GENERAL TERMS AND CONDITIONS OF INSURANCE
General part for loss insurance

HASIČSKÁ VZÁJEMNÁ POJIŠŤOVNA, a.s.

ARTICLE 1
GENERAL PROVISIONS

1. The loss insurance arranged by Hasičská vzájemná pojišťovna, a.s. (hereinafter referred to as the "Insurer"), is governed by the law of the Czech Republic, in particular Act No. 89/2012 Sb, the Civil Code, as amended (hereinafter referred to as the "Civil Code"), by these general terms and conditions of insurance, general part for loss insurance (hereinafter referred to as "VPPŠ"), by the relevant supplemental terms and conditions of insurance, by contractual arrangements, and by the provisions of the insurance policy.
2. A person who enters into an insurance policy with the Insurer for its own benefit or for the benefit of a third party is designated in these terms and conditions of insurance as the Policyholder.
3. The Insured is the person whose life, health, property, or liability or other value of insurable interest the insurance covers.
4. Whomever the Insurer is under obligation to provide indemnity for material loss for which the Insured is liable in the case of an insured event is designated in these terms and conditions of insurance as the injured party.
5. The Insurer and the Policyholder are designated in these Terms and Conditions of Insurance as the Contracting Parties.
6. The beneficiary is the person who has the right to indemnity in consequence of an insured event.

ARTICLE 2
COMMENCEMENT OF THE INSURANCE, CONCLUSION OF THE INSURANCE POLICY, AND DURATION OF THE INSURANCE

1. To conclude an insurance policy, it is necessary for the other party to accept the offer of insurance submitted by the Insurer and to do so within one month of the date of delivery of the offer to the other party. An expression of will which contains addenda, reservations, limitations, or other changes is deemed to be rejection of the offer and is deemed to be a new offer. A response with addendum or deviation which does not significantly change the terms and conditions of the offer is also rejection of the offer and is deemed to be a new offer. This paragraph stands, mutatis mutandis, in the case that a Contracting Party proposes an amendment to the insurance policy.
2. The offer which the Insurer submits may also be accepted by way of payment of the premium in the amount specified in the offer, should this take place within the time limit specified in paragraph 1. In such case, an insurance policy is concluded as soon as the premium has been paid.
3. The insurance commences on the first day which follows the date of concluding the insurance policy, unless it has been agreed in the insurance policy that it commences with the conclusion of the insurance policy or at a later time.
4. Unless provided otherwise in the insurance policy, the insurance policy is concluded for an indefinite term with a premium payment period of one year.
5. The Insurer issues the Policyholder with an insurance policy as confirmation of having concluded the insurance policy.

ARTICLE 3
EXPIRATION AND CHANGE OF INSURANCE

1. The insurance shall primarily expire:
   1.1. with the passing of the duration of cover for which the insurance has been arranged. If the insurance has been arranged for a fixed term, it may be arranged that the insurance will not expire with the passing of that period unless the Insurer or the Policyholder notifies the other party at least six weeks before the expiration of the duration of cover that it is not interested in further continuation of the insurance. If the insurance does not expire and the terms and conditions and the period of prolongation have not been arranged, the insurance is prolonged under the same terms and conditions and for the same period for which it was arranged,
   1.2. if the insurance has been arranged with periodic premiums, the insurance expires based on written notice of termination served by the Insurer or the Policyholder at the end of the premium paying term; if, however, notice of termination is delivered to the other party later than 6 weeks prior to the date on which the premium paying term expires, the insurance shall expire at the end of the subsequent premium paying term,
   1.3. by way of written notice of termination served by the Insurer or the Policyholder within two months of the date of concluding the insurance policy. The period of notice is eight days and commences on the date of delivery of notice of termination to the other Contracting Party. The insurance expires with the passing thereof,
   1.4. with the extinction of the insured item or other property value, on the date of extinction of the insured legal person without legal successor, with the extinction of the insurance peril, on the date of death of the insured person, or on the date of refusal to provide indemnity, unless the insurance policy provides otherwise,
   1.5. with the written agreement of the Insurer and the Policyholder. The time of the expiration of the insurance must be specified and the manner of reciprocal settlement of obligations must be agreed in such agreement,
   1.6. should the Insurer remind the Policyholder to pay the premium and inform the Policyholder in such reminder that the insurance shall expire if the premium is not paid even within an additional time limit, which must be set at a minimum of one month from the date of delivery of the reminder, the insurance shall expire with the ineffective passing of this time limit. The time limit for payment of an outstanding premium may be extended by agreement prior to its passing,
   1.7. the insurance expires on the same date as the expiration of the insurable interest if this expires in the course of the period of duration of the insurance; however, the Insurer is due the premium until such time as it learns of the expiration of the insurable interest.
2. The Insurer and the Policyholder have the right to terminate the insurance in writing after each insured event within three months of the date of the reporting of the occurrence of the insured event. A period of notice of one month commences on the date of delivery of notice of termination, and the insurance expires with the passing thereof.
3. Should the Insurer prove that it would have entered into the contract under different terms and conditions had the insurance peril existed to an increased extent when concluding the contract, it has the right to propose a new premium amount. Should it fail to do so within one month of the date on which it is notified of the change, its right expires. If the proposal is not accepted or the newly-determined premium is not paid within the arranged term, otherwise within one month of the date of delivery of the proposal, the Insurer has the right to terminate the insurance with a period of notice of eight days; however, the

