



**SPECIAL TERMS AND CONDITIONS
FOR INSURANCE OF UNOCCUPIED FLATS AND HOUSES**

SUBJECT MATTER OF INSURANCE

Article 1

(1) According to the Terms and Conditions hereof, the subject matter of insurance may be:

- houses for rest and leisure (holiday residences);
- unoccupied family houses;
- unoccupied flats;
- movables therein,

against the risks referred to in Article 2 of the Terms and Conditions hereof, except for the contents that are excluded hereunder from this type of insurance.

(2) The insurance shall cover only those contents that are indicated in the insurance policy, according to the provisions on the insured risks under the Terms and Conditions hereof and according to the provisions of this Article.

(3) in insurance of building structures and other immovable property, covered shall be all built-in installations, all installed equipment (equipment for central or floor heating, including sources of heat - boilers, heat pumps etc., water heaters, air-conditioning devices, water pressure tanks, etc.), which in case of holiday residences and unoccupied family houses includes all parts of the building structure (foundations, basement walls, etc.) The subject of insurance may not be individual parts of a building structure but only building structures as a whole (except for installations against the risks referred to in Article 19 of the Terms and Conditions hereof).

(4) The insurance hereof shall also cover:

- fences, supporting walls, pavements, and patios;
- wire trellis for grapevine and fruit trees;
- fruit trees within the yard;
- hedges and conifer hedge fences.

(5) Insurance cover for a structural part of utility rooms and garages belonging to the insured building structure (holiday residences or unoccupied family houses), which are physically connected therewith (situated in the building itself), shall be provided only if their surface is included in the total area of the building structure indicated in the insurance policy, for which the insurance premium has been paid.

(6) If agreed and in consideration of premium payment, the subject matter of insurance may also be:

- structural part of utility rooms and garages owned by the Insured and situated at the place of insurance, not physically connected with the main insured building structure (holiday residence or unoccupied family house);
- structural part of utility rooms and garages owned by the Insured, if physically located within the building where the unoccupied flat is situated.

(7) In insurance of moveable property – if the contents are not listed individually in the Policy, but as a set - all contents situated at the place of insurance and belonging to the insured set shall be considered insured, as well as the contents subsequently added to such set, except for the contents that according to the Terms and Conditions hereof may not be the subject matter of insurance, and except for the contents which are the subject of special contracting (art paintings and objects of artistic and historical value, solar panels).

(8) All movables the individual actual value of which exceeds 500 EUR (in Dinar equivalent) must be separately indicated (with identification details and individual values) in the List of Movable

Property, which constitutes an integral part of the insurance policy.

(9) Insured shall be only the contents owned by the Insureds and their close family members living with the Insured in a shared household.

(10) The insurance shall cover the movables placed in utility rooms and building structures (basement, attic, shed, etc.) and in the garages, the value and purpose of which is appropriate for placement in such premises (used household contents, household contents of a lesser value, bicycles, sports and recreational equipment, firewood, etc.) up to the sublimit referred to in Article 23 paragraph (1) item 2) indent 2 of the Terms and Conditions hereof. Moveable property of a higher value referred to in paragraph (8) of the Article hereof may not be placed in the utility rooms, ancillary buildings and garages, except for boats referred to in paragraph (13) item 1) of the Article hereof, which boats may be placed in garages.

(11) This insurance shall also cover cultivators, engine-powered or manual push mowers, and other small agricultural implements (sprinklers, hoes, rakes, shovels, scythes, and the like), mini concrete mixers, saws, fruit sprayer pumps, and other small tools and implements (drilling machines, sanders, and the like).

(12) Brandy distilling cauldron, honey squeezing equipment, more expensive lawn mowers and other agricultural equipment and tools the individual actual value of which exceeds 300 EUR (in Dinar equivalent), must be separately indicated in the List of Movable Property (with identification details and individual values), which constitutes an integral part of the insurance policy and may not be placed in the structures of low construction category (repositories, sheds, and the like) and in inadequately secured and inappropriately locked structures (safety cylinders and padlocks).

(13) Only if specially indicated in the policy, the insurance shall also cover:

- 1) boats for sport and recreation, outboard motors and equipment for water sports (sailing, diving, and the like) only while placed in the premises of the insured building structure and in the garage;
- 2) building materials intended for installation in the insured building structure while placed in the Insured's premises, fenced courtyard, and clear space in the place of insurance. They shall be insured against the risk of theft only while placed in locked rooms of the locked main building structure or locked utility rooms and structures, and in the locked garage.

