insurer shall pay the benefits with VAT, but only provided that VAT is included in the sum insured of the insured item specified in the insurance policy.

11. After the payment of the insurance benefits, the sum insured or the limit of indemnity for the relevant item of the subject of insurance shall be reduced by the amount of benefits paid. The sum insured or the limit of indemnity will be automatically increased to the original amount after the balance payment of the corresponding insurance premium. This balance payment of the premium may be deducted from the benefits.

Article 7

Methods of securing the insured property

1. Building *Structures and accessories* located on the outside of the insured building, for the case of theft and damage resulting from attempted theft, damage resulting from an attempt to break into the building where they are located or damage resulting from vandalism, with the lower edge or lower edge of their structural mounting at a height of:

(a) up to 3.5 m above the level of the surrounding terrain or up to 1.5 m from a place accessible in the horizontal direction, must be structurally fixed by non-removable connection,

(b) more than 3.5 m above the level of the surrounding terrain or more than 1.5 m from a place accessible in the horizontal direction, may be structurally fixed by non-removable connection.

2. *The place of insurance* must be, during the absence of the insured, secured against theft, damage resulting from attempted theft or burglary or damage resulting from vandalism as follows:

(a) all entrance doors to the insured building must be properly closed and locked with a cylinder lock,

(b) all entrance doors to the insured ancillary building, garage or construction site facility must be properly closed and locked,

(c) windows, doors to balconies, loggias, terraces and other openings on the insured building, insured ancillary building or garage must be closed and secured from the inside by a closing mechanism so that they cannot be opened from the outside without mechanical damage or destruction,

(d) the land on which the insured family house, insured ancillary building, insured garage or construction site facility is located must be fenced with a minimum fence height of 1.4 m and all gates in the fence must be properly closed and locked; if a part of the fence consists of the external walls of the building, garage or ancillary building, all entrance doors and windows must be secured in accordance with letters (a), (b) and (c) of this paragraph.

3. *Building material and construction machinery and mechanisms* must be secured against theft, damage resulting from attempted theft or burglary or damage resulting from vandalism in one of the following ways:

(a) they must be located in the insured family house, garage, ancillary building or construction site facility located on the same land as the insured family house, insured garage or insured ancillary building in the manner specified in paragraph 2, letters (a) to (c) of this Article,

(b) they must be locked in another non-transferable object or locked to another non-transferable object located on the land listed and secured in accordance with paragraph 2, letter (d) of this Article.

Article 8

Obligations of the Insured

1. In addition to the obligations specified in VPP-MZ, the insured is obliged to:

(a) ensure full flow rate of the sewer drainage pipe,

(b) maintain water supply facilities in working order and ensure their regular inspection,

- (c) ensure adequate heating of the building during cold seasons,
 - (d) close the water supply and drain the pipes in the event of a threat of water damage.
2. The insured is further obliged to:
- (a) notify the insurer in writing of a change of owner of the subject of insurance specified in the insurance policy,
 - (b) secure the place of insurance in accordance with article *Methods of securing the insured property* of these OPP-HHI-B.

PART III. LIABILITY INSURANCE

Article 1 Scope of insurance

1. If liability insurance has been agreed in the insurance policy for damage resulting from the ownership of the insured building, the insurance covers the insured's liability for damage caused to third parties or authorized persons:
 - (a) resulting from the ownership of the insured building, at the place of insurance specified in the insurance policy and the land on which the insured building is located,
 - (b) during the repair or technical improvement of the building performed individually at the place of insurance specified in the insurance policy.
2. If liability insurance has been agreed in the insurance policy for damage resulting from the ownership of an apartment building, according to the arrangements in the insurance policy, the insurance may also cover liability for damage:
 - (a) of the insured resulting from the ownership of a flat or non-residential premises at the place of insurance specified in the insurance policy, caused to other owners of flats or non-residential premises, the so-called cross liability,
 - (b) caused by the insured resulting from the household operation, including own repairs or technical improvements at the place of insurance specified in the insurance policy, caused to third parties, authorized persons or other owners of flats and non-residential premises in the apartment building (cross liability),
 - (c) caused by the association of owners of flats and non-residential premises:
 - (ca) in the performance of administration of the apartment building under generally binding legal regulations,
 - (cb) which, by way of derogation from Article 2 par. 1 letter (h) of these OPP-HHI-B and Article 3, par. 3, letter (f) of VPP-MZ, does not directly result from material damage to the item or personal injury, the so-called net financial loss.
3. The insurance only covers damage resulting from a loss event during the insurance period, for which the insured is liable within the scope of the insurance conditions (Loss Occurrence insurance principle).
4. The insured has the right to have the insurer compensate the injured party within the scope of the insurance conditions for damage caused in connection with the ownership of the insured building for which the insured is responsible, caused to the item and/or health, while:
 - (a) damage to an item means physical damage to a tangible item including consequent damage to property or lost profit due to the loss of the possibility to use the damaged item or due to loss of functionality of the damaged item,
 - (b) personal injury means bodily injury to a person, including illness or death, and material damage, including lost profit, resulting therefrom, where personal injury also includes regressive claims from health insurance companies related to the personal injury of third parties,

