



**GENERAL TERMS AND CONDITIONS FOR  
PROPERTY INSURANCE**

**INTRODUCTORY PROVISIONS**

These Terms and Conditions shall be applied to the property insurance, except for those classes of insurance that explicitly exclude the application of same.

Particular terms used hereafter shall have the following meaning:

**Insurer** means Dunav Insurance Company a.d.o.

**Policyholder** means a person who concludes an insurance contract with the Insurer.

**Insured** means a person whose property is insured and who is entitled to the rights arising from insurance.

**Premium** means the amount paid for insurance protection according to an insurance contract.

**Sum insured** means an amount to which the property and/or property interest is insured provided nothing else results from the insurance contract.

**Cover note** means a provisional confirmation replacing an insurance policy.

**Policy** means a document on insurance.

**GENERAL PROVISIONS**

**Conclusion of Insurance Contract  
Article 1**

- (1) A property insurance contract may be concluded by any person having an interest to prevent the occurrence of event insured against which might otherwise result in a material loss.
- (2) The insurance contract shall be concluded on the basis of a written or verbal application, and shall be deemed concluded when the contracting parties sign an insurance policy or a cover note.  
A verbal application for insurance made to the Insurer shall not be binding either upon the Applicant or the Insurer.  
A written application for insurance submitted to the Insurer shall be binding upon the Applicant for the period of eight days commencing from the day the Insurer receives the application, unless shorter period is determined by the Applicant.  
If within the mentioned period the Insurer does not reject the application not deviating from the Terms and Conditions of the proposed insurance, it shall be considered as accepted and the insurance contract concluded. In that case, upon the Insurer's receipt of the application the contract shall be considered concluded.  
In case the Insurer shall require any amendments or modifications thereof, the day of receipt of the

application shall be the day when the Insurer has received the required amendments or modifications, that is, when he has been informed about the acceptance of his Terms and Conditions.

- (3) The provisions of the paragraph (2) of the Article hereof shall also be applied when the current insurance contract undergoes any modifications.
- (4) In case that the contracting parties are not able to sign the policy, i.e. upon the proposal of the contracting parties, the insurance contractual relationship shall commence by payment of the premium.
- (5) In the event from the previous paragraph, the Policyholder (Insured) is issued a Policy (certificate) which is valid without the signature and seal of the contracting parties.
- (6) The Policy (certificate) contains all the elements of the insurance contractual relationship, which has legal effect from the moment of payment of the insurance premium or the first instalment of the insurance premium (in case the premium is agreed in instalments), provided that the payment of insurance premium or the first instalment is completed within the period specified in the Policy (certificate).

**Insurance Policy and Cover Note  
Article 2**

- (1) An insurance policy shall contain the following information on: contracting parties, object insured, risk covered, insurance duration and period of coverage, sum insured, limitation of insurance if any, premium or contribution, date of issue and signatures of contracting parties.
- (2) An insurance policy may be temporarily replaced by a cover note containing essential contract elements. The cover note is issued to the six-month period at the most.
- (3) The Insurer is obliged to inform the Policyholder that both General and Special Terms and Conditions are integral parts of the insurance contract. Also, the Insurer shall be obliged to hand these over to the Policyholder if they are not printed on the insurance policy itself.
- (4) Execution of the obligation referred to in the paragraph (3) shall be stated on the policy.
- (5) In case of any conflict between the provisions from the General or Special Terms and Conditions and the policy, the provision from the policy shall apply. In case of any conflict between a provision printed on the policy and any hand-written provision, the latter shall prevail.



- (6) According to the agreement between the contracting parties, the policy may be made out to a beneficiary or a bearer.

**Conclusion of Contract in the Name of the Third Party without Permission**

**Article 3**

- (1) When an interested person concludes an insurance contract in the name of the third party without his permission, such person shall be responsible to the Insurer for the contractual obligations until the Insurer gets the confirmation from the third party in relation thereof.
- (2) The interested person may confirm the contract even after the occurrence of event insured against.
- (3) In case the confirmation is rejected, the Policyholder shall be liable for the premium for the period in which the Insurer was informed about the confirmation rejection.
- (4) However, as regards obligations under insurance the responsibility shall not be upon the manager without permission who notified the Insurer he was acting without permission in the name of and on behalf of the third party.