(14) Only if specially agreed and after the payment of insurance premium, the following shall be insured:

- 1) art paintings and items of historical value, upon special acceptance of the Insurer;
- 2) solar panels.

(15) If specially agreed, the subject of insurance may be non-contractual liability of the Insured and members of his/her household.

(16) According to the Terms and Conditions hereof, the following may not be the subject matter of insurance:

- 1) soils, unpaved courtyards, dams, embankments, roads;
- 2) crops on stalks, fruits on trees, bearing and non-bearing crops (orchards and vineyards) except for fruit in the courtyard;



- 3) hot plant beds and tunnels, glasshouses, greenhouses;
- 4) land motor vehicles, trailers and self-propelled machines, car parts and tyres;
- 5) aircrafts, water vessels, except for vessels referred to in paragraph (13), item 1) of this Article;
- 6) adobe brick outdoors;
- 7) TV antennas and other antennas outside closed premises, animals, building materials except in case referred to in paragraph (13), item 2) of this Article;
- 8) machines, devices, stocks of material, goods and tools used for crafts or any other registered activity;
- 9) documents and deeds, cash, securities and jewellery – precious stones, precious metals, objects made of precious metals and precious stones, real pearls, valuable watches, rare and valuable objects, plans, drawings, models, manuscripts, precious furs;
- 10) art paintings and objects of artistic and historical value, unless specially agreed (paragraph (14) item 1) of this Article);
- 11) stamp collections, coin collections, and the like;
- 12) weapons of any kind;
- 13) any audio or video carriers (records, tapes, discs, and the like);
- 14) residential buildings without foundations (campers, tents and the like) and contents therein;
- 15) solar panels, unless specially agreed (paragraph (14) item 2) of this Article).

RISKS INSURED

Article 2

(1) Pursuant to the Insurance Terms and Conditions hereof, the following standard perils (risks) shall be covered:

- 1) fire;
- 2) lightning;
- 3) explosion (except for nuclear explosion);
- 4) storm;
- 5) hail;
- 6) fall of an aircraft;
- 7) flood and torrent;
- 8) avalanche;
- 9) water damage;
- 10) glass breakage;
- 11) burglary;
- 12) robbery;
- 13) simple larceny;
- 14) compound larceny;
- 15) wantonness or malicious intent of third parties.

(2) If specially agreed and in consideration of additional premium payment, insurance cover shall be extended to include one or more additional risks:

- 1) landslip and landslide;
- 2) leakage;
- 3) installation breakage;
- 4) earthquake;
- 5) impact of an unknown motor vehicle;
- 6) general liability.

(3) This insurance shall also include:

1) losses from destruction of, or damage to insured items caused during the measures taken to eliminate the effects of risk covered by insurance, or to minimize the damage (demolition, removal, assistance, and the like), to the extent stipulated in Article 26 of the Terms and Conditions hereof;

2) losses from disappearance of insured items upon occurrence of the risk covered by insurance;

3) expenses incurred by the Insured for measures taken for clearing and demolition, in connection with the risk occurred on the item insured, in the amount determined in Article 26 of the Terms and Conditions hereof.

(4) The insurance hereof shall not cover consequential damage related to the risk insured such as damage due to reduced usability, loss of rent, water supply expenses due to water damage, and other similar losses.

RISK OF FIRE AND LIGHTNING

Article 3

(1) According to the Terms and Conditions hereof, fire shall be considered the fire occurred outside a particular hearth or the fire which has left that place and is able further to spread by means of its own power.

(2) Fire shall not be deemed to have occurred and the Insurer shall not be liable to indemnify if the insured item was destroyed or damaged due to:

- 1) exposure to fire or heat for processing or other purposes (e.g. ironing, drying, frying, baking, and the like) or due to fall or drop into the hearth (furnace, stove, etc.);
- 2) scorching, singeing, or burning through with a cigarette, cigar, lightning gadget, light bulb and the like;
- 3) brewing or heating, boiling, smoking, and the like.

(3) Insurance covering the risk of fire shall not include damages to chimneys occurred in connection with their operation.

(4) Under the Terms and Conditions hereof, the insurance against lightning strike shall cover the damages caused to the insured items by the power and heat of lightning, as well as damages caused by the impact of falling items struck by lightning.

(5) The insurance shall not cover:

1) the damages to the insured electric appliances and apparatuses (including cooking, ironing, bed heating appliances, audio and video equipment, computer and peripheral equipment, lamps, light bulbs and the like) or to power lines, due to the effects of electricity, overvoltage, or heating due to overload, atmospheric impacts and dead loads, induction due to atmospheric discharges, and similar events.

