

Non-binding translation

**General Terms and Conditions for Insurance of Construction Part of Apartment
(ABEW 2020 / Level 2)**

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I. General Provisions

Article 1

Recitals

1. The policy holder may contract one of the following levels of insurance protection:
 - 1.1. basic,
 - 1.2. standard,
 - 1.3. superior or
 - 1.4. exclusive protection.
2. The contracted level of insurance protection is stated in the offer and in the policy.
3. The symbols and terms in the tables have the following meanings:

✓	Insured within the insurance amount of the construction part of the apartment.
✗	Not insured.
Amount in EUR	Insured up to the amount stated in the table (at first risk*).
Amount in %	Insured by an additional insurance amount in the percentage of the insurance amount of the

✓	Insured within the insurance amount of the construction part of the apartment.
	construction part of the apartment. The percentage is stated in the table.

*the amount of the insurance at first risk represents the top limit of the insurer's liability per a harmful event

4. Besides by these General Terms and Conditions for Insurance of Construction Part of Apartment (hereinafter: the General Terms and Conditions), the insurance contract is governed by the General Terms and Conditions of Property Insurance.

Article 2

Subject of insurance

1. The subject of the insurance are construction parts of the apartment that is situated in a house or a residential building together with all the installed installations owned by the policy holder.

The insurance covers the construction parts that are inside the insured apartment and the construction parts that surround the insured premises on all sides, and their undamaged state is a necessary precondition for normal use of the insured premises, proportionally to the co-ownership share.

2. The insurance also covers the construction parts of cellars, attics, woodsheds and garages at the place of the insurance that are in the exclusive ownership of the policy holder and the total surface of which does not exceed 15 m².

3. The insurance also comprises the equipment of the apartment, if it is owned by the policy holder:

- 3.1. floor, wall and ceiling linings;
- 3.2. heating, air-conditioning and ventilation devices;
- 3.3. sanitary equipment and fixtures;
- 3.4. glass surfaces of windows and doors;
- 3.5. brick stoves;
- 3.6. sunshades, Venetian blinds and roller shutters together with the working elements;
- 3.7. balcony fences, external lighting fixtures;
- 3.8. external antennas;
- 3.9. fire alarm devices, alarm devices, intercoms, video surveillance.

4. The subjects of the insurance that are not owned by the policy holder are insured only if that was contracted by the policy and if the indemnity cannot be realized on the basis of another insurance contract.

5. Unless it is contracted otherwise, the subject of the insurance are not glass ceilings and floors, greenhouses, overhangs that are not attached to the insured structure and roofs from glass and plastic, glass roofing and pool domes and glass surfaces of common premises.

Article 3

Additionally insured objects

1. Besides the subjects of the insurance stated in Article 2, the following objects are additionally insured from the risks stated in the table according to the contracted level of insurance protection, if they are in the exclusive ownership of the policy holder:

Subject of insurance	Insured risk	Standard protection	Superior protection	Exclusive protection
Brick grills, overhangs that are not attached to the insured structure, pergolas and paths	Fire risks	x	EUR 1,500	EUR 3,000
	Natural disasters	x	x	EUR 3,000
Hydro-massage bathtubs with the equipment on the land	Fire risks	x	x	EUR 3,000, and for the original cover EUR 300
	Natural disasters	x	x	EUR 3,000, and for the original cover EUR 300
	Water outflow	x	x	EUR 3,000, and for the original cover EUR 300
Playground equipment	Fire risks	x	EUR 750	EUR 1,500
	Natural disasters	x	x	EUR 1,500

Fences and plant cultures	Fire risks	x	x	EUR 3,000
Outdoor facilities	Fire risks	x	x	✓
	Natural disasters	x	x	✓

1.1. Brick grills, overhangs that are not attached to the insured structure, pergolas and paths are insured on the terraces, balconies and land of the insured apartment.