- (c) other material loss caused in direct connection with personal injury, loss of life and damage to an item, if the insured is liable for the damage under the relevant legal regulation.
5. The insured is also entitled to compensation for reasonable costs:
- (a) incurred in order to avert the damage covered by the insurance and/or to prevent an increase in the extent of the damage covered by the insurance already incurred, except for the costs incurred by the police, fire brigade or rescue service or other entities that are obliged to intervene in the public interest based on legal regulations; the insurance under this paragraph does not cover any costs incurred by the insured for the maintenance, repair of the item, replacement or improvement of the insured building,
 - (b) of legal representation (up to the amount of the attorney's fee) in connection with a claim against the insured as a result of damage covered by the insurance, even if the claim against the insured is unjustified, but provided that the insurer has given prior written consent to the legal representation acts of the insured.

Instead of reimbursing the costs of legal representation, the insurer is entitled to appoint a legal representative for the insured to the necessary extent, who will represent the insured in proceedings on compensation for damage at the insurer's cost.

The insured is entitled to notify the insurer within ten days of the insurer's notification that the insured does not agree with the appointment of a legal representative. In such a case, the procedure under the introductory provision of letter b) of this paragraph of these OPP-HHI-B shall apply.

The insurer reserves the right to investigate, review and settle out of court any claim at its own discretion.

Article 2 Insurance Exclusions

1. The insurance does not cover liability for damage:
 - (a) for which the insured is not liable under applicable legal regulations,
 - (b) assumed beyond the scope stipulated by generally binding legal regulations, except in cases for which the insured person would be liable under generally binding legal regulations even if it did not commit to liability for damage by contract or agreement,
 - (c) assumed under a contract, including compensation for non-fulfilled contractual obligations,
 - (d) caused by a breach of a legal obligation by the insured before concluding the insurance policy,
 - (e) caused by an action, for which a legal regulation imposes an obligation to conclude liability insurance or which gives rise to claims subject to any compulsory, statutory or compulsory contractual insurance,
 - (f) caused by a delay in fulfilling a legal or contractual obligation,
 - (g) caused by non-fulfilment of the obligation to ensure that the insured event does not occur, to take appropriate measures to avert it and to mitigate its consequences,
 - (h) not resulting directly from material damage to an item or personal injury, the so-called net financial loss, except in cases where this insurance is agreed in the insurance policy,
 - (i) any claims related to breach of the right to personality protection or other costs resulting from non-material damage,
 - (j) caused by a breach of the duty of household members in the personal (non-working) life of citizens.
2. The insurance also does not cover liability for damage:
 - (a) to the insured building,
 - (b) caused to a building that is used illegally by the injured party,
 - (c) caused by soil subsidence, landslide, erosion,
 - (d) damage caused as a result of vibration, demolition or removal works or use of explosives,

- (e) caused by failure or fluctuations of public distribution of electricity, gas, water, heat and public electronic communication networks,
 - (f) caused by temperature, leaking substances (gases, vapours, smoke, etc.), noise or gradual penetration of moisture,
 - (g) caused by fungi, moulds or similar organisms, and any by-products or infestations resulting from them (e.g. mycotoxins, spores),
 - (h) to trees, garden and forest crops,
 - (i) caused by formaldehyde, asbestos, silicon, persistent organic pollutants, polychrome biphenyls, methyl tert-butyl ether, lead, mercury, artificial mineral fibres,
 - (j) due to a sudden and unforeseeable leak of pollutants (pollution incident),
 - (k) caused by design and engineering activities and geological survey,
 - (l) caused during construction works performed by a legal entity or a natural person - entrepreneur other than the insured,
 - (m) caused by a long-term effect or impact of the construction on the environment, when it is not possible to objectively determine the time of an accidental event that caused the damage, or it is not possible to objectively determine the time of damage.
3. The insurance also does not cover liability for damage:
 - (a) caused by the use of weapons or ammunition, their possession and carrying,
 - (b) caused under the influence of alcohol, narcotics or psychotropic substances, unless the liability insurance has been agreed in the insurance policy for damage resulting from the ownership of an apartment building,
 - (c) to movable property that is not owned by the insured, but has been leased to him or is used by him.
 4. The insurance also does not cover liability for damage:
 - (a) caused to a close person, the entitled person or a person living with the insured,
 - (b) caused by their business partners, their close persons and persons living with the business partners in the common household,
 - (c) to the business entity in which the insured, its close person or a person living with the insured has an ownership interest in the amount of the share of this ownership interest.
 5. It can be agreed in the insurance policy that the insurance also does not cover insurance exclusions other than those listed in this Article of these OPP-HHI-B.

