

# CORPORATE PROPERTY INSURANCE CONDITIONS 1/2014

## PURPOSE OF PROPERTY INSURANCE CONTRACT

1. The purpose of the insurance contract is to indemnify for damage arisen as a result of an insured event due to loss or destruction of or damage to the object of insurance and separately specified costs pursuant to these Conditions, the general terms and conditions of the contract and the indemnity regulations.

## PLACE OF INSURANCE

2. The place of insurance is the address which is indicated in the policy and where the object of insurance is located.

## OBJECT OF INSURANCE

3. The object of insurance is the immovable and/or movable property located in the place of insurance, agreed on upon entry into the insurance contract or during the insurance period and specified in the policy (hereinafter the property).
- 3.1 In addition to that provided for in the previous clause, objects of insurance can also be investments in repairs of hired premises and a claim for lost income from rent.
- 3.2 The policyholder can choose which object specified in the following clauses they wish to insure. The standard options of insuring immovable and movable property and a claim for lost income from rent are set out in [clauses 5-15](#).

## IMMOVABLE PROPERTY

4. For the purposes of these Conditions, it is possible to insure as immovable property construction works permanently attached to the immovable and parts of such construction works. Construction works are divided into buildings and facilities. It is possible to insure a building as a whole, as a carcassing of the building, as a physical share of the building or within the agreed extent as an investment in repairs.

## BUILDING

5. A building is a construction works which has an interior space that is separated from the external

environment by a roof and other parts of the building envelope and which is built as a result of human action and is fixed to the subsoil and the following essential parts thereof:

- 5.1 main structures, e.g. foundation, stairs, interior and exterior walls, posts, beams, partition ceilings, load-bearing structures, roofs;
- 5.2 interior finishing, e.g. wall, floor and ceiling covering, sanitary ware, built-in lights, sliding and folding doors permanently attached to the building;
- 5.3 facade and exterior finishing;
- 5.4 furnaces and chimneys permanently attached to the building;
- 5.5 permanent utility systems in the building, e.g. heating, cooling, water and gas supply, sewerage and ventilation system, lifts and escalators as well as their wires, pipes, channels and tanks;
- 5.6 permanent power supply system and weak-current systems in the building, e.g. communications, security and audio systems;
- 5.7 other systems and devices which are located in the building and supplement the function of the building;
- 5.8 other parts of the building, which have not been specified in [clauses 5.1-5.7](#), e.g. storm water pipes along with fasteners holding these.
6. The following is insured along with the building and the carcassing of the building ([clause 8](#)):
  - 6.1 utility systems outside the building and power supply system up to the boundary of the plot or up to the supply point of the common piping or power line;
  - 6.2 radio and television antennae, lights and parts of air conditioning machines installed on the exterior sides or roof of the building;
  - 6.3 advertising installed on the exterior sides or roof of the building, and texts, paintings and adhesive tapes installed on the glass panes of the building are covered by first risk insurance to the extent of 1,000 euros. In the event of first risk insurance, no under-insurance will be taken into account.
7. The following objects located in the building are not insured automatically along with the building and the carcassing of the building:

- 7.1 furniture, incl. bathroom and kitchen furniture;
- 7.2 devices used for business activities (e.g. fittings, production equipment) and their wires, piping, channels, tanks and facilities.

### CARCSSING OF BUILDING

- 8. For the purposes of these Conditions, the carcassing of a building consists of the load-bearing constructions of the building, its foundation, parts of the building envelope, stairs, lifts, ventilation, gas supply, water supply, sewerage and heating system from the supply point of the common system up to the connection of the pipe in the use of only the possessor of the premises, power system from the main switch of the building up to the switchboard of the possessor of the premises and other parts of the building not insurable as a physical share of the building (see [clause 9](#)). For example, the following is not insured as the carcassing of a building: the insulation of walls and ceilings serving a physical share of the building, interior finishing and the framework supporting it.
- 8.1 As an exception, in the event of insuring the carcassing of a building, all the exterior windows of the building are insured. If damage to the exterior windows of the carcassing of a building is subject to indemnification both as damage to the carcassing of the building insured on the basis of these Conditions as well as on the basis of any other insurance contract with which the exterior windows of physical shares of the building have been insured, then the damage to the exterior windows specified as damage to the carcassing of the building on the basis of these Conditions will not be indemnified.
- 8.2 Under a special agreement, if such a notation has been made in the policy, the following is insured along with the carcassing of a building: the interior finishing of commonly used foyers, stairwells and other commonly used premises in the building and utility systems serving such premises (see [clauses 5.2](#) and [5.5](#)).

### PHYSICAL SHARE OF BUILDING

- 9. A physical share of a building is a room in the building which is delimited in real terms by construction along with the structures inside the load-bearing walls and ceilings of the building, utility systems and interior finishing on which only the possessor of the insured premises depends. According to the aforesaid, essential parts belonging to a physical share are the following:
  - 9.1 interior finishing, e.g. wall, floor and ceiling covering, sanitary ware, permanently attached sliding and folding doors. Interior finishing does not include any furniture, incl. bathroom and kitchen furniture;

- 9.2 structures of the physical share, the removal of which does not pose a threat to the stability of the building (e.g. non-load-bearing partition walls, doors, windows, balcony or terrace finishing and the framework supporting that);
- 9.3 permanent utility systems in the premises (e.g. heating, water and gas supply, sewerage and ventilation system as well as their wires, pipes, channels and tanks) up to the commonly used connection point inside the building;
- 9.4 permanent power supply system and weak-current systems in the premises (e.g. communications, security and audio systems) up to the switchboard or another commonly used connection point.

