

## Terms and conditions of commercial property insurance EK101-2016 (valid as of 25.07.2016)

The present terms and conditions shall be applied to the insurance contracts entered into at AAS Gjensidige Baltic Estonia (hereinafter referred to as Gjensidige) with the aim of insuring the property of a legal person. The terms and conditions shall be applicable together with Gjensidige's general terms and conditions of insurance.

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### 1. Insured object

**1.1.** The insured object is a building, facility, interior, house shell in common ownership, equipment and inventory or goods that are subject to insurance cover.

**1.2.** Unless stated otherwise in the insurance contract, an insured object is not land, living organisms, plants, docks, piers, shipways, canals, trenches, sluices, floating docks, cash, securities, bonds, documents, plans, drawings, archives, information processing systems and any information or software on data carriers, motor vehicles subject to registration in the traffic register, aircraft and watercraft, weaponry, ammunition, explosives, samples, models, exhibits, items of antique or artistic value, items made of precious metals or materials.

#### Building

**1.3.** A building is a legal structure which has a roof, interior spaces and envelope structures as well as its essential parts.

**1.3.1.** Essential parts of a building are load-bearing structures; interior, exterior finishing, elevators and escalators inside the building, fixed electricity, water, sewerage, heat, ventilation, climate, fire extinguishing, communication and security systems (serving the building from the supply point or input delimited with a wall, floor or intermediate ceiling), communication routes located outside of the building within the property boundaries serving the building (heating, water, sewerage pipeline or other infrastructures within the property boundaries, but no farther than the supply point); security systems, radio and television antennas, parts of ventilation, heat and climate devices, lighting fixtures and awnings located outside of the building and permanently attached to the building.

**1.3.2.** Unless otherwise agreed in the insurance contract, essential parts of a building shall not include mobile antennas or wireless internet antennas located in the building or attached to the building, production lines, work benches, refrigeration equipment, woodworking equipment and equipment in electrical substation, cranes, crushers and milling equipment, solar panels, facilities, etc.

**1.4.** If the insured object is a building, both its interior and house shell in common ownership shall be covered by the insurance.

#### Facility

**1.5.** Facility is an object integrated into the ground, which is not a building or a house shell in common ownership (e.g. fence, shed, flagpole, advertising pylon or stand, pool) as well as its essential parts.

**1.5.1.** Essential parts of a facility are security systems, radio and television antennas located outside the facility and attached permanently thereto, parts of ventilation, heat and climate equipment, lighting fixtures, etc.

**1.5.2.** Unless otherwise agreed in the insurance contract, essential parts of a facility shall not include pool equipment and fittings, road, railway, stadium, mobile antennas or wireless internet antennas, production lines, work benches, refrigeration equipment, woodworking equipment and equipment in electrical substation, cranes, crushers and milling equipment, solar panels, etc.

#### Interior

**1.6.** Interior is parts of indoor spaces of the building, the removal of which will not harm the stability or appearance of the building, elements of adjoining indoor structures or the rights of the possessors thereof.

**1.6.1.** Interior shall include non-load-bearing partitions, interior balconies and stairs, suspended ceilings, wall and floor coverings (except removable carpets), sanitary fittings, building closures (e.g. doors and windows with glazing, incl. bars on building closures), indoor security systems, electrical system; water supply, sewerage, heating and ventilation

pipeline elements and low voltage systems elements the functioning and working condition of which is relevant only to the possessor of the insured rooms.

**1.6.2.** Unless otherwise agreed in the insurance contract, interior shall not include mobile antennas or wireless internet antennas located inside the building, production lines, work benches, refrigeration equipment, woodworking equipment and equipment in electrical substation, cranes, crushers and milling equipment, etc.

#### **House shell in common ownership**

**1.7.** A house shell in common ownership is a legal structure which has a roof and envelope structures, and its parts in common ownership together with the interior of the premises in common ownership.

**1.7.1.** Essential parts of a house shell in common ownership are load-bearing structures, building closures (e.g. doors and windows with glazing, incl. bars on building closures and front doors of apartments); elevators and escalators inside the building, fixed electricity, water, sewerage, heat, ventilation, climate, fire extinguishing, communication and security systems (serving the building from the supply point or input delimited with a wall, floor or intermediate ceiling); radio and television antennas, parts of ventilation, heat and climate devices, lighting fixtures and awnings located outside of the building and permanently attached to the building.

**1.7.2.** Unless otherwise agreed in the insurance contract, parts of a house in common ownership shall not include mobile antennas or wireless internet antennas, production lines, work benches, refrigeration equipment, woodworking equipment and equipment in electrical substation, cranes, crushers and milling equipment, solar panels, facilities, etc.

