

# Terms and Conditions

General Third Party Liability Insurance  
incl. Products Liability

Version 6/2015

CHUBB®

## Liability Policy

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Relationship of the **insurer**, the **policyholder** and the **insured** in connection with liability insurance is governed by the insurance contract and by this policy that represents its integral part.

Please, read this insurance policy carefully, above all the provisions that may restrict the insurance coverage.

Words and phrases that appear in **bold** print in this policy have special meanings defined in Article 3. Definitions.

### 1. Insurance risk, insured event

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The insured event for the purposes of this insurance shall mean arising of a legal liability of the **insured** for **damages** caused to a third party in connection with **business** of the **insured**, provided that such **damages** occurred during the **policy period** and within the **territorial limits**, unless stated otherwise in the relevant provision.

In case of the insured event pursuant to the paragraph above, the **insurer** will pay to the **insured** the indemnity in the amount of **damages** and **costs and expenses** under the conditions of the relevant insurance contract and this insurance policy, up to the **limits of liability**.

### 2. Extensions

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If so stated in the insurance contract, in case of the insured event specified in the preceding Article the **insurer** will pay the indemnity also in the amount of **damages** pursuant to the extensions below.

Provisions of other parts of this policy including exclusions also apply to the insurance cover under the extensions below (including situations when the **employee** or the **principal** or any other person is the **insured** under such insurance).

The **insurer** will pay the indemnity under the extensions below up to the sublimit applicable to one and all insured events from this insurance, provided that the amount of such sublimit is specified in the insurance contract.

#### 2.1 Cross Liabilities

Where more than one party comprises the **insured**, the **insurer** will provide the indemnity to each of the **insured** in the same extent and under the same conditions as if each of such **insureds** concluded separate insurance contract; this also applies to any claim by one **insured** against any other **insured**, except of **personal and advertising injury** (i.e. no indemnity will be provided in case of liability of one **insured** against other **insured** for the **person and advertising injury**).

#### 2.2 Damage to Leased or Rented Premises

Notwithstanding 4.5 of this policy, the **insurer** will pay the indemnity in the amount of **material damage** caused to the premises (including fixtures and fittings) leased or rented to the **insured** in connection with the **business** of the **insured**, provided that the **insured** is liable for such **material damage**.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover any **material damage** to any such premises if the **insured** is entitled to indemnity in respect of such **material damage** from any other insurance, including property insurance.

### 2.3 **Damage to Personal Effects of the Employees, Directors and Visitors of the Insured**

Notwithstanding 4.5 of this policy, the insurer will pay the indemnity in the amount of material damage caused to the property personal effects (including motor vehicles) belonging to the employees, statutory body of the insured, members of statutory and control bodies of the insured and visitors of the insured, provided that such material damage is caused in connection with business of the insured and the insured is liable for such material damage.

### 2.4 **Data Protection Act**

The **insurer** will pay the indemnity in the amount of damages for which the **insured** is liable as a result of handling of personal data by third parties in violation of applicable laws, particularly Act Number 101/2000 Coll., on the Protection of Personal Data and Amending Certain Laws, as amended, committed during the **policy period** and within the **territorial limits** and arising in connection with the **business** of the **insured**. By this extension, the definition of **person and advertising injury** is therefore amended to include such damages.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover any:

- a) costs and expenses of rectifying or erasing personal data including any fines and penalties, even if imposed on a third party that seeks compensation from the **insured**;
- b) any damage arising from fraud or any other intentional wilful act or omission or in connection therewith;
- c) any damage arising from any agreement to store, process or supply personal data for a fee or by reciprocal arrangement omission or in connection therewith.

### 2.5 **Legal Defence Costs**

The **insurer** will pay to **insured** or at the request of the **insured** to any **employee** or **principal** of the **insured** the indemnity in the amount of costs incurred by such persons with the prior written consent of the **insurer** for the defence of any criminal proceedings (including appeal proceedings) against such persons brought for **bodily injury** caused as result of breach of health and safety at work regulations that is the insured event under this insurance. In case of the appeal proceedings, the indemnity under this extension will be paid only provided that the appeal is not apparently unsuccessful.

Except for the general exclusions in Article 4 below, insurance under this extension does shall not apply to proceedings consequent upon any deliberate act or omission.

### 2.6 **Personal Liability Overseas**

The **insurer** will pay the **insured** and at the request of the **insured** to any **employee** or **principal** of the **insured** or spouse of any such person (including person in registered partnership pursuant to relevant legal regulations) the indemnity in the amount of damages in respect of **bodily injury** or **material damage** occurred while temporarily outside the **territorial limits** in connection with the business provided that such persons caused and are liable for such damage; such persons shall be considered **insureds** for the purposes of this extension.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover any **bodily injury** or **material damage**:

- a) on any real property owned, leased or rented by the **insured** or his close person or a person who is a member of the business group with the **insured**;
- b) insured by any other policy of insurance;
- c) any manual work outside the territory of the European Union member states.

### 2.7 **Vendors Indemnity**

The **insurer** will pay at the request of the **insured** to any person or organisation specified in the insurance contract (herein referred to as "vendor") indemnity in the amount of **bodily injury** or **material damage** arising out of the **insured's products** distributed or sold in the regular course of the vendor's business; such persons shall be considered **insureds** for the purposes of this extension.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover any **bodily injury** or **material damage** in connection with:

- a) any express warranty unauthorised by the **insured**;
- b) any physical or chemical change in the form of the **products** made intentionally by vendor or any other person than the **insured**;
- c) repacking unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instruction from the **insured** and then repacked in the original container;
- d) demonstration, installation, servicing or repair operations except demonstration performed at the vendor's premises in connection with the sale of the **products**;
- e) **products** which after distribution or sale by the **insured** have been labelled or re-labelled or used as a container part or ingredient of any other thing or substance by or for the vendor.