Article 3

Territorial validity of the insurance

1. The insurance covers insured events that occurred in the territory of the Slovak Republic, unless otherwise stated in the insurance policy.

Article 4

Limit of Indemnity

1. The sum insured or the limit of indemnity is the amount determined by the insured that must always be stated in the insurance policy.
2. The sum insured or the limit of indemnity is the upper limit of the insurer's benefits for one insured event under the conditions agreed in the insurance policy.
3. The sublimit is a part of the limit of indemnity agreed in the insurance policy as the maximum amount of compensation that the insurer will pay for a certain type of damage to which the sublimit applies, while the sublimit does not increase the limit of indemnity.
4. The insurer will provide the benefits for all insured events during an insurance period up to the maximum amount of twice the limit of indemnity.

5. The costs of provided health care, benefits provided from sickness insurance or pension insurance do not increase the limit of indemnity and the insurer will provide their compensation together with compensation for damage of up to a maximum of 10% of the sum insured or the limit of indemnity for liability insurance, unless otherwise stated in the insurance policy.
6. The costs of preventing the damage covered by the insurance and/or preventing an increase in the extent of the damage already covered by the insurance do not increase the limit of indemnity and the insurer will provide their compensation together with compensation for damage of up to a maximum of 20% of the sum insured or the limit of indemnity for liability insurance, unless otherwise stated in the insurance policy.
7. The costs of legal representation do not increase the limit of indemnity and the insurer will provide their compensation together with compensation for damage of up to the amount of the sum insured or the limit of indemnity for liability insurance, unless otherwise stated in the insurance policy.

Article 5

Insurance benefits

1. Multiple time-related instances of damage resulting, directly or indirectly, from the same cause, source, circumstance, event or other danger, are considered one damage, regardless of the number of injured parties (serial damage). The moment of occurrence of each damage from serial damage, regardless of the actual moment of its occurrence, is understood as the moment when the first of them occurred.
2. The insurer has the right to refuse benefits if the insured does not object to the limitation period without the insurer's consent, undertakes to pay the time-barred claim or concludes a court settlement or fails to appeal in time against the decision of the competent authorities on damage compensation, unless the insured has received another written instruction from the insurer within the appeal period.
3. The insurer is entitled to reimbursement of the provided benefits against the insured, if the insured intentionally misleads the insurer about the material circumstances concerning its obligation to perform.
4. If the insurer has compensated damage for the insured, the insured's right to compensation for damage or another similar right that the insured has against a third party in connection with its liability for damage shall pass to the insurer.
5. If the insured has a right against the injured party or another person to a refund of the amount paid or to a reduction of the pension or to the suspension of its payment, this right passes to the insurer if the insurer paid this amount for the insured or pays a pension for the insured.
6. Also the following rights of the insured shall pass to the insurer:
 - (a) to reimbursement of the costs of proceedings on compensation for damage awarded to the insured against the other party to the proceedings, if the insurer paid them,
 - (b) to settlement or sanction, up to the amounts the insurer paid for the insured.

Article 6

Obligations of the Insured

1. In addition to the obligations specified in VPP-MZ, the insured is obliged to:
 - (a) inform the insurer in writing that a claim for damages has been asserted against him,
 - (b) inform the insurer in writing that criminal proceedings have been initiated against him in connection with a loss event,
 - (c) inform the insurer in writing that the right to compensation for damage has been asserted against him with court or another body,
 - (d) follow the instructions of the insurer (in particular during proceedings on damage compensation).

2. In the event of circumstances that justify the transfer of rights, the insured is obliged to immediately notify the insurer and provide him with the documents necessary for the exercise of these rights.
3. In the event of a breach of the obligations specified in these OPP-HHI-B, the insurer is entitled to reimbursement of the provided benefits from the insured, depending on the seriousness of the breach of an obligation.
8. **Other person** is a person other than the insured, the policyholder, a person living with the insured, an entitled person or an authorized person.
9. **Apartment building** is a building with at least half of the floor area being intended for living, consisting of four or more flats, communal areas and facilities, with a common main entrance from a public road. An apartment building may also include non-residential premises.

Article 7

Termination of insurance

1. In addition to the provisions of VPP-MZ, the liability insurance for damage resulting from the ownership of a building will also be terminated with the termination of the insurance of the insured buildings.

PART IV.