### INSURING INVESTMENT IN REPAIRS OF RENTED OR HIRED PREMISES

- 10. An investment in repairs is an investment made in rented premises by the tenant or lessee who is the policyholder, on the exact extent of which the parties of the insurance contract have agreed upon entry into the insurance contract in a format which can be reproduced in writing.
- 10.1 The policyholder's obligation is, upon entry into the insurance contract, to submit to Seesam an exact list of the investments that the policyholder has made and the insurance of which they request.
- 10.2 The sum insured of the investments in repairs is determined on the basis of the data submitted by the policyholder and the policyholder is responsible for the correctness of the data.
- 10.3 If the policyholder submits to Seesam incorrect data for determining the sum insured of the investments in repairs, Seesam will have the right to apply the principles of under- or over-insurance set out in the indemnity regulations when indemnifying for damage.

### FACILITY

- 11. A facility is a construction works other than a building and which is permanently connected to the ground and completed as a result of human action (see [clause 5](#)).
- 11.1 If the object of insurance is a facility, the following facilities permanently located in the place of insurance are automatically covered by first risk insurance to the extent of 15,000 euros: fences, gates, barriers, flag poles, yard lighting as well as shelters and small buildings of gross area of up to 20 m<sup>2</sup> (e.g. car, waste or other shelters, shed, guard building). In the event of first risk insurance, no under-insurance will be taken into account.

- 11.2 Other facilities not specified in [clause 11.1](#) (e.g. fences, roads, greenhouses, sculptures, ball game courts and playgrounds, waste bins, temporarily installed facilities) and production facilities (see [clause 11.3](#)) are not automatically an object of insurance.
- 11.3 Under a special agreement, production facilities (e.g. pump and boiler houses, substations, solar panels, tanks, containers) and other facilities not automatically insured under the aforesaid [clause 11.1](#) are insurable.

## MOVABLE PROPERTY

12. An object of insurance is the movable property located in the building being the place of insurance indicated in the policy. An object of insurance can be property in the ownership of the policyholder or property rented, hired or leased by them or suppliers' goods in their possession. According to these Conditions, movable property is classified into the following groups:
- 12.1 office equipment, which means devices used for office work (e.g. computers, printers, photocopying machines, etc.), incl. legally acquired operating system which is required for the operation of the device and about which a document certifying the acquisition can be submitted. Any other software is not covered by insurance without an agreement;
- 12.2 furniture, incl. wardrobes and bathroom and kitchen furniture;
- 12.3 supplies, which mean accessories used in office work and which are not recorded under any other classifications of an object of insurance set out here (e.g. writing instruments, binding materials, scissors, coat hangers, flowerpots, except plants, elements of interior design, except art and antiques). In the event of insuring supplies, they are covered by first risk insurance, i.e. without taking into account under-insurance to the extent of the sum insured as indicated in the policy;
- 12.4 production equipment, incl. engine-powered tools and devices. The following is not insured as production equipment: air- and watercraft, vehicles subject to registration and use in traffic and equipment thereof and other power-driven means of transport and work machinery (e.g. forklift, tractor) and equipment thereof. The following is not insurable as production equipment without a special agreement in the policy: any software not required for starting production equipment or fulfilling the main function of the equipment;
- 12.5 goods, which are raw materials, work in progress, finished goods and packaging material of goods.

13. If the policyholder wishes to insure property, which is not located in the building or which has not been specified in [clause 12](#), this must be agreed on separately and a respective notation will be made about that in the policy.

## MOVABLE PROPERTY LOCATED OUTSIDE PLACE OF INSURANCE

14. Under a special agreement, it is possible to insure movable property located outside the place of insurance within the borders of the Republic of Estonia. A respective notation concerning the special agreement will be made in the policy.
- 14.1 When depositing movable property located outside the place of insurance, the safety requirements set out in [clause 102-146](#) will be adhered to.

## CLAIM FOR LOST INCOME FROM RENT

15. In the event of insurance cover for lost income from rent, the income from rent of up to 12 months lost due to the fact that the building, the carcassing of the building or the physical share of the building which is an object of insurance and which was rented out at the time of an insured event became unfit for use as a result of the insured event will be indemnified within the extent of the sum insured of the lost income from rent as set out in the policy under the following terms and conditions:
- 15.1 income from rent is calculated on the basis of the amount which is set out in the lease contract made with the lessee and which the lessee would have had to pay to the policyholder for the leased premises on a monthly basis;
- 15.2 the amount indicated in the lease contract is indemnified to the policyholder for the period of time when it is not possible to use the insured building or a part thereof as a result of an insured event;
- 15.3 in order to calculate the insurance indemnity, the policyholder must submit to Seesam the lease contract and other certificates certifying the receipt and amount of income from rent (e.g. bank statements certifying the receipt of income from rent);
- 15.4 following the occurrence of an insured event, the policyholder is obliged to immediately restore the building or the carcassing or physical share of the building being the object of insurance;
- 15.5 if the policyholder violates the obligations specified in [clauses 15.3](#) and [15.4](#), Seesam will deem that to be behaviour which increases damage and grants Seesam the right to reduce the insurance indemnity payable in the event of lost income from rent in proportion to the extent of damage related to the violation of the obligation by the policyholder;

15.6 if, according to the policy, in addition to these Conditions, business interruption insurance conditions or other conditions with which lost income from rent has been insured apply, then these Conditions will not apply and other conditions with which lost income from rent has been insured will apply.

