

## Supplementary insurance terms and conditions for environmental liability insurance for sole traders and small-sized enterprises

### Article 1 Opening provisions

1. These supplementary insurance terms and conditions for environmental liability insurance (hereinafter referred to as the “DPP-SME-EL”) supplement the provisions of the VPP-MZ, the OPP-SME-Z and form an integral part of the insurance policy, if the insurance policy so provides.
2. The environmental liability insurance (hereinafter referred to as the “insurance”) shall be governed by the applicable provisions of the Civil Code, the VPP-MZ, the OPP-SME-Z, these DPP-SME-EL, and the insurance policy.

### Article 2 Subject and scope of the insurance

By way of derogation from Art. 2 of the OPP-SME-Z it is agreed:

1. The insured shall have the right to have the insurer pay to the “beneficiary” damages and compensation of associated insured costs relating to the occurrence or imminent threat of “environmental damage” in connection with the “insurance activity” or the “product of the insured” which is covered by this insurance.
  2. The environmental liability insurance shall cover:
    - (a) “Preventive measures”,
    - (b) “Mitigative measures”,
    - (c) “Remedial measures”,
    - (d) “Technical costs”,
    - (e) “Damage to property”.
    - (f) “Damage to health”,
    - (g) “Costs of legal representation”.
  3. The insurer shall be obliged to provide claim payment only for damage suffered as a result of a “damage-causing event”:
    - (a) which occurred during the policy period and the “first establishment” of which occurred during the policy period, whereas
    - (b) with respect to damage to health and damage to property a “claim” must be made vis-à-vis the insured for the first time during the policy period, and at the same time,
    - (c) the insurance shall not cover any damage or costs which occurred or were incurred before the start of the insurance.
  4. The insurance covers any environmental damage that occurred as a result of a damage-causing event that occurred at the insured’s place of business as shown in the insured’s accounting books, as well as any environmental damage that occurred as a result of a product defect in the territory of the Slovak Republic unless otherwise stated in the insurance policy.
  5. The extent of damages provided by the insurer is limited by the claim payment limit or other sublimits specified in the insurance policy and these DPP-SME-EL. The sum of claim payments for environmental damage, insured costs, damage to property, damage to health and costs of legal representation shall not exceed the claim payment limit or the sublimit specified in the insurance policy.
- (a) the occurrence or the threat of which the insured was aware of or must have been aware of before taking out the insurance,
  - (b) the occurrence of which has been caused, or the extent of which has been aggravated, by the absence of prescribed safety measures which the insured is obliged to take in accordance with applicable legislation or as a result of a decision by the competent public authorities,
  - (c) caused as a result of any occupational accident or occupational disease of the employee of the insured including any recourse claims of health insurance companies and of the Social Insurance Agency,
  - (d) caused due to the acts of the insured as a result of which, prior to the conclusion of the insurance policy, an action for damages or related proceedings have been commenced or initiated against the insured in order to establish the insured’s fault,
  - (e) directly or indirectly caused by war (whether declared or not), acts of terrorism, invasion, acts of foreign enemies, civil war, rebellion, revolution, insurrection, military force, sabotage and strikes and riots, or participation in riots, insurrection, strikes or caused by official measures taken for purposes other than to limit the insured event.
2. Further, in addition to the exclusions provided for in the VPP-MZ and the OPP-SME-Z, the environmental liability insurance does not cover any damage:
    - (a) caused as a negative consequence of the normal impact of the insured’s operational activity on its surroundings and damage caused by diffuse pollution,
    - (b) caused by the use of inappropriate equipment in the handling or storage of materials and substances that may cause environmental damage,
    - (c) caused by leakage of substances from “underground storage facilities”,
    - (d) caused by damage to overhead or underground lines of any kind (including sewers),
    - (e) caused by geological surveys or production of oil or gas,
    - (f) caused as a result of ownership and/or operation of mines and quarries or by mining and tunnelling,
    - (g) caused as a result of demolition works or handling of explosives,
    - (h) caused by any type of transport of substances and materials and their loading or unloading (outside the insured’s place of business specified in the insurance policy),
    - (i) arising out of the ownership or operation of a landfill, including the disposal and separation of waste,
    - (j) arising out of the ownership, operation or maintenance of railways, tramways, cableways, and ski lifts, including all means of transport and equipment operated thereon,
    - (k) caused by a product being part of a means of transport in any sector and of any kind (road, air, sea, rail, etc.) of mass or individual transport.

### Article 4

## Definitions

1. **Imminent threat of environmental damage** is a sufficient probability that environmental damage may occur in the near future.
2. **Additional remedy** are remedial measures that shall be adopted where restitution of natural resources or the functions thereof stricken by environmental damage has not been accomplished by primary remedial measures.
3. **Environmental damage** is any damage to:
  - (i) protected species and protected biotopes, which has significant adverse effects on the achievement or maintenance of the favourable conservation status of protected species and protected biotopes, with the exception of adverse effects that have already been identified and that result from actions of the operator that have been expressly authorised in accordance with a special law;
  - (ii) water which has significant adverse effects on the ecological, chemical or qualitative status of water or on the ecological potential of water, with the exception of adverse effects specified in a special law; or
  - (iii) soil, in the form of soil contamination, where there is a significant risk of adverse effects on health as a result of the direct or indirect application of substances, preparations or micro-organisms onto, into or under the surface of the soil.

