

Insurance for entrepreneurs and legal entities
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Article 1
Introductory Provisions

The following Supplementary Insurance Conditions for Building & Structure Insurance DPPSP-P-01/2014 (hereinafter referred to as "DPPSP-P") supplement the provisions of the General Insurance Conditions for Property/Casualty Insurance VPPMO-P-01/2014 (hereinafter referred to as "VPPMO-P") and are effective as of 1st January 2014.

Article 2
Insurable Risks

- The insurance can be arranged to cover the following insurable risks:
 - fire, explosion, direct stroke of lightning, plane crash, fall of a part of a plane or its cargo;
 - flood or deluge;
 - storm or hailstorm;
 - landslide, falling rocks or soils, avalanche slide or collapse;
 - falling trees, poles or other objects;
 - weight of snow or ice;
 - earthquake;
 - water running out of water distribution or storage facilities;
 - water frozen in pipes.

The insurance can also be arranged to cover the following insurable risks:

 - wilful damage or wilful destruction;
 - theft due to burglary or robbery.

Article 3
Subject of Insurance, Insurance Value

- For the purposes of these DPPSP-P conditions, the subject of insurance shall refer to buildings and structures or the costs of repair of construction parts or other agreed costs (hereinafter referred to as the "Subject of Insurance"), listed in the items of the Insurance Policy.
- Unless specified otherwise in these DPPSP-P conditions or the Insurance Policy, the insurance value of the Subject of Insurance shall refer to its new price.

Article 4
Other Exclusions from the Insurance

- Unless specified otherwise in the Insurance Policy, the insurance shall not cover:
 - furnishings for buildings and other structures;
 - outdoor modifications;
 - works of art, works of craft and historical works which form a part or an accessory of the insured building or structure (statues, sculptures, murals, carvings, etc.);
 - structures on watercourses and channels, ponds, reservoirs of all kinds;
 - movable structures, inflatable halls, tents;
 - networks of technical equipment, underground structures;
 - wooden structures, structures used for the storage of hay or straw;
 - structures under construction, temporary structures, abandoned structures;
 - photovoltaic power plants;
 - land, including accessories;
- The insurance shall cover the buildings and structures listed in clause 1 of this Article if the buildings or structures are individually listed in the Insurance Policy;
- The insurance shall not cover buildings and structures operated in conflict with the generally applicable legal regulations at the time of occurrence of the loss event.
- In connection with the interpretation of insurable risks in the VPPMO-P conditions, the following shall apply for the purposes of these DPPSP-P conditions:
 - Fire** shall not refer to glowing and smouldering with limited access to oxygen or the effects of commercial fire and its heat or the effects of heat during a short circuit in electrical wiring or equipment, unless the fire thus generated spreads further of its own accord.
 - Explosion** shall not refer to the abrupt equalization of negative pressure (implosion) or sonic boom caused by an aircraft. Likewise, an explosion shall not refer to a gradual reaction with constant pro-

gress or minimum change of speed (e.g. foaming and similar cases). For the purposes of the insurance, an explosion shall not refer to the reaction in the combustion chamber of engines, in gun barrels and in other equipment in which explosive energy is used deliberately.

- Direct stroke of lightning** shall not refer to over-voltage created by induction in connection with an indirect stroke of lightning or another cause, acting on electrical or electronic machines, appliances, devices and engines, electronic components and electro-technical components or similar Subjects of Insurance or their parts.
- Storm** shall not refer to the damage to or the destruction of the Subject of Insurance if the loss is incurred directly or indirectly:
 - in connection with the fact that the building had no windows, no doors or removed, incomplete or makeshift roofing (foil, cardboard, etc.) or in connection with the fact that construction work was carried out on the building;
 - due to dilapidated, decayed or otherwise damaged roofing;
 - ingress of rain, hail, snow or dirt through unclosed windows or other openings, unless such openings were caused by a storm.
- Hailstorm** shall not refer to the damage to or the destruction of the Subject of Insurance if the loss is incurred directly or indirectly:
 - in connection with the fact that the building had no windows, no doors or removed, incomplete or makeshift roofing (foil, cardboard, etc.) or in connection with the fact that construction work was carried out on the building;
 - due to dilapidated, decayed or otherwise damaged roofing;
 - ingress of rain, hail, snow or dirt through unclosed windows or other openings, unless such openings were caused by a hailstorm.
- Landslide** shall not refer to a landslide due to human activity (human intervention in the work of nature), such as industrial, transport or building operations, whether ongoing or completed in the past. Landslide shall not refer to the slow (creeping) downhill motion in the form of land creep or subsidence of land towards the centre of the Earth due to natural forces or human activity.

Building operations shall refer to the undermining or undercutting of shearing areas of slopes or the weighting of rocks on slopes with embankments, piles, backfills or structures.