DEFINITIONS

1. **Sonic boom** is a shock wave caused by the flight of a supersonic aircraft.
2. **Atmospheric precipitation** is the condensation or sublimation of water vapour in the air, which then falls on the earth's surface. It is all water in a liquid or solid state (rain, drizzle, snow, hail, snow grains, freezing rain, hail and snow needles) falling to the earth's surface from all types of clouds, the so-called vertical precipitation.
3. **Flat** is a dwelling room or a set of dwelling rooms with accessories, including balconies, loggias or terraces, without a share in the communal areas and facilities of a apartment building, arranged in a functional unit with its own closure, intended for living.

Dwelling room is a room that meets the conditions for permanent housing with its construction solutions and facilities.

Flat accessories are rooms serving the communication, economic or hygienic functions of the flat. Accessories include adjacent rooms and premises intended to be used with the flat.

Adjacent rooms are non-residential rooms in the flat (e.g. bathroom, toilet, pantry) that are under the common closure of the flat and are covered by the insurance in the case of flat insurance.

Adjacent premises are non-residential rooms located outside the flat (cellar, warehouse, garage in the floor plan of the building), which are not under the common closure of the apartment, but are covered by the insurance in the case of flat insurance.

4. **Residential house** is a building with at least half of the floor area being intended for living. Residential houses include family houses, apartment buildings and other buildings intended for living (e.g. apartment houses, children's homes, halls of residence, retirement homes, shelters for the homeless, etc.).
5. **Temporary housing** means that the subject of insurance is, or will be if it is under construction, inhabited for less than 183 days a year or is left, or will be left if it is under construction, uninhabited for more than 60 consecutive days during the year.

This includes mainly buildings for individual recreation (apartments, small houses, cottages, chalets, etc.), except in cases where these premises are guarded by a security service, in which case it is permanent housing.

6. **Permanent housing** means that the subject of insurance is, or will be if it is under construction, inhabited for most of the year (more than 183 days) and at the same time is not left, or will not be left if it is under construction, uninhabited for more than 60 consecutive days during the year.
7. **Cylinder lock** is a mechanism that is usually separated from the respective lock and is controlled with a key.

10. **Family house** is a building designed primarily for family housing with a separate entrance from a public road with a maximum of three flats, two floors and an attic. This category of houses includes all types of family houses, mainly detached houses, but also terraced, terrace, atrium, semi-detached houses and houses for individual recreation (small houses, cottages, chalets). A family house with more than 1 flat can also include communal areas and facilities and non-residential premises.
11. **Smoke** is smoke suddenly released from combustion, heating, drying or cooking equipment.
12. **Erosion** is the physical process of disrupting and eliminating a part of the earth's surface by external (exogenous) factors.
13. **Garage** is a free-standing lockable space used to store a motor vehicle and its accessories located at the same address as the insured flat or apartment building. Garage is also understood as a garage, garage parking space, garage box located at an address other than the insured flat or apartment building, provided that this address is specified in the insurance policy and is located in the same municipality as the insured flat or apartment building. A garage also includes its structures and accessories.
14. **Pollution incident** is a sudden and unforeseeable release of pollutants causing personal injury and/or damage to items caused or resulting from leakage, dispersion, emission, seepage, vaporization or release of pollutants into the soil, air or watercourses, provided, however, that it is exclusively a sudden, identifiable, unforeseeable and unintentional event that occurred in a specific time at a specific place, and provided, at the same time that a claim for compensation for damage against the insured person is exercised during the insurance period on the first occasion. Costs and expenditures incurred during the removal, elimination or clearing the consequences of the pollution incident are included in the damage. Claims related to environmental damage under Directive 2004/35/EC of the European Parliament and of the Council on environmental liability with regard to the prevention and remedying of environmental damage or in accordance with generally binding legislation governing environmental liability or remedying environmental damage are not considered to be damage due to a pollution incident.
15. **Time value** is the new value reduced by the amount corresponding to the degree of wear and tear or other impairment of the item and represents the price that the item had immediately before the insured event.
16. **New value** is the price usual at the specific place and time of insurance for the reacquisition or production of a new item of the same type, kind, parameters and quality.
17. **Recommended value** is the new value of the building determined by the insurer on the basis of the input data provided by the policyholder, which are specified in the draft insurance policy.
18. **Structural mounting** is a fixed connection between the item and the building. A fixed connection between the item and the building can be of the detachable or non-detachable type.

A detachable connection is understood as a connection where only a minimum of hand tools is required to disconnect it.

A non-detachable connection is understood as a connection where the insured item cannot be disconnected without destructively disrupting the connection and/or the insured item.