This extension shall not apply to any person or organisation from whom or which the **insured** has acquired such **products** or any ingredient part or container entering into accompanying or containing such **products**.

## 2.8 Subrogation Claims of the Health Insurers in Connection with Employees

Notwithstanding 4.4 of this policy, the **insurer** will pay the indemnity in the amount of the claim of:

- a) health insurer against the **insured** for payment of costs of the health care provided to the **insured's employee** that suffered a work injury or an occupational disease as a result of a wrongful act caused by the **insured** in connection with **business** of the **insured**; and
- b) health insurance authority against the **insured** for payment of health insurance benefits paid to the **insured** for the reason described in the previous paragraph.

## 2.9 Products Recall Expense

Notwithstanding 4.6 of this policy, the **insurer** will pay the indemnity in the amount of below mentioned costs incurred by the **insured** with the prior written consent of the **insurer** or by a third party provided that the **insured** is liable for such costs, as a result of defect of the **product**, of which the **insured** first became aware and which was first reported in writing to the **insurer** during the **policy period** and the defect of the **product** is a result of one or more of the following events:

- a) the accidental omission by the **insured** of a substance or component in the **products**, which is generally part of such **product**;
- b) the accidental introduction or the accidental substitution by the **insured** of a deleterious substance or of a defective component in the **products**;
- c) an unintentional error or deficiency in the manufacture, design, blending, mixing, compounding, packaging or labelling of the **products** by the **insured** but only if such error or deficiency is known or recognised as such in the industry at the time such error or deficiency occurred.

A recall by order of a government, federal, state, or other regulatory body or official shall also be an insured event provided that any such recall is a result of an event specified in sub-paragraphs a), b) or c) above.

The indemnity under this extension shall be provided in connection with reasonable and necessary costs and expenses incurred in connection with recall of the **products** from the buyer, distributor or the user and/or their disposal, provided that use, consumption or storage of such **products** has caused or could cause **bodily injury** of third parties or **material damage** to property of third parties, for:

- a) publication of the **product's** defect in newspaper, magazine, radio and television announcements, correspondence and other communications;
- b) the transportation of the **products** from any purchaser, distributor or user to the place or places designated by the **insured**;
- c) the hire of additional persons who are not existing **employees** of the **insured** and increased remuneration costs (including compensation of overtime);
- d) expenses incurred by the **insured's employees** for transportation and accommodation;
- e) the cost of the rent or hire of additional warehouse or storage space;
- f) the extra costs incurred to properly dispose of any recalled **products** and/or packaging materials that cannot be re-used.

The indemnity under this extension shall be provided in the amount of the above-described costs and expenses after making proper deduction for all recoveries and salvages collectible.

For the avoidance of doubt, the **insurer** will pay the indemnity under this extension up to the sublimit specified in the insurance contract for **product** recall. For the purposes of such sublimit and its application, all costs and expenses in connection with **product** recall incurred for different types, series or models of one product are considered costs and expenses resulting from one insured event.

Notwithstanding the Article 1 paragraph 1 of this policy, insurance under this extension is claims made and applies solely to liability for damage claims first made against the **insured** during the **policy period** (and that notification shall be considered a moment of insured event's occurrence) and notified to the **insurer** during the **policy period** or within 30 days of expiry thereof.

A retroactive date specified in the insurance contract shall apply to insurance under this extension, i.e. this insurance applies solely to recall of **products** that were sold or distributed after such retroactive date.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover:

- a) recall of:
  - i) **products** which are similar to the **products** giving rise to an insured event under this extension;
  - ii) **products** being of the same trade or brand name but of different batches than that which has been determined as being a likely cause of loss under this extension, if the products are identifiable by batch, code, or other means;

- b) inherent deterioration, decomposition or transformation of the **products**, or the **products** reaching the end of the period within which use or consumption or storage is recommended;
- c) loss of customer faith or approval or any costs incurred to regain customer faith or approval or other consequential loss arising therefrom;
- d) changes in the condition of the **products** or any part thereof if such changes are caused by the act or omission of any person other than the **insured** and whether occurring before or after the release of such **products** by the **insured** and circumstances arising from any deliberate act or omission by the **insured**;
- e) any pre-existing condition of the **products** which could possibly become a cause of loss under this extension and of which the **insured** had or should have had prior knowledge;
- f) any occurrence arising from **products** which were sold or supplied prior to the retroactive date shown in the insurance contract;
- g) withdrawal of any **product** without the reasonably held belief that its use or consumption or storage would or could result in either **bodily injury** or **material damage**;
- h) use of materials after they have been banned or declared unsafe by any authorised governmental entity;
- i) acts or omissions of any of the **insured's employees** and of which any of statutory body of the **insured** or its member, member of supervisory or management board of the Insured or of any control body or managing employee (*vedoucí zaměstnanec*) had or should have had prior knowledge;
- j) the express conditions of any contract or agreement entered into by the **insured** which imposes costs or expenses for the recall or replacement of the **products** which would not have been incurred in the absence of such contract or agreement.