#### OBJECTS INSURABLE UNDER SPECIAL AGREEMENT

16. The following objects are insured only if a special agreement has been made in the policy:

16.1 money;

16.2 living beings, incl. plants;

16.3 software (except that specified in [clauses 12.1 and 12.4](#)), recovery costs of information in information systems and databases;

16.4 models and forms;

16.5 boat landings, piers, berths and other facilities built in water;

16.6 property accepted for maintenance or repairs by the policyholder.

#### NON-INSURABLE OBJECTS

17. The following objects are not insured:

17.1 drawings, designs, databases, archival material;

17.2 securities, cheques, gift vouchers, stamps, bonds and documents;

17.3 greenery, water (incl. well water), ponds and other bodies of water;

17.4 land under building or any other land.

#### INSURANCE COVER

18. Insurance cover is the obligation of Seesam as defined in the terms and conditions of a contract to pay, in the event of an insured event, an insurance indemnity or perform the contract in any other agreed manner.

19. It is possible for the policyholder to insure, under an agreement with Seesam, an object of insurance within the extent specified in [clauses 21-57](#).

19.1 The policyholder is obliged to insure an object of insurance at least against the risk of fire. Without insuring against the risk of fire, it is not possible for the policyholder to insure against other insured risks specified in [clauses 21-44](#). All the types of insurance cover set out in [clauses 45-57](#) include fire insurance.

19.2 The agreed types of insurance cover and insured risks are indicated in the policy.

#### INSURABLE RISKS

20. Insurable risk is the risk against which the insurance policy can be taken.

#### FIRE

21. The insurance covers damage caused by fire. Fire is an uncontrollable combustion process which takes place outside a special furnace, is characterised by emission of heat and/or smoke and causes proprietary damage.

22. Unlike in [clause 21](#), the insurance does not cover damage:

22.1 to electrical device caused by short-circuit in the same electrical device and fire did not go out of the boundaries of the device;

22.2 caused by heat not arisen as a result of fire.

23. Special excess – if fire is caused by hot work (see [clauses 125-128](#)), the policyholder's excess is the tenfold excess indicated in the policy, but no more than 10,000 euros.

#### DIRECT LIGHTNING STRIKE

24. The insurance covers damage caused by lightning which directly and immediately struck the object of insurance.

24.1 Unlike in [clause 24](#), the insurance also covers costs of liquidation of damages caused to insured movable property by lightning if the lightning strikes the building where the insured movable property is located.

#### EXPLOSION

25. The insurance covers damage caused by explosion. Explosion is a shockwave arisen due to sudden release of a huge amount of energy, which causes damage and is not excluded in [clause 26](#).

26. Unlike in [clause 25](#), the insurance does not cover damage:

- 26.1 caused by centrifugal force, inner tension, breaking of a gasket or pressure of a liquid;
- 26.2 caused by explosion in an explosives warehouse;
- 26.3 caused by professional blasting and excavation operations, regardless of who performs the operations;
- 26.4 arisen in an internal combustion engine if caused by explosion inside the engine;
- 26.5 arisen to an exploded device, pipe, closed pressure-proof vessel or tank.

#### **ENGAGEMENT OF AUTOMATIC FIRE EXTINGUISHING SYSTEM**

- 27. The insurance covers damage caused by sudden and unforeseen engagement of the automatic fire extinguishing system in insured premises.

#### **DAMAGE CAUSED BY AIRCRAFT**

- 28. The insurance covers damage caused by crash of manned aircraft or falling parts thereof.

#### **ACTS AGAINST PROPERTY**

- 29. The insurance covers damage caused by:
  - 29.1 loss of an object of insurance as a result of theft or robbery;
  - 29.2 unlawful impairment or destruction of an object of insurance by a third party (vandalism).
- 30. If the key to an insured construction works or a part thereof fell out of the policyholder's possession as a result of robbery or theft and, in order to prevent any further damage, it is necessary to recode or renew locks or install a new lock system in the place of insurance, the said costs will be indemnified within up to 2,000 euros without taking into account the impact of under-insurance. The policyholder's excess in such an event is 100 euros.

#### **OBLIGATIONS OF INSURED PERSON FOLLOWING DETECTION OF ACT AGAINST PROPERTY**

- 31. In the events specified in **clauses 29-30** the policyholder is obliged to make a statement to the police and submit the replies received from the police to Seesam.
- 32. The interpretation and provision of substance to the definitions of theft, robbery and deliberate impairment or destruction of a thing follows from the substance provided to these definitions in the Penal Code.

- 33. Seesam provides legal assessment of the offences specified in **clauses 29-30** according to the legal assessment provided to these in criminal proceedings.

#### **PIPING LEAKAGE**

- 34. Piping leakage is sudden and unforeseen immediate flow-out or seep-out of liquid, steam or gas from injured or broken tank, piping or device.
- 35. The insurance covers damage caused by:
  - 35.1 liquid flown out as a result of breaking of stationary water supply, sewerage, heating, cooling system, steam, gas or oil piping inside the building;
  - 35.2 liquid flown out as a result of breaking of storm water piping inside the building;
  - 35.3 liquid flown out from an insured device or as a result of breaking of stationary piping of the device;
  - 35.4 liquid flown out as a result of breaking of a stationarily installed tank;
  - 35.5 liquid flown out from an unclosed opening of stationary water supply, heating or sewerage system, steam, gas or oil piping in the use of a third party inside the building;
  - 35.6 effluent or waste water flown out as a result of clogging of the internal sewerage system of the building.
- 36. If a respective notation has been made in the policy, the insurance will cover the cost of the liquid or gas flown out as a result of an insured event of piping leakage.
- 37. The insurance does not cover:
  - 37.1 damage caused by liquid that penetrated through the structures of the building (e.g. wall, roof, open window);
  - 37.2 damage caused by liquid flown out from piping outside the building;
  - 37.3 damage arisen from overflow of the sewerage system due to rainfall, melting of snow or flood (**clause 40.2**);
  - 37.4 cost of repairs or reacquisition of the damaged utility system (e.g. pipes, tanks) that caused the insured event.



