

Professional Indemnity
Insurance for Architects,
Engineers and Contractors

CHUBB®

Professional Indemnity Insurance for Architects, Engineers and Contractors

Relationship of the **Insurer**, the **Policyholder** and the **Insured** in connection with professional indemnity insurance is governed by the **Insurance Contract** and by this policy that represents its integral part.

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

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

1. Insuring clause - insurance risk, insured event

This insurance covers legal liability of the **Insured** for **Loss** that the **Insured** is legally liable to pay to a **Third Party** arising from any **Claim** resulting from a **Wrongful Act** taking place during the **Period of Insurance** or after the **Retroactive Date** specified in the **Insurance Contract** provided that such **Claim** is first made against the **Insured** during the **Period of Insurance**.

The **Insurer** will pay **Defence Costs** incurred in defending a **Claim** deemed covered under this policy.

This insurance is concluded as indemnity insurance.

2. Automatic extensions and specific provisions

Each of the following Extensions automatically applies unless otherwise stated in the **Insurance Contract**. Each of the Extensions is subject to the Insuring Clause and all other terms, exclusions and conditions of this policy unless otherwise stated in this Article 2.

2.1 Defamation

The **Insurer** agrees to extend cover to any **Loss** arising from a **Claim** first made during the **Period of Insurance** for unintentional defamation including libel and slander by the **Insured** in the conduct of the **Professional Services**. The **Insurer** shall not be liable to make any payment under this policy for intentional defamation.

2.2 Pre-claims Assistance

If, during the **Period of Insurance**, the **Insured** reports a specific **Circumstance** in accordance with section 5. C., the **Insurer** may, at its sole option, investigate and assist the **Insured** with such **Circumstance** as the **Insurer** deems appropriate. Until such time that a **Claim** arising from such specific **Circumstance** has been made, any payment for such investigation and assistance to the **Insured** will be solely at the discretion of the **Insurer**, which may or may not provide assistance for such **Circumstance**.

Payment made by the **Insurer** under this section shall not apply to the **Excess** and not reduce the **Limits of Liability**.

2.3 Intellectual Property Infringement

The **Insurer** agrees to extend cover to any **Loss** arising from a **Claim** first made during the **Period of Insurance** for unintentional infringement by the **Insured** of any **Intellectual Property** right, except any actual or alleged patent right, in the conduct of the **Professional Services**. The **Insurer** shall not be liable to make any payment under this policy for intentional infringement of any **Intellectual Property** right.

Insurer's total liability under this Extension 2.3 shall be CZK 700.000 in the aggregate.

2.4 Loss of Documents

The **Insurer** agrees to extend cover to any **Loss** arising from a **Claim** first made during the **Period of Insurance** for loss of or damage to or destruction of those **Documents** for which the **Insured** is legally responsible in the conduct of the **Professional Services** provided that such loss, damage or destruction is first sustained, discovered and reported to the **Insurer** during the **Period of Insurance** and, in the case of loss of **Documents**, which cannot be found after diligent search.

The cover provided by this extension will not apply to pay that part of any **Loss** arising from a **Claim** which exceeds the reasonable and necessary costs, charges and expenses in replacing or restoring the **Documents**.

2.5 Run Off Cover for Insured Entity

In the event that the **Policyholder** is subject to a **Transaction** or is subject to insolvency, administration, liquidation or any other similar transaction during the **Period of Insurance**, the coverage provided under the policy for such

Policyholder shall continue until the end of the **Period of Insurance**, provided that such coverage shall only apply in respect of a **Claim** that arises from a **Wrongful Act** prior to the effective date of the **Transaction** or proceedings.

The **Insured** or the **Policyholder** shall give the **Insurer** written notice of a **Transaction** or administration, liquidation or insolvency as soon as practicable, but in any event not later than 30 days after the effective date of the **Transaction**.

2.6 Discovery Period

If the **Insurer** or the **Insured** does not renew this policy for any reason other than related to a **Transaction** or non-payment of premium, the **Insurer** may extend the cover under this policy for a **Discovery Period** of 45 days at nil additional premium which shall run from the date this policy is not renewed.