However, indemnified shall be the damage due to fire caused by the effects of electricity which, after the cessation of such effects, would continue to spread independently.

2) damages caused by the transmission of the electric energy through power lines as a result of a lightning strike, and damages to safety fuses of any type, safety switches, overvoltage lead-outs, lightning conductors, and similar devices during their standard operation.

RISK OF EXPLOSION

Article 4

(1) According to the Terms and Conditions hereof, the explosion shall be deemed a sudden release of force based on tendency of vapour and gasses to spread.

(2) In the event of explosion of vessels under pressure (boilers, pipes, etc.) the insurance shall cover the damage only when the vessel walls are demolished to such an extent that momentary equalization of internal and external pressure occurs.

(3) When an explosion occurs inside of a vessel because of chemical conversion, a resulting damage to the vessel shall be



covered by insurance even when the vessel walls have not been torn, whereas the insurance shall not cover the damages caused by the decrease of pressure inside the vessel.

(4) This insurance shall not cover:

- 1) damages to the Insured's contents caused by blasting which is carried out within the permitted activity of third parties;
- 2) damages to machines caused by explosion in the internal combustion chamber (motor cylinder);
- 3) damages from the explosion due to blowing out of a blast furnace and similar devices;
- 4) damages caused by breaking the sound barrier;
- 5) damages due to explosion of biological characteristic;
- 6) damages caused by explosion on pressure vessels, referred to in paragraph (2) of this Article due to wear and tear, excessive layers of rust, scale, sediment, or mud on the insured object. However, the damages to the other objects related to the occurred explosion shall be indemnified.

RISK OF STORM

Article 5

(1) According to the Terms and Conditions hereof, a storm shall be considered a wind blowing at 17.2 m/sec or 62km/h (8 degrees per Beaufort scale) or over.

It shall be considered that the wind of the mentioned speed blew in the area in which the insured object is situated if the wind was breaking the branches and tree trunks, or damaged regularly maintained building structures. In case of any doubt, the insured shall be obliged to present the evidence of the wind speed by producing the report of the Weather Bureau.

(2) The losses due to storm shall be covered by insurance if mechanical damages to the insured object are caused by:

- 1) direct effects of the storm, or
- 2) direct impact of objects toppled or blown by the windstorm.

(3) The insurance against storm shall not cover:

- 1) damages caused by penetration of rain, hail, snow, or other deposits through an open window or other existing openings on the building, unless the openings are the result of a windstorm;
- 2) damages caused by rain and other precipitations on the items placed in a fenced courtyard or clear space (ricks, stacks and the like), under the canopies, and other open buildings;
- 3) damages due to snowdrifts or snow weight;
- 4) damages to the building structure not built according to the customary method on that location or to the building structure which is unsatisfactorily maintained or dilapidated;
- 5) damages to the building materials placed in a fenced courtyard or clear space.

RISK OF HAIL

Article 6

(1) The insurance hereof shall cover damages against the destruction of and/or damage to the insured items caused by the impact of hail. The coverage shall also apply to losses caused by penetration of hail and rain through openings made by falling hail immediately before such occurrence.

(2) The insurance hereof shall not cover damages to:

- 1) unsatisfactorily maintained or dilapidated facades;
- 2) building materials placed in a fenced courtyard or clear space.

RISK OF FALLING AIRCRAFT

Article 7

(1) According to the Insurance Terms and Conditions hereof, the falling aircraft shall mean any type of aircraft falling on the insured building structure.

(2) It shall be deemed that the event insured against a falling aircraft has occurred if the insured object has been destroyed or damaged from a direct impact of an aircraft or parts thereof or the objects from an aircraft.

RISK OF FLOOD AND TORRENT

Article 8

(1) According to the Insurance Terms and Conditions hereof, the flood shall mean elemental unexpected inundation of the terrain due to outflow of constant water (rivers, lakes, etc.) from its bed or because it broke through a dyke or a dam, outflow of water due to high tide and very fierce waves on the sea or lake, and rising and runoff of water from artificial lakes.

The flood shall also mean unexpected inundation of the terrain due to a sudden formation of a big quantity of water mass as a result of excessive precipitations in a short period of time.

The torrent shall mean elemental unexpected inundation of the terrain with water mass formed on slopes due to heavy precipitation and flowing down the streets and roads.

The flood insurance shall cover only the damages caused to the insured contents during the flood and immediately after the withdrawal of water.