## 2.10 Environmental Liability

Notwithstanding 4.12 of this policy, the **insurer** will pay to the **insured** the indemnity in the amount of the **remediation costs** and **regulatory authority costs** incurred by the **insured** in connection with **pollution** on, at, under or migrating from any property owned or leased by the **insured** where such **remediation costs** and **regulatory authority costs** result from **regulatory action** first imposed on the **insured** during the **policy period** and notified to the **insurer** during the same **policy period** or within 60 days of expiry thereof, provided that such **pollution** occurred:

### A. Remediation of new pollution

after the **reverse retroactive date** specified in the insurance contract;

### B. Remediation of unknown historic pollution

before the **reverse retroactive date** specified in the insurance contract, provided that the **insured** (or its **responsible official**) did not know or could not have known about such **pollution**.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover:

- a) lead or lead-containing materials, on or in structures;
- b) arising from any **pollution** discovered in the course of replacement, repair or capital improvement activities at any property owned or leased by the **insured**;
- c) any change in ownership or a material change in use of any property owned or leased by the **insured**;
- d) in respect of loss of damage to loss of use of or diminishment in value of property belonging to the insured or in the custody or control of the **insured** or any **employee** or agent of the insured other than in respect of **remediation costs**;
- e) in respect of **bodily injury** sustained by any **employee** or former **employee** arising out of and in the course of employment by the **insured** in the **business**;
- f) intentional disregard of or knowing wilful or deliberate non-compliance with any statute, regulation or decision or instruction of any public authority, judicial body or any similar authority or any **responsible official**;
- g) any of which are the subject of indemnity under any other provision of this policy or would be but for the **limit of liability** applicable thereto or any other insurance issued by the **insurer**, including property or contractor's insurance;
- h) any **pollution** on at under or migrating from any property or structure owned, leased, operated or controlled by the **insured** which is situated offshore;
- i) any permission, obligation or condition required by any competent authority in connection with building or planning permit a/or pursuant to the Act Number 183/2006 Coll., on Territorial Planning and Building Code (Building Act), as amended;
- j) anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the **insured** including containers, packaging or labelling and which is not in the possession of the **insured** at the time of the occurrence;

- k) any pollution discovered during or as a result of any site investigation or associated activities undertaken for the purpose of an application of a **regulatory action** by the **insured**;
  - i) to obtain or maintain a permit to operate an installation, facility or equipment at any property owned or leased by the **insured**;
  - ii) to develop or undertake construction activity at any property owned or leased by the **insured**;
- l) any **pollution** which emanates from any tank or associated piping and appurtenance which tank has more than 10% of its volume below ground the presence of which was known to a **responsible official** prior to the commencement of the **reverse retroactive date**.

#### 2.11 Pure Financial Loss

Notwithstanding 4.18 of this policy, the **insurer** will pay the indemnity in the amount of pure financial loss, i.e. loss that does not constitute **bodily injury** or **material damage** (including any financial losses directly stemming from them).

Except for the general exclusions in Article 4 below, insurance under this extension does not cover:

- a) financial loss arising out of:
  - i) delay non-performance or non-completion in carrying out a contract;
  - ii) strikes, labour disturbances, insolvency, financial default, any act of fraud or dishonesty deceit, conspiracy, breach of contract, breach of anti-trust laws;
  - iii) libel, slander or other intervention into dignity, honour, esteem and privacy or infringement of any industrial right including patents, copyrights, trade-marks or trade names or other object of industrial property with the exception of damages specified in article 3.16 f) of this policy;
  - iv) breach of trust, breach of warranty of authority or breach of duty owed to shareholders, investors or partners by any director or officer of the **insured**;
  - v) the sale or supply of any investment or financial product or service or the provision of or failure to provide any instruction advice information or professional service whether or not rendered in return for a fee;
  - vi) circumstances known to the **insured** prior to the commencement date of this extension;
  - vii) any agreement to store process or supply computer data (including supply of information derived from such computer data) for a fee or by reciprocal arrangement;
- b) any costs for removing of the defective **product** and mantling of the **product** free of defect;
- c) liability arising from any interaction between a computer or computer system:
  - i) belonging to the **insured**, or
  - ii) for which the **insured** is responsible, or
  - iii) which is being operated on behalf of the **insured**
 and a computer or computer system of a third party.

#### 2.12 Dismantling and Mantling Costs

Notwithstanding 4.18 of this policy, the **insurer** will pay the indemnity in the amount of pure financial loss, i.e. loss that does not constitute **bodily injury** or **material damage** (including any financial losses directly stemming from them), occurred to the third party in connection with incurred costs for dismantling of the defective **products** supplied by the insured, their removal and mantling of **products** free of defects.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover:

- a) situation when the **insured** on its own or its own behalf and on own responsibility installs or mantles defective **products** for **products** free of defects;
- b) costs in connection with purchase of the **products** free of defects including any costs for transportation to the injured party;
- c) any **products** that are part of the airplanes or vessels.

In cases where the removal of defective **products** is not feasible, economically justified and purposeful, the **insurer** will provide indemnity in the amount of costs incurred by a third party to another remedy, which is intended to prevent the consequences arising from the existence of defects before the replacement of faulty **products**, however, in the maximum amount which would have been granted if the replacement of defective **products** occurred. If the defect of the supplied **product** can be removed in its installed state and the exchange is not required, any measures to eliminate such defect are not considered a remedy, which is covered by insurance under this provision.

#### 2.13 Claims made basis optional

The insurance contract may set out that this insurance is claims made. In such case the **insurer** shall provide the indemnity solely in respect of liability for damage claims first made against the **insured** during the **policy period** (and

that notification shall be considered a moment of insured event's occurrence) and notified to the **insurer** during the **policy period** or within 30 days of expiry thereof or from the day the **insured** learns about such claim.