Insurer does not have this right if it did not warn of the possibility of termination in the proposal. Should the Insurer fail to terminate the insurance within two months of the date on which it receives disagreement with the proposal or when the term according to this paragraph ineffectively passes, its right to terminate the insurance by notice shall expire.

4. Should the Insurer prove that, with respect to the conditions valid at the time of concluding the contract, it would not have concluded the contract had the insurance peril existed to an increased extent when concluding the contract, the Insurer may terminate the insurance by notice with a period of notice of eight days. Should the Insurer fail to serve notice of termination within one month of the date on which it is informed of the change, its right to terminate the insurance by notice shall expire.
5. The Insurer may refuse to indemnify if the cause of the insured event is a fact or situation of which it learned following the occurrence of the insured event and which it could not have ascertained when arranging the insurance or changing the insurance as a result of culpable breach of the obligations laid down in Section 2788 of the Civil Code and if, having known of this fact or situation when concluding this contract, it would not have concluded this contract or it would have concluded it under different terms and conditions. The insurance expires on the date of delivery of notification of refusal to provide insurance indemnity.
6. Unless expressly arranged in the insurance policy that the insurance shall not expire with a change of ownership or joint ownership of the insured property, the insurance shall expire on the date of notification to the Insurer of such change. The provisions of subparagraph 3.1.7 do not apply in this case.
7. Any changes in the insurance policy may be made with the written agreement of the Contracting Parties.

ARTICLE 4
DELIVERY OF DOCUMENTS

1. Documents may be delivered:
   1.1. by way of handover and acceptance in person,
   1.2. by way of postal or similar service,
   1.3. into a data box,
   1.4. by way of e-mail provided with a recognised or qualified electronic signature or by way of e-mail sent from the e-mail address specified in the insurance policy or officially reported in the manner specified in paragraph 4(1) of these VPPŠ or by way of e-mail whose attachment is a scanned document provided with a handwritten signature,
   1.5. by way of the Insurer's web application.
2. For the purposes of the delivery of documents in connection with the insurance via postal or similar service, delivery is made to the address of the place of residence or registered office of the Contracting Party specified in the insurance policy or to the address of the place of residence or registered office of the Contracting Party reported according to paragraph 4(1) of these VPPŠ.
3. In the case that a document sent by postal or similar service is returned as undeliverable, the consignment is deemed to have been delivered on the day following the day on which it is returned to the sender, even if the Contracting Party did not learn of such delivery.
4. A document delivered electronically by e-mail is delivered on the date on which it is delivered to the e-mail inbox of the addressee. In cases of doubt, it is deemed that it is delivered on the date on which it is sent by the sender.
5. The parties to the insurance are under obligation to inform each other without undue delay of changes to all facts and situations which are significant for delivery and to inform each other of a new postal or electronic address or telephone number.
6. Should the other party knowingly frustrate the delivery of a document, it stands that the document has been duly delivered. It is also a case of knowing frustration in the case that the addressee:
   6.1. fails to report in a timely manner facts which are significant for delivery (in particular, a change of surname, a change of postal or electronic address, etc.),
   6.2. fails to collect a document during the period of time during which it is held at the post office for collection,
   6.3. fails to sufficiently mark the post box,
   6.4. refuses to accept the document.
7. In matters of the insurance relationship, in particular in connection with the management of the insurance and the resolution of insured events, the Insurer may also contact a party to the insurance using electronic or other technical means (for example, by telephone, SMS, e-mail), unless the parties to the insurance agree otherwise. When choosing the form of communication, the Insurer takes into consideration the obligations laid down by legal regulations and the character of the information communicated.

ARTICLE 5
BREAK IN THE INSURANCE

There is no break in the insurance as a result of failure to pay the premium, within the meaning of the Civil Code, during the duration of cover.

ARTICLE 6
WITHDRAWAL FROM THE INSURANCE POLICY

Withdrawal from the insurance policy is governed by the relevant provisions of the Civil Code.