19. **Theft** is the appropriation of the insured item by a third party if the perpetrator seizes the item in one of the following ways:
- it entered the place of insurance with a demonstrable use of a tool or device which is not intended to open it properly or by any other destructive means,
 - it entered the place of insurance using a key intended for its proper opening, which was demonstrably seized by burglary or robbery,
 - it entered the place of insurance in a manner other than those referred to in point (a) or (b) of this paragraph, leaving traces proving its unauthorized presence, or there is other evidence (e.g. camera footage) confirming the intrusion and presence of the perpetrator.
20. **Hail** is a phenomenon occurring when pieces of ice formed in the atmosphere fall on the earth's surface.
21. **Avalanche** is a sudden fall of a snow or ice layer from natural slopes, including the atmospheric pressure (shock wave) caused by an avalanche.
22. **Robbery** is a seizure of the item by the perpetrator:
- using violence or a threat of imminent violence against the insured, another entitled person or a person authorized by the insured,
 - by using the reduced resistance of the insured or entitled person or as a result of their physical weakness after an accident (not causally related to conscious consumption of alcohol, drugs or drug misuse) or as a result of another cause for which the insured, entitled person or person authorized by the insured may not be held responsible.
23. **Modernization** is the extension of the equipment or usability of tangible assets by such components that the original assets did not contain, while forming an integral part of the assets. An integral part of assets is understood as independent items intended for common use with the main item and form one property unit with it.
24. **Mycotoxins** are toxic organic substances that are produced by a number of microscopic fungi (moulds).
25. **Costs of replacement accommodation** are costs incurred in connection with an insured event on an insured item, as a result of a legal obligation for hygiene, safety, environmental reasons or in the public interest, for adequate replacement accommodation of the insured and persons living with the insured who live in the insured flat or family house. The subject of the benefits is the costs for the period from the occurrence of the insured event on the insured building until the time of its reacquisition or repair, for a maximum period of 6 months.
26. **Costs of restoring or repairing a gravestone or headstone** are costs incurred in connection with an insured event for restoration or repair of a destroyed or damaged gravestone, headstone and their components owned by the insured, which was caused by the groups of risks Element, Theft or Vandalism. The condition for the right to indemnity in the event of the risk of Theft or Vandalism is to report the damage to the police.
27. **Costs of removing residues** are costs incurred in connection with an insured event for clearing the place of insurance, including the removal of standing damaged parts of the insured buildings, removal of rubble and other residues to the nearest landfill and their storage or destruction.
28. **Costs of removing undamaged parts** are costs incurred in connection with an insured event for dismantling or re-mantling the undamaged parts of the insured buildings.
29. **Costs of cleaning or drying damaged parts** are costs incurred in connection with an insured event, as a result of a legal obligation for hygiene, safety, environmental reasons or in the public interest, for cleaning or drying parts of the insured buildings.
30. **Costs of cleaning a well** are costs incurred in connection with an insured event, as a result of a legal obligation for hygiene, safety, environmental reasons or in the public interest, for cleaning a well at the place of insurance which is the only source of drinking water.
31. **Rescue costs** are reasonable and functionally incurred costs under the article Rescue Costs of VPP-MZ.
32. **Costs of water or other media leakage** are costs incurred in connection with an insured event to cover the costs of sudden and unexpected leakage of water or other medium from the internal distribution of the building, resulting from the difference between the consumption and the delivered volume of the medium by its supplier. The subject of insurance only covers damage that occurred in a causal connection with the accidental event referred to in paragraphs 2 and 3 of the article Insurance Risks of these OPP-HHI-B (consequent physical damage), resulting in the right of the insured to insurance indemnity. The subject of insurance is not gradual or expected leakage of water or other medium.
33. **Collision or crash of an unmanned flying body** is a collision or crash of an RC model or an unmanned aerial vehicle (drone) that is movable and controlled remotely by a signal. An RC model is a radio-controlled scale model, or an imitation of an aerial vehicle (e.g. aircraft, helicopter).
34. **Collision or crash of a manned flying body** is a collision or crash of a manned aerial vehicle (aircraft, glider, helicopter, airship, balloon, hang glider, etc.), its parts, objects or crew that have fallen from it. Collision or crash of a manned flying body also include cases where the flying body took off with the crew, but as a result of an event preceding the collision or crash, the crew left the flying body.
35. **Collision of a motor vehicle driven by the insured** is a collision of a motor vehicle or mobile industrial machine (hereinafter referred to as "*vehicle collision*") driven by the insured or persons living with the insured in a common household. Vehicle collision also includes the collision of a vehicle load or the ejection of an object caused by the vehicle collision.
36. **Collision of a motor vehicle driven by a person other than the insured** is a collision of a motor vehicle or mobile industrial machine (this term hereinafter referred to as "*vehicle collision*") driven by a person other than the insured or persons living with the insured in a common household. Vehicle collision also includes collision of a vehicle load or the ejection of an object caused by the vehicle collision.
37. **Non-residential premises** means a room or a set of rooms designated by the building authority for purposes other than housing. Non-residential premises do not include flat accessories or communal areas and communal facilities of a apartment building, these can be converted into non-residential premises only with the permission of the building authority.
38. **Indirect lightning strike** is indirect action of electromagnetic energy resulting from an excessive increase in current intensity and surge or induction flashover during lightning strikes on insured electrical and electrotechnical devices and appliances, including electronic elements and other electronic components of these objects. The insurance also covers damage caused by overvoltage and undervoltage, which means a peak voltage and a sudden decrease in voltage in the electrical network or a discharge of static electricity in the atmosphere.
39. **Wear and tear** is the natural loss of value of an item caused by its use.
40. **Repair** (maintenance) removes partial physical wear and tear or damage for the purpose of its restoration to original or serviceable condition, where restoration to serviceable condition means repairs using also non-original materials, spare parts, components or technologies, without changing the technical parameters or increasing the performance or changing the purpose of use of the item. Maintenance slows down physical wear and tear, prevents its consequences and eliminates minor defects.