The following conditions shall apply in respect of the claims made insurance:

a) **Retroactive date**

Insurance cover applies exclusively to liability of the **insured** for damage based on a wrongful act or other relevant legal fact underlying to the liability, which has occurred after the retroactive date, indicated as such in the insurance contract, and before the expiry of the **policy period**. If no date is set out in the insurance contract as retroactive date, the date of inception of the insurance shall be considered the retroactive date.

b) **Discovery period**

Discovery period means the period of 12 months (or any other period agreed in the insurance contract) immediately after expiry of the **policy period** during which the insured may, subject to further provisions of this clause, the conditions and the insurance contract, notify claims made in that period regarding liability of the **insured** for damage, based on a wrongful act or other relevant legal fact underlying to the liability, which has occurred prior to the expiry of the **policy period**. The **policyholder's** right to purchase the discovery period cover as set out above must be exercised by notice to the **insurer** within 10 days of expiration of the **policy period**, and is only effective upon full payment of the additional premium.

The cover shall be extended to apply for the discovery period only in the following situations:

- i) If the **insurer** refuses to renew the insurance contract, by payment of an additional premium set out in the contract for such case; the **insurer's** offer of renewal terms, conditions, indemnity limits or premium different from those of the expiring insurance contract shall not constitute a refusal to renew;
- ii) If the **policyholder** refuses to renew the insurance contract, by payment of an additional premium set out in the contract for such case.

2.14 **Care, custody and control**

Notwithstanding 4.5 of this policy, the **insurer** will pay the indemnity in the amount of **material damage** to property which the **insured** lawfully uses, looks after, stores, transports or for other reason has under control for purpose of performing its contractual obligations relating to that property.

### 3. Definitions

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3.1 **Principal** means statutory body of the **insured** or its member, member of administrative board or any control board or shareholder of the **insured**.

3.2 **Fungi** means any type or form of fungus including mould or mildew and any mycotoxins spores scents or by-products produced or released by fungi;

3.3 **Limit of Liability** means the maximum amount as stated in the insurance contract which the **insurer** shall be liable to pay in respect of one and all insured event from this insurance occurred during each year of existence of this insurance, unless otherwise stated in the insurance contract, while all circumstances arising directly or indirectly from one source or original cause are considered one insured event.

3.4 **Remediation costs** mean reasonable expenses incurred with the written consent of the insurer in the investigation, quantification, monitoring, abatement, removal, disposal, treatment, neutralisation or immobilisation of **pollution** to the extent required by relevant legislation on environmental protection; except in the event of an imminent and substantial threat to human health or the environment.

3.5 **Costs and expenses** means:

- a) costs and expenses recoverable by any claimant from the **insured** in connection with the insured event;
- b) costs for legal representation incurred with the written consent of the **insurer** in connection with court proceedings (including preliminary criminal proceedings);
- c) compensation to the **insured** at the following rates for each day on which any of the following persons attend court as a witness at the request of the **insurer**
  - i) any statutory body of the **insured** or its member, member of administrative board or any control body of the **insured** or shareholder of the **insured**: CZK 10.000 per day
  - ii) any **employee** of the **insured**: CZK 5.000 per day

3.6 **Civil code** means Act Number 89/2012 Coll., the Civil Code.

- 3.7 **Personal and Advertising Injury** means injury other than **bodily injury** occurring as a direct result of any of the following offences:
- a) false arrest, detention or imprisonment or malicious prosecution;
  - b) wrongful entry or eviction which interferes with the right of private occupancy;
  - c) oral or written publication of material in any **insured's advertisement** which constitutes slander or libel or disparages goods, products or services;
  - d) oral or written publication of material which violates the right of privacy of a person;
  - e) misappropriation of advertising ideas in any **insured's advertisement**;
  - f) infringement of copyright, **trade dress** or slogan in any **insured's advertisement**.
- In the event of a series of offences leading to **personal and advertising injury**:
- a) all offences of such series are considered one offence and shall be treated as though they were committed on the date of the first of such offences committed during the **policy period**;
  - b) no indemnity shall be provided hereunder in respect of any offences committed prior to the **policy period**;
  - c) no indemnity shall be provided hereunder in respect of any offences committed after the expiry of the **policy period**.
- Personal and advertising injury** does not mean any loss in connection with the protection of personal data (including any cost of repair or removal of personal data) nor fines or penalties imposed by the Office for Personal Data Protection, or other similar institution, even if they are imposed to a third person who exercises the right to compensation against the **insured**.
- 3.8 **Regulatory authority costs** mean any costs and expenses recoverable as a result of **regulatory action** from the **insured** and costs and expenses incurred with the written consent of the **insurer**.
- 3.9 **Business** means the business of the **insured** described in the insurance contract and includes:
- a) in connection with such **business**:
    - i) the sale or supply of food and/or drink to **employees** or others;
    - ii) the provision of fire first aid security and ambulance services by the **insured** and maintenance of the **insured's** premises;
  - b) the provision by the **insured** of sports social and welfare organisations primarily for **employees** of the **insured**.
- 3.10 **Insurer** means Chubb European Group Ltd, a company having its registered office at The Chubb Building 100, Leadenhall Street, London EC3A 3BP, United Kingdom, acting through its branch Chubb European Group Ltd, organizační složka, having its registered office at Pobřežní 620/3, 186 00 Prague 8, Czech Republic, identification number 278 93 723, registered in the Commercial Register kept with the Municipal Court in Prague, section A, insert 57233.
- 3.11 **Policyholder** means a natural person or a legal entity specified as a policyholder in the insurance contract, who concluded the insurance contract with the insurer and is obliged to pay the premium.
- 3.12 **Policy Period** means the period stated in the insurance contract for which this insurance is concluded or any shorter period if this insurance is prematurely terminated.
- 3.13 **Insurance risk** means the probability of the insured event caused by an insured peril.
- 3.14 **Insurable interest** means a legitimate need for protection against the consequences of an insured event.
- 3.15 **Insured** means the **policyholder** or other entity described as such in the insurance contract as the insured.
- 3.16 **Territorial limits** means territory specified in the insurance contract.
- 3.17 **Responsible official** means any **employee** or former **employee** of the **insured** or any officer director or partner of the insured who is or was responsible for environment matters control or compliance at any property owned or leased by the **insured**.
- 3.18 **Trade dress** means any right relating to the overall visual appearance of a business and its products and/or services and the manner in which they are packaged and/or presented.
- 3.19 **Advertisement** means a notice which is broadcast or published to the general public or specific market segments about the **insured's products** or services for the purpose of attracting customers or supporters.
- 3.20 **Reverse retroactive date** means the date specified in the insurance contract.