The **Insurer** may, upon demand of the **Policyholder** and at its sole discretion, extend the cover under this policy for a **Discovery Period** of 12 months following the effective date of non-renewal, conditional upon an additional premium equal of 100% of the full annual premium. This Extension does not apply if there is a fraudulent claim under the policy by or on behalf of the **Insured**.

If the **Policyholder** purchases a **Discovery Period**, the 45 day automatic **Discovery Period** shall be part of and not in addition to the purchased **Discovery Period**.

To purchase the **Discovery Period**, the **Policyholder** must request its purchase in writing within 30 days upon expiry of the policy and must pay the additional premium within 30 days of expiry of this policy. If the **Policyholder** renews or replaces this policy at any time during the **Discovery Period**, any **Discovery Period** in force shall cease with immediate effect from the inception of such replacement cover.

If a **Transaction** takes place during the **Period of Insurance**, then the **Policyholder** does not have the right to purchase a **Discovery Period** as set out above.

The **Discovery Period** shall only apply to a **Claim** first made against the **Insured** before or during such 45-day **Discovery Period**, but only in respect of conduct of the **Professional Services** prior to the non-renewal of this policy. The **Insurer** shall not be liable to make any payment in respect of any **Claim** first made against the **Insured** during the **Discovery Period** if at any time the **Insured** obtains any other professional indemnity insurance covering in whole or in part the **Discovery Period**.

For the avoidance of doubt, the **Discovery Period** does not affect any limit or sublimit of indemnity that shall continue to apply in the amount specified in the **Insurance Contract**.

2.7 Inquiry Attendance Expenses

Part of the **Defence Costs** is also a reimbursement to the **Insured** in respect of the following daily **Inquiry Attendance Expenses** incurred by the **Insured** in relation to an **Inquiry** provided the notice requiring the **Insured** to attend the **Inquiry** is first served to the **Insured** during the **Period of Insurance**:

- a) for the **Insured**: CZK 5,000;
- b) for any person who was or is a **Principal**, of the **Insured**: CZK 5,000;
- c) for any person who was or is an **Employee** of the **Insured**: CZK 2,000; and
- d) the **Insurer's** total liability under this Extension 2.7 shall be CZK 200.000 in the aggregate.

The **Excess** does not apply to this Extension 2.7.

2.8 Public Relations Expenses

The **Insurer** agrees to extend cover to the **Insured** for its **Public Relations Consultant Fees** provided always that:

- a) The **Insured** notifies the **Insurer** within 30 days of first becoming aware of the **Insured's** reputation being brought into question and provide full written details outlining the circumstances surrounding the event; and
- b) the **Insurer** have given prior written consent, not to be unreasonably withheld or delayed, to retain the services of such public relations consultants; and
- c) the **Insurer's** total liability under this Extension 2.8 shall be CZK 500.000 in the aggregate.

3. Definitions

3.1 **Act on Corporations** means Act No. 90/2012 Coll., on Business Corporations and Cooperatives (Act on Corporations), as amended;

3.2 **Act of Terrorism** means

- a) an act, including but not limited to, the use of force, violence and/or the threat thereof, by any person or group(s) of persons, whether acting alone, on behalf of, or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear; or