41. **Fall of trees, poles and other objects** is a movement of objects with the characteristics of a fall caused by the earth's gravity, while the object is not part of the damaged item.
42. **Flood** is the flooding of the premises at the place of insurance with water overflowed from the banks of surface water (rivers, lakes, reservoirs, etc.) or breaking these banks. In the case of a fenced watercourse, the banks of watercourse mean the dam body.
- Flood also includes:
- (a) an increase in the groundwater level due to floods or atmospheric precipitation at the place of insurance,
 - (b) return of water from the sewerage caused by floods or atmospheric precipitation at the place of insurance.
43. **Fire** is a fire in the form of a visible flame that occurred outside the designated fireplace or that left such a fireplace and spread by its own natural force or was intentionally made and/or spread by the perpetrator. Fire also includes its accompanying phenomena in the form of heat and combustion products generated during a fire and the action of an extinguishing agent used in putting out the fire.
44. **Direct lightning strike** is a direct action of the lightning energy or the temperature of its discharge on the insured item, including damage or destruction of the insured item by a falling object, if the fall was caused by the lightning strike.
45. **Reasonable costs of repairing the item** is the price of repairing the insured item (or its part) to restore the same parameters and performance that the insured item had before the insured event. The price of the repair must be usual at the time and place of the damage.
- Reasonable costs of repairing the items or its part do not include wage benefits for overtime work, night work, holiday work, travel and accommodation costs of technicians and experts from abroad, costs of an expert opinion, costs of earthworks and excavations, costs of additional design work, transport costs of sending the damaged item for repair abroad, including express surcharges and air transport of spare parts.
- Reasonable costs of repairing the item only include costs that do not exceed:
- new prices of replaced parts and materials set by the manufacturer and/or importer and/or seller of the relevant item in the Slovak Republic in the given region,
 - time standards of repairs and technological procedures set by the manufacturer of the relevant item and/or hourly rates of an authorized serviceman of the relevant item in the Slovak Republic in the given region.
46. **Building accessories** mean items intended to be permanently used with the building and connected to the building with detachable structure mounting.
47. **Strong wind** is the dynamic action of a mass of air moving at a speed of 65 km/h (18.06 m/s) or faster. If this speed is not determined for the place of damage, the insured must prove that the air flow caused damage to properly maintained buildings or other equally durable objects in the vicinity of the insured item or that the damage may only be caused by strong winds, with faultless condition of the insured building in which the insured items were located.
- For the purposes of determining the wind speed, only measurements performed by the Slovak Hydrometeorological Institute are accepted. In the event of a strong wind, insured events caused by a fall or throwing of objects onto the insured item are also covered, if the fall or throwing was caused by a strong wind.
48. **Reconstruction** means interventions in tangible assets resulting in a change in its purpose of use, a qualitative change in its performance or technical parameters.
49. **Glass** means all types of glass, including artificial glass made of polycarbonate or polymethyl methacrylate (plexiglass):
- (a) installed in external building openings (windows, doors, etc.), including attached sensors of electrical security systems or fire alarms, with a special surface treatment (glued foils, glass etching or glass painting, etc.),
 - (b) glass installed in fixed building structures inside the building (e.g. partitions, walls),
 - (c) installed on terraces and loggias,
 - (d) light pipes, chains, hoses and panels, including their electrical installations and supporting structures.
50. **Short circuit in electric motor** is a short circuit, undervoltage or overvoltage of fixed electric motors intended exclusively for the operation of the insured building (e.g. electric motors of fans, air conditioning units, water and sludge pumps, shading systems, elevators).
51. **Water return from waste pipe** is the outflow of liquid from non-public sewerage that is not caused by a flood, flooding or atmospheric precipitation.
52. **Groundwater** is an increase in the groundwater level that is not caused by a flood, flooding or atmospheric precipitation.
53. **Association of owners of flats and non-residential premises** is a legal entity established to manage an apartment building pursuant to Act No. 182/1993 Coll. on the ownership of flats and non-residential premises, as amended.
- An association manages the communal areas and communal facilities of the building, non-residential premises co-owned by the owners of flats and non-residential premises, accessories and the adjacent land.
- An association provides services associated with the use of the flats and non-residential premises in a building, i.e. supply of heat and hot water, supply of water from the public water supply, drainage of waste water, lighting of the communal areas and communal facilities of the building as well as special services agreed upon by the owners of the flats and non-residential premises in the building. The primary precondition for the establishment of an association is the acquisition of ownership of a flat or non-residential premises pursuant to Section 4 of the Act on the ownership of flats.
54. **Misappropriation** is an unlawful appropriation of the entrusted insured item.
55. **Communal areas** are areas of apartment buildings with more than 1 flat necessary for its usual and safe use and intended for common use, especially the foundations of the building, roof, corridors, external walls, façades, entrances, stairs, communal terraces, attic, loft, horizontal load-bearing and insulating structures and vertical supporting structures.
56. **Communal facilities** are facilities forming the equipment of apartment buildings with more than 1 flat, such as elevators, laundries and boiler rooms, including technological equipment, dryers, bicycle rooms, common TV antennas, lightning conductors, chimneys, water, heat, sewage, electrical, telephone and gas connections intended for common use by the inhabitants and for the operation of the building and serve exclusively this building, even if they are located outside the building.
57. **Building** is a residential building, a garage outside the floor plan of the apartment building and an ancillary building, including all their structures and accessories. The building can be finished or under construction.
58. **Finished building** is a building suitable for independent use on the basis of:
- (a) valid occupational permit,
 - (b) valid decision to waive the occupational permit,
 - (c) valid permit for early use of the building.
59. **Building under construction** is a building that is not suitable for individual use (does not meet the definition of the Finished building), it is at least at such a stage of construction that the technical and functional arrangement of its first floor is clear, i.e. it has foundations and external walls up to a height of at least one meter (it is sufficient if a complete external wall is built, not