**Insurance on Behalf of Somebody Else or on Behalf of Whom it May Concern**

**Article 4**

- (1) In case of the insurance on behalf of somebody else or on behalf of whom it may concern, the Policyholder shall be obliged to pay the premium and to execute other obligations from the contract; however, it cannot exercise the rights from insurance, even if holding a policy, without permission given by the person whose interest has been insured and to whom they belong.
- (2) The Policyholder shall not be obliged to furnish the interested person with the policy until being remunerated for the premiums paid to the Insurer and the contract expenses.
- (3) The Policyholder shall have the preferential right in collecting these claims from the indemnity due, and the right to ask for payment of the same directly from the Insurer.
- (4) The Insurer shall have the right to lodge all complaints to any Insurance Beneficiary on behalf of somebody else, which he has on the basis of the contract towards the Policyholder.

**Sum Insured**

**Article 5**

- (1) An insurance contract can be concluded to:
  - 1) The agreed value determined by the Policyholder according to the Special Terms and Conditions for insurance of building structures and equipment to the agreed value.

- 2) The sum insured determined by the Policyholder.
- 3) The value estimated at the time of the event, without quotation of the sum insured in the insurance contract.
- 4) The new value, in line with the Special Insurance Terms and Conditions providing for insurance of certain objects to the new value.
- 5) The sum insured defined by the law or by other legal regulations.
  - (2) When provided for by the premium tariff, the sum insured can be defined by agreement between the Policyholder and the Insurer, in the amount of the probable maximum loss i.e. costs ("first loss" insurance).
  - (3) When a contract is concluded without quotation of the sum insured or with an unlimited cover, it shall be deemed as a contract concluded to the real value or to the new value, that is, to the value of the property interest in accordance with the content of the contract.

**Period of Insurance**

**Article 6**

- (1) An insurance contract can be concluded:
  - 1) To the definite period of insurance;
  - 2) To the indefinite period of insurance when it is continuing from year to year.

**Event Insured Against**

**Article 7**

- (1) The event covered under the insurance hereof shall be future, uncertain event, independent from the sole will of the Policyholder.  
It shall be deemed that the event insured against has occurred when any of the insured perils has suddenly and unexpectedly started to occur on the object insured and to damage it.
- (2) An insurance contract shall be void if the event insured against has already occurred or was in the process of occurrence at the moment of its conclusion, or it was for certain it should occur, or the possibility of its occurrence had already ceased then.
- (3) However, when agreed that the insurance shall cover a fixed period preceding conclusion of the contract, the contract shall be void only if at the moment of its conclusion the interested party knew that the event insured against had already occurred, and/or that the possibility for its occurrence had already ceased.

**Legal Situation After Occurrence of Event Insured Against**  
**Article 8**



- (1) If a number of events insured against, succeeding one after the other, occur during the same period of insurance, the indemnity shall be for each event determined and fully paid with respect to the full sum insured without decreasing it for the amount of indemnity paid during such period.
- (2) In case of destruction of objects (total loss) or when according to the insurance contract objects are deemed destroyed, the insurance coverage shall cease for such lost object.

#### **Notification Article 9**

- (1) Any notifications and declarations the Policyholder is obliged to make according to the provisions of the General Terms and Conditions hereof, shall be confirmed in writing if made verbally, by telephone, cable or otherwise. The date of receipt of the notification/declaration shall be deemed the date of receipt of the same. In case the notification/declaration is sent by registered mail, the date of receipt shall be the date of mailing at the post office.
- (2) Agreements referring to the contents of the insurance contract shall be valid only if concluded in writing.

#### **Change of Company's Address - Name Article 10**

- (1) The Policyholder is obliged to notify the Insurer about the change of the company's name or address, i.e. the change of the name and head office address (business premises) within 15 days from the day of occurrence of the change.
- (2) If the Policyholder fails to notify the Insurer about the changes referred to in the preceding paragraph hereof, for the validity of the notification shall be sufficient if the Insurer sends a registered letter to the Insured containing the latest available address of flat, business premises, i.e. company's name. The notification shall be valid on the day when it would have been valid, according to the regular state of affairs, if it had not been for the changes from the previous paragraph hereof.