## STORM AND HAIL

38. The insurance covers damage caused by storm and precipitation that the storm involved or hail which has directly destroyed the building or the facility. The insurance covers storm damage to movable property located in the building only if the damage to the movable property has cause-and-effect relationship with the storm damage arisen to the insured building.
- 38.1 A storm is deemed to be a gust of wind with a speed of at least 18 m/s according to the data of the meteorological observation station closest to the place of insurance.
- 38.2 If strong wind damages an object of insurance as a result of a smaller gust of wind than that specified in [clause 38.1](#), the valid presumption is that damage to the object of insurance has cause-and-effect relationship with the insufficient construction quality of the object of insurance.
39. The insurance does not cover damage:
- 39.1 arisen to movable property outside the building;
- 39.2 caused by precipitation that penetrated into the building through unclosed openings of the building or building shells of the building, except if the openings arose in the course of the storm;
- 39.3 caused by the weight of ice or snow;
- 39.4 caused by any flood ([clause 40.2](#)), incl. the rising of the surface of a body of water, waves emerging as a result of storm wind, the movement or accumulation of ice, spring high water due to melting snow or downpour.

## FLOOD CAUSED BY DOWNPOUR OR STORM

40. The insurance covers damage caused directly by flood arisen as a result of downpour or storm ([clause 38](#)) at the place of insurance.
- 40.1 Downpour is deemed to be a strong rainfall of at least 15 mm within up to 12 hours according to the data of the meteorological observation station closest to the place of insurance.
- 40.2 Flood is a temporary rising of the water surface and spread of the water onto land which is usually dry, as well as temporary accumulation of water or accumulation of things or substances carried by water in the land which is usually dry, if the ground and drainage system established according to the design cannot accept the extraordinary amount of water induced by a natural event.
- 40.3 The insurance does not cover damage caused as a result of constructional or design errors of drainage piping or system, sewerage or water piping.

- 40.4 If flood damages an object of insurance as a result of a smaller quantity of precipitation than that specified in [clause 40.1](#), the valid presumption is that the drainage system established according to the design is faulty.
41. The upper limit of damage caused by flood is the first risk indemnity limit in the event of which no under-insurance is taken into account.

## DAMAGE CAUSED BY SHORT-TERM WEIGHT OF ICE AND SNOW

42. The insurance covers damage caused by the weight of snow and ice if the damage has arisen as a result of snowstorm or intensive snowfall and, by the time the insured event arises, no more than 48 hours have passed from the end of the snowfall in the place of insurance. See [clause 143](#) of the safety requirements.
- 42.1 If more than 48 hours have passed from intensive snowfall, it will be presumed that the owner or possessor of the building has had sufficient time for organising the removal of excessive snow from the roof.

## EXPENSE FOR CONTINUING BUSINESS ACTIVITY

43. The insurance covers within the first risk indemnity limit agreed in the policy the justified additional costs arisen to the policyholder for the continuation of business activities as an immediate result of an insured event for renting temporary premises, devices and other movable property, for moving and for notifying clients of the new seat.
44. The insurance does not cover decrease in gross profit arisen as a result of an insured event. Gross profit is the sum of sales profit and variable salaries (incl. social taxes) of the company in the accounting period.

## TYPES OF INSURANCE COVER

45. The types of insurance cover are the solutions defined in the insurance contract by Seesam against insured risks that may realise with an object of insurance.

## FIRE INSURANCE

46. In the event of fire insurance cover, the insurance covers the insured risks specified in [clauses 21-28](#), upon the realisation of which damage will be indemnified within the extent set out in the aforementioned clauses.

## PACKAGE INSURANCE A

47. In the event of package insurance A, the insurance covers the insured risks specified in **clauses 21-39**, upon the realisation of which damage will be indemnified within the extent set out in the aforementioned clauses.

## COMPREHENSIVE INSURANCE

48. In the event of comprehensive insurance cover, the insurance covers the insured risks specified in **clauses 21-39** and **50-51**, upon the realisation of which damage will be indemnified within the extent set out in the aforementioned clauses.
49. Unlike in **clause 24**, the insurance covers in addition to damage caused by direct lightning strike also damage caused indirectly by lightning strike (e.g. damage to an object of insurance caused by overvoltage arisen as a result of lightning that struck a substation).
50. The insurance covers damage to parts (e.g. to snow guards and drainpipes) of the insured building caused by movement or falling of snow or ice mass.
51. The insurance covers damage to and destruction or loss of an object of insurance due to a sudden and unforeseen event (**clause 52**), which is not excluded in **clauses 58-78** of these Conditions.
- 51.1 Loss is deemed to be the loss of an object of insurance only as a result of robbery or theft.
52. An event is sudden and unforeseen if it takes place urgently, i.e. suddenly, and the occurrence of which or the damage caused by which cannot directly be affected by the policyholder and the occurrence of which during the insurance period is not foreseeable for the policyholder at the time of entry into the insurance contract or during the insurance period.
53. The insurance does not cover the damage set out in **clauses 40-44**, except if the insured risks have been indicated in the policy separately.

