

Special insurance terms for insurance of machinery and electronic equipment

Article 1 Opening provisions

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

Article 2 Subject of the insurance

1. The subject matter of the insurance are machinery, electronic equipment and their accessories (hereinafter jointly as the "equipment") that:
 - (a) perfectly passed any testing, hand-over and performance tests,
 - (b) have been launched into operation in accordance with the valid legal regulations and instructions of the manufacturer and
 - (c) are duly maintained and used only for purposes they have been designed for and
 - (d) at the time of arranging the insurance and at the time of the occurrence of the insured event have demonstrably been in working order.
2. This insurance applies also to data carrier firmly inbuilt in the control and/or regulation unit of the insured equipment including any operating system procuring the performance of the basic functions of the insured equipment that is supplied along with the equipment (hereinafter only as the "operating system").
3. If specifically stated in the policy then this insurance applies also to:
 - (a) foundations, frames, anchoring and support stands of equipment if these are not part or accessory of the insured equipment,
 - (b) portable (mobile) electronics and/or electronics firmly inbuilt in a motor vehicle except for cases if these form part of the insured set of equipment; in such case for such objects an annual payment limit in amount of 10% shall be agreed upon by default unless otherwise stated in the policy; however, the insurance shall not apply to the objects indicated under letter (c) of this point even though these are parts of the insured set unless specifically stated in the policy,
 - (c) laptops, tablets, mobile phones, e-book readers, photo cameras, portable audio and video devices and other consumer electronics, ultrasonic devices and endoscopes.

Article 3 Insured value

1. The insured value is the new value of the insured object unless otherwise stated in the policy. It is the value that is required to be invested at the given time and in the given place for recovery of the object identical or of a comparable kind, quality and performance including any costs associated with the recovery (costs of transfer, installation, operation start-up and customs and other fees).

Article 4 Hazards

1. This insurance shall cover the damage or destruction of the insured equipment during its:
 - (a) operation,
 - (b) operation standstill,
 - (c) relocation within the place of insurance,as a consequence of the accidental damaging event that has not been excluded from the insurance and there is an obligation of

the insurer associated therewith to provide the payment, a so called insurance of **technical risks**.

2. The insurance shall cover also any damage caused to the insured equipment by its disassembly and subsequent reassembly for purpose of cleaning, maintenance or relocation within the place of insurance.

Article 5 Exclusions

1. This insurance shall not cover:
 - (a) motor vehicles belonging to categories M and L,
 - (b) aircrafts, watercrafts, railed vehicles, or any other machine able to move in the atmosphere,
 - (c) the chassis, axles, the gearbox, the engine, the cabin including the facilities of vehicles belonging to the categories N and O if the damage has been caused while driving and not by the working activity of such vehicles,
 - (d) bicycles, electric bicycles, electric kick scooters, gyroboards and hoverboards,
 - (e) cardiac pacemakers, hearing aids,
 - (f) data except of the operating system in the terms of the article 2 point 2 of these OPPSE,
 - (g) public transmission and distribution lines for electricity, gas, water and heat systems and public electronic communication networks,
 - (h) damage caused by underground work or tunnel work.
2. In case that at the same time the damage or the destruction of the insured equipment has not happened due to the same reason for which the insured shall provide the payment the insurance shall not cover:
 - (a) equipment components, parts and widgets that are subject of regular replacement when changing work tasks or when worn (e.g. cutting tools, matrices, forms, coquilles, stamping tools, engraved and patterned barrels, accumulators, fuses and light sources),
 - (b) components and parts that are subject of regular replacement due to their rapid wear and tear or ageing process (e.g. hoses, gaskets, rubber or plastic linings, belts, chains, straps, ploughshare, replaceable work parts of agriculture, construction or lumber machinery, brushes, tires, ropes, wires, sieves, work parts of grinders, buckets for pebbles or concrete, cables),
 - (c) refractory linings, linings and sedimentary layers (covers) that based on experience are subject of multiple replacement during the period of the service life of the insured equipment (in particular, in case of furnaces, fireplaces or any other equipment producing heat, equipment for steam production),
 - (d) parts of the insured equipment for skating and rolling bearings for rectilinear and rotational motion (e.g. bearings, pistons, cylinder liners and so on),
 - (e) glass, ceramic parts and components of the insured equipment,
 - (f) electrical wiring and optical fibres.
3. In addition to the exclusions stated in the VPPM this insurance shall not cover any damage to the insured equipment directly or indirectly caused by or occurred due to:
 - (a) any natural hazards, conflagration, chemical explosion, smoke,
 - (b) liquid leaking from plumbing equipment,
 - (c) crash or fall of a flying object with crew,
 - (d) crash or fall of a flying object without crew,
 - (e) sonic bang, tumble of trees, poles and of other objects,
 - (f) theft by breaking and entering, hold-up, damage or destruction in connection with the theft by breaking and entering or robbery or by attempt of thereof, by mere theft (i.e. appropriation of a thing without overcoming mechanical