#### **Inventory and equipment**

**1.8.** Inventory and equipment are tangible assets located at the insurance site as set out in the insurance contract, other than a building, facility, interior, house shell in common ownership, or goods.

**1.8.1.** Inventory and equipment is primarily production equipment and machinery located in the building, their spare parts and accessories, tools, furniture, furnishings, office and domestic equipment, loading devices and hoists, trailers and other land vehicles that are not required to be registered in the traffic register, etc.

**1.8.2.** Inventory and equipment (i.e. in a facility or outdoors) located outside of a building (e.g. attached to the envelope structures of the building, awnings, lighting fixtures, advertisements, production lines located on the territory, loading devices and hoists, etc.) are only insured when a respective note has been made in the insurance contract.

**1.8.3.** If the inventory and equipment are insured according to the list of fixed assets, the insurance shall cover all tangible assets located at the insurance site and recognized in the balance sheet.

**1.8.4.** If the inventory and equipment are insured according to the list of property to be insured (one prefers partial insurance of the inventory and equipment or desires to obtain insurance cover only for a particular item, or if the list of fixed assets does not include all the assets to be insured), the property entered into the insured property list attached to the insurance contract shall be insured.

**1.8.5.** If the policyholder has not submitted the list of property for the moment of entering into the contract, it is

deemed that the property is insured based on the list of fixed assets.

#### **Goods**

**1.9.** Goods are tangible assets located inside a building at the insurance site as set out in the insurance contract, which the insured person has acquired or manufactured with the aim of selling (e.g. raw materials, intermediate products or ready-to-use products). Goods are also the tangible assets possessed by the insured person if held with the aim of improving, maintaining or processing, also, based on a pledge, commission or deposit contract.

**1.9.1.** Goods located outside of a building (i.e. in a facility or outdoors) are only insured when a respective note has been made in the insurance contract.

## **2. Third person**

A third person is a person who is not a policyholder or an equivalent person.

## **3. Insurable value**

### **Insurable value of a building, facility, interior or house shell in common ownership**

**3.1.** The insurable value of a building, facility, interior or house shell in common ownership is its reinstatement or residual value.

**3.1.1.** Reinstatement value is the minimum possible expenditure for the restoration of a building, facility, interior or house shell in common ownership in its former appearance in the event of its destruction or damage.

**3.1.2.** Residual value is the reinstatement value of a building, facility, interior or house shell in common ownership subtracting the depreciation rate that takes into account the type of the insured object, the construction materials used, the state of the object, its age and intended use. Residual value is the insurable value of a building, facility, interior or house shell in common ownership when the depreciation rate of the insured object is equal to or higher than 40% or if the residual value is agreed on as insurable value in the insurance contract.

### **Insurable value of inventory and equipment**

**3.2.** The insurable value of inventory and equipment is their reacquisition value or market value.

**3.2.1.** Replacement value is the cost of new equivalent (with the same technical parameters and characteristics) inventory and equipment, incl. the necessary additional costs of the acquisition (such as reasonable transportation and installation costs, non-refundable taxes and levies). Replacement value is used for insurable value in case of up to two years old computer equipment (computers and their accessories) or any other inventory and equipment up to five years old. The age is identified based on the year of acquisition as new property.

**3.2.2.** Market value is the cost of an equivalent (with the same technical parameters and depreciation rate) item acquisition and the necessary additional costs of the acquisition (such as reasonable transportation and installation costs, non-refundable taxes and levies). If an equivalent item cannot be purchased, it is deemed the market value be the acquisition cost of an equivalent new item, subtracting the

depreciation rate of the insured object. Market value is used for insurable value in case of two or more years old computer equipment (computers and their accessories) or any other inventory and equipment up to five years old.

#### **Insurable value of goods**

**3.3.** The insurable value of goods is the purchase price or the cost price of goods.

#### **Increase in insurable value during the insurance period**

**3.4.** In case of any improvements made to an insured building, facility, interior or house shell in common ownership (i.e. increase in value by making investments) during the insurance period, the sum insured shall automatically be increased by up to 10% of the sum insured, but not more than by 20,000 euros. With consent by Gjensidige, improvements can be insured for a sum higher than the above provided that a respective agreement is noted in the insurance agreement.

**3.5.** In case of any improvements made to insured inventory and equipment during the insurance period, the sum insured shall automatically be increased by up to 10% of the sum insured, but not more than by 20,000 euros. If during the insurance period, any new inventory and equipment is added to the insured inventory and equipment at the same insurance site, the sum insured shall automatically be increased by up to 10% of the sum insured, but not more than by 20,000 euros. With consent by Gjensidige, the improvements and adding of any inventory and equipment can be insured for a sum higher than the above provided that the respective agreement is noted in the insurance agreement.