In case of natural disasters, for damages on the canvas part of the overhangs, i.e. pergolas, the policy holder's excess amounts to EUR 200 in each insured case.

1.2. Hydro-massage bathtubs on the land of the insured apartment are insured if they are embedded in the ground or fixed to the base in accordance with technical instructions for installation.

1.3. The playground equipment is insured if it is permanently mounted on the land of the insured apartment (including also firmly fixed trampolines).

1.4. The fences and plant cultures that bound the insured apartment are insured.

1.5. Outdoor facilities of the insured apartment are connections (electricity, water, gas, telephone, telecables), gas storage and heating oil tanks (without their contents), water supply and drainage pipes, water supply and water treatment devices, etc.

2. The objects stated in this Article are not insured within the basic protection.

Article 4

Scope of validity of insurance

The insurance is valid at the place of the insurance stated in the policy.

Article 5

Insured damages

1. In all the protection levels, the insurance covers the damages arisen:

- 1.1. due to a direct impact of the insured risk;
- 1.2. as an unavoidable consequence of the insured harmful event.

II. Fire risks

Article 6

Fire risks

1. The insurance comprises the following coverages according to the contracted level of insurance protection:

Risk/damage	Basic protection	Standard protection	Superior protection	Exclusive protection
Fire	✓	✓	✓	✓
Direct lightning strike	✓	✓	✓	✓
Indirect lightning strike	x	x	✓	✓
Explosion	✓	✓	✓	✓

Fall of aircraft	✓	✓	✓	✓
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Impact of an unknown motor vehicle	x	x	x	EUR 3,000 into fences and plant cultures
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Article 7

Fire

- Fire is fire that occurred outside the firebox or fire that left the firebox and is capable to keep spreading on its own.
- It is not considered that fire has onset if the subject of the insurance is destroyed or damaged:
 - by action of fire which cannot spread on its own (smouldering, singing, burning through from a cigarette, lamp, etc.),

Exceptionally, in case of the exclusive protection, the damages from soot due to smouldering are covered up to the amount of EUR 1,000.

- due to exposure to fire or heat for the purpose of processing or for other purposes (ironing, drying, baking, frying, throwing into the firebox, etc.),
- due to an electrical short circuit

even when the phenomena such as light, heat or those similar to an explosion occur during that. If such damages lead to fire or explosion, then the damage that arises in that way is insured.

- Damages on the equipment that is exposed to open fire, heat or smoke by its purpose (brick stoves, heating devices, etc.) are excluded.

Article 8

Lightning strike

- A direct lightning strike is a direct strike of a lightning (thunderbolt) in the subject of the insurance. The insurance against a lightning strike comprises the damages which are caused on the subject of the insurance by a lightning by action of its own force or heat, as well as the damages from the impact of objects knocked down by a lightning.
- An indirect lightning strike is the consequence of a lightning strike (thunderbolt) at the distance of up to one kilometre from the subject of the insurance, and under it is understood overvoltage or induction on all the lighting and electricity installations and on the weak current installations of the insured structure, including the connected electrotechnical plants and devices, as well as all the supplies within the insured land that belong exclusively to the insured apartment, except for:
 - the equipment that is used for business purposes;
 - the objects that can be insured within the insurer's Terms and Conditions of Household Insurance;
 - the damages that are caused by internal or external wear of the material or inadequate maintenance of the insured objects.

- In case of an onset of the insured event, the indemnity limit is the amortized value of the connected electrotechnical plant and devices according to the following table:

Device age	1-2	3	4	5	6	7	8	9	10 and more
AV %	100	90	80	70	60	50	40	30	20

The device age is the age in years in relation to the year of the manufacture.

AV% - the amortized value (compensation in % of the new purchase value)

- For determining the place of the lightning strike, the information of the legal person, institution, etc. authorized to record a lightning strike is competent.

Article 9

Explosion

An explosion is sudden force arisen due to sudden expansion of gases or vapours.