- barriers protecting the object against theft), by intentional damaging or destroying by a third person,
- (g) insufficient use, long-term storage or improper maintenance of the insured equipment,
 - (h) use of the insured equipment in conflict with the instructions of the manufacturer, technical conditions or technical standards,
 - (i) natural wear and tear or early wear and tear,
 - (j) loss, damage, destruction, malfunction, deleting, distortion or modification of data of the insured equipment caused by malware,
 - (k) unauthorized access to computer system,
 - (l) cavitation.
4. In addition to the exclusions stated in point 3 of this article the insurance shall not cover:
- (a) damage that by operation of law or based on a contract are warranted for by the manufacturer, supplier, seller, repairer or any other contractual partner,
 - (b) damage to the appearance and aesthetic imperfections that do not affect the functionality of the insured equipment,
 - (c) costs incurred with the maintenance, standard care, attendance of the insured equipment or costs incurred in connection with the suppressing of functional imperfections if such imperfections have not been caused by the insured event for which the insurer shall provide payment; i.e. costs that would have to be incurred even without the occurrence of the insured event.
 - (d) costs associated with the modification of the equipment in any manner,
 - (e) damage of any kind to the operational and auxiliary materials (e.g. fuels, oils, chemicals, filter masses, coolants, catalysers) except of oil and gas fillings of transformers,
 - (f) damage to the equipment while being transported as goods in transit.
5. The parties may deviate from the provisions of points 1. to 4. if expressly stated in the policy.

Other exclusions to the policy may be agreed upon in the policy.

Article 6 Deductible

1. Unless otherwise agreed upon by the parties in the policy, the deductible in amount of 25%, however, a minimum fixed amount agreed upon in the policy shall apply for portable (mobile) electronics in case of an insured event caused by fall, liquid spill or submersion into liquid.

Article 7 Payment

1. If, as a consequence of an insured event, the following occurs:
 - (a) destruction of the insured equipment, then the insurer shall provide payment in the amount corresponding to the costs incurred with the recovery of the equipment, however, in maximum amount of the time value of the insured equipment at the time imminently prior to the occurrence of the insured event,
 - (b) damage to the insured equipment, then the insurer shall provide payment in the amount of reasonably and efficiently incurred costs necessary for the repair of the equipment that are standard in the place and at the time of occurrence of the insured event; these costs shall include also the costs incurred with:
 - (i) transport of the damaged equipment or its damaged part into the repair service and back,
 - (ii) dismantling and reassembly of the damaged equipment,
 - (iii) customs and any other fees if these have been included into the sum insured of the damaged equipment,
 - (iv) temporary repair of the damaged equipment, however, only in case if such costs have been included into the total costs for repair and do not gross up the total payment.

In case the total costs under the letter (b) gross up the time value of the insured equipment at the time imminently before the

- occurrence of the insured event the insured object shall be regarded as destroyed and the procedure under the letter (a) of this point shall be followed.
2. In case only the operating system has been destroyed or damaged the insurer shall provide the payment in amount of the costs necessary to be incurred with:
 - (a) the restitution of the operating system prior to the occurrence of the damage or
 - (b) re-installation of the operating system.
 with an annual aggregate limit in amount of EUR 1,000; these costs shall not include the value of the very operating system.
 3. In case the components required for the repair of the damaged equipment are no longer available on the market and may not be sufficiently replaced, the equipment shall be regarded as destroyed and the insurer shall provide payment corresponding to the time value of the damaged equipment at the time of the occurrence of the insured event.
 4. When damaging or destroying of the insured equipment any of the objects under paragraph 5 point 2 of these OPPSE has been damaged the insured shall provide payment up to the time value of such object.

Article 8 Duties of the insured

1. In addition to the duties set out by legal regulations and documents indicated in article 1 point 1 of these OPPSE the insured shall:
 - (a) use the insured equipment only for purposes stated by the manufacturer in the operating instructions or technical conditions; observe the technical and other standards pertaining to the operation and maintenance of the insured equipment,
 - (b) procure that the insured equipment is handled or controlled by a person having a required qualification or authorization or by a person that has been provably trained for the handling and control of the insured equipment,
 - (c) in case of occurrence of the insured event keep all damaged parts of the insured equipment until the insurer provides consent with their disposal.