**3.6.** Any goods added during the insurance period shall automatically be insured for up to 10% of the sum insured, but not more than for 20,000 euros, provided that the goods are in the same goods group as the insured goods and located at the insurance site. With consent by Gjensidige, the goods to be added can be insured for a sum higher than the above, or goods can be insured that are not in the same goods group as the insured goods provided that the respective agreement is noted in the insurance agreement.

### **4. Insured events**

**4.1.** Types of insured events: fire, pipeline leakage, theft, vandalism, storm, flood, breaking of glass, electrical failure, all risk insurance. The type of insured event for which Gjensidige has provided insurance cover shall be noted in the insurance contract. If the type of insured event has not been noted in the insurance contract, the insurance cover shall not be valid for this type of insured event.

#### **Fire**

**4.2.** If fire has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event listed as follows:

**4.2.1.** fire, the resulting soot and smoke, or fire extinguishing operations. A fire is open fire that has either ignited outside of a proper fireplace or emerged from a proper fireplace and is moving on its own;

**4.2.2.** lightning. Damage caused by lightning is only treated as an insured event if there is immediate contact between lightning and the insured event, causing a fire;

**4.2.3.** explosion (e.g. explosion of an explosive or container) and an explosion blast;

**4.2.4.** aviation accident. Aviation accident is the crash of a manned or remotely controlled aircraft or its parts or cargo.

#### **Exclusions related to fire**

**4.3.** If fire has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions of insurance, Gjensidige shall not compensate:

**4.3.1.** the damage caused by treating an insured object with open fire or heat. In case of fireplaces (e.g. stoves, fireplaces, chimneys, boilers, dryers, etc.), Gjensidige shall not compensate any damages caused to the fireplace or part thereof (internal damage to fireplace if the fire does not leave the fireplace). If the fire in the fireplace is the cause of a fire (fire leaves the fireplace), the event is treated as an insured event and the exclusion provided herein shall not be applicable;

**4.3.2.** the damage caused by burning or thermal damaging, except if caused by fire, lightning, explosion or plane crash;

**4.3.3.** the damage to an equipment or container by an explosion inside the equipment or container. Gjensidige shall compensate any damage caused to other insured objects due to the explosion inside the equipment or container;

**4.3.4.** damage caused by the indirect effect of lightning (no immediate contact between the lightning and the insured object);

**4.3.5.** the damage caused due to destruction or damage of any equipment due to an electrical failure (except if caused by fire).

#### **Pipeline leakage**

**4.4.** If pipeline leakage has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event listed as follows:

**4.4.1.** liquid or gas that has leaked out from the water, heating, sewage or rain water pipeline, fire extinguishing, ventilation or air conditioning system as a result of the breakage thereof. Gjensidige shall compensate any expenses for repair or repurchase of the broken pipeline or the system itself for up to 1,000 euros;

**4.4.2.** liquid or gas that has leaked out of a room located in the same building but outside the insurance site in the premises of a third person, provided that the liquid or gas has leaked from the internal pipeline or system of the building (e.g. a water pipeline of any ancillary premises breaks, the possessor of the ancillary premises forgets to turn off the tap, etc.);

**4.4.3.** wastewater or sewage that has leaked out as a result of blockage in the internal sewerage of the building;

**4.4.4.** actuation of an automatic fire extinguishing system;

**4.4.5.** liquid leaked out of an aquarium.

#### **Exclusions related to pipeline leakage**

**4.5.** If pipeline leakage has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions of insurance, Gjensidige shall not compensate:

**4.5.1.** the damage caused by the elimination of blockage or cleaning of the pipeline;

**4.5.2.** damages caused by cleaning water;

**4.5.3.** damages caused by water or gas coming from an open tap, faucet or valve at the insurance site;

- 4.5.4.** damages caused by the blockage, non-functioning or limited capacity of the external sewerage of the building, facility or house shell in common ownership;
- 4.5.5.** damage to goods if they were kept on the floor or on a surface lower than 12 cm from the floor surface;
- 4.5.6.** damage caused by the liquid or gas leaking out from the pipeline or system located outside the building;
- 4.5.7.** damages caused by flood;
- 4.5.8.** damages caused by the penetration of liquid or gas into the insured site through an external structure (such as wall, roof or window) or utility system of a building, facility or house shell in common ownership;
- 4.5.9.** damages caused to a building, facility or house shell in common ownership by not using it or not heating it;
- 4.5.10.** damages caused as a result of construction or repair activities at the insurance site;
- 4.5.11.** damage caused due to destruction or damage of an equipment due to an electrical failure;
- 4.5.12.** the expenses for repair or repurchase of the broken pipeline or the system itself that caused the insured event is more than 1,000 euros per insured event.