Article 10

Fall of aircraft

A fall of an aircraft is a fall or an impact of an aircraft or a spacecraft (except drones), a satellite, its parts or cargo on the subject of the insurance.

III. Risks of natural disasters

Article 11

Natural disasters

- The insurance comprises the following coverages according to the contracted level of insurance protection:

Risk/damage	Basic protection	Standard protection	Superior protection	Exclusive protection
Storm	✓	✓	✓	✓
Hail	✓	✓	✓	✓
Damages of esthetic type due to hail	x	x	x	EUR 1,500
Pressure of snow masses	✓	✓	✓	✓
Sliding of snow from roof	x	x	x	EUR 1,500
Falling/impact of rocks	✓	✓	✓	✓
Landslide	x	✓	✓	✓
Flood and debris	x	x	EUR 5,000	EUR 5,000
Damages due to precipitation	x	x	EUR 1,500	EUR 1,500

- Sunshades are insured from the risk of natural disasters only within the superior and exclusive protection, specifically, to up to EUR 3,000, i.e. up to the amount stated in the table, with the excess of the policy holder of EUR 200 in each insured event.

Article 12

Storm

1. As a storm is considered the wind with the speed of 62 km/h or more. For determining the speed of the wind in a particular case, the report of the hydrometeorological service is competent. In case of the inability of proving it by a report of the hydrometeorological service, it will be considered that the wind of that speed was blowing if the wind was breaking branches and trees or if it damaged regularly maintained building structures in the immediate vicinity of the place of the insurance.
2. As a direct effect of a storm is also considered when parts of the structure, trees, posts or similar objects fall on the subject of the insurance.
3. The insurance does not comprise the damages:
 - 3.1. due to the storm tide and waves;
 - 3.2. from penetration of rain, hail, snow or other deposits through an open window or other openings that exist in the structure (except if the openings appeared due to the storm) or through the openings that occurred due to construction defects;
 - 3.3. that arise because the insured structure or its parts were in a dilapidated condition;
 - 3.4. on the structures that do not have the carpentry (windows and doors) installed in the openings for windows and doors;
 - 3.5. that arise because parts of the structure still have not been completely or sufficiently connected with the rest of the structure during new construction, remodeling or extension, or parts of the structure have separated from the rest of the structure.

Article 13

Hail

1. Hail is a precipitation consisting of irregular grains of ice.
2. As the damages of the esthetic type are considered the damages that have no impact on the function or life time of the subject of the insurance.

Damages of the esthetic type due to hail are covered if they arose on the visible part of the construction components or the insured equipment of the apartment and if the repair or the replacement of the damaged parts or the equipment of the apartment is carried out.
3. The insurance does not comprise the damages:
 - 3.1. from penetration of hail and other deposits through an open window or other openings that exist in the structure (except if the openings appeared due to hail) or through the openings that occurred due to construction defects;
 - 3.2. that arise because the insured structure or its parts were in a dilapidated condition;
 - 3.3. that arise because parts of the structure still have not been completely or sufficiently connected with the rest of the structure during new construction, remodeling or extension, or parts of the structure have separated from the rest of the structure;
 - 3.4. on the façade plaster of a poorly maintained or dilapidated structure.

Article 14

Pressure of snow masses

1. Pressure of snow masses is the impact of force due to the naturally deposited masses of snow or ice that are standing still.
2. The insurance does not comprise the damages on the structure that was not built according to the usual way of construction at the place in which it is situated or is poorly maintained or dilapidated.

Article 15

Sliding of snow from roof

1. Sliding of snow from the roof is the effect of force due to naturally collected masses of snow or ice sliding from the roof.
2. The insurance does not comprise the damages on the structure that was not built according to the usual way of construction at the place in which it is situated or is poorly maintained or dilapidated.

Article 16

Falling or impact of rocks

1. Falling or impact of rocks is separation and falling of rocks on the terrain caused by geological phenomena.
2. The insurance does not comprise the damages due to movement of masses of soil or rocks that was caused by a human activity (e.g. by construction or mining activities).
3. The insurance does not comprise the expenses for rehabilitation of the ground from which a rockfall occurs.