- 3.21 **Damages** mean:
- a) **bodily injury** and **material damage** including financial loss directly stemming from them;
  - b) **trespass nuisance or obstruction**;
  - c) **personal and advertising injury**.
- 3.22 **Bodily Injury** means bodily injury to any person and includes:
- a) death, illness and disease;
  - b) mental injury anguish or nervous shock sustained by any person as a result of actual or threat of bodily injury, death, illness or disease.
- 3.23 **Regulatory action** means any action taken or any liability imposed by any public authority pursuant to the relevant legislation on environmental protection.
- 3.24 **Trespass Nuisance** or **Obstruction** means obstruction or interference with any easement of water, easement of way or as a result of light or air pollutants pursuant to the Section 1013 of the **civil code**.
- 3.25 **Material damage** means destruction, physical damage or loss of tangible property.
- 3.26 **Products** means any tangible object that is sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the **insured** including containers, packaging or labelling and which is not in the possession of the insured at the time of the **insured** event.
- 3.27 **Employee** means any person in employment relationship with the **insured**. **Employee** also includes the following while working for the **insured** in connection with the **business**:
- a) agency employees or employees of another employer temporarily allocated to the **insured**;
  - b) any self-employed person performing work for the **insured** of a kind ordinarily performed in employment relationship;
  - c) any work experience student or trainee working for the **insured**.
- 3.28 **Pollution condition** means the discharge, dispersal, release, escape, migration or seepage of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant including smoke, soot, vapours, fumes, acids, alkalis, chemicals, **fungi**, hazardous substances, hazardous materials and waste materials into or upon land or buildings or structures thereon the atmosphere, surface, water or groundwater.

## 4. Exclusions

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This insurance shall not cover (and the **insurer** is not obliged to provide indemnity) in respect of the following cases:

- 4.1 **Wilful or malicious causation, gross negligence or arbitrariness**  
Any loss event caused wilfully, maliciously, with gross negligence or with arbitrariness by act of the **policyholder**, the **insured** or the beneficiary or by any person upon initiative of any of them. For avoidance of doubts, it is stipulated that any compensation for price of special favour under Section 2969(2) of the **civil code** and for personal misfortune under Section 2971 of the **civil code** are specifically excluded from this insurance. This insurance also does not cover any **costs and expenses** in connection of defence against any intentional criminal offence.
- 4.2 **Radioactive Contamination**
- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
  - c)
- 4.3 **Contractual Liability**  
Liability assumed under any contract or otherwise above the scope set out by applicable legal regulations, unless such liability would have attached (in the same or larger extent) in the absence of such contract or other assumption of the liability.
- 4.4 **Employees Bodily Injury**  
Liability for **bodily injury** (in particular accident at work and professional disease) sustained by any **employee** when performing work tasks for the **insured** or in direct connection with it.

#### 4.5 Care, Custody and Control

Liability for **material damage** to property which the **insured** or any **employee** or agent of the **insured** uses, looks after, stores, transports or for other reason has under control.

#### 4.6 Damage to Products

Loss of or damage to **products** or any costs or expenses or return of purchase price claimed or incurred for repair, removal, replacement, recall, disposal or loss of use of any **products** out of which the damage arises or in which the **material damage** consists in, and any other claims falling under liability for defects.

#### 4.7 Aircraft Products

Liability arising from **products** knowingly supplied for use or installation in or on any aircraft or aerospace device which could affect the navigation flying capabilities or safety of such aircraft or device.

#### 4.8 Fines and Penalties

Liability for fines and penalties (including any fines and penalties imposed by court or any authority in criminal proceedings) or other contractual, administrative or criminal sanctions or other payments of repressive or preventive nature.

#### 4.9 Advice

Liability arising out of the provision of or failure to provide any instruction, advice, information or professional service in return for a fee.

#### 4.10 Aircraft and Watercraft

Liability in connection with any aerospace device or any airborne or waterborne craft or vessel (other than manually propelled waterborne craft) or operation, loading or unloading of such craft or vessel.

#### 4.11 Vehicles

Liability arising from or caused by the ownership, possession, control or use of any motor vehicle, rail vehicle, mechanically propelled on-track vehicle or trailer attached thereto, for which it is compulsory in accordance with the relevant legislation to conclude liability insurance.

#### 4.12 Pollution

Liability arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any water course or body of water; but this exclusion does not apply to **bodily injury** or **material damage** if such discharge dispersal release or escape is sudden and accidental.