#### **Theft**

- 4.6.** If theft has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event listed as follows:
  - 4.6.1.** theft or attempt thereof of an insured object. Gjensidige shall compensate any damages caused by theft or attempt thereof only if the third person had broken an obstruction preventing access to the room in order to reach the insured object (for example, break down or open a closed and locked door or window with the help of a skeleton key or break the barrier of the structure, etc.);
  - 4.6.2.** robbery. Robbery is taking the insured object by a third person by using physical violence or a direct threat to use it;
  - 4.6.3.** theft of keys, remote control or lock codes. If a key, remote control or lock code was taken from the policyholder or a person authorised by him/her by way of theft or robbery and the respective lock needs to be replaced, Gjensidige shall compensate any ensuing expenses in the amount of up to 1,300 euros and the deductible shall not apply;
  - 4.6.4.** theft for which a third person enters a building or room with a stolen key, remote control or lock code. Gjensidige shall only compensate any damages if the police has been notified of the theft of the keys, remote control or lock codes in 24 hours after discovery of such theft;
  - 4.6.5.** destruction or damaging of a building, facility, interior or structure of the house shell in common ownership or parts thereof at the time of burglary or robbery;
  - 4.6.6.** theft of essential parts (e.g. front door, window, antenna, part of the ventilation system, etc.) permanently attached to the exterior of a building, facility or house shell in common ownership.

#### **Exclusions related to theft**

- 4.7.** If theft has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions, Gjensidige shall not compensate:
  - 4.7.1.** damages when the policyholder or an equivalent person acted together with the burglar or robber;

- 4.7.2.** damages if the theft was committed at a time when the insured object was left unprotected (so-called public theft);
- 4.7.3.** damages if the building, room or any other site has been entered by using a stolen key, remote control or a lock code if the device has not been reported stolen to the police within 24 hours after the detection of the theft.

#### **Vandalism**

- 4.8.** If vandalism has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event listed as follows:
  - 4.8.1.** wilful and wrongful action of a third party aimed at damaging or destroying the insured object;
  - 4.8.2.** collision with a land vehicle (e.g. a car, a motorcycle, a train, etc.) driven by a third party, except a crane or other lifting device tipping over and/or falling onto the insured object. Gjensidige shall not compensate any part of the damage that is compensated under the Motor Insurance Act;

#### **Exclusions related to vandalism**

- 4.9.** If vandalism has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions, Gjensidige shall not compensate:
  - 4.9.1.** damage to the surface of glass by scratches or smearing or decrease in its transparency, provided that the glass has not lost its durability and does not endanger human health or life;
  - 4.9.2.** damage caused by theft of parts of the building, facility, interior or house shell in common ownership;
  - 4.9.3.** damage caused by burglary or robbery.

#### **Storm**

- 4.10.** If storm has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event listed as follows:
  - 4.10.1.** a storm with a wind speed of at least 18 m/s;
  - 4.10.2.** items that have fallen or broken as a result of the storm falling on the insured object;
  - 4.10.3.** trees broken or uprooted by wind and falling on the insured object regardless of wind speed;
  - 4.10.4.** hail if it causes destruction and deteriorates the weather resistance of the insured object (for example, it has broken a hole into the roof, through which storm water gets into the building);
  - 4.10.5.** precipitation through an opening that is a result of storm damage.

#### **Exclusions related to storm**

- 4.11.** If storm has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions, Gjensidige shall not compensate:
  - 4.11.1.** damages caused by flood;
  - 4.11.2.** damages caused by precipitation which has infiltrated the building, or house shell in common ownership from unclosed openings, provided that the opening was not caused due to storm;
  - 4.11.3.** damages caused by the penetration of liquid or gas into the building, facility or house shell in common ownership

through an external structure (such as wall, roof or window) or utility system. If the damage did not occur as a result of storm;

**4.11.4.** damages caused by hail if it has caused only dents and no through holes or openings in the insured object;

**4.11.5.** in case of storm damage is made to object under construction;

**4.11.6.** damage caused due to destruction or damage of an equipment due to an electrical failure.

#### **Flood**

**4.12.** If flood has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event listed as follows:

**4.12.1.** natural flood as an extraordinary rise (i.e. no flood has taken place over the previous 5 years) of the water level due to natural events (e.g. flood of a water body due to storm, precipitation, etc.) to such an extent (precipitation of more than 30 mm in one hour or a shorter period of time) where the ground and/or the drying system built and regularly maintained according to the construction design (including the drainage and sewerage system) cannot accept or redirect such an extraordinary quantity of water.