Article 17

Landslide

1. As a landslide are considered sudden movements of the earth's surface on slanting terrains with clear appearances of breakages on the ground surface and collapsing, which appear on building structures in a short period with appearance of strong deformations and wide cracks.
2. The insurance does not comprise the damages:
 - 2.1. from settling (sagging) of the ground;
 - 2.2. from a geological landslide when the ground on which the insured structure is situated has already started to slide geologically at the moment of concluding the insurance;
 - 2.3. from a landslide caused by a human activity (e.g. due to cutting into the ground, extension or alteration of the existing structure, construction of a structure in the vicinity, removal of trees);
 - 2.4. from a slow geological landslide that is manifested in minor damages to the subject of the insurance (soil creeping).
3. The insurance does not comprise the expenses of land rehabilitation.

Article 18

Flood and debris

1. Flood is flooding of the terrain due to:
 - 1.1. water from precipitation;
 - 1.2. an unusual increase of the water level at an unexpected time;

The insurer's liability begins with an increase of the water level above the predetermined monthly water level heights or flows measured according to closest set water level meter.

 - 1.3. a flow surge in a channel due to water from precipitation;
 - 1.4. pouring of surface stagnant or flowing waters from their beds;
 - 1.5. waves, tsunamis or tide;
 - 1.6. sudden melting of snow or other unusual natural phenomena.
2. A debris occurs by movement of masses of soil, water, sludge and other integral parts which happens due to action of water caused by nature.

3. The insurance also comprises the coverage for the risk of avalanche within the insured risk of flood and debris.

An avalanche is a snow or ice mass in motion that occurs on slopes.

4. The insurance coverage for the risk of flood, debris and avalanche begins after the expiry of the term of 15 days from the day of the beginning of the insurance coverage. This postponement of the insurance coverage does not apply in case of a renewal of the insurance contract (unless there was an interruption of the insurance) or a modification of the existing insurance contracts.
5. The insurance does not comprise the damages:
- 5.1. caused exclusively by an increase of the level of underground water (including the sea as well);
 - 5.2. caused by a permanent increase of the sea level;
 - 5.3. due to moisture from the ground, underground water or long-term action (e.g. rotting, putrefaction of wood);
 - 5.4. that are the consequences of construction defects;
 - 5.5. due to waves or tide if the structure is located at a distance of less than 30 meters from the sea, unless it is contracted otherwise;
 - 5.6. that arise because the insured structure or its parts were in a dilapidated condition;
 - 5.7. that arise because parts of the structure still have not been completely or sufficiently connected with the rest of the structure during new construction, remodeling or extension, or parts of the structure have separated from the rest of the structure.

Article 19

Damages due to precipitation

1. Damages due to precipitation (rain, snow or hail) are insured regardless of the cause of their arising if precipitation penetrated through firm parts of the structure or properly closed windows or external doors.
2. The following damages are not insured:
 - 2.1. on component parts of the structure on the external side of the structure;
 - 2.2. due to moisture in the ground, underground water or long-term actions (e.g. rotting, putrefaction of wood).

IV. Risk of water outflow

Article 20

Water outflow

1. The insurance comprises the damages from pipe breakage and the damages due to water outflow in the subject of the insurance according to the contracted level of insurance protection:

Risk/damage	Basic protection	Standard protection	Superior protection	Exclusive protection
Water outflow	x	✓	✓	✓
Water outflow due to corrosion, deterioration or wear of pipes	x	x	✓	✓
Water outflow from a swimming pool	x	x	✓	✓

Pipe breakage in the apartment	x	✓ pipe replacement up to 3 m	✓ pipe replacement up to 6 m	✓ pipe replacement up to 9 m
Breakage of pipes outside the apartment that are in the exclusive ownership of the policy holder	x	x	✓ pipe replacement up to 6 m	✓ pipe replacement up to 6 m
Damages on pipe seals	x	x	✓	✓

2. As a water outflow is considered:
 - 2.1. an unexpected discharge of water from water supply and sewage pipes, from water heating and cooling devices, steam heating devices and other devices and sanitary fixtures connected to the water supply network due to:
 - 2.1.1. a damage (breakage, cracking, failure of the safety and control devices, etc.) and
 - 2.1.2. clogging and freezing.

