

# Contractors' and Erection All Risks

Insurance Terms and Conditions

CHUBB®

## 1. Initial terms

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- 1.1 **The conditions** These insurance terms and conditions (the “**conditions**”) of contractors’ and erection all risks insurance are issued by **Chubb European Group Limited**, with its registered office in London, address of business at the Chubb Building, 100 Leadenhall Street, London EC3A 3BP, UK, operating its insurance business in the Czech Republic based on freedom of establishment via its branch **Chubb European Group Limited, organizační složka**, with its registered office at Praha 8, Pobřežní 620/3, Post Code 186 00, ID no 27893723, registered in the Commercial Register maintained by the City Court of Prague, section A, insert 57233 (the “**insurer**”).
- 1.2 **The policy** The insurance is established based on an insurance policy (in Czech literally the “insurance contract”, the “**policy**”) concluded between the insurer and the policyholder. The conditions form an inseparable part of the policy (any reference of the act to the policy shall therefore be understood as including reference to the conditions).

## 2. Scope of insurance

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### 2.1 Property Damage Insurance

- 2.1.1 **Insured event** The insured event is property damage to the insured property located at the insured location, occurring during the policy period, which requires repair or replacement, not otherwise excluded.
- 2.1.2 **Debris Removal Extension** The insurance extends to include costs of clearance of debris from the insured location, necessarily and reasonably incurred by the insured following to an insured event, up to the indemnity limit stated in the policy.
- 2.1.3 **Extra Charges Extension** The insurance extends to include extra charges for overtime, night work, work on public holiday and express freight if agreed so in the policy.

### 2.2 Third Party Liability Insurance

- 2.2.1 **Insured event** The insured event is the insured becoming legally liable to pay damages to a third party (injured party) consequent upon
- (a) bodily injury
  - (b) property damage to property belonging to third parties
  - (c) other damages resulting from damage under (a) and (b)
- occurring during the policy period in direct connection with the construction or erection works relating to insured property insured under Property Damage Insurance hereunder and happening on or in the immediate vicinity of the insured location. The indemnity shall not exceed indemnity limit(s) stated in the policy.
- 2.2.2 **Costs and expenses** In respect of an insured event under Third Party Liability Insurance, the insurer shall provide indemnity also regarding the following:
- Costs which the insured is obliged to pay to the injured party in connection with its claiming compensation of damages;
  - All costs and expenses incurred with consent of the insurer.
- Subject to the indemnity limit stated in the policy.

### 2.3 Advance Loss of Profits Insurance

- 2.3.1 **Insured event** The insurer shall indemnify the principal in respect of loss of gross profit actually sustained due to the reduction in turnover and the increased cost of working, as specified in the policy, if at any time during the policy period applicable to this cover the insured contract works or any part thereof suffer property damage covered under Property Damage Insurance, thereby causing an interference in the construction work resulting in a delay of commencement of the insured business (“the delay”).
- 2.3.2 **Amount of financial loss** The amount of financial loss arising out of the insured event shall be calculated as follows:
- (a) “loss of gross profit”: sum obtained by applying the rate of gross profit to the amount by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the delay not occurred;
  - (b) “increased cost of working”: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, without such expenditure, would have taken place during the indemnity period, but not exceeding the sum obtained by applying the rate of gross profit to the amount of the reduction in turnover thereby avoided.
- If the annual sum insured hereunder is less than the sum obtained by applying the rate of gross profit to the annual turnover, the amount of financial loss shall be reduced proportionately.

2.3.3 **Additional factors to be reflected** In calculating the rate of gross profit and annual turnover, the following points shall in particular be taken into consideration:

- The results of the insured business for the 12-month period after commencement;
- Variations and special circumstances which would have affected the insured business had the delay not occurred;
- Variations and special circumstances affecting the insured business after commencement;

So that the final figures represent as closely as may be reasonably practicable the results which the insured business would have obtained after the scheduled date of commencement had the delay not occurred.