#### **Exclusions related to flood**

**4.13.** If flood has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions, Gjensidige shall not compensate:

**4.13.1.** damages caused by the breakage, bursting, blocking or freezing of the water, sewerage, storm water or heating system or public water supply and sewerage system or heating pipelines of the building, facility or house shell in common ownership;

**4.13.2.** damage caused by surface, soil or groundwater that has entered through the socket or basement opening of the building, facility or house shell in common ownership (e.g. internal sewerage system, walls or other construction structures), provided that water has entered due to dilapidated or damaged construction or substandard waterproofing;

**4.13.3.** damage to goods that were kept on the floor or on a surface lower than 12 cm from the floor surface;

**4.13.4.** damage caused by failure to maintain a drainage or storm water ditch that prevents the discharge of storm water;

**4.13.5.** damage caused as a result of construction or repair activities at the insurance site;

**4.13.6.** damage caused due to destruction or damage of an equipment due to an electrical failure.

#### **Breaking of glass**

**4.14.** If breaking of glass has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event listed as follows:

**4.14.1.** breaking of internal and external glasses permanently mounted to a building, interior or house shell in common ownership and damage to the advertising on the glass surface, belonging to the policyholder (painted or glued texts and other decorative elements). Plastic materials (e.g. acrylic plastic, polycarbonate) are considered the same as glass surfaces.

#### **Exclusions related to breaking of glass**

**4.15.** If breaking of glass has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions, Gjensidige shall not compensate:

**4.15.1.** damages caused by small cracks and damages (scratches) on the surface of glass, provided that the glass has not lost its durability and does not endanger human health or life;

**4.15.2.** damages caused by replacement or restoration or replacement of a text, advertising, etc. that has left the glass unbroken;

**4.15.3.** damages caused by mistakes in the installation or processing of glass or by the poor quality of the glass;

**4.15.4.** damage caused as a result of construction or repair activities at the insurance site.

#### **Electrical failure**

**4.16.** If electrical failure has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event listed as follows:

**4.16.1.** overvoltage, undervoltage, power surge, earthing fault, short circuit .

#### **Exclusions related to electrical failure**

**4.17.** If electrical failure has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions, Gjensidige shall not compensate:

**4.17.1.** damages caused by power cut-off;

**4.17.2.** damage caused as a result of construction or repair activities at the insurance site.

#### **All-risk insurance**

**4.18.** If all-risk insurance has been noted as an insured event, Gjensidige shall compensate any damage to or destruction of the insured object if the damage is caused by a sudden and unforeseen event if such event or damage has not been excluded in the insurance contract or insurance terms and conditions.

**4.18.1.** In case of all-risk insurance, Gjensidige shall compensate any damage caused to an advertisement, notice board, sign, signpost or a security camera attached to the exterior the insured building or house shell in common ownership in the amount of up to 10% of the sum insured of the building or house shell in common ownership, but not more than 10,000 euros.

**4.18.2.** smearing the insured object (e.g. with paint, pencil, etc., incl. graffiti) by a third person. Gjensidige shall compensate any expenses arising from cleaning or repainting the insured object that has been smeared for up to 2,000 euros per insurance period .

#### **Exclusions related to all-risk insurance**

**4.19.** If all-risk insurance has been noted as the insured event, in addition to the exclusions in clause 5.1 (general exclusions) and the exclusions in the general terms and conditions, Gjensidige shall not compensate:

**4.19.1.** damages caused to inventory and equipment, goods or facilities as a result of electrical failure (except if caused by fire);

**4.19.2.** damage caused as a result of construction or repair activities at the insurance site. This exclusion shall not be applied if the structures or repairs are directly associated with the fire;

**4.19.3.** damages caused by flood;

**4.19.4.** damages caused by the penetration of liquid or gas into the building, facility or house shell in common ownership through an external structure (such as wall, roof or window) or utility system. If the damage did not occur as a result of storm;

**4.19.5.** the expenses for repair or repurchase of the broken pipeline or the system itself that caused the insured event for up to 2,000 euros per insured event;

**4.19.6.** the damage caused by treating an insured object with open fire or heat. In case of fireplaces (e.g. stoves, fireplaces, chimneys, boilers, dryers, etc.), Gjensidige shall not compensate any damages caused to the fireplace or part thereof (internal damage to fireplace if the fire does not leave the fireplace). If the fire in the fireplace is the cause of a fire (fire leaves the fireplace), the event is treated as an insured event and the exclusion provided herein shall not be applicable;

**4.19.7.** the damage caused by burning or thermal damaging, except if caused by fire, lightning, explosion or plane crash;