- b) any action taken in controlling, preventing, suppressing or in any way relating to anything in (a) above regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- 3.3 **Business** means the activities of the **Policyholder** set out in the **Insurance Contract**;
- 3.4 **Circumstance** means any fact, matter or circumstance which gives rise to a **Claim** or has the potential to give rise to a **Claim**;
- 3.5 **Civil code** means Act No. 89/2012 Coll., the Civil Code, as amended;
- 3.6 **Claim** means
- a) delivery of any written demand for compensation of damage made against the **Insured**; or
 - b) beginning of any civil legal or arbitral process (including cross claim and counterclaim) against the **Insured** which contains a demand made against the **Insured** for compensation of damage arising out of a **Wrongful Act**;
- 3.7 **Defence Costs** mean reasonable legal and other professional fees, costs and expenses incurred by and with the prior written consent of the **Insurer**, not to be unreasonably withheld or delayed, that are necessary to defend or appeal a covered **Claim**;
- 3.8 **Discovery Period** means the period specified in clause 2.6.
- 3.9 **Documents** mean documents of any nature except money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes or any other form of negotiable instrument, legally owned by a third person different from the **Insured**;
- 3.10 **Employee** means each person who was, is or becomes employed by the **Insured** in the ordinary course of the **Business** including employees performing services for the **Insured** on the basis of agreement on work performed outside an employment relationship;
- 3.11 **Excess** means the amount specified in the **Insurance Contract**;
- 3.12 **Inquiry** means any investigation, inquiry or hearing against the **Insured** or **Employee** of the **Insured** in connection with the provision of **Professional Services** covered under this policy. **Inquiry** does not mean any criminal proceedings;
- 3.13 **Inquiry Attendance Expenses** means reasonable and necessary expenses, including but not limited to travel, incurred by any **Insured**, **Principal** or **Employee** in relation to any legally compelled attendance by that person to an **Inquiry**. However, it shall not include any wages, salaries and any other remuneration or overhead expenses incurred in connection with that **Inquiry**;
- 3.14 **Insurable Interest** means a legitimate need of protection from the consequences of an insured event;
- 3.15 **Insurance Contract** means **Insurance Contract** concluded between the **Insurer** and the **Policyholder** including any contractual agreements; this policy is an integral part of the **Insurance Contract**;
- 3.16 **Insurance Risk** means probability of the insured event caused by an insured peril;
- 3.17 **Insured** means the **Policyholder**;
- 3.18 **Insurer** means Chubb European Group Ltd, a company having its registered office at The Chubb Building 100, Leadenhall Street, London EC3A 3BP, United Kingdom, acting through its branch Chubb European Group Ltd, organizační složka, having its registered office at Pobřežní 620/3, 186 00 Prague 8, Czech Republic, identification number 278 93 723, registered in the Commercial Register kept with the Municipal Court in Prague, section A, insert 57233;
- 3.19 **Intellectual Property** means means copyright and trademark including but not limited to trade dress or trade names. **Intellectual Property** does not include designs, circuit layouts, plant varieties and breeds of animals, topographies of semiconductor products, and inventions, patents and trade secret;
- 3.20 **Loss** means all amounts which an **Insured** becomes legally obligated to pay to a **Third Party** in respect of a **Claim** based on a final decision of a court or arbitration or settlements reached with the **Insurer's** prior written consent (including legal costs of the plaintiff and statutory interest) and **Defence Costs**;
Loss does not include:
- a) punitive or exemplary damages; or