#### **Changes of Insurance Terms and Conditions and Premium Tariffs Article 11**

- (1) When changing the insurance Terms and Conditions, the Insurer shall be obliged to notify the Policyholder thereof in writing or in any other suitable way before expiration of the current period of insurance.
- (2) The Policyholder has a right to cancel the insurance contract upon receipt of the notification. In that case, the validity of the insurance contract shall be terminated at the expiration of the current insurance year.

- (3) When the Policyholder fails to cancel the insurance contract, at the beginning of the following period of insurance the contract will be changed in line with the amendments made in the insurance Terms and Conditions, i.e. premium tariffs.

#### **Decrease and Increase of Premium (Bonus/Malus) Article 12**

In some classes of insurance and according to the conditions defined by the appropriate document, the Policyholder i.e. the Insured shall acquire a right to no-claims discount in a form of the premium decrease during the following period of insurance (bonus).

In some classes of insurance and according to the conditions defined by the appropriate document, the premium for the Policyholder, i.e. the Insured may be increased for the following period of insurance in a form of a loading (malus).

#### **Jurisdiction over Disputes Article 13**

In case of a dispute between the Policyholder-the Insured and the Insurer, it shall be referred to the jurisdiction of the actual competent court at the place where the insurance contract has been concluded.

#### **I. OBLIGATIONS OF THE INSURED I.E. POLICYHOLDER AND CONSEQUENCES IN CASE OF NON-FULFILMENT**

##### **Notification of Circumstances Important for the Risk Assessment Article 14**

- (1) The Policyholder is obliged to notify the Insurer, when concluding the contract, of all circumstances important for the risk assessment, known to him or which could not have remained unknown.
- (2) If the Policyholder deliberately made a misstatement or intentionally concealed a circumstance of such a nature that the Insurer would not have signed the contract had the real state of affairs been known to him, the Insurer shall have a right to require cancellation of the contract. In case of cancellation of the contract due to reasons referred to in the preceding paragraph, the Insurer shall retain the collected premiums and shall have a right to require payment of the premium for the period of insurance in which he asked for the cancellation of the contract. The Insurer's right to require the cancellation of the insurance contract shall cease if within a three-month period from the day he learned about the misstatement or concealment he fails to declare to the Policyholder his intention to exercise such right.
- (3) If the Policyholder made a misstatement or unintentionally failed to supply proper information, the Insurer can, at his own choice, within one month



period from the date of finding out about the misstatement or incorrectness of facts, declare cancellation of contract or propose the increase of the premium in proportion to the higher risk.

In that case, the contract shall terminate after expiry of 14 days from the date the Insurer notified the Policyholder about the cancellation of contract. However, in case of the Insurer's proposal to increase the premium, the cancellation shall come forth in accordance with the law if the Policyholder fails to accept the proposal referred to within 14 days from the date of its receipt.

In case of the cancellation of contract, the Insurer shall return within 60 days the portion of the premium that refers to the rest of the insurance period.

If the event insured against occurred before finding out about the misstatement or incorrectness of facts or after that, but before the cancellation of contract and/or the agreement on the increase of the premium has been reached, the indemnity shall be decreased in proportion between the premium rates already paid and the premium rates that should be paid according to the actual risk.

- (4) The provisions from the previous paragraphs hereof referring to the consequences of the misstatement or concealment of the facts important for the risk assessment, shall also be applied to cases of insurance concluded in the name and on behalf of the other, or in favour of the third party, or for somebody else, or to whom it may concern - if these persons knew about the misstatement or concealment of facts important for the risk assessment.
- (5) The Insurer who, at the moment of concluding the contract, was acquainted with all the circumstances relevant to the risk assessment or to whom such circumstances could not have been unknown, and which the Policyholder misstated or concealed, shall not be able to invoke to such misstatement or concealment. The same shall apply when the Insurer had found out about these circumstances during the period of insurance but did not use legal authority.

#### **Payment of Premium Article 15**

- (1) The Policyholder shall be obliged to pay an insurance premium and the Insurer shall be obliged to receive the premium paid by any person having a legal interest in its payment.
- (2) As a rule, the premium is paid in full upon conclusion of the insurance contract or within the agreed time limits.
- (3) The agreed interest shall be applied to the amount of premium payable within the agreed time limits.
- (4) If the Policyholder fails to pay the premium within the agreed time limit, the Insurer shall charge both principal and default interest.