### 3. Exclusions

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3.1 **General exclusions** The insurer shall not provide indemnity in respect of any loss directly or indirectly caused by or arising out of or aggravated by:

3.1.1 **War, civil commotion etc.** War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lockout, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority; in any action, suit or other proceeding where the insurer allege that by reason of this exclusion any loss is not covered by this insurance, the burden of proving that such loss is covered shall be upon the insured;

3.1.2 **Radioactivity**

- (a) Ionizing radiation or radioactive contamination from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel; or
- (b) The radioactive, toxic, explosive or otherwise hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) Any weapon of war employing atomic or nuclear fission and /or fusion or any other similar reaction or radioactive force or matter;

3.1.3 **Misconduct of the insured** Wilful act, wilful negligence, gross negligence, or act of arbitrariness or maliciousness of the insured or of its representative, employee or another helper. For avoidance of doubts, it is stipulated that any compensation for price of special favour under Section 2969(2) of the act and for personal misfortune under Section 2971 of the act are specifically excluded from this insurance;

3.1.4 **Cessation of work** The insured or insured's contractor having ceased to work at the insured location for a period in excess of 60 days unless the policyholder or the insured has given the insurer prior notice in writing with the details of work completed and outstanding and the insurer has agreed to continue the insurance and the policyholder has agreed to accept any amended terms the insurer has applied;

3.1.5 **Pollution and/or contamination** Any losses or claims incurred by pollution and/or contamination.

3.2 **Special Exclusions – Property Damage Insurance**

The insurer shall not provide indemnity for

3.2.1 **Consequential loss** Consequential loss of any kind or description whatsoever including loss of profit, penalties, losses due to delay, lack of performance, loss of contract;

3.2.2 **Faulty design** Property damage due to faulty construction, project or similar design;

3.2.3 **Defective material and workmanship** The cost of replacement, repair or rectification of defective material and/or workmanship, defective casting, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude property damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;

3.2.4 **Wear and tear and similar** Wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions, incrustation;

3.2.5 **Electrical or mechanical breakdown** Property damage to construction plant, equipment and construction machinery due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable;

3.2.6 **Vehicles, watercraft, aircraft** Property damage to vehicles licensed for general road use or waterborne vessels or aircraft;

3.2.7 **Documents and packing materials** Property damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques and packing materials such as cases, boxes, crates;

3.2.8 **Inventory taking** Property damage discovered only at the time of taking an inventory.

### 3.3 Special exclusions – Third Party Liability Insurance

The insurer shall not provide indemnity for

- 3.3.1 **Property insurance** Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under the Property Damage Insurance hereof;
- 3.3.2 **Vibration, removal of support** Damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage; this exclusion does not apply in respect of the erection insurance;
- 3.3.3 **Injury to own employees** Liability consequent upon bodily injury of employees or workmen of any insured, or members of their families;
- 3.3.4 **Care, custody, control** Liability consequent upon property damage to property belonging to or held in care, custody or control of any insured, or an employee or workman of any insured;
- 3.3.5 **Vehicles accident** Liability consequent upon any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
- 3.3.6 **Contractual liability** Liability consequent upon any agreement or one-sided declaration by the insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement or declaration.

### 3.4 Special exclusions – Advance Loss of Profits Insurance

The insurer shall not provide indemnity for

- 3.4.1 **Various perils** Loss of gross profit and/or increased cost of working due to any delay caused by or resulting from
  - Property damage covered under Property Damage Insurance by way of endorsement, unless agreed otherwise in the policy;
  - Earthquake, volcanic eruption, tsunami;
  - Loss of or damage to surrounding and/or existing property, construction machinery, plant and equipment;
  - Loss of or damage to operating media or feedstock, shortage, destruction, deterioration of or damage to any materials necessary for the insured business;
  - Any restrictions imposed by a public authority;
  - Non-availability of funds;
  - Alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the loss event;Loss of or damage to items taken over or taken into use by the insured or for which Property Damage Insurance cover has ceased;
- 3.4.2 **Fines, damages** Any loss due to fines or damages for breach of contract, for late completion or non-completion of orders, or for any penalties of whatever nature;
- 3.4.3 **Subsequent effect on business** Loss of business due to causes such as suspension, lapse or cancellation of a lease, licence or order, etc. which occurs after the date of actual commencement of the insured business;
- 3.4.4 **Prototype construction work** Property damage to construction work of a prototype nature, unless specifically agreed by endorsement.