In the structure in which persons stay for less than 270 days in a year, the damages due to water outflow because of clogging and freezing are insured up to the amount of EUR 3,000.
 - 2.2. an unexpected outflow of water due to the damage of rainwater drainage (vertical) pipes that are installed within the building structure;
 - 2.3. an unexpected outbreak of steam from hot water or steam heating devices.
3. The insurance comprises the damages on the subject of the insurance that arise in the sense of Paragraph 2 even if the realization of the insured risk came from the premises that are not the subject of the insurance.
4. In case of the replacement of pipes, exclusively the expenses and necessary works of replacing a part of the pipes up to the length stated in the table are compensated.
5. The insurance does not comprise the damages:
 - 5.1. of breakage on sanitary fixtures or connecting devices (those are primarily water taps, water meters and tanks, bathtubs, shower trays, sinks, toilets, radiators, boilers and water heaters, solar collectors, air-conditioning devices, swimming pools), except if the breakage arose due to freezing;
 - 5.2. a breakage of gutters and rainwater drainage pipes, except if they are embedded in the building structure;
 - 5.3. a breakage on the water supply pipes that do not belong to the insured apartment;
 - 5.4. a water outflow from swimming pools that are not installed on the ground floor or in a cellar;
 - 5.5. that are the consequence of underground water, a high water level, flood, debris;
 - 5.6. due to the effect of water from precipitation and a stoppage caused by that;
 - 5.7. due to a discharge of water from open taps;
 - 5.8. due to an outflow of water from the drainage pipes of washing devices, unless the damage arose by breaking of a pipe;
 - 5.9. that are the consequence of wood rotting, putrefaction or appearance of fungi.

V. Insured expenses

Article 21

Expenses

- The insurer compensates the actual expenses that the insured person had in connection with the insured event according to the contracted level of insurance protection:

Expenses	Basic protection	Standard protection	Superior protection	Exclusive protection
Fire fighting, moving and protection, demolition and clearing, removal, cleaning	3%	5%	7%	10%
Preventing of insured event	3%	5%	7%	10%
Construction improvements	3%	5%	7%	7%
Temporary accommodation/ loss of rent	✓ up to 6 months	✓ up to 6 months	✓ up to 6 months	✓ up to 6 months

- The expenses of fire fighting, moving and protection, demolition and clearing, removal and cleaning:

- the expenses of fire fighting are the expenses of fighting fire;
- the expenses of moving and protection are the expenses that arise when other objects must be moved, modified or protected for the purpose of renovation or new purchase of the subject of the insurance;
- the expenses of demolition and clearing are the expenses of demolition of the remains of the subject of the insurance that are affected by the insured event and clearing of the same, including sorting of the remains and waste, at the place of the insurance;
- under the expenses of removal are understood the expenses of inspection, removal, treatment and depositing of the subject of the insurance that is damaged by the insured event:
 - the expenses of inspection are the expenses of inspection by an official person or an expert by which it is determined whether, according to the regulations, the following is present:
 - hazardous waste or dangerous substances,
 - items that are subject to the obligation of removal in accordance with the rules on treatment of animal carcasses and waste of animal origin or
 - contaminated land (the condition caused by direct introduction, release or depositing of harmful substances into/onto the land) and how the same should be treated and/or deposited.
 - the expenses of removal are the expenses of transport for the purpose of treatment or depositing;
 - the expenses of treatment are the expenses for the measures that serve that the hazardous waste or dangerous substances, of the objects that are subject to the obligation of removal in accordance with the rules on treatment of animal carcasses/waste of animal

origin and/or the contaminated land, are used, removed or prepared for disposal in accordance with the regulations;