- (5) The place where the premium is paid shall be the place of residence of the Policyholder.
- (6) If the premium is paid through a bank or any other organisation the account of the Policyholder is kept with, it shall be deemed paid when the bank/organisation receives remittance in favour of the Insurer's account or a transfer order issued by the Policyholder's bank/organisation to effect payment of the stated amount to the Insurer's account.
- (7) If the premium is paid at a post office, the liabilities shall be deemed settled when the Policyholder effects payment of the due amount at the post office.
- (8) If the premium is paid by a cheque to the Insurer's account, it shall be deemed that the Policyholder has effected the payment of the premium when the due amount has been settled by cheque in favour of the Insurer's account.
- (9) Upon effecting the payment of the premium in full or partially, the Policyholder shall have a right to require from the Insurer to issue him a receipt at their own expense. The Policyholder may for legitimate reasons require such receipt even when the pecuniary liabilities have been settled through a bank or post office.
- (10) If the Policyholder fulfils his obligation to pay the premium ahead of schedule, he shall be entitled to deduct from the amount due, the amount of interest from the day of payment to the due date.

#### **Notification to the Insurer about Risk Changes Article 16**

- (1) The Policyholder shall be obliged to notify the Insurer about any changes in circumstances that might be important for the risk assessment. The Policyholder shall be obliged to immediately inform the Insurer about any increase of risk, if such increase is a result of any of his actions, and if his actions did not cause such increase, he shall be obliged to notify the Insurer about it within 14 days from the date he discovered it. The Insurer can cancel the contract if the risk increase is such that the Insurer would not have signed the contract had it existed at the time. However, if the risk increase is such that the Insurer would have signed the contract with a higher premium, the Insurer can propose a modified premium rate to the Policyholder. Should the Policyholder reject the modified premium rate within 40 days from receipt of the proposal, the contract shall cease to be valid according to the law. However, the contract shall remain in force and the Insurer shall be neither authorised to propose to the Policyholder a modified premium rate, nor to cancel the contract, if the Insurer fails to use the authorisation hereof within one month from the date he discovered, by whatever means, the increase of



the, or, if prior to the expiry date shows in some other way his consent to extend the validity of the contract (e.g., receives the premium, pays the indemnity for the event insured against which occurred after the risk increase, and the like).

- (2) If the event insured against occurred before the Insurer was notified about the risk increase or after he was notified thereof but before he terminated the contract or reached an agreement with the Policyholder about the premium increase, the indemnity shall be decreased by the difference between the premiums paid and premiums that should have been paid according to the increased risk.
- (3) If the risk decreased after conclusion of insurance contract, the Policyholder shall be entitled to demand adequate premium decrease from the date he notified the Insurer on the risk decrease. The Policyholder can cancel the contract if the Insurer does not agree on the premium decrease.

#### **Liabilities related to prevention of occurrence and salvage and compliance with the protective measures provisions**

##### **Article 17**

- (1) The Insured shall be obliged to take all stipulated, agreed and other measures in order to prevent the occurrence, and in case of occurrence to undertake all reasonable measures to limit the harmful consequences.
- (2) The Insurer shall be obliged to indemnify against all expenses, losses and other damages caused by reasonable efforts to eliminate the immediate danger of the occurrence and to limit the harmful consequences thereof, even if such efforts were barren.
- (3) The Insurer shall be obliged to reimburse these expenses even if the sum of that amount and the claim indemnity exceeds the sum insured.
- (4) If the Insured fails to fulfil the duty to prevent the occurrence or the duty to rescue, without any reasonable excuse, the Insurer's liability shall be decreased by the amount by which the claim is increased due to such non-fulfilment.
- (5) If the time limits for taking preventive measures against occurrence or risk increase have been determined or agreed, the Insured shall be indemnified even if the event insured against occurred prior to the expiry of such time limit and if the loss is in connection with the required and/or agreed obligations.