## EXTENDED COMPREHENSIVE INSURANCE

54. In the event of extended comprehensive insurance cover, the extent of the insurance cover of comprehensive insurance (**clauses 48-53**) applies, taking into account the exclusions set out in **clauses 58-78**.
- 54.1 Unlike in **clause 79.1**, the insurance covers damage caused by water flow through the external structures of the building for the first time, incl. damage arisen from melting of ice or snow. The insurance does not cover damage arisen due to water flow through the structures from the same area next times.

- 54.2 Unlike in **clause 79.2**, the insurance covers damage caused by a sudden and unforeseen (**clause 52**) internal or external event, incl. internal electrical failure of a device.

## SPECIAL AGREEMENT ON GLASS AND SIGN INSURANCE OF BUILDING

55. Upon an agreement with Seesam, it is possible to insure glasses of the building with the extent of insurance cover different from other parts of the building (**clause 56**) or with excess.
56. The insurance covers restoration costs of damage caused to the agreed glasses, their frames and jambs by a sudden and unforeseen event (**clause 52**) provided that the construction works is also insured.
- 56.1 If glasses have been damaged due to the reason set out in **clause 56**, the insurance will also cover the restoration costs of the texts, paintings and adhesive tapes installed on the glasses.
57. Unlike in **clause 56** of the Conditions, the insurance does not cover damage excluded in **clauses 58-79**.

## GENERAL EXCLUSIONS

58. On the basis of the insurance contract, the insurance does not cover damage arisen due to the reasons set out in **clauses 59-78** unless the Conditions or the policy set out any exceptions.
59. The insurance does not cover damage caused by a long-term process, scratching, wear and tear, freezing, overheating, material fatigue, spoilage, oxidation, corrosion, scale, mould, fungal infestation, dry rot, decaying, moisture, incl. moistening of a glass element, condensed water, drinking water becoming unfit for use, change in the structure of liquid, waves, vibration, staining, change in the colour and smell of material, drying of material, change in the structure or finishing of material.
60. The insurance does not cover damage arisen from improper or substandard installation, building or repair work, a calculation or drawing error, a defective product, a faulty or unsuitable material, design, instructions or advice.
61. **As an exception** to that indicated in **clause 60**, the insurance covers damage caused to another object of insurance or a part thereof which was in order by an object of insurance or a part thereof that became damaged as a result of the reasons set out in **clauses 59** and **60** in the case of insured events of piping leakage (**clauses 34-37**), comprehensive insurance (**clauses 48-53**) and extended comprehensive insurance (**clause 54**).

- 61.1 The insurance does not cover the cost of improper or substandard work or part, but only damage caused to an object of insurance due to improper or substandard building or repair work.
62. The insurance does not cover damage which has been caused and a contribution to the emergence of which was made by the building work in the place of insurance about which no special agreement has been made in the policy.
- 62.1 Building works are: erection, expansion, reconstruction of a construction works, e.g. changing the peripheral structures of the construction works (except changing windows and doors) and changing and replacing load-bearing and stiffening structures, making extensive changes in the utility system or a part thereof or replacing the utility system as a whole or demolition of the construction works.
- 62.2 Making extensive changes is deemed to be works carried out in more than one room.
- 62.3 Repair works are e.g. hanging wallpaper, painting, exchanging floor covering, windows or doors and these are not deemed to be building works for the purposes of these Conditions.
63. The insurance does not cover restoration costs of damages which have arisen to an object in the course of installation, assembly, testing, overloading or trial.
64. The insurance does not cover damage or expenses caused by conventional preservation, upkeep, renewal, improvement, adjustment or maintenance works of the object of insurance, replacement of parts due to maintenance or repair.
65. The insurance does not cover damage caused by violation of a contractual obligation, incl. loss of profit, contractual penalties, fines for delay, interest.
66. The insurance does not cover damage arisen due to forgetting or losing of an object of insurance or loss thereof, incl. the insurance does not cover damage if the loss of property was detected in the course of stocktaking.
67. The insurance does not cover damage arisen out of impairment, loss or destruction of an object of insurance due to other offences than theft, robbery or deliberate spoiling or destruction of an object of insurance (e.g. the insurance does not cover damage caused by fraudulent conduct or embezzlement).
68. The insurance does not cover restoration costs of damages caused to insured property by creditors, former owners or possessors.
69. The insurance does not cover damage caused by sinking, cracking, swelling, contraction, vibration or movement of the soil, a construction works or parts thereof.
70. The insurance does not cover damage caused by any flood not subject to indemnification on the basis of **clause 40**, incl. the rising of the surface of a body of water, the movement or accumulation of ice, spring high water due to melting snow.
71. The insurance does not cover damage caused by a change in the level of groundwater.
- 71.1 Groundwater is free water located on a waterproof layer in pores, cracks, etc. gaps of rocks and sludges of the earth's crust.
72. The insurance does not cover damage caused by animals, birds, insects and micro-organisms (e.g. fungi).
- 72.1 **As an exception, the insurance covers** damage arisen to an object of insurance as a result of a strike caused by the living beings listed in **clause 72** in the event of comprehensive insurance, extended comprehensive insurance and glass insurance cover.
73. The insurance does not cover damage to IT equipment or other programmable electronic devices, data media, data or programmes thereof if the damage is caused by a faulty programme or work of a faulty programme, dysfunction of the equipment, incorrect entry of data or impairment or loss of data under the impact of a magnetic field.
74. The insurance does not cover damage arisen due to wear and tear of wearable parts (e.g. lamps, valves, fuses, wires, gaskets, fabrics, bands, belts, ropes, chains, pipes, filters, knives, saw blades, inner tubes and tyres) of machinery or device in a conventional work process.
- 74.1 The insurance does not cover damage or expenses incurred on substances required for work, such as oils, fuels, lubricants, liquids, etc. due to their use, burning in a work process, insufficiency or flow-out.
75. The insurance covers restoration costs of the damages to property specified in **clause 74** if the damage has arisen as a result of an insured event (e.g. fire).
76. The insurance does not cover damage caused by the breaking of a source of energy (e.g. electricity, gas, water, heating, steam) required for the operation of the device.
- 76.1 **As an exception, the insurance covers** damage arisen to frozen goods as a result of a power cut in the general power distribution network if this has been agreed on separately in the policy.