- the expenses of depositing are the expenses of disposal.
- the expenses of cleaning are the expenses of cleaning the insured premises after the onset of the insured event.
- The expenses of preventing the insured event are the necessary expenses caused by a reasonable attempt of the insured person to prevent the direct onset of the insured event, i.e. to limit and reduce its harmful consequences, even if those attempts remained without a success.
- The expenses of construction improvements comprise the additional expenses that arise when the expenses of the repair or construction of the structure increase due to changed regulations. The compensation for those expenses may not amount to more than 30% of the insurance compensation for the apartment.
- The expenses of a temporary accommodation/loss of rent:
 - if the apartment cannot be used completely or partially due to the insured event, the insurer compensates the expenses of a temporary accommodation to the insured person who resides in the insured apartment at the moment of the onset of the insured event;

The expenses of a temporary accommodation are compensated in the amount of the rent for the apartment, i.e. the part of the apartment that cannot be used, if the insured person may not be asked to use the undamaged part of the apartment.

As the value of the rent is taken the usual rent in that place for apartments of the same type, size and position.

The expenses of a temporary accommodation are compensated only for the time during which the apartment cannot be used, at the most for six months from the day of the onset of the insured event.

- if the apartment, which is rented at the moment of the onset of the insured event, cannot be used completely or partially due to the insured event and the tenant may deny payment of the rent to the insured person due to that, the insurer compensates the insured person for the expenses of the loss of rent according to the lease contract, at the most the usual rent in that place for apartments of the same type, size and position;

The expenses of the loss of rent are compensated for the term of the lease contract, specifically, until the end of the month from which the premises can be used again, at the most for six months from the day of the onset of the insured event.

The expenses of the loss of rent in case of rental in tourism are not covered, unless it is contracted otherwise.

- The following is not insured:
 - the expenses that were caused by health impairment during fulfillment of the duty of salvaging;
 - the expenses of the services of fire fighters or other persons that act in the public interest or by an official order;
 - the expenses for the excavation works that are necessary for elimination of the damage on the supply and connection lines of electricity installations outside the apartment;
 - the expenses of removing waste (of inspection, removal, treatment and depositing) that were caused by contamination of water or air.

Article 22

Expenses in case of water outflow

- In case of damages due to a water outflow, the following expenses are also insured according to the contracted level of insurance protection:

Expenses	Standard protection	Superior protection	Exclusive protection
Melting	✓	✓	✓
Looking for the place of the damage	✓	✓	✓
Clearing the clogging	x	✓	✓
Loss of water (leakage)	x	x	EUR 300

- 1.1. The expenses of melting are the expenses of melting of water in pipes after freezing.
- 1.2. The expenses of looking for the place of the damage include the elimination of the thereby arisen damage as well.
- 1.3. As the expenses of clearing the clogging is understood clearing of the clogging of drain pipes that belong to the insured apartment.
- 1.4. Loss of water (leakage)
 - 1.4.1. The insurer compensates the expense of the loss of water due to the onset of the insured event of water outflow from water supply pipes due to the breakage of pipes.
 - 1.4.2. The difference between the average amount of the bill for water supply for the insured apartment in the period of one year before the onset of the insured event and the increased amount as the consequence of the loss of water is compensated.