#### **Insured's Obligations upon Occurrence**

##### **Article 18**

- (1) In case of occurrence based on which claim indemnity is required, the Insured shall be obliged to proceed as follows:

- 1) to immediately make all possible efforts to mitigate the harmful effects and to observe the instructions given to him by the Insurer or his representative;
  - 2) to notify the Insurer about the occurrence immediately upon learning of it and not later than 3 days;
  - 3) to confirm in writing the claim made verbally, by telephone, cable, or otherwise, as soon as possible and not later than within 3 days;
  - 4) in all the cases stipulated under the regulations and in particular in case of fire, explosion, burglary, robbery and traffic accident, the Insured shall be obliged to inform the competent police authorities, and specify all destroyed, damaged or lost items upon occurrence.
  - 5) immediately upon occurrence, if possible, or as soon as possible, the Insured shall submit to the Insurer a list of destroyed/damaged/lost items with approximate values thereof;
  - 6) until arrival of the Insurer's representative to the place of occurrence, the Insured should not change the state of damaged/destroyed items unless the change is of public interest or is aimed at reduction i.e. continuation of the standard production. However, if the change is made for the purpose of continuation of the standard production, the Insured shall be obliged to notify the Insurer immediately by telephone, fax or otherwise.
- (2) Regardless of the time when the loss was reported, the Policyholder shall be obliged to furnish the Insurer's representative with all the information and other required evidence for establishing the cause, extent and amount of the loss suffered. If necessary and legitimate, the Insurer shall require from the Insured to present other proofs as well.
  - (3) In case the Insured fails to fulfil the obligations under paragraphs (1) and (2) of the Article hereof, and thus makes it impossible for the Insurer to establish the basis/amount of loss, the Insurer shall reject the indemnity claim or shall reduce the indemnity amount.

## **II. INSURER'S LIABILITIES**

### **Amount of Indemnity**

#### **Article 19**

According to the provisions of the General Terms and Conditions hereof and the Special Terms and Conditions for the class of insurance covered under the insurance contract, the Insurer shall be obliged to indemnify against the loss caused by the occurrence of event insured against.

### **Agreed Retention (Deductible)**

#### **Article 20**

If it is agreed the Insured to bear a portion of the loss (agreed retention, deductible) in case of occurrence of the event insured against the



indemnity shall be determined so that the Insured bears the portion of the loss amounting to the agreed retention.

**Loss Determination, Assessment and Survey**

**Article 21**

- (1) Upon receipt of the claim report, the Insurer shall immediately or within three days at the latest, get down to the loss determination and assessment; otherwise, the Insured may start to clean away the damaged site provided that the cause and extent of loss have been previously determined by a commission.  
The Insured can start to clean away the damaged site even before the expiry of a three-day period if that is necessary for the purpose of continuation of the standard production.
- (2) If the value of the object insured is defined by the contract, the indemnity shall be determined according to that value, except when the Insurer proves that the agreed value exceeds the real value, and there is no valid reason for such difference (e.g. insurance of a worn-out object to the value of such new object, or insurance of the subjective value).
- (3) In case the Insured does not agree with the established cause of loss and the loss assessment he can require an expert's opinion.
- (4) Each contracting party shall appoint its own expert witness in writing. Expert witnesses can be persons not employed by the Insurer/Insured.  
Prior to the expert investigation, both of the appointed expert witnesses shall select the third expert witness as a president.
- (5) The subject of the expert investigation shall be contentious issues only. Such issues and the procedure shall be defined in each and every case in writing, both by the Insurer and the Insured.
- (6) Each one contracting party shall bear the costs for its expert witness. Costs of the president shall be borne half by each party.
- (7) The indemnity shall not exceed the loss suffered by the Insured as the result of occurrence of the event insured against.

**Salvage parts**

**Article 22**

- (1) Unless otherwise agreed, salvage parts of the damaged i.e. destroyed items shall remain the property of the Insured. Upon the occurrence, the Insured shall not be entitled to give up the damaged i.e. destroyed items in favour of the Insurer and shall not require from them payment of the full sum insured i.e. full value.
- (2) The value of the salvage i.e. damaged i.e. destroyed items and parts thereof shall be

calculated according to the market value in the place of occurrence on the day of the occurrence.