(2) The insurance hereof shall not cover:

- 1) damages to the interior side of pipelines, canals, or tunnels caused by mechanical action of water;
- 2) damages caused by fungi due to moisture;
- 3) damages caused by subsidence as a consequence of floods and torrents;
- 4) damages caused by ground waters;
- 5) water damages caused by flood resulting from discharge of water from a sewerage, unless caused by flood or torrent;
- 6) damages to building structures due to scour at the outside.

RISK OF AVALANCHE

Article 9

(1) According to the Insurance Terms and Conditions hereof, avalanche shall mean a mass of snow in movement that tumbles down the mountain slopes.

(2) Losses caused by the effect of air pressure due to an avalanche shall also be covered.

RISK OF WATER DAMAGE

Article 10

(1) In accordance with the Terms and Conditions hereof, water damage shall be the unexpected discharge of water from water supply pipes, sewers (drainage), hot-water pipes, and cooling installations connected to the central system as well as from heating and cooling devices, hot water heating devices, and other apparatuses connected to the hot and cold water supply installations - due to damage (breaking, cracks, or failures of control and safety devices) or congestion of such installations, devices, and apparatuses.



- (2) The installations from which unexpected water damage may occur in accordance with paragraph (1) of the Article hereof shall be all the aforementioned indoor installations of the insured buildings structures or building in which the insured flat is situated, until their connection to the external network (e.g. manhole, hydrophore, heating substation, and the like).
- (3) Regarding unoccupied flats, the insurance shall cover the damage to the insured contents (insured building structure and moveable property) even if the insured risk occurred from the other premises and flats of the building in which insured contents are situated.
- (4) It shall be the insured's duty to ensure the maintenance of water supply and sewer (drainage) pipes, hot-water and cooling installations, devices, and apparatuses, and frost protection thereof.
- (5) The insurance hereof shall not cover damages due to:
 - 1) water escape from open taps;
 - 2) water escape from drainage (sewerage) pipes in building structures with one flat (holiday residences and family houses), if the damage has occurred due to congestion (blocking) of installations in the premises of the insured;
 - 3) water escape due to damage to water supply and drainage installations, heating and cooling installations, devices, and apparatuses caused by freezing;
 - 4) due to deteriorated (worn out) installations, devices, and apparatuses or visible signs of corrosion thereon, that are accessible to the control of the Insured;
 - 5) loss of water and loss of profit;
 - 6) breach of duty as per paragraph (4) of the Article hereof;
 - 7) water escape from gutters and rainwater drainage pipes;
 - 8) water escape from external installations (street installations and the like);
 - 9) penetration of water from the external side of the building due to precipitations and the like (leakage);
 - 10) subsidence resulting from water escape from water supply and sewer pipes and heating and cooling installations;
 - 11) fungi developed due to moisture.

RISK OF GLASS BREAKAGE

Article 11

- (1) The Insurer shall indemnify the damage in the event of destruction of, or damage to window glass and glass on doors of a building due to any risk they are exposed to.
- (2) The Insurer shall also indemnify the costs of removal and re-fixing of objects which interfere with the removal of damaged glass and/or fixing of a new glass (e.g.: protective bar, protective net, sun shade louvers and the like).
- (3) In the event of damage, the insurer shall indemnify per any one occurrence maximum up to 0.4% of the sum insured agreed under the insurance policy for the calculation of premium for the building structure, including the transportation costs.
- (4) The insurance shall not cover the damage occurred by:
 - 1) carrying or fixing of the insured glass;
 - 2) scratches, scuffing, or other damages to the glass surface.

RISK OF BURGLARY

Article 12

- (1) According to the Terms and Conditions hereof, burglary shall be committed if the perpetrator:

- 1) breaks into locked premises where objects insured are situated (place of insurance) by dislodging, breaking, or forcing open doors and windows, or breaking into the ceiling, walls and floors;
- 2) opens the locked premises with a false key, or uses other means not intended for regular opening, thereby leaving a trace as incontestable proof of burglary in terms of criminal law, or when there is other reliable evidence that the burglary was committed in the foregoing manner;
- 3) breaks into or forces open the locked storeroom in the place of insurance where the insured contents are situated, in a manner that is considered a burglary according to the provisions of the Article hereof;
- 4) enters the locked premises through an opening not designed for entering, overcoming obstacles that prevent the entry;
- 5) opens the locked premises and a storeroom with the original key or its duplicate, if the key has been obtained by any of the actions referred to in items 1), 2), 3) and 4) of this paragraph, or by deceiving a minor household member.

(2) Burglary shall also be considered the theft of contents from the balconies and loggias located on the floors, and from the flats located on the floors by jumping in from the open window.