VI. General exclusions from insurance

Article 23

General exclusions from insurance

1. In any case, the insurance does not cover the damages that arise as a direct or indirect consequence of:
 - 1.1. an intention or gross negligence of the insured person and the persons living with him in a common household;
Exceptionally, in case of the exclusive protection, the following shall apply:
If the insured event occurred due to gross negligence of the insured person and the persons living with him in a common household, the insurer compensates the damage within the indemnity limits determined by the policy and these General Terms and Conditions, at the most up to EUR 1,500.
 - 1.2. war events of any kind, with the declaration of the war or without it, including all the violent acts of states and all the violent acts of political and terrorist organizations;
 - 1.3. internal disturbances, a civil war, revolution, rebellion, uprising;
 - 1.4. all the military and official measures that are connected with the events from Paragraph 1.2. or 1.3.;
 - 1.5. earthquakes or other natural disasters;
 - 1.6. permanent impact of weather conditions or the environment;
 - 1.7. nuclear energy, action of radioactive isotopes or ionizing radiation.
2. The insurance does not comprise the damages on decrepit or unfinished building structures or during the time of reconstruction, if there is a causal link between the damage and the condition of the structure.
3. Unless it is stated differently in these General Terms and Conditions, the insurance does not comprise:

- 3.1. indirect damages (damages that are not a direct consequence of the insured risk);
- 3.2. damages of an esthetic type that have no effect on the function or life time of the insured object.

VII. Obligations of insured person

Article 24

Obligations of insured person before onset of insured event

1. The insured person is obliged to maintain the subject of the insurance regularly, and particularly the water supply and sewage pipes, sanitary fixtures and connected devices with silicon joints.
2. If nobody will be staying in the insured premises for more than 72 hours:
 - 2.1. all the water supplies must be closed, if that is possible;
 - 2.2. during the heating season, it is necessary to apply the corresponding measures for preventing all the damages due to freezing (e.g. empty the water supply installations and devices, if the heating is not turned on permanently).
3. Regarding the premises threatened by flooding, a non-return (check) valve must be installed which would prevent creating of water surge, if it is possible, and the same must be maintained regularly.
4. The insured person is obliged to close properly all the openings of the insured apartment (windows, doors, etc.) and to close the sunshade in case of a storm.
5. If the insured person does not fulfill any of the prescribed or contracted obligations, and he has no justification for that, the insurer's liability is reduced by the amount by which the damage is greater due to that unfulfillment.

Article 25

Obligations of insured person after onset of insured event

1. The obligation to reduce the damage
 - 1.1. The insured person is obliged, in accordance with the possibilities:
 - 1.1.1. to take care about preservation, salvaging or re-acquiring of the subject of the insurance;
 - 1.1.2. to ask for the instructions on how to proceed from the insurer and to observe the same too.
In case of damages due to a water outflow, for artificial drying, a previous consent of the insurer is necessary.
 2. The obligation to report the damage
 - 2.1. The insured person is obliged to notify the insurer about the onset of the insured event without delay and at the latest within the term of three days from the day of learning about it.
 - 2.2. Damages due to fire and explosion must be reported to the competent police station without delay.
 - 2.3. In the report, all the insurance objects that were destroyed, damaged or disappeared during the onset of the insured event must be stated.
3. The obligation to determine the damage
 - 3.1. According to the possibility, the insurer must be allowed to carry out every investigation necessary to determine the existence of his liability, its amount or its scope.
 - 3.2. The insured person must assist the insurer in determining the damage and to submit to him at his request all the necessary written proofs (e.g. invoices, records, certificates).
 - 3.3. The condition caused by the damage must not be changed without the insurer's consent all until the damage is determined in full, unless

such a change is necessary for reducing the damage or serves to the public interest. According to the possibility, the insured person must photograph and/or make a video recording of the place where the damage occurred and the arisen damages.

4. If the insured person does not fulfill any of the prescribed or contracted obligations of reducing the damage (salvaging), and he has no justification for that, the insurer's liability is reduced by the amount by which the damage is greater due to that unfulfillment.
5. If the policy holder does not fulfill some of other obligations after the onset of the insured event from this Article, he is obliged to compensate to the insurer the damage the insurer had due to that.