the partitions inside the building) and that is being carried out on the basis of a building permit, or a construction announcement.

60. **Ancillary building** is the following building at the place of insurance of the subject of insurance:
- (a) farm building (shed, barn, workshop, summer kitchen, facilities for breeding domestic animals and growing plants, storage buildings, etc.),
 - (b) garden shed, gazebo, shelter for garbage containers, etc.,
 - (c) well, borehole, cesspool, septic tank, water shaft, water treatment facility, sauna, etc.
 - (d) children's and sports playgrounds,
 - (e) gas storage, including all building structures, technical, energy and technological equipment of the ancillary building and external connections,
 - (f) paved areas such as areas for parking, non-public roads, etc.
 - (g) outdoor lighting, poles, etc.,
 - (h) swimming pools completely or partially sunk into the ground (e.g. masonry, concrete, prefabricated, ceramic, carbon, laminate, polypropylene, heavy foil pools (must be concrete and/or masonry at the same time), acrylic, composite, skimmer, pools with overflow gutters). Ancillary building does not include pools that are not recommended to be sunk by the manufacturers,
 - (i) reinforced above-ground landscaping such as embankments, banks, cascades, rockeries, reservoirs, ditches, drainages and small architecture,
 - (j) mechanical barriers for direct securing of the building or its parts against unauthorized intrusion located outside the building (e.g. ramps, roadblocks, turnstiles, gate, fencing). For the purposes of this term, unauthorized intrusion means unwanted entrance.

Ancillary buildings also include their structures and accessories.

61. **Building structures** are items that belong to the building by their nature and that are built into the building or are connected to it by non-detachable structural mounting.
62. **Building material** is any material that is used for the construction, maintenance and reconstruction of the insured building and that is located on the same plot as the insured building. These include naturally occurring substances such as clay, stone, sand, wood or manufactured products. The subject of the insurance does not include more complex building components of a multi-element or movable structure nature, such as windows or doors.
63. **Loss of item** is a situation where the insured has lost, in connection with an insured event and independently of his will, the opportunity to dispose of the item.
64. **Security service** is a regularly trained person who is physically and mentally fit to perform such an activity and is contractually obliged to perform the protection of entrusted property for a specified period of time and in a specified manner.
65. **Construction machinery and mechanisms** are equipment weighing up to 200 kg, including (e.g. mixer, construction lift, mortar pump, hand construction tools), used for the construction, repair, maintenance of an insured flat or family house and located on the same plot as the insured flat or family house.
66. **Technical improvement** is the construction of a superstructure, extension, construction works according to the Building Act, as well as the reconstruction or modernization of property.
67. **Technological part of the building** means operational sets (a set of machines, equipment and inventory, including their assembly, which is performed in a separate technological process), construction machines and equipment.
68. **Heavy snow or ice** is the destructive effect of excessive weight of snow or ice on roof coverings, load-bearing and other building structures. Excessive weight of snow or ice means a load on the building structure exceeding the values set by the valid standard at the time of issuing an occupational permit. An insured event caused by heavy snow or ice also includes the leakage of water from melting snow or ice into the building through an opening

caused by damage to the building structures due to the weight of snow or ice.