**4.19.8.** damage caused by the indirect effect of lightning (no immediate contact between the lightning and the insured object);

**4.19.9.** damage caused by the elimination of blockage or cleaning of the pipeline;

**4.19.10.** damages caused by water or gas coming from an open tap, faucet or valve at the insurance site;

**4.19.11.** damages caused by the blockage, non-functioning or limited capacity of the external sewerage of the building, facility or house shell in common ownership;

**4.19.12.** damage caused by the liquid or gas leaking out from the pipeline or system located outside the building;

**4.19.13.** damages caused by the penetration of liquid or gas into the insured site through an external structure (such as wall, roof or window) or utility system of a building, facility or house shell in common ownership;

**4.19.14.** damages caused by hail if it has caused only dents and no through holes or openings in the insured object;

**4.19.15.** damages when the policyholder or an equivalent person acted together with the burglar or robber;

**4.19.16.** damages if the theft was committed at a time when the insured object was left unprotected (so-called public theft);

**4.19.17.** damages if the building, room or any other site has been entered by using a stolen key, remote control or a lock code if the device has not been reported stolen to the police within 24 hours after the detection of the theft.

**4.19.18.** damages caused by replacement or restoration or replacement of a text, advertising, etc. that has left the glass unbroken;

## 5. Exclusions

### General exclusions related to corporate property insurance

**5.1.** General exclusions regarding corporate property insurance shall be applicable to all types of insured events. In addition to the exclusions specified in the general conditions of insurance and exclusions specified for types of insured

events in case of corporate property insurance, Gjensidige shall not compensate:

**5.1.1.** loss of income;

**5.1.2.** damages that the seller, manufacturer, importer, administrator or installer of the insured object is liable for or damages that are subject to be compensated based on warranty;

**5.1.3.** damages caused by poor quality of construction or repair work;

**5.1.4.** damages directly or indirectly caused by improper design or the absence of a project, provided that the project was mandatory according to legislation;

**5.1.5.** damages caused by installing, assembling, testing or trying out the insured object;

**5.1.6.** damages caused by improper storage of explosives or by blasting, digging, pile-driving or surface operations;

**5.1.7.** damages caused by infringing the usage requirements of the insured object (e.g. using the insured object in conditions or for the purpose it is not provided for or using it in a situation that poses an obvious threat to the insured object) or by using an insured object that is out of order;

**5.1.8.** damages that are a result of a lengthy process (e.g. corrosion, decay, scaling, wear, condensation damage, excessive moisture, mould, dry rot, other fungal diseases, etc.) or normal wear and tear or spoilage of the insured event, scratching or wearing out of materials;

**5.1.9.** damages caused by power cuts;

**5.1.10.** damages caused due to a malfunction (e.g. negative pressure, excess pressure, poor quality of water or gas) or disruption in the water or gas supply. This exclusion shall apply even if the malfunction or disruption is caused by an insured event;

**5.1.11.** damages caused when the insured object is lost or gets lost;

**5.1.12.** damage that has occurred because the policyholder, or lawful possessor of the insured item has not taken sufficient measures to reduce and/or prevent further damage after the loss event;

**5.1.13.** damage that is a result of the weight or movement of ice or snow;

**5.1.14.** damage caused by an animal or bird;

**5.1.15.** damage caused due to the destruction or damage of an equipment as a result of an internal breakage or other malfunction inside the equipment (e.g. internal overpressure or centrifugal force of the equipment, electrical failure caused by an internal circumstance, detachment of an internal part of the equipment, damage to a properly working part of the equipment due to faulty material or design);

**5.1.16.** damage caused by the destruction or loss of leaked liquid or gas (i.e. cost of the leaked liquid/gas);

**5.1.17.** cost of replacing or repairing an element that caused the insured event.

## 6. Compensation for damage

### Compensation principles

**6.1.** Gjensidige shall compensate any the proprietary damage and other expenses caused as a result of an insured event in the extent agreed upon in the insurance contract.

**6.2.** The calculation of the insurance indemnity is based on the insurable value of the insured object damaged or

destroyed as a result of the insured event just before the insured event.

**6.3.** The value added tax part that is refunded to the policyholder who is a VAT payer or to any other beneficiary pursuant to the Value Added Tax Act shall not be deemed to be a part of damages, except when agreed in the insurance contract that the insurance indemnity shall be payable together with the value added tax part.

**6.4.** Gjensidige assesses the relation of insurable value of the insured object to the insured sum and identifies over- or underinsurance.

**6.5.** For the restoration of the insured object, Gjensidige has the right to appoint a contractor or service provider of repair works.