ARTICLE 7
THE OBLIGATIONS OF THE INSURER

In addition to the obligations which are laid down by legal regulations, the Insurer is also under obligation:

1. to initiate, without undue delay following the reporting of the occurrence of a loss event, the investigation required to ascertain the existence and scope of its obligation to pay. The investigation ends with communication of the results thereof to the person who exercised the right to indemnity; the Insurer shall give reasons to this person for the size of indemnity, or reasons for the refusal thereof, in text format.
2. to complete the investigation within three months of the date on which such event according to paragraph 1 is reported to it. If it is unable to complete the investigation within this time limit, the Insurer informs the party who reported the event of the reasons for which it is unable to complete the investigation, in text format,
3. to provide a person who exercises the right to indemnity, at the written request of that person, with a reasonable advance on the payment of the indemnity should the investigation regarding the size of indemnity last longer than three months and if there is no doubt that an insured event has occurred from which indemnity shall be provided; this does not stand if there are reasonable grounds to refuse the provision of an advance,
4. to make it possible, on the basis of the written application of a person who proves legal interest, for such person to view the adjustment file, or a similar record on the course of the investigation into the loss event, maintained by the Insurer at the registered office of the Insurer following completion of the investigation into the insured event, and to take a copy of it from those records which concern the reasons for refusing to provide indemnity or which concern the calculation of indemnity. The Insurer shall prepare the file for viewing within 5 business days of receiving such an application,
5. to discuss with the Insured the results of the investigation required to ascertain the size of indemnity or to communicate them to the Insured,

6. to return to the Insured lent documents which the Insurer requires.

ARTICLE 8
THE OBLIGATIONS OF THE INSURED AND OF THE POLICYHOLDER

1. In addition to the obligations laid down by legal regulations, the Insured and the Policyholder are also under obligation:
   1.1. to provide truthful and full answers to all of the Insurer's written questions in connection with the arrangement of the insurance or an amendment to the insurance policy,
   1.2. to make all efforts to ensure that an insured event does not occur and to remove without delay any defect or peril which could impact on the occurrence of an insured event. Should an insured event occur, to take such measure to ensure that the loss or damage is as little as possible,
   1.3. to notify the Insurer in writing that an insured event has occurred and to do so without undue delay, not later than 30 days following the time of ascertaining the insured event. To provide a truthful explanation of the occurrence and scope of the consequences of such an event in connection with the investigation of an insured event, of the rights of third parties, and of any multiple insurance, to present the documents required to ascertain the circumstances which are decisive for considering the right to indemnity and its amount, and to allow the Insurer to take copies of such documents. If an insured event is reported in a way other than in writing, there is the obligation to subsequently report that insured event in writing on the Insurer's relevant form. The Policyholder, the Insured, or another reporter of an insured event is under obligation to immediately inform the Insurer of where it is possible to view the damaged or destroyed thing. If the insured event is the death of the Insured, this is the obligation of the beneficiary,
   1.4. to inform the Insurer in writing without undue delay of the fact that an injured party has exercised its right to compensation for damage or loss against him/her and to make a statement on his/her obligation to pay compensation for the damage or loss incurred, on the compensation demanded, and on its amount,
   1.5. if an insured event has occurred, he/she may not change the condition caused by the insured event without the consent of the Insurer until such time as the damaged insured thing has been viewed by the Insurer or a person whom the Insurer has authorised. This, however, does not stand when such a change is required on safety, environmental, or sanitary grounds, in the general interest, or in order to moderate the size of loss or damage, or when ordered to do so by an authorised body. In such case he/she is under obligation to ensure sufficient evidence of the extent of the insured event by keeping the damaged things, with photographic or film material, video recording, witness statements by third parties, and a damage report,
   1.6. to proceed in procedure regarding compensation for damage or loss from an insured event in accordance with the instructions of the Insurer; in particular, he/she may not, without the consent of the Insurer, undertake to cover a time-barred claim and may not, without the consent of the Insurer, conclude a court settlement. He/she is under obligation to appeal in a timely manner against the decisions of the competent courts as concerning compensation for damage or loss, unless he/she receives different instructions from the Insurer during the deadline for appeal,
   1.7. to take measures to avoid the lapse or cessation of existence of the right to compensation for damage or loss which passes to the Insurer according to the Civil Code and other legal regulations,
   1.8. to exercise the right to the refund of an amount of indemnity against the injured party or another person, should this right arise for him/her. If the Insurer has paid this amount on behalf of the Insured, this right passes to the Insurer. The right of the Insured to payment of the costs of procedure regarding compensation for damage or loss awarded to him/her against the respondent also passes to the Insurer if the Insurer paid these on his/her behalf. Should these legal situations arise, the Insured is under obligation to notify the Insurer of them without delay and to present to the Insurer the documents required to exercise such rights,
   1.9. to inform the Insurer without undue delay that criminal proceedings have been initiated against the Insured or his/her employees in connection with an insured event, and to inform the Insurer of the course and results of such proceedings,
   1.10. to inform the Insurer without undue delay that an item lost in connection with an insured event has been found. If he/she has received indemnity for such a thing, he/she is under obligation to return the indemnity to the Insurer, reduced by the reasonably and purposefully-expended costs required to repair the thing if it was damaged during the time between the insured event and the time at which it was found, unless arranged otherwise in the insurance policy,
   1.11. to inform the Insurer of any change to or the cessation of existence of the insurance peril without undue delay,
   1.12. to inform the Insurer without undue delay of all changes to facts or situations about which he/she was asked by the Insurer when arranging the insurance,
   1.13. to inform the Insurer without delay that he/she has arranged other insurance against the same insurance peril with another insurer and to communicate the name of the insurer and the size of the sums insured or the size of the indemnity limits,
   1.14. not to tolerate breach of imposed obligations by third parties (in the case of an insured legal person, third parties are also deemed to be all natural persons and legal persons active for the Insured),
   1.15. to fulfil the other obligations imposed on him/her by the Insurer in the insurance policy or the terms and conditions of insurance.
2. The Policyholder may not, without the consent of the Insurer, do anything which increases the insurance peril or allow a third party to do so; should he/she ascertain at a later time that he/she allowed the insurance peril to increase without the consent of the Insurer, to inform the Insurer of this without undue delay. Should the insurance peril increase independent of the Policyholder's will, the Policyholder shall inform the Insurer without undue delay after learning of this. The Insured has this obligation when the value of insurable interest of another is insured.
3. Should the Policyholder or the Insured breach the obligation to report an increase in the insurance peril, the Insurer has the right to terminate the insurance without a period of notice. Should the Insurer terminate the insurance, it is due the premium to the end of the premium paying term in which the insurance expires; the Insurer is due a single premium in full in this case. Should the Insurer fail to terminate the insurance within two months of the date on which it learns of the increase in the insurance peril, its right to terminate the insurance shall expire. Should the Policyholder or the Insured breach the obligation to report an increase in the insurance peril and an insured event occurs following this change, the Insurer has the right to reduce the indemnity proportionately in the ratio of the premium which it