69. **Internal vandalism** is intentional damage or destruction caused inside the insured building by a third party (offender).
70. **External vandalism** is intentional damage or destruction (e.g. painting, spraying, plastering, engraving) of a publicly accessible insured item or an insured item located in an area immediately adjacent to a publicly accessible place, committed by a third party (offender).
71. **Water from non-public distribution systems** is unexpected and sudden leakage of water, steam or liquid:
- (a) from fixed water supply or sewerage pipes, heating, air-conditioning, solar or fire-fighting systems, including connected sanitary installations, fittings or equipment connected to these systems belonging to the insured building,
 - (b) from pipes and conduits intended for draining atmospheric precipitation belonging to the insured building.
- For the purposes of these OPP-HHI-B, the facilities specified in letters (a) and (b) are referred to as **water facilities**.
72. **Water from aquarium, pool, bath or tank** is unexpected and sudden leakage of water, steam or liquid from tanks with a volume of more than 50 litres that are not part of the internal water, waste and heating systems.
73. **Water from roof gutters and external downspouts** is unexpected and sudden leakage of water or liquid from gutters and downspouts located outside of the insured building designed to drain atmospheric precipitation.
74. **Wildlife** are wild animals, not domestic animals, which have caused damage or destruction of the insured building on its outside, e.g. on the external walls or roof structure, etc.

The coverage also includes the costs:

- incurred to remove beehives, wasp or hornets nests, provided that they were preceded by damage caused by wildlife,
- incurred for disinsection and/or rodent control in relation to damage caused by wildlife; this does not apply to cases where the insured is obliged to take the given measures under applicable law, operating rules or other similar document.

75. **Explosion** is sudden destructive action of the compressive force created by the expansion of gases or vapours. Explosion of a pressure vessel with compressed gas or steam (boiler, piping, etc.) means sudden rupture of its walls to such an extent that causes sudden equalization of pressure between the inner part of the vessel and the external environment.
76. **Volcano eruption** is a release of pressure caused by the disruption of the earth's layer associated with the spewing and pouring of lava, the release of ash or other material or gas.
77. **Flooding** is the creation of a continuous water area by natural effects that stands or flows at the place of insurance for a certain period of time. Flooding also includes:
- (a) an increase in the groundwater level due to flooding or atmospheric precipitation at the place of insurance,
 - (b) return of water from the sewerage caused by flooding or atmospheric precipitation at the place of insurance.
78. **Construction site facility** means ancillary buildings and facilities which, during construction, reconstruction or maintenance work on the subject of insurance, temporarily serve an operational, production, storage and social purposes.
79. **Earthquake** is the shaking of the surface of the Earth resulting from movements of the Earth's crust that reaches at least the 5th degree of the European Macroseismic Scale (EMS-98) at the place of insurance.
80. **Rental profit** is the difference between the rental income from the insured building and the fixed expenses (payments to the administrator, energy costs, insurance premiums, loans, taxes, etc.) for its operation. By way of derogation from Article 3 (3) (f)

of VPP-MZ, the subject of insurance includes lost profit from the contractual lease of the insured building arising in connection with the insured event. The subject of insurance includes the lost profit for the period from the occurrence of the insured event on the insured building until the time of its reacquisition or repair, however, for a maximum period of 6 months.

81. Reacquisition:

- (a) for a family house and a garage or ancillary building belonging to it, their construction to achieve the same type, kind, quality and parameters they had immediately before the insured event, including the necessary costs of design and engineering activities,
- (b) for a apartment building and its parts (flat, communal areas and facilities, non-residential premises), their purchase in the given locality, matching the type, kind, quality and parameters they had immediately before the insured event.

82. Landslide, fallen rocks or earth is sudden and unforeseen slide or collapse of soil, earth or rocks caused by natural and climatic effects, including objects that have been set in motion by the landslide.

83. Domestic animals are animals bred for the pleasure of citizens (dog, cat, terrarium and aquarium animals, songbirds and ornamental birds, etc.) or for the purpose of obtaining products of animal origin for their own use (poultry, sheep, goats, pigs, cattle), i.e. not for profit.

PART V.

FINAL PROVISIONS

1. The provisions of these OPP-HHI-B relating to the insured apply to the policyholder (if the policyholder is not the insured person) and/or other entitled person.
2. These OPP-HHI-B shall take effect on 01.12.2020.