77. The insurance does not cover damage caused to the goods by a property of the goods or a change in the light, moisture or weight.
78. The insurance does not cover damage subject to indemnification on the basis of the warranty provided to the object of insurance.

#### **ADDITIONAL EXCLUSIONS IF NO EXTENDED COMPREHENSIVE INSURANCE COVER HAS BEEN SELECTED**

79. In the event of the insurance cover specified in [clauses 21-42, 46-53, 55-57](#), the insurance does not cover:
  - 79.1 damage caused by water flow through the external structures of the building, incl. damage arisen from melting of ice or snow;
  - 79.2 damage not caused by a sudden and unforeseen external event (e.g. internal electrical failure or breaking of a device).

#### **ADDITIONAL EXCLUSIONS IF NO COMPREHENSIVE INSURANCE, EXTENDED COMPREHENSIVE INSURANCE OR GLASS INSURANCE COVER HAS BEEN SELECTED**

80. In the event of the insurance cover specified in [clauses 21-42](#) and [46-47](#), the insurance does not cover:
  - 80.1 damage caused by a crane or another lifting equipment that has fallen onto an object of insurance;
  - 80.2 damage caused by breaking of an aquarium and equipment thereof.

#### **MATERIAL CIRCUMSTANCES THAT AFFECT INSURED RISK AND NOTIFICATION THEREOF**

81. An increase in the possibility of an insured risk is deemed to be an increase in the probability of realisation of an insured event.
82. The activities that affect the probability of realisation of an insured risk have been provided for in the safety requirements of these Conditions that the policyholder is obliged to adhere to.
83. Following the entry into a contract, the policyholder may not, without the consent of Seesam, increase the insured risk or allow increasing thereof by persons for whom the policyholder is responsible.
84. Seesam must immediately be notified of an increase in the possibility of an insured risk, except if the increase in the possibility of the insured risk has been caused by generally known circumstances.

85. Seesam must be notified of a change in the data that has taken place prior to the beginning or during the term of the insurance contract and that has been asked in the insurance application or in any other manner upon entry into the insurance policy). Notification must also be given of material circumstances that affect an insured risk.

- 85.1 Material circumstances include for example: renting out an object of insurance, reconstruction and renovation of a construction works and other building works in the construction works ([clause 62.1](#)), changing the purpose of use of the building, waiver of the use of the building, partial or full waiver of security systems.

86. The policyholder must ensure that activities in an insured building or facility were in agreement with the permit for use issued thereto. The policyholder must, if necessary, immediately make the required amendments, apply for a new permit for use and notify Seesam thereof.

87. If the policyholder violates the obligation, the aim of which was to reduce the possibility of realisation of an insured risk, Seesam will have the right to reduce the insurance indemnity or refuse to pay the insurance indemnity if the violation of this obligation had an impact on the occurrence of the insured event and the performance obligation of Seesam.

88. The policyholder is obliged to immediately notify Seesam of any circumstances that affect an insured risk in a format which can be reproduced in writing, but no later than 3 working days after becoming aware of the circumstances that affect the insured risk.

89. If the policyholder violates the obligation to notify of an increase in the possibility of an insured risk, Seesam will be released from the performance of the insurance contract in full if the insured event takes place after one month has passed from the time when Seesam should have received the respective notice.

#### **OBLIGATION TO SUBMIT LIST OF PROPERTY**

90. Unless partial insurance of the movable property group has been agreed on upon entry into the insurance contract, the insurance will cover all the movable property group specified in the policy according to the classification set out in [clause 12](#).
91. The policyholder is obliged to submit to Seesam a list of the insurable movable property and property insured as an investment in repairs along with the documents certifying the acquisition value and time thereof (except in the event of supplies).

92. The policyholder undertakes to submit a list of property no later than following an insured event or, at the request of Seesam, at any time.
93. If the movable property group is insured in part, the policyholder undertakes to submit a list of the insured property upon entry into the contract. When insuring with a list, only the objects indicated in the list are insured.
94. Seesam does not indemnify for damage before the list of property and acquisition documents of the damaged objects have been submitted.
95. The submitted documents are taken into account when finding the presumable sum insured of the insurable object; the policyholder is responsible for the sum insured to be in compliance with the reality, i.e. the reinstatement or reacquisition value of an object of insurance (see the indemnity regulations) in order to avoid under- and over-insurance.
96. The list of property specified in **clause 91** is not required if the first risk insurance has been agreed on in respect of the object of insurance in the policy. In the event of first risk insurance, no under-insurance will be taken into account. Following an insured event, the policyholder is obliged to submit documents certifying the acquisition value and time of the damaged object.