received to the premium which it should have received had it learned of the increase in the insurance peril from notification in a timely manner.

4. If breach of the obligations specified in this article of these VPPŠ or of other obligations by the Policyholder, the Insured, or the beneficiary has a significant impact on setting a lower premium or on the occurrence of an insured event, the course thereof, or on increasing the extent of the consequences of an insured event, or the ascertaining or determination of the size of indemnity, the Insurer is authorised to reduce the indemnity arising from the insurance policy proportionately according to the impact which such breach had on the extent of its obligation to pay.

ARTICLE 9
THE PREMIUM

1. The Insurer has the right to a premium for the period of duration of the insurance. The premium is payment for the insurance. The Policyholder pays the set premium for the period of duration of the insurance, unless otherwise arranged in the insurance policy. The right to payment of the premium is established for the Insurer on the date of conclusion of the insurance policy or on the date agreed in the insurance policy. If the Policyholder is in delay with the payment of the premium, the Insurer is authorised to demand, in particular, reimbursement of reminder charges according to the Tariff of Fees, plus interest on late payment in the amount specified by valid legal regulation. The premium paid for the period following the end of the insurance is referred to as the unused premium.
2. The duration of cover is arranged in the insurance policy as the period for which the insurance has been arranged. If the insurance has been arranged for a fixed term and the premium is set for the whole of the insurance period, it is a single premium. If the insurance has been arranged for an indefinite term, the premium is paid for the agreed premium paying term (periodic premium). Unless otherwise agreed, a single premium is payable on the date of commencement of the insurance and a periodic premium is payable on the first day of the premium paying term. The Insurer is not under obligation to send the Policyholder any calls for the payment of the premium.
3. The insurance year is the year that always begins on the anniversary date of the insurance and ends one day before the next anniversary date of the insurance. The anniversary date of the commencement of the insurance is the day in the calendar year whose designation coincides with the date of commencement of insurance; i.e., the number of the day in the calendar month and the number of the calendar month.
4. Instalments of the premium, payment terms, and the size of individual instalments may be agreed in the insurance policy. If any instalment is not paid in a due and timely manner and in the agreed amount, the benefit of being able to pay in instalments no longer applies, and the Insurer has the right to demand payment of the remaining part of the premium all at once.
5. If the periodic premium for the relevant premium paying term is not paid in full, the Insurer shall use any further premium payment, or a part thereof, to cover the premium due, even if such further payment by the Policyholder is intended for another premium paying term.
6. The Insurer has the right to deduct from indemnity any due claims for premiums and other due claims, including reimbursement for reminder charges and interest on late payment, even if the beneficiary is not the same person as the Policyholder. Any overpayments of the premium are used by the Insurer to cover the premium for the next premium paying term or are returned to the Policyholder. The Insurer is also authorised to deduct a due premium from any extraordinary premium deposited.
7. The insurer sets the premium, in particular, according to the scope and content of the insurance, an assessment of the risk taken, the size of the sum insured, and the agreed amount of excess. The Insurer is under obligation to communicate the principles for setting the amount of the premium at the request of the Policyholder.
8. If the insurance ends as a result of an insured event, the Insurer is entitled to the premium until the end of the premium paying term in which the insured event occurs. In such case, the Insurer is entitled to a single premium in its entirety.
9. The Insurer has the right to newly adjust the size of the periodic premium for the following premium paying term in connection with changes in the conditions decisive for setting the size of the premium. The Insurer is under obligation to notify the Policyholder of the newly-determined size of the premium not later than two months before the due date of the premium for the premium paying term in which the size of the premium is to change. If the Policyholder does not agree to the change in the size of the premium, it may state its disagreement within one month of the date on which it learns of the proposed change to the size of the premium. In this case, the insurance expires at the end of the premium paying term for which the premium has been paid, unless otherwise agreed. The Insurer is under obligation to warn the Policyholder's of this consequence in notification of the newly-determined amount. If no such disagreement is expressed within the specified period, it stands that the Policyholder agrees with the new adjustment.
10. If the insurance peril significantly lessens during the duration of cover, the Insurer is under obligation to reduce the premium in proportion to the lessening of the insurance peril with effect from the date on which it becomes aware of this lessening.
11. The Insurer is authorised to set the amount of the minimum periodic premium. Notwithstanding the other provisions of these VPPŠ, the Policyholder is under obligation to pay the Insurer at least a periodic premium in the amount of the minimum set periodic premium from one insurance policy. The size of the minimum periodic premium is set in the insurance policy. If the size of the minimum periodic premium is not set in the insurance policy, it stands that the minimum periodic premium has been agreed between the Policyholder and the Insurer in the amount specified in the Tariff of Fees.