Damage to or destruction of the Subject of Insurance due to a landslide shall not refer to such damage or destruction that occurs in direct or indirect consequence of volume changes of foundation soils as a result of freezing or shrinking or with a change in its carrying capacity due to waterlogging, without interfering with the balance of the slope.
- Falling trees, poles or other objects** shall not refer to cases where:
 - these objects are part of a damaged or destroyed Subject of Insurance;
 - the damage or destruction is directly or indirectly caused by ejected, thrown, shot or flying items or objects.
- Weight of snow or ice** shall not refer to the damage to or the destruction of the Subject of Insurance caused directly or indirectly:
 - due to dilapidated, decayed or damaged roofing, supporting or other structure of the roof;
 - destructive effects of the expansion of ice or frost.
- Water running out of water distribution or storage facilities** shall not refer to:
 - water leaking from drain pipes and sewer lines due to a rise in groundwater level, floods, deluges and accumulated water from atmospheric precipitation;
 - water leaked during the use of medical and technical equipment;
 - water leaking from cleaning, washing, irrigation, humidification and supply equipment and from fountains;
 - water leaking from fish tanks, aboveground pools and open tanks of all kinds;
 - water leaking from unclosed stop valves (e.g. valves, taps);

f) water running out of water distribution or storage facilities due to their pressure testing, repairs or modifications.

- Wilful damage or destruction** shall not refer to:
 - damage to or destruction of construction parts in connection with a theft or attempted theft;
 - wilful damage to or destruction of the Subject of Insurance due to fire, explosion or water running out of water distribution or storage facilities;
 - damage to or destruction of the Subject of Insurance due to pollution or scratching.

- Falling rocks or soils** shall not refer to a fall due to human activity (human intervention in the work of nature) e.g. due to industrial, transport and construction operations, whether ongoing or completed in the past.

Building operations shall refer to the undermining of slopes, undercutting of shearing areas of slopes or the weighting of rocks on slopes with embankments, piles, backfills or structures.

Article 5
Insurance Benefit

- Unless specified otherwise hereinafter, the Insurance Company shall provide an insurance benefit within the meaning of the applicable provisions of the VPPMO-P conditions.
- If the insurance is arranged for the new price but the time-related price of the Subject of Insurance is lower than 30% of its new price immediately before the occurrence of the insured event, the Insurance Company shall provide an insurance benefit as in case of the time-related price insurance within the meaning of the VPPMO-P conditions.
- If the Insurance Company is to provide an insurance benefit from the insurance at the new price level and the Beneficiary fails to demonstrate, within 3 years of occurrence of the insured event, that they have repaired the Subject of Insurance or have acquired a new one instead or if the Beneficiary states that they would not repair or re-acquire the Subject of Insurance, the Insurance Company shall provide an insurance benefit not exceeding the time-related price of the affected Subject of Insurance immediately before the insured event, reduced by the time-related price of its remaining parts.
- For works of art, works of craft or historical works which form a part or an accessory of the insured building or structure, the Insurance Company shall provide an insurance benefit up to the value of the costs of repair or re-acquisition of an ordinary building or functional component of the insured building or structure that fulfils the same function.
- If an insurance cover for the costs of repair or re-acquisition of a work of art or a work of craft, which is a building part of the insured building or another insured structure (hereinafter referred to as the "Work"), is arranged, the Beneficiary shall be entitled to receive from the Insurance Company, if the Work is:
 - damaged due to the insured event - the incurred reasonable costs of restoring it into its condition immediately before the insured event;
 - destroyed or stolen due to the insured event - the incurred reasonable costs of production of its artistic copy. If the Work cannot be restored into its condition immediately before the insured event or if a copy of the Work cannot be produced, the Beneficiary shall be entitled to a reimbursement from the Insurance Company of the price of the Work, established on the basis of an expert opinion and reduced by the price of any remnants of the Work, if applicable, but no more than the sum insured as determined for the Work or the insurance claim limit, where the Insurance Company shall pay the lower of these amounts.
- The insurance shall not give rise to any right to an insurance benefit for deterioration or loss of artistic or historical value of the insured building or structure or its part due to an insured event.
- If the Subject of Insurance is a structure, the Insurance Company shall provide an insurance benefit for a theft due to burglary as well as for damage incurred in direct relationship with a theft or attempted theft of a part of the structure.
- The Insurance Company shall provide an insurance benefit also where the Subject of Insurance is lost as the direct result of the occurrence of any of the arranged insurable risks listed in Article 2(1)(a), (b), (d), (e), (f), (g) or

(h) of these DPPSP-P conditions in the place of insurance and its immediate effect on the Subject of Insurance.

9. The calculation of the insurance benefit shall not take into account the depreciation of the whole (which refers to a separately defined Subject of Insurance or set), but only the damage, destruction, theft or loss of its parts affected by the insured event.
10. If, on the date of the insured event, the Subject of Insurance is subject to co-ownership and the Insured is also the Beneficiary, the individual co-owners (if insured) shall be entitled to the insurance benefit in proportion to their co-ownership interests on the date of the insured event.

Article 6

Other Obligations Arising from the Insurance

The Policyholder, the Insured or the Beneficiary shall provide for the maintenance of water distribution or storage facilities and ensure that water distribution or storage facilities in unused buildings or structures, if installed, are emptied and kept empty and their water connections are properly closed.