(3) According to the terms and conditions hereof, burglary shall not be considered:

- 1) theft committed by jumping in through the open window located on the ground floor or theft of contents from the balcony on the ground floor;
- 2) theft committed by a person living in the shared household with the Insured, or participated by such person as a co-perpetrator or accomplice.

(4) The insurer shall be liable to indemnify the loss on construction parts (doors, windows, walls, locks, and the like) due to committed or attempted burglary to the amount of the repair costs, and maximum up to 3% of the sum insured agreed in the insurance policy for the calculation of premium for the building structure.

(5) The Insured shall be obliged to report the damage to the competent police authority, submitting the list of stolen contents.

RISK OF ROBBERY

Article 13

- (1) According to the Terms and Conditions hereof, robbery shall be deemed deprivation of items insured with the use of force or threat to life and health.
- (2) The use of force shall also be deemed using means for preventing resistance.
- (3) The Insured shall be obliged to notify the loss to the competent police authority, enclosing the list of items that have been stolen.

RISK OF SIMPLE LARCENY

Article 14

(1) In case of loss from simple larceny, the Insurer shall indemnify not more than 1% of the sum insured agreed in the insurance policy for stating the premium for movable items, in case the laundry or wardrobe were stolen while washed, dried or ironed in the premises of the Insured at the place of insurance or while dried or aired during the day (from the sunrise to the sunset) on the terrace or in the fenced courtyard of the insured facility.



(2) In case of loss from simple larceny, the Insurer shall also indemnify not more than 2% of the sum insured agreed in the insurance policy for stating the premium for movable items, in case the items have been stolen from the courtyard of the insured facility, such as: water sprinklers, hoes, rakes, shovels, mowers, fruit shears, hand saws and other small agricultural tools.

(3) The precondition for paying the indemnity referred to under the paragraphs (1) and (2) of the Article hereof shall be met only if the loss occurred while the Insured person or a member of his household were present in the insured facility or courtyard and if the loss was notified to the competent police authority with the enclosed list of stolen items.

(4) The insurance against simple larceny shall also cover the losses of missing items listed in the paragraphs (1) and (2) of the Article hereof due to the occurrence of a risk insured against.

RISK OF COMPOUND LARCENY

Article 15

(1) The Insurer shall be obliged to indemnify for the loss arising from the risk of compound larceny in the event of dismantling and taking away of:

- 1) built-in parts of the facility and built-in installations (doors, blinds, fences on balconies and terraces, electricity meter, water meter, gutters, etc.);
- 2) wire nets on grapevine posts, fruit trellises and/or fences around the insured facility.

(2) In case of loss from compound larceny, the Insurer shall indemnify not more than 1% of the sum insured agreed in the insurance policy for stating the premium for the facility.

(3) The Insured shall be obliged to notify the occurred loss to the competent police authority with the enclosed list of stolen items.

(4) Under the Terms and Conditions hereof, no larceny shall be deemed compound if perpetrated or co-perpetrated or participated by a person who lives with the Insured in a shared household, or a person who is employed in the household or stays therein with the consent of the Insured.

(5) The insurance shall not cover damages to common parts of the facility where the insured unoccupied flat is located.

RISK OF WANTONNESS OR MALICIOUS INTENT OF THIRD PARTIES

Article 16

(1) According to the Terms and Conditions hereof, malicious intent or wantonness shall be deemed to occur where the perpetrator:

- 1) breaks into the locked premises of the facility and causes damage to movable property and internal and external parts of the facility by pulling down, demolition, smashing, etc.
- 2) breaks off, cuts, uproots or otherwise damages fruit trees within the yard or hedge or a conifer hedge fence.

(2) The indemnity shall be paid to the amount of loss incurred but not exceeding 1% of the sum insured agreed in the insurance policy for stating the premium for the facility, in case the perpetrator caused damage to the internal and external parts of the facility by pulling down, demolition, smashing etc. and to the fruit trees within the yard or hedge or a conifer hedge fence and

1% of the sum insured agreed in the policy for stating the premium for movable items, in case the perpetrator caused damage to movables.

(3) The wantonness or malicious intent referred to under the paragraph (1) of the Article hereof shall not be deemed to occur if the perpetrator is a member of the Insured's own household, a guest or a person to whom the Insured lent a room to use in the facility or to whom the Insured entrusted the supervision.

(4) In case of a loss arising from this risk, the Insured shall be obliged to submit a report to the competent police authority with the enclosed list (description) of damaged or destroyed items.