**Payment of Insurance Indemnity**

**Article 23**

- (1) The Insurer shall upon occurrence be obliged to pay the indemnity within the agreed period that is not longer than 14 days following the date of receipt of information about the occurrence.  
If a certain period of time is required to establish the Insurer's liability or the amount thereof, this period shall commence from the date when these were established.
- (2) If the amount of the Insurer's liability is not established as referred to in the previous paragraph, the Insurer shall be obliged at the request of an authorised person, to effect the payment of the indisputable part of his liability as an advance payment.
- (3) Payment of indemnity to pledge holders and holders of other rights:
  - 1) Upon the occurrence, the outstanding indemnity shall be the subject matter of pledge and other rights which had existed over the insured item in case of insurance of own item and insurance of somebody else's items, because of the obligation to take care and to return, and the Insurer shall not be obliged to indemnify the Insured without consent of the parties entitled.
  - 2) These holders may request from the Insurer to directly effect payment of the required claims within the limit of the sum insured and according to the order of succession.
  - 3) However, if when paying the indemnity the Insurer did not know or could not have known about the rights thereof, the effected payment of the indemnity to the Insured shall remain valid.

**Premium refund**

**Article 24**

- (1) If the object insured is damaged prior to the commencement of the Insurer's liability, the amount of the collected premium shall be refunded to the Policyholder.  
If the object insured is damaged due to some uncovered risks after commencement of the Insurer's liability, the portion of the premium for the unused insurance period shall be refunded to the Policyholder.
- (2) If the object insured is damaged after commencement of the Insurer's liability due to covered risks, the Insurer shall be entitled to the whole amount of premium for the current year i.e. contracted insurance period.
- (3) In all other cases, if the insurance contract is cancelled prior to the expiry of the period for which the premium has been paid, the Insurer shall be



entitled to the portion thereof only up to the date he was liable, if not agreed otherwise.

### **INSURANCE PERIOD**

#### **Insurance inception Article 25**

- (1) Unless otherwise agreed, the insurance contract shall become effective after expiry of 24 hours of the date indicated in the policy as the date of inception of the period of insurance and shall be in force until the last day of the insurance period.
- (2) If the period of insurance is not determined by the contract, each party shall have the right to terminate it on the day of expiry of the current year of insurance, and it shall notify the other party thereof in writing, not later than 3 months before the expiry of the current year of insurance.
- (3) If the contract is concluded for a period longer than 5 years each party can, after the expiry of such a period, terminate it giving the other party a six-month termination notice in writing.
- (4) The contract shall not prejudice the right of each party to terminate the contract as previously referred to herein.
- (5) Should the Policyholder terminate the contract stipulated for a period longer than 5 years, it shall be obliged to pay the difference in premium by reason of the discount that has been granted for the insurance duration.

#### **Inception and Termination of the Insurer's Obligation Article 26**

- (1) The insurer's obligation under the insurance hereof shall begin, unless otherwise agreed, after expiry of 24 hours of the date indicated in the policy as the date of inception of insurance, provided the premium has been paid by that day; otherwise, it shall begin after expiry of 24 hours of the date of payment of the premium.
- (2) If it is agreed that the premium shall be paid after the contract has been concluded, the insurer's obligation to indemnify shall begin from the day designated in the policy as the day of insurance inception.
- (3) It may be agreed that the insurer's obligation begins on the day when the insurance contract has been concluded.
- (4) However, if the Policyholder or any other person concerned does not settle the premium that has become due after the conclusion of the contract, within its maturity date the insurance contract shall terminate by law after 30 days from the date when the Policyholder has received the insurer's registered letter informing him about the maturity. However, the term of payment referred to above

cannot expire before the thirty-day period from the maturity date.

- (5) In all cases, the insurance contract shall terminate by law if the premium is not paid within one year from the maturity date.
- (6) The insurer's obligation shall terminate:
  - 1) In insurance contracts with fixed term after the expiry of 24<sup>th</sup> hour of the date indicated in the policy as the expiry date, unless otherwise agreed.
  - 2) In insurance contracts with fixed term, where only the insurance inception date is indicated in the policy, the insurance shall, with application of paragraphs (4) and (5) hereof be renewed from year to year, unless any contracting party gives notice in writing to the other party, not later than three months before expiry of the current insurance year, stating its intention not to extend the insurance contract. In such a case, the insurance contract shall terminate upon expiry of 24 hours of the last day of the current insurance year.