#### 4.13 Personal and Advertising Injury

Liability for **personal and advertising injury** in connection with or arising out of:

- a) oral or written publication of any material or documents:
  - i) if the first oral or written publication of the same or similar material or documents took place prior to the commencement date of this insurance, or
  - ii) which the **insured** knew or should have known is false;
- b) arising out of a breach of contract other than misappropriation of advertising ideas under an implied contract;
- c) arising out of the failure of goods products or services to conform with advertised quality or performance;
- d) arising out of the wrong description of the price of goods, products or services;
- e) committed by an **insured** whose business is advertising broadcasting publishing or telecasting;
- f) any fraudulent or other intentional acts or omissions;
- g) use of personal data of any person, unless the exclusion 2.4 is concluded (in such case this exclusion does not apply).

#### 4.14 War

Liability arising directly or indirectly occasioned by happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

#### 4.15 Asbestos

**Liability** for any loss demand claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.

#### 4.16 Obligatory Insurance

Liability in respect of cases, activities or property where applicable legal regulations set out (i) a requirement for an insurance contract covering liability of the **insured** to be concluded ("obligatory insurance") or (ii) that the liability

insurance cover arises by virtue of law without an insurance contract being concluded (“statutory insurance”); in respect of activities, property or insured events occurring outside the Czech Republic or where Czech law is not governing, it is sufficient for this exclusion to apply that it would apply if that activity were carried out, property situated or insured event occurred in the Czech Republic or Czech law were governing or any other relevant aspect of the liability were connected with the Czech Republic.

#### 4.17 USA / Canada

In respect of insured event occurred or legal proceedings brought or originating in the United States of America or Canada or in any other territory within the jurisdiction of either such country, this insurance does not cover any:

- a) any punitive or exemplary damages;
- b) any liability arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any water course or body of water;
- c) any cost or expense arising out of any governmental demand or request that an **insured** test for assess, monitor, clean-up, remove, contain, treat, de-toxify or neutralise any irritants contaminants or pollutants;

#### 4.18 Pure Financial Damage

Liability for damage not being **bodily injury, material damage** (including any financial losses directly stemming from them), **personal and advertising injury** or **trespass nuisance or obstruction**.

#### 4.19 Terrorism

Liability in respect of any damage arising out of or related in any way to any acts of terrorism.

##### 4.19.1 Pending or prior litigation

If the insurance is agreed as claims made, any liability based on, arising from or attributable to any pending or prior litigation or other proceedings (including but not limited to civil, criminal, regulatory and administrative proceedings or official investigations) involving the **insured** and issued or otherwise begun before the date shown as “pending or prior litigation date” in the contract (or, if that date is not specifically set out in the contract, prior to the date of inception of the insurance) or alleging or derived from the same or substantially the same facts or circumstances alleged in the pending or prior litigation or proceedings.

#### 4.20 Prior notification

If the insurance is agreed as claims made, any liability based on, arising from or attributable to any fact, circumstance, act, omission, claim, wrongful act or other matter of which notice has been given under any insurance contract existing or expired before or on the inception date of the **policy period** of this insurance contract.

## 5. General provisions

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### A. Policy Limit

The **insurer** will provide indemnity for the **policy period** in the maximum amount of **limit of liability** specified in the insurance contract that applies regardless number of insured events, amounts claims, number of **insureds** who claim or when such claims have arisen. Some types of indemnity may be further limited by sublimit specified in the insurance contract. Any sublimit specified in the insurance contract shall be the **insurer’s** maximum aggregate liability for policy period in connection with such type of indemnity, regardless of the number of insured events, amounts claims, number of **insureds** who claim or when such claims have arisen. Any sublimit is part of and not in addition to the **limit of liability** specified in the insurance contract.

Unless agreed otherwise, the salvage costs shall be limited to CZK 10.000, respectively to 30% of the **limit of liability** in case of rescue of life or protection of people’s health.

### B. Excess

The **insurer** shall pay indemnity in relation to each insured event only in the extent exceeding excess as set out in the insurance contract. The amount of excess is borne by the **insured**.

### C. Obligations of the Insured

The **insured** is obligated to:

- a) properly use all efforts to ensure that the insured event does not occur, that the **insurance risk** does not increase and that negative consequences (damage for which it would be liable) arising or potentially arising from an insured event (threatening in general or directly or already occurring or having occurred) are reduced to a maximum extent possible, in particular by remedying any defect or danger upon discovery thereof and taking such additional precautions as the circumstances may require;

- b) not to violate duties set by regulations (legal of any kind, norms, other standards like generally accepted codes of practice or any requirements or recommendations of public authorities) aimed at averting occurrence of an insured event or reducing the damage arising thereof, such as in particular those with regard to the protection of persons and property, fire protection regulations, construction and technical maintenance regulations;
- c) prevent, to a maximum extent which may reasonably be required, violation of the regulations under (b) by its employees or by any other person acting of which could be considered being acting on behalf of the **insured**, and carefully select its employees, subcontractors or any other persons acting on its behalf;
- d) notify the **insurer** without undue delay of any changes in circumstances which could affect the **insurance risk** and/or severity of consequences of an insured event, in particular all changes in matters of fact communicated to the **insurer** when entering into or amending the contract;
- e) observe all recommendations and requirements indicated of the **insurer**;
- f) enable to the **insurer** (and its staff and any agents) to access the premises of the **insured** or any other place where its **business** activities are performed, in order to inspect them, and submit to it all business documentation; as a rule, the **insurer** shall use this right upon preliminary approval of the **insured** and in a manner not affecting ordinary course of its **business**; exercise of the right of the **insurer** or any of its findings do not mean that the property is secured and in compliance with applicable laws and regulations;
- g) report to the **insurer** immediately existence of any other insurance contract which might give rise to multiple insurance in the future, i.e. any contract the insurance cover of which fully or in part overlaps with that of this insurance;
- h) inform without undue delay the **insurer** about any change of delivery address.