ARTICLE 10
INSURED VALUE

1. The insured value is the highest possible proprietary loss which can occur in consequence of an insured event.
2. The insured value of a thing may be expressed as follows:
   2.1. the **new value** of the thing; i.e., the price for which the same thing or a comparable thing can be purchased again in the relevant place and at the relevant time as the same thing or a new thing of the same type and purpose,
   2.2. the **time value**; i.e., the value that the thing had immediately before the insured event. This is determined using the new price of the item, taking into account the degree of wear or other deterioration or appreciation of the thing, which occurred by its repair, modernisation, or otherwise, if the insurance has been arranged for a time value,
   2.3. the **usual value** (general, market); i.e., the price at which the same or a comparable thing can realistically be sold or bought in a given place and at a given time. All circumstances that could affect the value are considered; however, the size of the value is not affected by any extraordinary circumstances on the market, the personal circumstances of the seller or buyer, or particular fondness.
3. The insurance may also be arranged for another value, which must be expressly arranged in the insurance policy.

ARTICLE 11
SUM INSURED

1. If not agreed otherwise in the insurance policy, indemnification by the Insurer is limited by an upper limit. The upper limit is determined as the sum insured or the indemnity limit.
2. The sum insured is determined at the proposal and responsibility of the Policyholder so that it corresponds to the insurance value of the insured thing or set of insured things at the time of conclusion of the insurance policy. If the insurance covers several insured sets of things, the sum insured or the indemnity limit is determined separately for each set. Things that become part of an insured set after the conclusion of the insurance policy are insured. Things which have ceased to be part of a set cease to be insured.
3. If it is not possible to determine the insured value at the time of concluding the insurance policy, the upper limit of indemnity is determined at the proposal and responsibility of the Policyholder. An indemnity limit is set in the insurance policy even if the insurance covers only part of the value of the insured property or if the insurable interest corresponds to this.
4. The insurer is under obligation to pay a maximum of the sum insured (or the indemnity limit) agreed in the insurance policy from one insured event. If insurance has been agreed in the insurance policy for one and all insured events occurring in the insurance year, the sum insured (or the indemnity limit) is the upper limit of indemnity paid by the Insurer for all insured events occurring in the same insurance year.
5. When arranging first-loss insurance, the sum insured may, subject to the agreement of the parties, be knowingly reduced below the insured value of the insured thing or set of things. This method of insurance must be explicitly stated in the insurance policy.
6. In the case of first-loss insurance, the arranged sum insured is simultaneously the upper limit of the aggregate of indemnity from all insured events occurring during one insurance year or within the fixed term for which the insurance has been arranged.