**6.6.** Both Gjensidige and the policyholder have the right to use expert opinion to determine the cause and size of the damage. Expert analysis costs are borne by the party using the expert opinion or by prior agreement by both parties equally.

**6.7.** The Sum Insured the limit of indemnity per insured event. Payment of insurance indemnity sum insured is not reduced.

**6.8.** If the loss is greater than the sum insured, then amount of loss shall be equal to the sum insured.

#### **Compensation for damages to a building, facility, interior or house shell in common ownership**

**6.9.** If the insurable value is the reinstatement value, Gjensidige first compensates the residual value part of the insurance indemnity while also taking into account the depreciation rate of the insured object. Gjensidige compensates the reinstatement part of the insured object on the basis of restoration expense accounts, provided that the policyholder used the insurance indemnity to restore the same type of object, performing the same function and located on the same site in two years counting from the indemnification decision. The policyholder must prove that they used the indemnification for restoring the insured object.

**6.10.** In case the insurable value is the residual value, Gjensidige compensates the damage where the depreciation rate has been deducted from the reinstatement value of the insured object.

**6.11.** Gjensidige shall not compensate the cost of improvement of the insured object even if the insured object was overinsured. If the damaged materials are no longer available when the damage is compensated, Gjensidige proceeds based on similar materials currently available.

**6.12.** Gjensidige shall not compensate the rise in the price of restoration works 6 months after the indemnification decision.

#### **Compensation for damage to tangible assets (inventory and equipment or goods)**

**6.13.** If in case of damage to a tangible asset, repairing it is considered technically and economically expedient, Gjensidige shall compensate the repair costs.

**6.14.** If in case of damage to a tangible asset, repairing it is not considered technically and economically expedient, Gjensidige shall compensate the replacement value or market value depending on the age of the item.

**6.15.** To identify the age of the item, the year of manufacture or purchase (as a new product) of the item is subtracted from the year when the insured event took place.

**6.16.** If the item was part of a collection or a part of a pair, then Gjensidige shall compensate only the replacement cost of the item. Gjensidige shall not compensate the reduction in the value of the collection. If the value of an item belonging to the collection cannot be identified, Gjensidige shall compensate the damages in proportion of the object's share in the collection or pair.

**6.17.** If the inventory and equipment were insured based on total sum insured of list of fixed assets, a comprehensive inventory check of the company's assets needs to be performed to evaluate and compensate the damage caused, and it has to identify all fixed assets, deficits and surpluses located at the insurance site before the loss event. The policyholder is obliged to identify the damages and perform the inventory check. Gjensidige has the right to involve as an observer in the inventory check its auditor or any other expert.

**6.18.** Upon indemnification of the insurable value of a tangible asset, the ownership of the tangible asset is transferred to Gjensidige. If the possession and ownership of a tangible asset in case of its destruction is not transferred to Gjensidige, Gjensidige is entitled to reduce the compensation by the residual value of the tangible asset after the insured event.

**6.19.** If, after receiving compensation the lost or stolen tangible asset is partially or entirely returned to the policyholder, they must immediately transfer the possession and ownership of the tangible asset to Gjensidige or return the respective part of the compensation.

#### **Reimbursement of expenses to the policyholder**

**6.20.** If Gjensidige must compensate the damage occurred, then Gjensidige shall also compensate, among other things, the necessary and reasonable expenses incurred by the policyholder to determine the damage. Gjensidige shall not compensate the cost of hiring an expert or advisor if the policyholder was not required under the insurance contract to hire them.

**6.21.** Gjensidige shall compensate the policyholder for any reasonable costs related to preventing or reducing the damage.

**6.22.** Gjensidige shall compensate the costs of a maximum of 10% of the insurance indemnity for the damaged item but not more than 10,000 euros per insurance period and insured event, which is necessary for cleaning and demolishing the property damaged and remained in the loss event and for removal and utilisation of waste unless agreed otherwise in the contract.

**6.23.** The expenses of the policyholder are indemnified based on underinsurance.

## **7. Safety requirements**

**7.1.** Safety requirements set out in the insurance terms and conditions shall apply additionally to the requirements set out in legislation. The insured, the beneficiary and the lawful possessor of the insured object shall know and comply with legislation concerning the insured object. The legislation can be accessed on the website of Riigi Teataja [www.riigiteataja.ee](http://www.riigiteataja.ee).

#### **Fire safety**

**7.2.** It is prohibited to store combustible materials (semi-finished, raw and finished products) in the immediate vicinity (up to 4 m) of drying ovens.

**7.3.** The company shall establish a written action plan for the rescue of people and property, fire reporting and other tasks, which all employees must be instructed about.

**7.4.** Fire doors must be normally closed, with the exception of automatically operating fire doors which need to be ensured unhindered closure and fixation in closed position.