- b) fines or penalties imposed by law; or
 - c) costs incurred by the **Insured** in complying with any order for, grant of, or agreement to provide injunctive or non-monetary relief; or
 - d) cost of any **Professional Services** or any part of **Professional Services** and cost of correcting, re-performing or completing any **Professional Services**
 - e) any amount which constitutes reduction, set off or return of fees or expenses, in whole or in part, paid to or charged by an **Insured**; or
 - f) any internal or overhead expenses of the **Policyholder** or the cost of any **Insured's** time; or
 - g) any liquidated damages including contractual penalty owed to a **Third Party** that exceed actual damages; or
 - h) indirect losses; or
 - i) taxes or sums payable in relation to taxes; or
 - j) any matters which are uninsurable under any applicable law or where the **Claim** is made.
- 3.21 **Period of Insurance** means the period specified in the **Insurance Contract** for which this insurance is concluded or a shorter period if this insurance is terminated prematurely;
- 3.22 **Policyholder** means a legal entity specified as a **Policyholder** in the **Insurance Contract**, who concluded the **Insurance Contract** with the **Insurer** and is obliged to pay the premium;
- 3.23 **Pollutant** means any contaminant, irritant or other matter or substance including but not limited to oil, smoke, vapour, soot, asbestos, asbestos-containing materials, fumes, funghi, acids, alkalis, nuclear or radioactive material, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- 3.24 **Pollution** means the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any **Pollutant** whether in solid, liquid, gas, odour, noise, vibration, electromagnetic radiation, ionising radiation, thermal or other form at any time;
- 3.25 **Principal** means any natural person acting in the following capacities in the **Insured**: executive, proxy (in Czech: *prokurista*), member of a board of directors, member of a supervisory board and includes any equivalent position in any other jurisdiction. **Principal** includes also a liquidator of the **Insured**, however, only on conditions that in the same company she/he at the same time holds also one of the functions mentioned in the previous sentence. Provided a legal entity is a member of an executive or other body of the **Insured**, the **Principal** also means a natural person who, in the sense of Section 46(3) of the **Act on Corporations**, is a representative of such legal entity. However, an insolvency administrator is not a **Principal**;
- 3.26 **Professional Services** means those services that the **Insured** is legally qualified to perform for others in the **Insured's** capacity within his **Business** as an architect, engineer, land surveyor, landscape architect, construction manager, interior designer, land planner, expert witness, or technical consultant (including LEED Accredited Professional), or as otherwise defined in the **Insurance Contract**;
- 3.27 **Public Relations Consultant Fees** mean the reasonable fees, costs and expenses of a public relations consultant retained by the **Insured** for the sole purpose of protecting the **Insured's** reputation that has been brought into question as a direct result of a **Claim** which is covered by this policy;
- 3.28 **Relative** means
- a) any legal spouse, domestic partner or companion; or
 - b) any parent, or parent of the spouse, domestic partner or companion; or
 - c) any sibling or child.
- 3.29 **Retroactive Date** means the date specified in the **Insurance Contract**;
- 3.30 **Subsidiary** means any entity:
- a) in which the **Policyholder** either directly or indirectly through one or more entities:
 - i) controls the composition of the board of directors;
 - ii) controls more than 50% of the shareholder or equity voting rights;
 - iii) holds more than 50% of the issued share capital or equity; or
 - iv) otherwise has the power, directly or indirectly, under any agreement or contractual arrangements, alone or jointly, to direct or cause the direction of the management and policies;
 - ii) an entity which is deemed to be a subsidiary of the **Policyholder** by virtue of any applicable legislation or law; before or during the **Policy Period**. An entity ceases to be **Subsidiary** when none of the foregoing applies.

Parent Company shall be construed accordingly;

3.31 **Transaction** means any one of the following events:

- a) the **Insured** consolidates with or merges into or sells all or substantially all of its assets to, any other person or entity or group of persons and/or entities acting in concert, or otherwise ceases to exist or operate; or
- b) any person or entity, (whether individually or together with any other person or persons, entity or entities) controls the composition of the board of directors; becomes entitled to exercise more than 50% of the rights to vote at general meetings of the **Insured** or control the appointment of directors who are able to exercise a majority of votes at meetings of the board of directors of the **Insured**; or holds more than half of the issued share capital of the **Insured**; or otherwise gains the power, directly or indirectly, under any agreement or contractual arrangement, alone or jointly to direct or cause the direction of the management and policies of the **Insured**;

3.32 **Third party** means any entity or natural person other than:

- a) any **Insured, Principal** or **Employee** of the **Insured**;
- b) **Parent Company** or **Subsidiary** of the **Insured**; or
- c) person influencing for any reason operation of the **Insured** or the **Subsidiary**;

3.33 **Wrongful Act** means any actual or alleged negligent act, error, omission, misstatement, misleading statement, breach of confidentiality or breach of duty by the **Insured** in their capacity as such or by any other person or entity for which the **Insured** is legally liable, in performing **Professional Services**.

4. Exclusions

The **Insurer** shall not be liable for any **Loss** arising from any **Claim** or any other payment under this policy:

- 4.1 directly or indirectly caused by, arising out of or in any way connected with any actual or alleged liability assumed or accepted under any contract, agreement, understanding or any guarantee, warranty or indemnity; except to the extent that such liability would have attached to the **Insured** in the absence of such contract, agreement, understanding or any guarantee, warranty or indemnity;
- 4.2 directly or indirectly caused by, arising out of or in any way connected with any failure by any **Insured** or other party acting for the **Insured** to make an accurate pre-assessment of the cost of performing **Professional Services**;
- 4.3 directly or indirectly caused by, arising out of or in any way connected with any
 - a) the insolvency, bankruptcy or liquidation of an **Insured**; or
 - b) any alleged or actual failure to pay any trading or personal debt of an **Insured**; or any guarantee or other undertaking or obligation given by an **Insured** for a debt
- 4.4 based upon, or arising out of, any dishonest, fraudulent, criminal, including but not limited to bribery and/or corruption, intentional or malicious act, error or omission, or those of a knowingly wrongful nature committed intentionally by or at the direction of any **Insured**, including any **Insured's** intentional, knowing, willful or deliberate noncompliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body;
- 4.5 directly or indirectly caused by, arising out of or in any way connected with cartel or other anti-competitive conduct;
- 4.6 directly or indirectly caused by, arising out of or in any way connected with:
 - a) the ownership, management, control or occupation of real property by or on behalf of the **Insured**; or
 - b) the ownership, maintenance, operation, possession, use, loading or unloading by or on behalf of the **Insured** of any watercraft, aircraft, motor vehicle or trailer, including cranes and heavy machinery;
- 4.7 directly or indirectly caused by, arising out of or in any way connected with any breach of any obligation owed to any **Employee** arising out of or in the course of that **Employee's** employment by the **Insured**, including but not limited to any bodily injury, defamation, mental anguish, emotional distress, sickness, disease or death of any **Employee** of the **Insured** arising out of and in the course of their employment; or any obligation under any worker's compensation, unemployment compensation, employer's liability, disability benefits, or any similar law;
- 4.8 directly or indirectly caused by, arising out of or in any way connected with any work carried out by the **Insured** for and in the name of any association or joint venture of which an **Insured** forms part;
- 4.9 directly or indirectly caused by, arising out of or in any way connected with **Pollution** or **Pollutants** in whatever form or quantity;

- 4.10 directly or indirectly caused by, arising out of or in any way connected with any:
- a) facts alleged, contained in or related to any **Claim** first made before the **Period of Insurance** or which is a fact alleged, related to or contained in a **Claim** first made before the **Period of Insurance**; or
 - b) matter notified in whole or in part to the **Insurer** or any other insurer before the **Period of Insurance**; or
 - c) **Circumstance** which was known to or ought reasonably to have been known to the **Insured** prior to the commencement of the **Period of Insurance**.
- 4.11 directly or indirectly caused by, arising out of or in any way connected with any goods manufactured, distributed, supplied, installed, treated, assembled or processed by or on behalf of any **Insured**;
- 4.12 brought or maintained by or on behalf of:
- a) any **Insured** or **Parent Company** of any **Insured** (or any **Parent Company** or any **Subsidiary** thereof); or
 - b) successors or assigns of any **Insured**; or
 - c) any entity within the same group of companies as the **Insured**; or
 - d) any person or entity who, at the time of the act, error or omission giving rise to the **Claim** is a **Relative** of any **Principal** or any **Employee** of the **Insured** or controlled by a **Relative** of any **Principal** or any **Employee** of the **Insured**;
 - e) entity the **Insured** manages or controls; or
 - f) any entity that owns, manages or controls the **Insured**.
- 4.13 directly or indirectly caused by, arising out of or in any way connected with or in consequence of:
- a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government, public or local authority; or
 - b) any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- 4.14 directly or indirectly caused by, arising out of or in any way connected with the actual or alleged infringement, misappropriation, misuse or violation of any patent right or trade secret;
- 4.15 directly or indirectly caused by, arising out of or in any way connected with for bodily injury, sickness, disease, death or emotional distress, or damage to, destruction, impairment or loss of use of any property, unless arising out of the **Insured's** performance of or failure to perform **Professional Services**;
- 4.16 directly or indirectly caused by, arising out of or in any way connected with the cost to repair or replace faulty construction workmanship in any construction, erection, fabrication, installation, assembly, manufacture, or remediation performed by the **Insured**, including the costs of any materials, parts, or equipment furnished in connection therewith;
- 4.17 directly or indirectly caused by, arising out of or in any way connected with a nuclear reaction, radiation or contamination, under any circumstances and regardless of cause, within or originating from a nuclear facility;
- 4.18 directly or indirectly caused by, arising out of or in any way connected with **Professional Services** where the **Insured** is covered under any professional liability policy issued either by the **Insurer**, or any other insurance company, for a specific project or projects whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the **Limit of Liability** provided by this policy; provided, however, that this exclusion shall not apply, and this policy shall act as an excess insurance policy where the **Insureds** liability is determined to be in excess of the limits available under the project specific insurance policy; In the event any portion of this exclusion is found to be invalid or unenforceable, the rest of the exclusions will remain in full force and effect.