### **LOSS AND RISKS INSURED AGAINST**

#### **Losses covered by insurance Article 27**

- (1) The Insurer shall be obliged to pay an indemnity for losses incurred accidentally or by fault of the Policyholder, the Insured or the Beneficiary.

#### **Losses not covered by insurance Article 28**

- (1) The Insurer shall not be obliged to pay the indemnity for losses caused by:
  - 1) war operations or riots, unless otherwise agreed,
  - warlike operations or revolts, unless otherwise agreed, war, invasion, acts of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, insurrection, revolution, rebellion and riots resulting therefrom,
  - mines, torpedoes, bombs, or other explosives-
  - confiscation, seizure, restraint or detention and consequences thereof or attempts thereof, confiscation, requisition or other similar measures carried out or intended to be carried out by the authorities or by any political organisation struggling to seize power or which exercises power,
  - sabotage or terrorism, carried out by persons acting on political motives on behalf of or in connection with any organisation or person acting on political motives, independently of any organisation.

The insurer shall be obliged to prove that the loss was caused by any of the events hereof.

- 2) Wilful misconduct or fraud by the Policyholder, the Insured or the Beneficiary.

However, if the event insured against has occurred, the Insurer shall be obliged to indemnify for any



loss caused by a person for whose acts the Insured is responsible on whatever basis, regardless of the loss being caused by negligence or wilfully.

- (2) The insurance hereof shall in no event cover any loss, damage, liability or expenses directly or indirectly incurred or increased or resulting from the use or operation of any means intended to inflict harm, of any computer, computer system, computer software, malicious codes, computer viruses or processes or any other electronic system.

## OVERINSURANCE AND MULTIPLE INSURANCE

### Overinsurance Article 29

- (1) If when signing a contract any of the parties thereto by means of fraud contracts a sum insured that exceeds the actual value of the object insured, the other party may demand cancellation of the contract.
- (2) If the contracted sum insured exceeds the value of the objects insured, and none of the parties acted in bad faith, the contract shall remain in force and the sum insured shall be reduced to the amount of the actual value of the objects insured, whereas the premium shall be proportionally decreased.
- (3) In both cases the conscientious insurer shall retain the already collected premiums and shall be entitled to the unreduced premium during the current period.

### Multiple and Double Insurance Article 30

- (1) If an object has been insured with two or more Insurers against the same risk and for the same interest and same period - so that the total of the sums insured shall not exceed the value of the subject object (multiple insurance) - each Insurer shall be fully responsible for the discharge of obligations arising from the concluded contract.
- (2) If, however, the total sums insured exceed the value of the objects insured (double insurance), and the Policyholder has not acted in bad faith, all these insurances shall be valid and each Insurer shall be entitled to the premium agreed for the current insurance period, while the Insured shall have the right to demand the indemnity from each individual Insurer according to the contract concluded with him, but not exceeding the amount of loss.
- (3) Upon occurrence of the insured event the Policyholder shall be obliged to notify thereof each Insurer covering the same risk and to give him names and addresses of the other Insurers as well as sums insured referring to individual contracts concluded with each Insurer.
- (4) After indemnifying the Insured, each Insurer shall bear the indemnity liability in proportion that the sum insured, for which he is liable, bears to the

grand total of sums insured, so that the insurer who paid a higher amount shall have a right to demand the compensation of the excess payment from other insurers.

- (5) If the contract is concluded without indication of the sum insured or with unlimited cover, it shall be considered concluded to the highest sum insured.
- (6) Other insurers, in proportion to their shares, shall be responsible for the part of indemnity the insurer is not able to pay.
- (7) If the Policyholder has concluded a contract that gave rise to a double insurance contract and in doing so he had no knowledge of the previously concluded contract he may - regardless of whether the previous insurance was concluded by him or somebody else - within one month from the date he learned about that insurance, require the adequate decrease of the sum insured and of the premium of the later insurance, but the Insurer shall retain the already collected premiums and shall be entitled to the premium for the current period.
- (8) If double insurance has been caused by decrease of the value of objects insured during the period of insurance, the Policyholder shall be entitled to demand the adequate decrease of the sum insured and the premium, beginning from the day when he informed the Insurer about his request.
- (9) If the Policyholder acted in bad faith when double insurance occurred, each Insurer shall be entitled to request cancellation of the contract, to retain collected premiums and demand unreduced premium for the current period.