ARTICLE 12
UNDERINSURANCE AND OVERINSURANCE

1. If the sum insured at the time of an insured event is lower than the insured value of the insured property, an amount corresponding to the size of damage reduced in the ratio of the sum insured to the insured value of the insured asset at the time of the insured event is used to determine the size of indemnity. This does not stand if the parties have arranged that indemnity will not be reduced.
2. The provisions of paragraph 1 do not apply:
   2.1. if the sum insured was determined by the Insurer and is therefore explicitly stated in the insurance policy,
   2.2. if first-loss insurance has been arranged.
3. If the sum insured exceeds the insured value of the insured property, both the Insurer and the Policyholder have the right to propose to the other Contracting Party that the sum insured be reduced with a simultaneous proportionate reduction of the premium for the next premium paying term following this change. If the party does not accept the proposal within one month of the date of receiving it, the insurance expires.
4. If the sum insured exceeds the insured value of the insured property and if a single premium has been arranged, the Insurer has the right to seek a reduction in the sum insured, on the condition that the premium is reduced proportionately, and the Policyholder has the right to seek a reduction in the premium, on the condition that the sum insured is also reduced proportionally.

ARTICLE 13
DEFINITION OF AN INSURED EVENT AND EXCLUSIONS FROM INSURANCE

1. An insured event is an accidental event whose occurrence establishes the obligation of the Insurer to indemnify.
2. Unless otherwise agreed in the insurance policy, the insurance does not cover damage caused by:
   2.1. military events, other armed conflicts (e.g., rebellion, insurrection, or other mass violent unrest which is politically, socially, ideologically, religiously, or otherwise motivated) and related military, police, and official measures; strike; terrorist acts carried out directly or indirectly against the Insured,
   2.2. the effect of nuclear energy, radiation, exhalation, and emissions,
   2.3. when managing asbestos and formaldehyde or unauthorised or careless use of perilous substances (e.g., flammables, explosives, poisons),
   2.4. pollution of the environment (e.g., contamination of water, rock, soil, air, flora and fauna),
   2.5. state intervention or the intervention of public administration.

ARTICLE 14
INDEMNITY

1. The right to indemnity is established if the situations specified in the insurance policy occur and their occurrence establishes the obligation of the Insurer to provide indemnity. The Insurer provides indemnity in monies (in domestic currency), unless it decides to provide indemnity in kind. When converting foreign currency, the exchange rate which is officially announced by the Czech National Bank (Česká národní banka) on the date of occurrence of the insured event is used.
2. If the establishment of the Insured's obligation to compensate for damage is decided by a court or other authorised state body, the Insurer is under obligation to provide indemnity only on the date when the decision of that body becomes final.
3. Indemnity is payable within 15 days of the conclusion of the investigation of the Insurer required to ascertain the extent of indemnity. The investigation is ended as soon as the Insurer informs the Insured or the beneficiary who exercised the right to indemnity of its results.
4. The Insurer is not in delay with indemnity for as long as the Policyholder, the Insured, or the beneficiary is in delay with the fulfilment of the obligations imposed by the terms and conditions of insurance or the insurance policy.
5. In the case of insurance of a thing at new value, the Insurer shall pay:
   5.1. In the case of destroyed and missing things, an amount corresponding to the cost of re-acquiring a new or identical thing or the cost of production of a thing of the same type and quality, less the price of any oddments, and invariably the lower of the specified amounts,
   5.2. in the case of damaged things, an amount corresponding to the reasonable costs of repairing the damaged thing, less the value of the usable remains of replaced parts of the damaged thing.
6. In the case of insurance of a thing at time value, the Insurer shall pay:
   6.1. In the case of destroyed and missing things, an amount corresponding to the cost of re-acquiring a new thing or the cost of production of a thing of the same type and quality, reduced by an amount corresponding to the degree of wear or other deterioration and increased by any appreciation of the thing before the insured event and further reduced by the value of any usable residues,
   6.2. in the case of damaged things, an amount corresponding to

the reasonable costs of repairing the damaged thing reduced by an amount corresponding to the degree of wear or other deterioration and increased by any appreciation of the damaged things from the time before the insured event and further reduced by the value of usable residues of replaced parts of the damaged thing.