**7.5.** The insured object must be equipped with primary fire extinguishers in accordance with applicable regulations. The primary fire extinguishers and evacuation stairs and ladders must be in working order, supplied with labels in a visible and accessible place.

**7.6.** The access roads, passages and access roads to buildings, facilities, fire fighting and rescue equipment, and water points must be free and to be used all year round.

**7.7.** Loose floorboards, tunnels, ventilation ducts, equipment foundations, etc. must be cleaned periodically.

**7.8.** Flammable materials, substances, machinery or equipment should not be stored in the vicinity of building walls.

**7.9.** All passageways and escape routes must be kept clear.

**7.10.** Flammable waste must be removed from the work site, made fire safe or neutralized every day at the end of working day or shift.

**7.11.** Flammable waste must be stored outside the building in a safe distance from the insured object or in repositories with fireproof walls.

**7.12.** Oily, greasy or clothes soaked with inflammable liquid, etc. must be kept in fireproof containers tightly closed with a lid and in a safe distance from combustible materials. Spilled oil or other flammable fluid must be gathered immediately, the absorbing cleaning agents used in cleaning together with spilled liquids must be immediately removed from the spillage place.

**7.13.** Waste that may contain smouldering materials or cause sparks, must be kept in urns for ashes separate from other waste.

**7.14.** Materials, liquids, and gases can be used in the production and disposed of in accordance with the manufacturer's instructions and established safety requirements and maximum quantities.

**7.15.** Smoking is permitted only in designated areas. Smoking area must be equipped with ashtrays that meet safety requirements and are emptied on a regular basis at designated locations.

**7.16.** Smoking and using open flames are prohibited nearby any flammable material. Use of open fire and smoking is prohibited in fire and explosion hazardous areas. Use of equipment, machines and tools that cause sparks is prohibited in fire and explosion hazardous areas.

**7.17.** A hot work site must be prepared for this purpose, and during hot work, fire safety and surveillances must be ensured in the hot work site.

**7.18.** At the end of the hot work, constant control of the hot work site must be ensured until the fire hazard subsides.

**7.19.** Hot works can be performed as a business activity by a person with respective vocational certificate, or who has undergone training in the hot work and holds a hot work certificate.

**7.20.** When conducting hot work, the containers used for the storage of flammable liquids must be carefully ventilated in order to avoid gas explosion.

**7.21.** When conducting fire-hazardous works (welding, cutting, cooling, grinding, soldering, etc.) one must strictly follow all fire safety requirements.

**7.22.** In production facilities and warehouses, it is prohibited to use loose heat radiation devices, except in cases where it is necessary for the production process, and their use and maintenance is regulated by written guidance documents and do not conflict with the manuals and safety requirements issued by the manufacturer.

**7.23.** Smoke flues and chimneys should be cleaned at least once a year.

**7.24.** Flammable liquids must be stored in flame resistant containers. It is forbidden to empty them into drains or waste water repository.

**7.25.** All the machinery, equipment and containers, which are used or held in the vicinity of flammable liquids, must be grounded.

**7.26.** Storage area or space of flammable substances, objects, materials, goods, etc. and its access should not be left unattended during the work process. At other times the storage room must be closed and locked so that the intrusion would be impossible without breaking locks or structures.

**7.27.** In case of fire one must prevent the spread of fire, by closing doors, windows, fire doors and shutters and stopping the ventilation system and the work of the conveyors.

#### **Use of equipment and machinery**

**7.28.** In operating equipment and machines one must comply with the instructions of a manufacturer, importer or seller.

**7.29.** Equipment and machines must be serviced regularly.

#### **Maintenance of the structure and territory**

**7.30.** Internal water supply, sewerage and heating systems, roofs, rain water and wastewater pipelines, drainage, and settling pits must be regularly checked and maintained.

**7.31.** Water supply and heating systems located in unused and unheated buildings or rooms must be shut down, drained and kept empty.

**7.32.** Roofs of the building must be regularly checked and maintained.

**7.33.** During the winter period, regular snow and ice cleaning from the building constructions (including from the roof) as well as de-icing of the passages of the territory must be organised.

**7.34.** Hazardous trees or branches of trees located in the property must be removed in a timely manner.

#### **Security**

**7.35.** If the insurance site has an automatic security alarm system, it must be regularly inspected and maintained to ensure that it is in working order.

**7.36.** Windows, doors and other entry options of a building or a room must be closed and locked when leaving the building in such a way that third parties do not have the opportunity to break in without breaking locks or structures.

#### **Storage of goods**

**7.37.** Goods must be stored at least 12 cm above the floor surface.