RISK OF LANDSLIP AND LANDSLIDE

Article 17

(1) If specially agreed and subject to the payment of extra premium, the Insurer shall be obliged to indemnify for the loss occurred from the risk of landslip and landslide.

(2) According to the Terms and Conditions hereof, landslide shall be deemed sudden movements of the earth surface on sloping terrains, with clear manifestations of cracks on the ground surface and collapse that occur in a short period of time and result in strong deformations and cracks on facilities.

(3) The landslide insurance shall not cover the losses arising from the following:

- 1) geological landslides, if the ground where the insured facility is located has already begun to geologically slide down at the moment of insurance conclusion;
- 2) soil slip caused by human activity, such as soil cutting and the like;
- 3) land subsidence;
- 4) slow geological sliding of the soil, which manifests in smaller cracks on the facilities;
- 5) quicksand, rock burst and collapse in raises, tunnels and underground corridors.

(4) According to the Terms and Conditions hereof, landslip shall be deemed tearing off and falling of material as a geological phenomenon or in connection with landslides.

(5) The insured event of landslip shall be deemed to have occurred on the item insured only if the slipping material hit the item insured and destroyed or damaged it.

(6) The insurance shall not cover the costs of survey and rehabilitation of the land where slipping or sliding occurred.

RISK OF LEAKAGE

Article 18

(1) According to the Terms and Conditions hereof, leakage shall be deemed the escape of liquid or gasses from the immovable vessels and tanks and/or liquids from movable barrels and vessels due to sudden bursting of the vessel or unexpected damage to the vessel and built-in devices, occurring beyond the will of the Insured.

(2) The insurance shall cover damages only to the insured liquid and/or gasses within the immovable vessels and tanks and liquids in movable barrels and vessels, unless otherwise agreed.

(3) If specially agreed, damages to facilities with all appurtenant installations including fences and fruit trees within the yard, movable property, boats, construction materials,



immovable vessels and tanks, movable barrels and vessels and solar panels arising from leakage of liquids or gases shall be covered by insurance.

(4) Damages resulting from the insured liquid/gas leakage due to bursting of vessels or failure of devices caused by wear and tear (corrosion, ageing), poor maintenance of vessels or devices, poor sealing or sealant, shall not be covered.

RISK OF INSTALLATION BREAKAGE

Article 19

(1) If specially agreed and subject to the payment of extra premium, the Insurer shall be obliged to indemnify the loss occurred from the risk of breakage of water, sewerage, electrical, central heating or autonomous heating installations including the heat sources and the appurtenant equipment as well as on the cooling installations connected to the central system.

(2) According to the Terms and Conditions hereof, breakage shall be deemed damage to or destruction of insured item due to an accident which shall comprise unforeseen and sudden events occurring in relation with the use of item insured.

(3) The Insurer shall not be obliged to indemnify for the loss inflicted upon the item insured due to freezing.

(4) The subject matter of insurance shall not be deemed to include parts that have been exposed to direct thermal impact such as burner torches (cinders, torches), grids, fireboxes, electrical resistance heaters, even when their value is included in the item insured

RISK OF EARTHQUAKE

Article 20

(1) Risk of earthquake shall be defined according to the Special Terms and Conditions for Property Insurance against Earthquake.

RISK OF IMPACT OF UNKNOWN MOTOR VEHICLE

Article 21

(1) The insurance hereof shall cover damages to the insured facility with all adjacent installations including fences, hedges or confiner hedge fences and fruit trees within the yard, caused by the impact of an unknown motor vehicle.

(2) Damages to other insured items resulting from demolition of a facility or part thereof, a fence, hedges or confiner hedge fences and fruit trees within the yard due to the impact of a motor vehicle as referred to under the paragraph (1) of the Article hereof shall be covered by insurance.

RISK OF GENERAL LIABILITY

Article 22

(1) According to the Terms and Conditions hereof, the event insured against shall be deemed a future uncertain loss event occurring beyond the sole will of the Insured and/or the Insured's family member which may give rise to a claim for indemnity submitted by a third party.

(2) The insurance shall cover the non-contractual liability of the Insured and his family members for damages they have inflicted:

1) as individuals, in day-to-day life, except while doing crafts or exercising professional activity, local tourism or some other activity;

2) as owners, users or lessees of the insured facility and the surrounding courtyard and garden;

3) as employers to the workers employed within the household;

4) from the possession and use of a motorless bicycle;

5) while practising recreational sports other than the sports related to the use of a motor vehicle of any kind, sailing, parachute jumping, paraglider flying, hunting, fishing and martial arts;

6) as owners or keepers of domestic animals, unless for economic purposes. The Insurer's liability is excluded in case of damages caused by dogs of the following breeds: Bull Terrier, Stafford Terrier, American Stafford Terrier, Mini Bull Terrier or a mix of these breeds, Rottweiler and Doberman.