Article 7

Interpretation of Terms

The interpretation of terms contained in the VPPMO-P conditions shall be supplemented as follows:

1. **Building** shall refer to a structure connected to the ground with a solid foundation, suitable for occupancy by people or animals or for the placement of Things, whose layout provides their protection against the weather and which is sufficiently durable and strong.
Residential building shall refer to a building used mainly for residential purposes. Residential buildings shall include apartment buildings, family houses and houses used for individual recreation. Apartment buildings shall include sections of apartment buildings with a separate entrance if they are assigned a separate house number and are arranged structurally and technically to serve as an independent apartment building.
2. **Temporary structure** shall refer to a structure for which the state authority defines a specific term of existence in advance (e.g. site facilities).
3. **Wooden structure** shall refer to a structure whose supports consist of components made of wood, wood-based materials or other organic materials (e.g. structural boards or sandwich panels containing wood chips, sawdust, shives).

4. **Other structures** shall refer to structures connected to the ground with a solid foundation, which are not buildings, outdoor modifications or structures on watercourses and channels.
5. **Movable structure** shall refer to a structure not connected to the ground with a solid foundation.
6. **Abandoned** shall refer to a building or structure unused for any operations and unsecured against unauthorized persons at the time of occurrence of an insured event.
7. **Underground structure** shall refer to a structure wholly located below the level of the adjacent terrain, for example energy channels, headers, inspection and valve shafts, tunnels, galleries, shafts, wells, drill holes, cellars, cesspools, drain pipes, underground garages, shelters.
8. **Operability of a structure** shall refer to its eligibility for use within the meaning of the applicable technical and legal regulations.
9. **Structure under construction** shall refer to a structure ineligible for use within the meaning of the applicable technical and legal regulations.
10. **Networks of technical equipment** shall refer to external cable and pipe routes for the transport of energy (e.g. power, heating), products (e.g. water, gas, oil), waste (e.g. waste water), data and telecommunications and others, including support structures, equipment and fittings.
11. **Part of a building or another structure** shall refer to an object serving a structure and fixed to it which cannot be separated without damaging the structure at the same time, in particular foundations, vertical supports, ceilings, roof supports, roof coverings, plumbing installations, inner and outer surfaces (plaster), tiles, stairs, doors, gates, windows, floorings, heating, internal wiring, lighting, lightning conductors, internal pipe distribution systems (water, sewage, gas, fire, etc.), sanitary installations, stationary fire-extinguishing devices (e.g. sprinklers), hydrants (without hoses and nozzles), water heating equipment, telecommunications and data distribution systems, electronic security alarm systems, incl. cameras, fire alarm systems, shutters, bars, blinds, awnings, sun screens, light guides, HVAC equipment, waste heat recovery equipment, built-in vaults, photo-thermal collectors, antennas, passenger lifts, escalators, crane runways. Technology and other equipment shall be part of a structure only if it forms an indivisible functional unit with it, is incorporated in it and the

structure is not operable without it, or it such technology or equipment ensures the stability of the structure.

12. **Structure** shall refer to a building or another structure.
13. **Structures on watercourses and channels** shall refer to bridges, culverts, footbridges, dams, reservoirs and other structures that constitute or interfere with the basis of the flow profile.
14. **Technology** shall refer to machinery that provides for a comprehensive technological process - manufacturing (the process results in a product), auxiliary manufacturing (e.g. energy production), manufacturing support (e.g. transport), non-manufacturing (e.g. equipment for health care, education, laboratories, testing, repairs) or supplementary (e.g. distribution of liquids, gases, electrical energy).
15. **Outdoor modification** shall refer to cable and pipe connections attached to public networks, paved areas, curbs, gutters, retaining walls, outdoor stairs, fences, outdoor cellars, dunghills, sandboxes, hotbeds, greenhouses, outdoor pools, free-standing chimneys, masts, bridges, pergolas, conservatories and small garden architecture.
16. **Furnishings for buildings and other structures** shall refer to tangible movable assets located inside a structure and serving its operation, such as built-in furniture, kitchen and laundry equipment, appliances such as refrigerators, washing machines, dishwashers, dryers, rolling presses, jacuzzi (whirlpools), waste crushers, supplementary heat sources, telephone switchboards, including end-use machines (telephones, fax machines, etc.), CCTV circuits, access control systems, patrol systems, central vacuum systems, irrigation systems. Such furnishings shall also include technology, except where the technology is part of a building or another structure.
17. **Water frozen in pipes** shall refer to the effects of frozen water:
 - in the insured pipeline designed for the supply of drinking and service water to and for the removal of waste water from the building,
 - in the insured pipeline of the building's heating system, including heating elements and fixtures, resulting in their destruction (rupture, breakage), unless wear and tear or corrosion contributes to the destruction.
18. **Pollution** shall refer to the application of a foreign substance (e.g. paint) on the Subject of Insurance.

Note: This is a translation; in case of dispute the Czech version shall prevail.