#### D. **Claims Procedure**

The **insured** shall give immediate written notice of any loss event to the **insurer** to the address specified in the insurance contract, including its basic description (as to likely cause and extent), the injured party claiming (in writing, by initiating any proceedings or otherwise) its compensation or initiating any other proceedings relating thereto and affecting or potentially affecting the **insured**, without undue delay, however within 10 working days at a maximum.

The **insured** is further obligated to:

- a) provide the **insurer** with any explanations, furnish any available information required to determine the circumstances of the insured event, scope of damage, status and/or prospects of any threatening or pending litigation and enable the **insurer** to conduct any explanatory procedure;
- b) enable the **insurer** at any time to manage and supervise defence and/or legal representation of the insured or conduct negotiations on his behalf on settlement of the claim, and adhere to the instructions of the **insurer** as to its own conduct in respect of that (including for instance by acknowledging the claim in order not to further increase costs and expenses of both sides and the penalty interest). The **insurer**, however, is not obliged to perform such tasks or to perform them permanently;
- c) without previous consent of the **insurer**, not to:
  - i) take any step by which it would admit its liability or would make any other issue in that respect undisputed or to inform or otherwise make aware the injured party that it might successfully claim more under applicable regulations than it actually claims;
  - ii) to acknowledge or settle any claim;
- d) use all legal remedies available for defence against the claim, both substantive law (in particular raising objection of statutory bar) and regular procedural ones (such as appeals); in addition, it is obliged to inform the **insurer** good time in advance before lapse or relevant period for employing relevant procedural remedy, so that the **insurer** could instruct it either (i) not to employ regular procedural remedy or (ii) to employ extraordinary procedural remedy;
- e) duly cooperate with the **insurer** with all further assistance including when negotiating with the injured party conditions under which it might accept provision of the indemnity in form of a one-time payment rather than a term or life annuity.

If the **insured** learns during the **policy period** about any circumstances that may give rise to the insured event under this insurance and notifies the **insurer** about such circumstances, any such later insured event against the **insured** shall be considered insured event occurred during the **policy period**.

#### E. **Subrogation**

If any payment is made by the **insurer** from this insurance, the **insurer** will be subrogated to all rights of indemnity, contribution or recovery of the **insured** in relation to that payment.

The **insured** will take all reasonable steps to preserve such rights and co-operate with the **insurer** including providing the **insurer** with all relevant written documentation and undertaking all necessary acts. The **insured** may not surrender any right, or settle any claim for indemnity, contribution or recovery, without the prior written consent of the **insurer**.

F. **Assignment**

The insured may not transfer any legal right or obligation under this policy or assign the insurance contract without the prior written consent of the insurer.

G. **Headings**

In this policy headings are merely descriptive and not to aid interpretation.

H. **Form of payment**

The insurer shall not be obliged to provide insurance benefits in any other form than by provision of financial compensation irrespective of whether the civil code enables non-monetary compensation of loss.

I. **Fraudulent Claims**

If the insured makes a claim for indemnity under this insurance knowing the same to be false or fraudulent as regards the amount or otherwise, the insurer has right to refuse to provide insurance benefits. The policyholder does not have right to return of any premium paid. By refusal of the insurance benefits, this insurance is not terminated.

J. **Insurable Interest**

The insurance can be concluded only provided that the **policyholder** has an **insurable interest**.

If the **policyholder** knowingly insures a non-existent **insurable interest** without the **insurer's** knowledge, the insurance contract is invalid; in such a case the **insurer** has a right for premium until the date it learns about invalidity of the insurance contract.

The **policyholder** and the **insured** shall inform the **insurer** in writing without undue delay when the **insurable interest** ceases to exist; in such a case this insurance is also terminated; the **insurer** has, however, right to the premium until the date it learns about such termination.

K. **Insurance Risk**

The **policyholder** or the **insured** shall not, without the **insurer's** consent, do anything or allow any other person to do anything that may increase the **insurance risk**. The **policyholder** and the **insured** shall inform the **insurer** in writing without undue delay about any change or termination of the **insurance risk** which occurred during the **policy period**.

If the **insurance risk** is increased during the **policy period**, the **insured** has right to propose amendment to the insurance contract or to terminate the insurance contract in accordance with relevant statutory provisions. If the **insurance risk** is substantially reduced during the **policy period**, the **insurer** shall reduce the premium proportionally with effect from the day it learns about such reduction.

L. **Period of Insurance and Cancellation**

The insurance contract is concluded for a definite **policy period** as stated in the insurance contract.

This insurance shall cease or be terminated in cases set out in the **civil code**, particularly:

- a) by elapsing of the **policy period**;
- b) by expiry of an additional period for payment of premium as set out in the **insurer's** notice providing the overdue premium is not paid;
- c) by agreement of the parties;
- d) with eight days' notice period within 2 months after conclusion of the insurance contract;
- e) with one month notice period within 3 months from the receipt of the notification on any insured event; and
- f) by withdrawal.