#### POLICYHOLDER'S CERTIFICATION OBLIGATION

97. The policyholder is obliged to certify the occurrence of an insured event and the occurrence and extent of damage.
98. In the event of violation of the policyholder's certification obligation specified in **clause 97**, Seesam will have no obligation to pay insurance indemnity.

#### POLICYHOLDER'S OBLIGATIONS FOLLOWING OCCURRENCE OF INSURED EVENT

99. Following the occurrence of an insured event, the policyholder is obliged to grant Seesam's representative access to the object of insurance, provide the representative with necessary information and disclose contracts related to the insured property. Seesam's representative has the right to check the insured object and give instructions, where necessary.
100. If the policyholder violates intentionally or due to gross negligence an obligation that they had to perform following the occurrence of an insured event and the violation has an impact on the circumstances of the insured event and the establishment of the Seesam's performance obligation, Seesam will be released from their performance obligation in part or in full.

101. Seesam will have the right to withdraw from or cancel the insurance contract if an insured risk increases following the entry into the contract regardless of the policyholder and in the event of an increased insured risk Seesam would not have entered into a contract with regard to the insured object or person. In the aforementioned event Seesam will notify the policyholder of their withdrawal or cancellation 20 days in advance. Withdrawal from the insurance contract is also possible only in respect of some insured objects or persons. If the possibility of an insured risk has increased due to circumstances arising from the policyholder, Seesam may cancel the insurance contract without any advance notice.

#### SAFETY REQUIREMENTS

102. These safety requirements constitute obligations imposed on the policyholder with the contract and the purpose of the obligations is to reduce the probability of realisation of an insured risk.

#### GENERAL SAFETY REQUIREMENTS

103. The policyholder is obliged to ensure that the legal acts (e.g. the Fire Safety Act) concerning the object of insurance, the place of insurance and the activities performed there as well as the safety requirements set out in the policy and in the Insurance Conditions (see also general terms and conditions of the contract) have been communicated to insured persons, legal possessors of the object of insurance, the policyholder and the persons for whom the policyholder is responsible. It is possible to access the legal acts via the website of the Riigi Teataja at [www.riigiteataja.ee](http://www.riigiteataja.ee).
104. The persons specified in **clause 103** are obliged to:
  - 104.1 keep and use the property only in the manner prescribed in legal acts or in these Conditions;
  - 104.2 store, load and transport the property and goods only in the manner prescribed in legal acts or in these Conditions and in the sufficient package;
  - 104.3 ensure the compliance of the installation, use and maintenance conditions of the insured property (incl. the consumed current intensity, air humidity, temperature) with the instructions given by the importer or the producer, legal acts, insurance conditions and standards and safety requirements established by the insurance contract;
  - 104.4 take reasonable precautionary measures for preventing the occurrence of damage;
  - 104.5 upon occurrence of damage, take reasonable precautionary measures for minimising the damage.

105. The insured object and parts thereof must be designed, built, installed and put into service as required and, upon absence of requirements, in such a manner that their use and maintenance is safe to people and insured property.

#### SAFETY REQUIREMENTS AND OBLIGATIONS RELATED TO ALARM AND FIRE FIGHTING SYSTEMS

106. An alarm system is a set of technical equipment installed at the object of insurance by a specialist for the detection of threats or attacks against persons or property and for the delivery of alerts.

107. The security alarm and fire detection and fire alarm systems (hereinafter the alarm systems) and the automatic fire extinguishing system must take into account the size and specificity of the room and be sufficient to cover the entire room. The area of operation of sensors may not be covered by furniture, goods or other objects.

108. The policyholder must ensure that the alarm systems are operational.

108.1 maintenance programme must have been prepared for the alarm systems and the automatic fire extinguishing system and they must be checked and maintained regularly by a qualified maintenance company.

108.2 At the request of Seesam, the policyholder must submit a maintenance record and contract.

109. The alarm systems must be checked following substantial relocation of stored objects or goods in the room.

110. If necessary, the systems specified in [clause 107](#) must be supplemented or renewed.

111. At the request of Seesam, the policyholder undertakes to submit a maintenance record and contract of the alarm systems and the automatic fire extinguishing system.

112. Upon activation of the alarm systems, the policyholder's representative must immediately come to the place of insurance, review the building in detail, make every effort to minimise the extent of damage and ensure any further security.

113. Detailed review of the building is necessary in order to detect a hidden burning brand or possible persons who have run into the building for safety.

#### FIRE SAFETY

114. The policyholder is obliged to fulfil all the fire safety requirements established by legal acts.

115. All smoke flues, ventilation ducts and other exhaust systems must be cleaned at least once a year or, according to the working stress, more often in order to avoid the ignition of accumulated fats, dirt, soot and other residues.

116. Open gaps under the floor, tunnels, bases of equipment, etc. must be cleaned periodically.

117. When using temporary heating appliances, the protection measures and safety distances prescribed for the appliances must be taken into account. Before using the appliance, the condition and installation of the appliance must be taken into account.

118. Heating appliances with glowing surfaces or open electrical heating appliances with glowing elements may not be installed in dusty or potentially inflammable or explosive rooms.

119. Smoking and use of open fire in dusty places and in places where inflammable liquids, gases, explosives and waste are stored or used is prohibited. The areas where smoking is prohibited or allowed must be equipped with respective signs.