Article 9 Interpretation of defined terms

1. **Sonic bang** is a shock wave generated by passing of a supersonic aircraft.
2. **Chemical explosion** is a rapid process of combustion of compound of inflammable material with oxygen, air or oxidant (e.g. chlorine) accompanied by production of combustion products or pyrolysis and rapid increase of pressure. An explosive decomposition of material may be a chemical explosion. The prerequisite of a chemical explosion is the presence of a flammable material, oxidizing agent and initiative source. The flammable material must be in a certain amount between the lower limit of combustibility and the upper limit of combustibility.
3. **Data** means machine-readable information and software stored on data carriers.
4. **Data carrier** is a data memory designed for storage of data readable by a machine.
5. As **smoke** is regarded a smoke that has suddenly leaked from combustion, heating, drying or boiling equipment.
6. **Electronic equipment** is equipment that as its function uses in a prevailing manner electronic elements.
7. **Cavitation** is a hydrodynamic void formed when a liquid is subjected to rapid local changes of the surrounding pressure. After the termination of the underpressure that had produced the cavitation the cavitation ceases by implosion. The cavitation is formed in technological equipment moving rapidly in liquid (e.g. on vanes of screw propeller, vanes of turbines, in pumps, in curves of pipes).
8. As **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).

9. As **crash or fall of a flying object with a 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.
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. **Early wear and tear** of an equipment occurs when the equipment is operated in conflict with the technical conditions (use of the equipment for a purpose it has not been designed for, negligence of maintenance and precaution, permanent oversizing of the operation parameters of the equipment caused by wrong setup of the equipment etc.) as a consequence of which the depreciation thereof or of its parts, components or elements is accelerated.
12. **Working order** of equipment is such a condition of equipment when after a successfully finished benchmark and inspection test and testing phase the equipment is able to perform the functions and meet the values of the project parameters in the range stated by the technical documentation or the manufacturer.
13. **Computer system** consists of hardware, operating system and application software (other software of the equipment).
14. **Damage of equipment** means such a damage that may be remedied by repair while the costs of such repair shall not exceed the sum corresponding to the current price of the equipment at the time imminently preceding the occurrence of the insured event.
15. **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.
16. Natural wear and tear for the purposes of this insurance means the progressive process of equipment depreciation caused by its use during business operation or any other external effects of long term nature (long term influence of chemical, thermal, mechanical and electrical factors and so on). It is manifested, in particular, by progressive decrease of values of the parameters defined by the manufacturer for the given type of equipment.
17. Equipment accessory means auxiliary equipment, auxiliary instruments and means facilities firmly attached to the equipment that is from technical aspect necessary for the operation of the equipment according to its purpose. Any data is not regarded as equipment accessory.
18. Precaution means regular control, setting and calibration activity to ensure the precise operation of machines, technology and equipment.
19. Machine means technical equipment consisting of jointly connected parts and components.
20. Machinery means a machine, instruments, sets of machines, for instance production lines, flexible production systems and so on having individual technical and economic designation and performance of operational and technical functions defined by the manufacturer, importer or seller. Machinery may involve electronic elements.
21. Malware is software that may spread itself without the knowledge of the user including computer viruses, worms, Trojan horses, adware, spyware etc.

22. Maintenance of equipment means a complex of activities securing the technical capability, operational capability, efficiency and operational security of the equipment. These activities consists of in particular regular and preventive inspections, attendances and setups of equipment, of observing the grease plans, of timely replacement of worn components or sets and parts of equipment and it all in accordance with the valid regulations, provisions or instructions defined by the manufacturer.
23. Plumbing equipment means:
 - (a) plumbing or sewage pipes, heating, air conditioning, solar or firefighting systems in insides of building or firmly inbuilt in structures or including attached sanitary equipment, armatures or equipment connected to such systems,
 - (b) inside pipes designed for offtake of atmospheric precipitation,
 - (c) tanks that are not parts of systems under letter (a) of this paragraph.
24. Destruction of equipment means such a degree of damage that may not be remedied by repair while the equipment may be no more used for its designed purpose. As destruction is also regarded such a damage of equipment that may be remedied by repair, however, the costs of such repair would exceed the current price of the equipment in the time imminently preceding the insured event.

Article 10 Closing provisions

1. These OPPSE form an inseparable part of the policy and the parties thereto may modify by way of derogation the provisions thereof in the policy if not specifically prohibited by these OPPSE.
2. The provisions of these OPPSE regarding the insured shall apply also to the policyholder (if the is a person other than the insured) and / or another authorized person.
3. These OPPSE shall enter into force as of 20th July 2022.