(3) The insurance shall also cover the liability of household employees when performing household activities, maintenance or supervision of the Insured's property they were entrusted with.

(4) The insurance shall not cover the events insured against if they occurred outside of the territory of the Republic of Serbia.

(5) The insurance shall not cover:

1) liability for deliberately caused damages;

2) liability for damages arising from the possession and use of motor vehicles and other motor-driven vehicles (tractors, motor cultivators, self-propelled work machines, etc.), aircrafts and vessels;

3) damage sustained by the Insured, household members and users of the insured facility;

4) liability for damages caused to the subject matter insured;

5) liability for damages that occurred as a result of deliberate action contrary to regulations or rules;

6) liability for damages resulting from disturbing third parties with noise, shouting, music, etc., as well as pollution of air, water, etc.;

7) liability for damages caused by the possession or keeping of domestic animals, if it resulted from non-observance of valid regulations governing such keeping.

(6) The obligation of the Insurer shall be limited by the agreed sum insured, single for both personal injuries and property damages and shall represent the maximum liability of the Insurer any one occurrence and in the aggregate for the (one-year) insurance period. The sum insured shall be exhausted by claim payments during the one-year insurance period.

VALUE OF ITEM INSURED

Article 23

(1) Value of item insured shall be as follows:

1) for facilities – the construction price of the new facility according to the prices in the place where the facilities are located less the amount of the estimated wear and tear;

2) for movable items, devices, installations and equipment that are built into the facility - the purchase price of new items, less the amount of estimated wear and tear (technical and/or economic).

Movable items referred to in the Article 1 paragraph (10) of the terms and conditions hereof, located in the utility rooms and facilities (basement, attic, storeroom, shed, etc.) and garages shall be insured to up to 3% of the sum insured agreed in the insurance policy for calculating the premium for movable items;

3) for cultivators, lawnmowers and other small agricultural tools referred to under the Article 1 paragraph (11) of the terms and conditions hereof located in the main building, utility premises, ancillary buildings and garage - the purchase price of new items less the amount of estimated wear and tear;

4) for agricultural equipment and tools of greater value referred to under the Article 1, paragraph (12) of the terms and conditions hereof which may not be placed in the structures of low



construction category (repositories, sheds, and the like) and inadequately secured and inappropriately locked - the purchase price of new items less the amount of estimated wear and tear;

5) boats for sport and recreation and items referred to under the Article 1 paragraph (13) item 1) of the terms and conditions hereof stored in the main facility and garage - the purchase price of the new item reduced by the amount of estimated wear and tear;

6) for art paintings and objects of artistic and historical value - value determined by agreement between the policyholder and the Insurer (appraised value), for any one item. The basis for determining the appraised value is the certificate of a professional/expert with the assessment of the value of the relevant items.

PLACE AND PERIOD OF INSURANCE

Article 24

- (1) The insurance is valid only for items insured at the address specified in the insurance policy.
- (2) In line with the provisions of the Terms and Conditions hereof, the movable items may be located in the utility rooms and facilities (basement, attic, repository, shed and the like), garage and yard of the insured facility, which shall also be deemed the place of insurance for movables.
- (3) The insurance shall be valid while the insured items are located in the place specified in the insurance policy. The obligation of the Insurer for the items insured shall cease if such items are relocated, fully or partially, out of the place of insurance.
- (4) The insurance against general liability shall cover the insured events occurred on the territory of the Republic of Serbia.
- (5) This insurance may be agreed to the period of less than one year, except when the period of insurance is changed and, in such case, the Insurer shall be entitled to the premium for the used period of insurance stated according to the *pro-rata temporis* principle.
- (6) In case of the insured event occurred prior to the date of receiving the request for insurance termination referred to in the paragraph above, the Policyholder shall not be entitled to the premium return.