## UNDERINSURANCE

### Article 31

- (1) When established that at inception of the insurance period the value of the object insured exceeded the sum insured, the amount of indemnity due from the Insurer shall be decreased in appropriate proportion, if not otherwise agreed.
- (2) The Insurer shall be obliged to pay full indemnity up to the sum insured if it has been agreed that the relation between the sum insured and the value of the object insured has no relevance in determining the amount of indemnity

## TRANSFER OF CONTRACT TO THE PURCHASER OF INSURED OBJECT

### Article 32

- (1) In the event of a transfer of the object insured, and of the object in respect of the use of which the liability insurance was concluded, the Policyholder's rights and liabilities shall be transferred to the acquirer, unless agreed otherwise.
- (2) However, when only a part of the objects insured, which does not constitute a separate whole in terms of insurance, has been transferred, the insurance



contract shall terminate in respect of the transferred objects.

- (3) When due to the transfer of objects the probability of occurrence of the event insured against increases or decreases, general provisions on the risk increase or decrease shall apply.
- (4) The Policyholder who fails to notify the Insurer about the transfer of objects insured, shall be obliged to pay the premiums that will become due after the date of transfer.
- (5) The Insurer and the acquirer of the object insured can cancel insurance with 15-day cancellation period, provided that they give notice not later than 30 days after learning about the transfer.  
If the contract is cancelled in accordance with the previous indentation hereof, the insurance contract shall terminate after the expiry of the 24th hour of the day when the cancellation period expires. If notice of cancellation is forwarded by registered mail, the day of cancellation shall be deemed the day of mailing.
- (6) The insurance contract cannot be terminated if the insurance policy has been issued to the bearer or by order.

**TRANSFER OF INSURED'S RIGHTS AGAINST THE RESPONSIBLE PERSON TO THE INSURER (SUBROGATION)**

**Article 33**

- (1) After payment of indemnity, all Insured's rights against the person responsible for the loss on whatever basis shall, by operation of law, be transferred to the Insurer up to the amount of the paid indemnity.
- (2) If due to the fault of the Insured the transfer of rights to the Insurer is rendered fully or partially impossible, the Insurer shall be accordingly released of his obligation to the Insured.
- (3) The Insured shall not be prejudiced by the transfer of rights from the Insured to the Insurer ; so, if the indemnity the Insured received from the Insurer has been, for whatever reason, lower than the damage he had suffered, the insured shall be entitled to receive remainder of the indemnity from the personal liability funds prior to payment of the Insurer's claims on the basis of the rights transferred to him.
- (4) By way of exception to the rule on transfer of the Insured's rights to the Insurer, these rights shall not be transferred to the Insurer if the loss has been caused by a person who is a first-degree relative of the Insured or the person for whose actions the Insured is responsible or who lives with him in the same household, or the person employed by the Insurer - unless these persons have intentionally caused the loss.

- (5) However, if any person referred to in the previous paragraph hereof has been insured against liability, the Insurer may request from his Insurer the refund of the amount he had paid to the Insured.

**STATUTE BARRED DEBTS**

**Article 34**

- (1) The statute barred debt under the contract on property insurance hereof shall be regulated by the relevant provisions of the Law on Contracts and Torts.

**APPLICATION OF THE TERMS AND CONDITIONS HEREOF**

**Article 35**

- (1) The Terms and Conditions hereof shall apply to property insurance except for those classes of insurance regulated by the General Terms and Conditions.  
Other cogent provisions of the Law on Contracts and Torts (Chapter XXVII - Insurance) shall apply to the property insurance as well, while enacting clauses shall apply if some issues under the Terms and Conditions hereof have not been regulated otherwise by the Terms and Conditions hereof.
- (2) If the relations regulated by the provisions of the Terms and Conditions hereof have been differently regulated for individual classes of insurance, the provisions of the Special Terms and Conditions for individual classes of property insurance shall apply.

This issue of Terms and Conditions shall apply as of 25<sup>th</sup> March 2020.