120. Inflammable materials, substances, machinery or equipment may not be stored near the walls of the building.

121. It is prohibited to store in the place of insurance such goods, combustible liquid and gas which have not been prescribed for this place according to the building design documentation and the permit for use.

122. Fire doors must generally be closed, except automatically functioning fire doors, in respect of which unobstructed closing and fixation in a closed position must be ensured.

123. It is prohibited to block escape routes or emergency exits in the building with equipment, packaging, empties, furniture, fittings or other objects.

124. The insured object must be provided with basic fire extinguishing equipment according to the applicable standards. Basic fire extinguishing equipment, escape stairs and ladders must be operational, provided with signs and locate in a visible and available place.

#### HOT WORK SAFETY REQUIREMENTS

125. Hot work is work involving heating a part or material, generation of sparks or using open (out-of-furnace) fire (e.g. welding, processing metal with a cutting saw, heating bitumen, using a hot blower, making a fire outside a furnace, etc.).

- 126. When performing hot work, the requirements established for hot work by legal acts (e.g. Regulation of the Minister of the Interior “Requirements Set for Performance of Hot Work”) and hot work safety requirements (see [clauses 125-128](#)) must be followed.
- 127. To perform hot work in a temporary place of hot work, a hot work permit is required.
- 128. Hot work may be performed only by a person who has the respective qualification and a professional certificate and who has received a fire safety certificate from the employer.

#### REQUIREMENTS FOR REDUCING THREAT OF THEFT AND VANDALISM

- 129. Movable property may not be left without supervision or kept in an unlocked room.
  - 129.1 Supervision is deemed to be immediate detection of threat and prompt application of measures to obstruct the source of danger.
  - 129.2 Rooms are deemed to be locked if windows, doors and other openings have been closed so that it is possible to enter the building or a physical share of the building only by breaking locks or structures or by using force.
- 130. Keys and other means that grant access may not be left in a place visible for unauthorised persons or be given to unauthorised persons. Entry codes must be used so that no unauthorised persons would have any opportunity to get to know these.
- 131. If a key or a personal card is lost or has got in the possession of any unauthorised person, the lock or the alarm and access code must immediately be re-coded or replaced and the code of the personal card must be changed.
  - 131.1 An unauthorised person is a person who has no right to hold or use a key or a personal card and to enter or stay in the rooms of the object of insurance.
- 132. When completing work, cash registers and drawers must be emptied and left unlocked and open in closed rooms.
- 133. Safes and strongboxes must be locked after use and the keys thereto may not be kept in the same room with the safe or the strongbox.
- 134. Outside working time the insured movable property must be guarded.
- 135. Property is deemed as guarded if at least one of the following conditions is met:

- 135.1 operational security alarm has been switched on in the storeroom of the object of insurance and has been provided with the alarm message output to a security company;
- 135.2 operational security alarm has been switched on in the storeroom and has been provided with the alarm message output to at least two mobile telephones that are constantly observed;
- 135.3 security by a guard who is a natural person.
- 136. Security means activities upon surveillance of the place of insurance and its surroundings for detection and elimination of an emergency phase or attack and for ensuring the inviolability of the objects of insurance with the help of an intrusion alert system.
- 137. An operational security alarm means a status of the system where there are no shortcomings (i.e. non-conformities with the prescribed conditions, incl. agreements and/or obligations) or malfunctions (i.e. a status whereby the system crashes or continues operating without conforming to the requirements or in an unreliable manner).
- 138. A guard means a person who, according to a written agreement, is obliged to monitor the guarded object and its surroundings for detection of an emergency phase or attack and to ensure the inviolability of the object.
- 139. A security company means an undertaking registered in the commercial register and holding a license and authorisation for provision of security services.

#### OTHER SAFETY REQUIREMENTS

- 140. Goods, devices and other movable property stored in rooms the floor of which is located in the basement or below the ground must be stored at the height of no less than 10 cm from the floor.
- 141. Roofs, rainwater and waste water piping systems, drainage systems and settling wells must be maintained and checked regularly. Wells and settling wells of waste water piping systems must be ventilated carefully prior to maintaining the same (explosion hazard: hydrogen sulphide).
- 142. Piping systems must be maintained regularly and protected against freezing. Water and heating systems must be emptied of water in a building that is not heated during the heating season or the air temperature of which falls below 0 degrees.

143. To ensure safety, the quantity of ice and snow (incl. icicles) must constantly be observed on the roof of the building. Excessive snow and ice must be removed from the roof of the building no later than 48 hours after the fall. The thickness of the snow layer on the roof may not be more than 0.3 metres. Neither may the mass of ice and snow exceed the load prescribed in the design.
144. Electronic devices must be provided with equipment that protects against fluctuation in voltage or over-voltage if this is required in documents specified in [clause 103](#) or if there is overvoltage or fluctuations in voltage caused by lightning or other reasons in the place of insurance.

#### **ADDITIONAL SAFETY REQUIREMENTS FOR DEPOSITING MOVABLE PROPERTY LOCATED OUTSIDE PLACE OF INSURANCE**

145. Unlike in [clause 129](#) of the safety requirements, it is permitted to deposit during daytime the insured movable property located outside the place of insurance ([clause 14](#)) in a locked motor vehicle in a non-visible place, e.g. in a luggage or glove compartment. The insured movable property located outside the place of insurance must be taken to closed guarded rooms or the locked motor vehicle in which the property is deposited must be placed in a guarded territory or building for the night (22:00-08:00).
146. The insured movable property located outside the place of insurance as specified in [clause 14](#) must be taken along to the passenger compartment for the time of the flight.