Any environmental damage must be unexpected, unforeseeable and accidental, while damage in this context means a measurable adverse change in a natural resource or a measurable impairment in the functioning of a natural resource that may occur directly or indirectly. Environmental damage does not include damage to property or personal injury unless the damage to property or personal injury is caused as a result of environmental damage.
4. **Compensatory remedial measures** are remedial measures taken to compensate for the temporary loss of *natural resources* or their functions from the date of occurrence of the *environmental damage* until the natural resources or their functions are restored by primary remedial measures.
5. **Remedial measures** are measures taken by the insured or the competent public authorities to eliminate or repair the environmental damage, with the aim of restoring, regenerating or replacing the damaged "*natural resources*". Remedial measures may be "*primary remedial measures*", "*supplementary remedial measures*" or "*compensatory remedial measures*".
6. **Costs of legal representation** are costs incurred by the insured as a result of environmental damage or imminent threat of environmental damage covered by the insurance (up to the amount of the lawyer's tariff), provided that the insurer has approved the actions of the insured's legal representative in advance. In lieu of reimbursement of the costs of legal representation, the insurer is entitled to appoint a legal representative to represent the insured for the necessary period of time at the insurer's expense. The insurer reserves the right to examine, investigate and settle any claim out of court at its own discretion. The costs of legal representation will not increase the sum insured and the insurer will pay them together with the compensation for environmental damage and any other insured costs up to the sum insured or, if agreed in the insurance policy, up to the amount of the sublimit.
7. **Claim** is an action by the aggrieved party or by a person acting on their behalf, by means of which the insured is informed that damage has been caused as a result of the actions or effects of the business operation of the insured. The date on which the *claim* is made is the date on which the action of the aggrieved party (as referred to in the previous sentence) has become available to the insured or, if the aggrieved party made the claim directly to the insurer, the date on which the notice of claim was received by the insurer, whichever occurs first. Where more than one claim is made in respect of a single damage-causing event, the date on which the first such claim is made shall be deemed to be the date on which the claim was made.

8. **Overhead and underground lines** are pipelines (e.g. water, sewage, gas, oil duct) and power (transfer and distribution of electricity), communication (telegraph, telephone, internet, transferring visual and/or audio signals), control and management cables including any poles, masts, stands, other supporting structures and control and management equipment and elements pertaining thereto.
9. **Beneficiary** is any legal person or natural person entitled to receive the claim payment as a result of an insured event.
10. **Underground storage facility** is any storage device (container, tank, etc.) more than 10% of the volume of which (including piping connected to the tank) is underground.
11. **Preventive measures** are measures taken and carried out by or on behalf of the insured to avert an *imminent threat of environmental damage*, the purpose of which is to prevent or minimise *environmental damage*. These are measures which involve the expenditure of reasonable expenses other than the costs of maintenance, repair, replacement or improvement of the insured's operational facilities or equipment.
12. **Primary remedial measures** are remedial measures aimed at restoring *natural resources* or their functions damaged by *environmental damage* to their original or near-original state.
13. **Natural resources** are protected species, protected biotopes, water, and soil.
14. **First establishment** means the first verifiable establishment of the occurrence of the insured event as a result of which the environmental damage or imminent threat of environmental damage has occurred.
15. **Retroactive date** is the date specified in the insurance policy from which insurance cover is to be provided retrospectively for the period up to the commencement of the insurance as specified in the insurance policy.
16. **Extended claim notification period** is an additional period after the end of the policy period during which the policyholder or the insured may discover and notify the insurer of any *claim* that has arisen or any circumstance that may give rise to a *claim*.
17. **Damage to property** is physical damage to tangible items caused as a result of the environmental damage, including any subsequent economic damage (lost profits) related thereto resulting from the loss of functionality or the possibility of using the damaged tangible item.
18. **Damage to health** is material or immaterial damage caused by environmental damage resulting directly or indirectly in damage to the health or death of a natural person, including any loss of earnings resulting from damage to health.
19. **Technical costs** are costs incurred by the insured in connection with the *environmental damage* for legal services, expert opinions, insurance surveyors, environmental consultants or experts, after prior written consent of the insurer. The insurer is entitled to decide that in the event of a damage-causing event, it will not pay the insured's technical costs, but will provide, at its own expense, a professionally qualified person to carry out for the insured the work covered by these *technical costs*.
20. **Mitigative measures** are any measures ordered by the insurer to mitigate the extent of the occurring *environmental damage* or the costs of adequate and urgent measures incurred by the insured or by a third person (firefighters, civil defence, etc.) in order to mitigate the consequences of the occurring *environmental damage*, to mitigate the adverse effects of the insured event to health or to prevent any further worsening of natural resources provided that such costs are according to the applicable legal regulations not paid or refundable from public resources or are not paid by the insured as a lump sum regardless of whether the insured event will occur (e.g. included in the fees for emergency services, etc.).

The mitigative measures shall not include any costs of maintenance, repair, replacement or improvement of operational

facilities or equipment of the insured or any costs of emptying the retaining safety systems (cesspit, septic tank, collecting tank, etc.).

## **Article 5** **Closing provisions**

1. The provisions of these OPP-SME-EL applicable to the insured shall apply mutatis mutandis also to the policyholder (where the policyholder is a person other than the insured) and/or any other beneficiary.
2. The insurance policy may derogate from the provisions of these OPP-SME-EL.
3. These OPP-SME-EL shall enter into force on 01.07.2024.