M. **Premium**

The premium shall be a lump sum premium unless otherwise set out in the insurance contract. The premium is payable within the period specified in the insurance contract. The premium shall be considered as paid on the date it is credited to the **insurer's** account as set out in the insurance contract or if the insurance contract does not set out such an account to other account duly notified to the **policyholder**. In case of delayed payment of premium, the insurance shall not be interrupted.

N. **Decisive Law and Dispute Resolution**

This policy of insurance shall be governed by Czech Law. Any dispute arising from or otherwise relating to this insurance shall be decided by the relevant court in the Czech Republic.

O. **Written Form and Amendments**

The insurance contract and other legal acts relating to this insurance shall be made in a written form. The insurance contract may only be amended by a written agreement of the parties.

**P. Delivery**

The **policyholder** and the **insured** shall notify the insurer without undue delay about any change of their delivery address.

Communications in writing sent under this policy shall be delivered to the address of a party set out in the insurance contract or otherwise duly communicated to the sender. The addressee is obliged to ensure that a duly addressed communication is accepted within three working days after first due attempt to deliver. If the addressee makes the delivery impossible (e.g. due to failure to notify the change of delivery address or new delivery address), such shipment is considered to be delivered on the third working day after its posting (or at the fifteenth day after the posting in case the delivery address is outside the Czech Republic).

**Q. Severability**

Any information provided to the **insurer** by the **insured** shall not be imputed to any other **insured** to determine whether cover is available for that other **insured**.

Only statements made in the proposal including any communication prior to conclusion of the insurance contract and knowledge possessed by an **insured** who is the subject of a claim under this policy shall be imputed to the **policyholder** for the sole purposes of determining if cover is available for loss with respect to such **insured**.

**R. Exclusions of Certain Statutory Provisions**

Section 1740 paragraph 3 of the **civil code** regarding acceptance of an offer with supplements or variations shall not apply.

Section 1743 of the **civil code** regarding late oral acceptance of an offer or acceptance of an offer by behaviour in accordance with the offer shall not apply.

Sections 1799 and 1800 of the **civil code** regarding contracts concluded adhesively shall not apply.

**S. Sanctions Limitation**

Chubb European Group Limited is a subsidiary of a US parent and Chubb Limited (a NYSE listed company) and part of the Chubb Group of companies. Consequently, Chubb European Group Limited is subject to certain US laws and regulations in addition to EU, UN and national sanctions restrictions which may prohibit it from providing cover or paying claims to certain individuals or entities, and from insuring certain types of activities in or connected with certain countries and territories such as, but not limited to, Iran, Syria, North Korea, North Sudan, Cuba and Crimea.

**T. Personal Data Protection**

Personal data of the **policyholder** and the **insured** are processed by the **insurer** while any rights and obligations under the insurance contract exist, the scope of the processed data includes particularly the name, surname, birth certificate number or date of birth and other personal data for the purpose of fulfilment of rights and obligations under the insurance contract, including: (i) administration of the insurance including settlement of claims for insurance benefits, (ii) decision whether insurance may be provided, (iii) prevention and investigation of possible criminal activity, including fraud and money laundering activities, and (iv) compliance with the requirements of supervisory authorities.

The **insurer** is authorized to use these personal data also for marketing purposes, unless the **policyholder** or the **insured** notifies the **Insurer** of its disapproval with such use of the data.

For the above described reasons the personal data may be provided to the necessary extent to the companies in the **insurer's** group, to any service providers and agents or persons where required by law. For the above reasons, the **insurer** may transfer the personal data, including electronic storage, outside the European Union (European Economic Area).

The **policyholder** and the **insured** have a right to access their personal data and a right for correction of such personal data. Should the **insurer** process inaccurate personal data or should the **policyholder** and the **insured** have other doubts regarding violation of their privacy and personal life or violation of other obligations according to the relevant legislation on personal data protection, he/she may request an explanation from the **insurer** and request rectification steps to be taken. The **policyholder** or the **insured** may request particularly blocking, correction, addition or disposal of such personal data. If the **insurer** fails to comply with such request, the **policyholder** and the **insured** may refer this matter to the Office for Personal Data Protection. They may also contact the Office for Personal Data Protection directly.

**U. Complaints**

In case of any complaints or enquiries regarding this insurance, please contact the insurance intermediary through which the insurance contract was concluded or the **insurer** on the address stated in the insurance contract.

If you are not satisfied, you are entitled to refer this matter to the regulatory authority, which is the Czech National Bank. The address of the Czech National Bank is:

**Czech National Bank**

Na Příkopě 28

115 03 Prague 1

tel.: +420 224 411 111

## Contact us

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Chubb European Group Limited, organizační složka  
Pobřežní 620/3  
186 00 Praha 8  
Czech Republic

T +420 222 351 251  
F +420 222 351 291  
[info.czech@chubb.com](mailto:info.czech@chubb.com)

## About Chubb

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Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. We combine the precision of craftsmanship with decades of experience to conceive, craft and deliver the very best insurance coverage and service to individuals and families, and businesses of all sizes.

Chubb is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. The company serves multinational corporations, mid-size and small businesses with property and casualty insurance and risk engineering services; affluent and high net worth individuals with substantial assets to protect; individuals purchasing life, personal accident, supplemental health, home and car insurance and other specialty personal insurance coverage; companies and affinity groups providing or offering accident and health insurance programs and life insurance to their employees or members; and insurers managing exposures with reinsurance coverage.

Chubb's core operating insurance companies maintain financial strength ratings of AA from Standard & Poor's and A++ from A.M. Best. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index.

Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

**Chubb. Insured.<sup>SM</sup>**

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