VIII. Insured value and insurance compensation

Article 26

Insured value

1. The insured value of the subject of the insurance is the new purchase value:
 - 1.1. the new purchase value of the apartment (the new construction value) is the price of a new construction of the apartment with the same structure (type, execution and equipping, surface) according to the prices at the place where the insured apartment is situated, including the belonging part of the expenses of designing and supervision as well;
 - 1.2. the new purchase value of the construction parts and equipment of the apartment is the price of purchasing new objects of the same type and quality.
2. Determining of the insured value shall not be affected by the subjective value of the object that cannot be appraised by objective measures (affective value).

Article 27

Insurance compensation

1. In case of the destruction or disappearance of the subject of the insurance, the insured value immediately before the onset of the insured event is compensated.
2. In case of the damage of the subject of the insurance, the necessary expenses of the repair are compensated, but at the most up to the insured value immediately before the onset of the insured event.
3. If the amortized value of the subject of the insurance affected by the damage was immediately before the onset of the insured event less than 40% of the new purchase value, then the maximum amortized value is compensated.

The amortized value of the subject of the insurance is the new purchase value reduced by an adequate amount in accordance with the condition of the subject of the insurance, particularly the age and wear.

4. If the subject of the insurance affected by the damage permanently lost the value immediately before the onset of the insured event, then the maximum market value is compensated.

It is considered that the subject of the insurance has permanently lost the value if it is anticipated for demolition or if it is not usable anymore, either in general, or for functional purposes.

The market value of the subject of the insurance is its sales price that can be achieved on the market, whereby the value of the land is not taken into account.

5. In case of the destruction of the subject of the insurance, the insurance compensation is reduced by the value of the remains of the subject of the insurance.
6. If the value of the subject of the insurance is increased by the repair in relation to the insured value immediately before the onset of the

insured event, then the compensation for the expenses of the repair is reduced by the amount of the increase of the value.

7. If the subject of the insurance, that disappeared due to the onset of the insured event, is found again:
 - 7.1. before payment of the insurance compensation - the insured person is obliged to take it over, if that may be requested from him (e.g. the insured person did not purchase a new object, the object is not damaged);

The objects for which it may not be requested that they be taken over must be handed over to the insurer.

- 7.2. after payment of the insurance compensation - the insured person is obliged to refund the received insurance compensation reduced by the possibly reduced value of the object, if it can be requested from the insured person to take over the object (e.g. the insured person did not purchase a new object, the object is not damaged).

The objects for which it may not be requested that they be taken over must be handed over to the insurer.

8. In case of the damage, destruction or disappearance of particular subjects of the insurance that are a part of a whole, a possible loss of the value that occurs on the undamaged subjects of the insurance is not taken into account during payment of the insurance compensation.
9. The insurance compensation must be fully used for the repair, i.e. purchasing of a new subject of the insurance, specifically, within the term of three years from the day of the onset of the insured event, about which the insured person submits a proof to the insurer.

The renovation of the subject of the insurance should ensue at the same place. If the renovation at the same place is officially forbidden, then the renovation at another place in the Republic of Croatia is possible.

Until the receipt of the proofs, the insurer compensates the amortized value of the subject of the insurance.

10. The damages for which the insurance compensation may be realized on the basis of another insurance contract shall not be compensated.

Article 28

Underinsurance

1. Underinsurance exists if the insurance amount is lower than the insured value of the subject of the insurance. In that case, the insurance compensation received according to Article 27 is reduced proportionally to the ratio of the insurance amount and the value the subject of the insurance.
2. If an underinsurance exists, then is valid for the insured expenses as well.
3. The provisions on underinsurance shall not apply if it does not exceed 10% of the insured value or if the insurance is contracted at first risk.

Article 29

Expertise procedure

Additionally to the provisions of the General Terms and Conditions of Property Insurance, the expertise procedure is governed by the following:

1. the expert's finding must also contain the value of the subject of the insurance immediately before the onset of the insured event and the value of the remains;
2. at the request of one contract party, the value of the insured objects that were not affected by the damage will also be determined.

Applied since: 21 May 2020