ESTABLISHING INDEMNITY

Article 25

- (1) The amount of insurance indemnity shall be established:
 - 1) in case of destruction or missing of items, according to the value of the insured item as referred to under the Article 23 of the Terms and Conditions hereof at the time of insured occurrence less the salvage value;
 - 2) in case of damage, to the level of costs of repair according to the prices of material and work at the time of insured occurrence less the amount of estimated wear and tear (amortisation), unless otherwise agreed, and salvage value;
 - 3) in case of glass breakage – according to the purchase price of a new glass including the costs of glass installation and the costs of removal and reinstallation of items that hinder the removal of the damaged glass and/or installation of new glass, but not to exceed the sublimit specified in the Article 11 paragraph (3) of the Terms and Conditions hereof. The wear and tear (amortization) shall not be calculated for glass.
- (2) The increased costs of repair incurred by any changes, improvements or betterments made to the damaged item during

the repair shall be borne by the Insured. If, after deducting wear and tear (amortization) and the salvage value, the costs still exceed the value of the insured item, such item shall be deemed destroyed and the indemnity shall be stated according to the provisions of the item 1) of the paragraph hereof.

(2) If it is not possible to determine the actual amount of amortization when establishing indemnity, it will be considered that amortization amounts to not less than 50%.

(3) For movable property of individual real value of more than 500 euros (in dinar equivalent), and agricultural equipment and tools of individual real value of more than 300 euros (in dinar equivalent), the indemnity shall be paid up to the specified amount. Payments beyond such specified amount shall be made only if the Insured has separately declared such items when concluding the insurance contract and indicated them in the List of Movable Items, or exceptionally, if he possesses an invoice for them.

(4) In case of damage to individual parts of the pair (set, service, etc.) when only one or several items from such pair (set) are damaged or destroyed, the reduced value of the set shall not be compensated but only the value of such individual part.

(5) Salvaged parts and residuals of the destroyed or damaged items (salvage value) shall be kept by the Insured and charged according to the market value at the time of occurrence of the insured event.

(6) The Insurer shall be obliged to compensate for the costs of removal, acquisition and replanting of fruit trees in the yard, hedges and conifer hedge fences if, due to an occurrence of a risk insured against, they are broken or uprooted or if they fall to the ground or are in any other way so damaged that their natural regeneration cannot be not expected.

(7) In the case of insurance against additional risks concluded to the "first loss", the indemnity shall be paid to the amount of the loss incurred but not to exceed the agreed sum insured under the "first loss" insurance. The provision on under-insurance shall not apply in this case.

(8) With regard to general liability risk, in addition to liability for damage to persons (damage due to death, injury to body or health impairment) and property, the coverage shall also include the legal expenses incurred in the litigation for establishing the merits and amount of liability of the Insured/member of his household, provided that they act on the orders of the Insurer in connection with the litigation. The indemnity shall be paid up to the agreed sum insured, single for personal injuries and property damages, and shall represent the Insurer's maximum liability any one occurrence and in the aggregate for the (one-year) coverage period.

REMUNERATION OF COSTS

Article 26

(1) By way of costs incurred for clearing up and demolition in connection with the insured event occurring on the insured item, the Insurer shall reimburse the necessary expenses for clearing up and demolition up to 3% of the sum insured. The clearing up expenses shall include the necessary expenses for clearing up and cleaning the place where the damage was caused as well as expenses for removal of mill scale, rubble and sludge to the nearest place of permitted unloading. Demolition costs include the reasonable costs incurred by the policyholder after the occurrence of the insured event by way of demolition of the remaining damaged unusable parts and their transportation to the nearest permitted unloading point.



(2) The insurer shall indemnify the necessary expenses incurred by the policyholder upon occurrence of the insured event on the insured item in taking measures for removal and mitigation of damage, even if such measures were not successful.

(3) Total indemnity by way of expenses referred to under the paragraph (1) of the Article hereof and by way of established loss compensation (Article 25) may not exceed the sum insured and/or actual value of the damaged item, except in the case of expenses referred to in the paragraph (2) of the Article hereof.

(4) In case of underinsurance, the clear-up and demolition expenses shall be indemnified in the same proportion as the indemnity referred to under the Article 25, except when such expenses are incurred by order of the Insurer.

(5) The Insurer shall not be liable to compensate for the expenses incurred to eliminate the cause of damage and/or the expenses of intervention of fire brigade and other organizations whose duty is to provide assistance upon insured occurrence, free of charge, according to the type of business they transact.

**VALIDITY OF GENERAL TERMS AND CONDITIONS FOR
PROPERTY INSURANCE**

Article 27

(1) Unless in controversy with the Terms and conditions hereof, the General Terms and Conditions for Property Insurance shall apply to the insurance concluded under these Terms and Conditions.

FINAL PROVISIONS

Article 28

(1) The Terms and Conditions hereof shall become effective as of the 1 November 2021.

(2) By coming into effect of the Terms and Conditions hereof, the Special Terms and Conditions for Insurance of Unoccupied Flats and Family Houses for Leisure and Recreation (Company Bulletin no.: 42/19) shall cease to exist.