7. If an insured event has occurred on a thing insured for a different value, the indemnity paid by the Insurer is governed by the relevant supplemental terms and conditions of insurance, contractual arrangements, or the provisions of the insurance policy. Unless otherwise provided in the insurance policy, indemnity may not exceed an amount corresponding to the costs of re-acquiring the thing at the time immediately before the insured event minus the value of any usable residues.
8. The Insurer also pays:
   8.1. in the case of insured stocks which are destroyed or missing, the costs of their new production or acquisition, but not more than the amount that the Insured would receive when selling them at the time of the insured event, reduced by the value of the saved costs of sale and distribution and the value of usable residues,
   8.2. in the case of insured stocks which are damaged, the amount needed to repair or adjust them at the time immediately before the insured event, reduced by the value of usable residues,
   8.3. in the case of insured data carriers and records on them, documents, plans, trading books, filing cabinets, drawings, and other similar documentation that has/have been damaged or destroyed or is/are missing, an amount corresponding to the reasonable costs of their repair or re-acquisition, if expended by the Insured. The value of usable residues is subtracted from this amount. If the Insured has not expended these costs, the Insurer is authorised to provide indemnity which corresponds to the value of the material,
   8.4. in the case of insured things of another that have been damaged or destroyed or are missing, an amount corresponding to the costs of their re-acquisition at the time immediately before the insured event reduced by the value of usable residues. The Insurer provides indemnity only if the Insured is under obligation to expend the costs of restoring the damaged things to their original condition or has already expended these costs,
   8.5. in the case of insured things of special value, the Insured is entitled, in the event of their damage, destruction, or loss, to payment by the Insurer of indemnity corresponding to the costs of restoring them to their original condition. If the thing cannot be restored to its original condition, the Insurer shall provide indemnity in the amount of the arranged sum insured or the indemnity limit. The insurance does not take account of the historical or artistic value of an insured thing,
   8.6. in the case of insured deposit and cheque books, payment cards, securities, and valuables that have been damaged or destroyed or are missing, the Insurer shall pay the amount for their redemption.
9. Financial costs for the temporary repair of insured things shall be covered by the Insurer only if those costs are part of the total cost of repair and do not increase the total indemnity of the Insurer. The Insurer shall only pay express surcharges, overtime work, or the travel costs of service technicians if it has undertaken to do so.
10. If the Insurer has decided to provide indemnity in kind and the Insured has, in spite of this, undertaken the repair or replacement of a thing in a manner which differs from the manner determined, the Insurer shall only provide indemnity up to the amount which it would have provided in the case that the Insured had proceeded according to its instructions.
11. All values when providing indemnity or the degree of wear or appreciation are invariably determined by expert assessment or the estimate of the Insurer, or by a qualified person subject to agreement with the Insurer. Further, the Insurer decides when it is a case of damage to a thing or the destruction of that thing.
12. The Insurer shall always cover only reasonable and economically-expended repair costs. The reasonable cost of repairing a thing is the price of repairing the thing or its part which is usual at the place of repair, and which is carried out using the usual technology without surcharges for accelerating the repair, and which does not exceed the insured value of the thing.
13. In the case of individual items which constitute a single whole, the Insurer does not take into account the overall impairment suffered even by individual undamaged things upon the damage, destruction, or loss of other things.
14. If the Insured has compensated the injured party himself/herself, the Insurer is authorised to review and evaluate all facts relating to establishment of the right to payment from the insurance as if the Insured had not been paid compensation for the damage.
15. The right to indemnity is not established if the insured event was caused by the Insured or the beneficiary intentionally or at his/her initiative, by the deliberate action of legal representatives, family members, or persons living with the Insured in the same household.
16. If the costs of the investigation expended by the insurer were brought about or increased by a breach of the obligations of the Policyholder or of the Insured, the Insurer has the right to demand adequate compensation from the person who breached the obligation.
17. If the insured event occurs in circumstances giving rise to suspicion of a crime or attempted crime, the right to indemnity arises only after notification of this fact and the extent of the damage caused to the competent police authorities.
18. If the Insured has the right to a refund of a paid amount vis-à-vis the injured party or another person, this right shall pass to the Insurer if it has paid this amount on behalf of the Insured. The right of the Insured to payment of the costs of procedure regarding compensation for damage or loss awarded to him/her against the respondent also passes to the Insurer if the Insurer paid these on his/her behalf. If these legal situations occur, the Insured or the beneficiary is under obligation to proceed in such a way that the Insurer may exercise this right (inter alia, to immediately notify the Insurer of this situation and submit the documents necessary to exercise these rights).
19. If the Insured or the beneficiary has frustrated the transfer of his/her claims to the Insurer, the Insurer has the right to reduce the indemnity by a maximum of the amount that it might otherwise have received. Should the consequences of such action become apparent only after the payment of indemnity, the Insurer has the right to reimbursement of the indemnity paid to a maximum of the amount that it might otherwise have received.
20. It may be agreed in the insurance policy that the Insurer will not provide indemnity if the amount of damage does not exceed the limit set in the insurance policy. It may be agreed that the Insured or the beneficiary will share in the compensation of damage incurred in the manner specified in the insurance policy (excess). Excess is expressed in the insurance policy as an arranged fixed amount, percentage, or a combination of fixed amount and percentage. Excess is determined from the value of indemnity. The Insurer deducts excess from the calculated amount of indemnity and pays the indemnity to the beneficiary in an amount after deducting the excess.
21. If, at the time of the insured event, the Insured or the injured party is not a payer of value added tax, then that tax is included in the indemnity.