5. General provisions

A. **Limit of liability**

The aggregate limit of liability for each and all insured events is the sum specified in the **Insurance Contract**, regardless of the number of the **Insureds** and time of claim for the insurance benefits.

If so specified this policy, this insurance is a subject to sub-limit in the amount specified in the **Insurance Contract**. Any sub-limit shall be part of and not in addition to the aggregate limit of liability.

All **Claims** that are attributable to the same or similar event, cause or **Circumstance** shall be treated as a single **Claim**, regardless of the number of **Claims**, **Insureds**, claimants and defendants or legal causes of action. The date when any such **Claim** is made commenced will be the date that the first such **Claim** is made. Any insurance benefits shall be

provided only if the first notice of any **Claim** was notified to the **Insurer** by the **Insured** during the **Period of Insurance** or the **Discovery Period**, if applicable.

B. Excess

The **Insurer** shall pay insurance benefits in relation to each **Claim** only in the extent exceeding **Excess** as set out in the **Insurance Contract**.

C. Claims notification

Any insurance benefits will be provided only if the **Insured** gives written notice of any **Claim** to the **Insurer** as soon as practicable, but always within the **Period of Insurance** or the **Discovery Period** (if applicable). Such notification must include specific description of the **Claim**, including details of any parties involved and a copy of any written demand or assertion and any document relating to the commencement of proceedings against the **Insured** once available.

The **Insured** shall provide the **Insurer** at its own cost all information, which it may reasonably require and fully cooperate in relation to any investigation of a loss event, including the following:

- a) a specific description of the demand or assertion comprising the **Claim** including the date when and manner in which the **Insured** first became aware of the matter; and
- b) the details of any parties involved including full title, address, date of birth or identification numbers (if applicable); and
- c) a copy of any written demand or assertion and any and all documents including in particular but not limited to notifications, summons relating to the commencement of proceedings or **Claim** against the **Insured** once available; and
- d) other insurance policies in effect related to subject matter of this policy.

If the **Insured** learns about any **Circumstance** during the **Period of Insurance**, notifies it to the **Insurer** and provides all relevant information required by the **Insurer**, then such a late **Claim** arising from the **Circumstance** shall be considered for the purposes of this a **Claim** arisen within the **Period of Insurance**.

D. Conduct of Proceedings

It is the duty of the **Insured**, not the **Insurer**, to defend any **Claim** made against an **Insured**. The **Insurer**, however, may take over and conduct (in the name of any **Insured**) or join the defence of any **Claim** and the **Insured** must provide the **Insurer** with any necessary cooperation.

An **Insured** must not incur any **Defence Costs** without the prior written consent of the **Insurer**, which shall not be unreasonably withheld. The **Insurer** is not liable to indemnify any **Insured** for any **Defence Costs** unless the **Insurer** provides its prior written consent to the incurring of such **Defence Costs**.

An **Insured** must not settle or make any admission, offer, payment or otherwise assume any contractual or other obligation in relation to any **Claim**, without the prior written consent of the **Insurer**. The **Insurer** is not liable to indemnify any **Insured** for any settlement, admission, offer, payment or assumed obligation unless the **Insurer** provides its prior written consent.

E. Mitigation

The **Insured** must at its own expense take all reasonable steps and precautions in doing all things reasonably practicable to avoid or minimise any actual or potential **Loss** arising from any actual or possible **Claim**.

Unless agreed otherwise, the salvage costs shall be limited to CZK 10,000, respectively to 30% of the limit of liability in case of rescue of life or protection of people's health.

F. Fraudulent Claims

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

G. Insurable Interest

This insurance can be concluded only provided that the **Policyholder** has an **Insurable Interest**.

If the **Policyholder** knowingly insures a non-existent **Insurable Interest** without the **Insurer's** knowledge, the **Insurance Contract** is invalid; in such a case the **Insurer** has a right for premium until the date it learns about invalidity of the **Insurance Contract**.