ARTICLE 15
THE INSURER 'S RIGHT TO REIMBURSEMENT OF INDEMNITY

1. If the insured causes harm by his/her actions that were influenced by the consumption of alcohol or the use of narcotic or psychotropic substances or a preparation containing such a substance, the Insurer has the right to the reimbursement of what it paid on his/her behalf against him/her.
2. The provisions of paragraph 1 do not apply to cases when the Insured has taken medication containing addictive substances or products containing addictive substances if he/she has taken such medication in the manner prescribed by a doctor and if he/she was not informed by the doctor or medication manufacturer that he/she may not undertake the activity as a result of which he/she caused the harm at the time of use of that medication.

ARTICLE 16
SALVAGE COSTS

1. If the Policyholder or the Insured took measures, even unsuccessful, which he/she might consider necessary, in light of the circumstances, to prevent an imminent insured event or to mitigate an insured event that has already occurred, the Insurer shall reimburse him/her for reasonably-expended costs if these are proportionate to the value of the insured thing or the amount that the Insurer would be under obligation to pay.
2. If the Policyholder or the Insured was under obligation to take measures to remove damaged insured property or the remains thereof for hygienic, environmental, or safety reasons, and if the damage was caused by an insured event, the Insurer shall also reimburse him/her for these reasonably-expended costs.
3. Salvage costs provably expended according to paragraphs 1 and 2 are limited to the amount of 20% of the sum insured or the limit of the arranged indemnity; however, the Insurer shall pay a maximum of CZK 100,000, unless such limitation is prohibited by law.
4. The Insurer shall reimburse without limitation salvage costs which are expended by the Policyholder with the consent and at the instruction of the Insurer and which it would otherwise not be obliged to make.
5. Payment provided according to this article is not included in paid indemnity.
6. The Insurer shall not cover the costs expended on routine maintenance or treatment of an insured thing and on the intervention of fire-fighters or other persons who are under obligation to intervene in the public interest.

ARTICLE 17
PLACE OF INSURANCE

1. Unless otherwise arranged, the Insurer shall provide indemnity only if the insured event occurs during the period of duration of the insurance in the place specified in the insurance policy as the place of insurance.
2. The insurance also covers things that have been relocated, for the necessary period of time, from the place of insurance as a result of an imminent insured event or an insured event which has already occurred.

ARTICLE 18
LIMITATION OF ACTIONS

The right to payment from the insurance is time-barred after a maximum of 3 years; the limitation period of the right to indemnity commences 1 year following the occurrence of the insured event.

ARTICLE 19
JURISDICTION OF THE COURT AND APPLICABLE LAW

Any dispute arising from insurance arranged with the insurer shall be resolved at the court having jurisdiction in the Czech Republic in accordance with the legal regulations in force within the territory of the Czech Republic.

ARTICLE 20
COSTS AND FEES

1. The Insurer may charge the Policyholder fees for extraordinary acts undertaken at the Policyholder's request and may determine their amount. These are listed in the Tariff of Fees, which is accessible at the Insurer’s business premises and at the Insurer's website. The Tariff of Fees is a list of fees that the Insurer may charge the Policyholder for extraordinary acts and the rules, issued by the Insurer, for the undertaking of such acts. The Tariff of Fees can be viewed at the Insurer’s premises.
2. Fees are charged for undertaken acts according to the Tariff of Fees valid on the date of undertaking the act. Fees are payable in advance. Fees are not part of the premium.

ARTICLE 21
FINAL PROVISIONS

1. The Contracting Parties may regulate their reciprocal rights and obligations in a different way by written agreement.
2. Complaints by Policyholders, Insured, beneficiaries, or interested parties may be submitted in writing to the address of the Insurer's registered office. The Insurer investigates every complaint and responds to the complainant within 30 days of the delivery of the complaint. If, for objective reasons, it is not possible to settle a complaint within this time limit, the complainant shall be informed in writing of the reasons for this. The right to address a complaint to the body which supervises insurance companies, the Czech National Bank, is unaffected by submitting a complaint to the Insurer.
3. Consumers also have the opportunity to resolve a dispute arising from the insurance out of court. In the case of life insurance, before the financial arbiter (www.finarbitr.cz), in the case of non-life insurance, before Česká obchodní inspekce (Czech Trade Inspection Authority - www.coi.cz) or Kancelář ombudsmana České asociace pojišťoven (Bureau of the Czech Insurance Association’s Ombudsman - www.ombudsmancap.cz).
4. Disputes arising from insurance policies which are arranged online (over a website or other electronic means) may also be resolved using the platform for online dispute resolution available at the website (www.ec.europa.eu/consumers/odr).
5. These VPPŠ enter into effect on 1.4. 2024 and constitute an inseparable part of those insurance policies that explicitly refer to them and to which they are appended.