The **Policyholder** and the **Insured** shall inform the **Insurer** in writing without undue delay when the **Insurable Interest** ceases to exist; in such a case this insurance is also terminated; the **Insurer** has, however, right to the premium until the date it learns about such termination.

H. **Insurance Risk**

The **Policyholder** or the **Insured** shall not, without the **Insurer's** consent, do anything or allow any other person to do anything that may increase the **Insurance Risk**. The **Policyholder** and the **Insured** shall inform the **Insurer** in writing without undue delay about any change or termination of the **Insurance Risk** which occurred during the **Period of Insurance**.

If the **Insurance Risk** is increased during the **Period of Insurance**, the **Insured** has right to propose amendment to the **Insurance Contract** or to terminate the **Insurance Contract** in accordance with relevant statutory provisions. If the **Insurance Risk** is substantially reduced during the **Period of Insurance**, the **Insurer** shall reduce the premium proportionally with effect from the day it learns about such reduction.

I. **Period of Insurance and Cancellation**

The **Insurance Contract** is concluded for a definite **Period of Insurance** as stated in the **Insurance Contract**.

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

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

J. **Premium**

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

K. **Form of payment**

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

L. **Other Insurance**

Unless any legal regulations require otherwise, the cover this insurance shall be provided in excess or above any other insurance for the same type of insurance peril available to the **Insured**.

M. **Decisive Law and Dispute Resolution**

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

N. **Jurisdictional Limits**

This insurance applies to **Claims** anywhere in Europe provided that they involve application of the law of the relevant European country unless otherwise specified in the **Insurance Contract**.

O. **Subrogation**

If any payment is made by the **Insurer** in respect of a **Claim** under this policy, the **Insurer** will be subrogated to all rights of indemnity, contribution or recovery of the **Insured** in relation to that payment.

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

The **Insurer** will not exercise its right of recovery under this clause against any **Principal** or **Employee** of the **Insured** that is a natural person, except where that **Principal** or **Employee** has committed, participated in or condoned a dishonest, fraudulent, malicious or criminal act or omission or where such natural person insured is entitled to an indemnity in respect of any **Claim** under any other insurance effected by him or on his behalf, but only to the extent of the indemnity granted by such other insurance policy.

P. **Written Form and Amendments**

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

Q. Delivery

The **Policyholder** and the **Insured** shall notify the **Insurer** without undue delay about any change of their delivery address.

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

R. Severability

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

Only statements made in the proposal and knowledge possessed by an **Insured** who is the subject of a **claim** under this policy shall be imputed to the **Policyholder** for the sole purposes of determining if cover is available for loss with respect to such **Insured**.

S. Disclosure of Information

The **Insured** must not disclose the terms, the nature or the limit of liability or the premium payable under this policy, to any third party, including disclosure in the **Insured's** annual report if applicable, except where:

- a) the **Insurer** provides written consent; or
- b) disclosure is required by law.

T. Assignment

The **Insured** may not transfer any legal right or obligation under this policy or assign the **Insurance Contract** without the prior written consent of the **Insurer**.

U. Exclusion of Certain Statutory Provisions

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

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

Sections 1799 and 1800 of the **Civil Code** regarding contracts concluded adhesively shall not apply.

V. Headings

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

W. Sanction Limitation

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

X. Personal Data Protection

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

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

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

The **Policyholder** and the **Insured** have a right to access their personal data and a right for correction of such personal data. Should the **Insurer** process inaccurate personal data or should the **Policyholder** or the **Insured** have other doubts regarding violation of their privacy and personal life or violation of other obligations according to the relevant legislation on personal data protection, he/she may request an explanation from the **Insurer** and request rectification steps to be

taken. The **Policyholder** or the **Insured** may request particularly blocking, correction, addition or disposal of such personal data. If the **Insurer** fails to comply with such request, the **Policyholder** and the **Insured** may refer this matter to the Office for Personal Data Protection. They may also contact the Office for Personal Data Protection directly.

Y. **Complaints**

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

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

Czech National Bank

Na Příkopě 28

115 03 Prague 1

Czech Republic

tel.: +420 224 411 111

Contact us

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186 00 Praha 8
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About Chubb

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

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

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

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

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