## 4. Conditions

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### 4.1 Inception, duration and termination of insurance

- 4.1.1 **Inception** The insurance commences on the day specified in the policy or upon commencement of work or after the unloading of the items of insured property at the insured location if this occurs earlier than the date specified in the policy;
- 4.1.2 **Expiry** The insurance cover shall expire on the date specified in the policy. Any extensions of the policy period are subject to mutual agreement of the parties. However, for
  - The contractors' insurance, the insurance cover expires in respect of parts of the insured contract works taken over or put into service;
  - The erection insurance, the insurance cover expires after taking over or after the first test operation or test loading is completed whatever is the earlier, but not beyond four weeks (unless otherwise agreed in the policy) from the date of commencement of the test. If, however, a part of a plant or one or several machine(s) is/are tested and/or put into operation or taken over, the cover for that particular part of the plant or machine(s) and any liability resulting therefrom ceases whereas the cover continues for the remaining parts. In the case of second-hand items, the insurance cover shall, however, cease immediately on the commencement of the test.
- 4.1.3 **Policy period – Advance Loss of Profits Insurance** In respect of Advance Loss of Profits Insurance cover, the policy may set out specific dates of inception and expiry of the policy period. However, the insurance cover shall always expire earlier if the relevant insurance cover under Property Damage Insurance expires. Any extension of the

policy period in respect of Property Damage Insurance cover shall not automatically lead to an extension of the policy period set out for the Advance Loss of Profits Insurance cover.

- 4.1.4 **Termination – statutory regulation** General regulation of termination of the insurance is set out by the act.
- 4.1.5 **Change of the ownership of real property** Insurance ceases to exist at the date of the change of (i) ownership of the insured property, or (ii) co-ownership of the insured property, on the basis of which the change of the ownership interest(s) in the insured property at least in the amount of 50 % or more is achieved. In case the ownership or co-ownership of the real property is acquired by a constitutive entry (“vklad”) into the Land Register, the insurance ceases to exist at the date when the decision on the registration of ownership or co-ownership of the new owner in the Land Register comes into force.
- 4.1.6 **Termination upon substantial changes** In case that significant change affecting corporate or business status of the insured or the policyholder arise, the insurer is entitled to terminate the insurance by notice within one month from receiving the relevant notification of the insured or the policyholder.

#### 4.2 Insurable Interest

- 4.2.1 **Insurable Interest** The insurance can be concluded only if there is an insurable interest of the policyholder.
- 4.2.2 **Future insurable interest** The insurance can be concluded also on the insurable interest which arises in the future. However, if such insurable interest does not arise, the policyholder is not obliged to pay premiums.
- 4.2.3 **Non-existent insurable interest** If the policyholder knowingly insures a non-existent insurable interest without the insurer's knowledge, the policy is invalid; the insurer, however, has right to the premium until he learns about invalidity of the policy.
- 4.2.4 **Termination of the insurable interest** The policyholder and the insured shall inform the insurer in writing without undue delay about termination of the insurable interest. By termination of the insurable interest, this insurance is also terminated; the insurer has, however, right to the premium until he learns about such termination.

#### 4.3 Change and termination of the insurance risk

- 4.3.1 **Increase of the insurance risk** The policyholder shall not, without the insurer's consent, do anything or allow any third person to do anything that may increase the insurance risk.
- 4.3.2 **Notification obligation** The policyholder or the insured shall inform the insurer in writing without undue delay about change or termination of the insurance risk occurred during the policy period.
- 4.3.3 **Change and termination of the policy** If the insurance risk is increased during the policy period, the insured has the right to propose amendment to the policy or to terminate the policy in accordance with the act.
- 4.3.4 **Reduction of the insurance risk** If the insurance risk is substantially reduced during the policy period, the insurer shall reduce the premium proportionally with effect from the day when he learns about such reduction.

#### 4.4 Premium

- 4.4.1 **Premium** Amount of the premium shall be set out in the policy. The premium is a lump-sum one. The conditions or the policy may set out that the premium is payable in instalments or in advances. If the premium is payable in instalments and the policyholder delays with payment of an instalment, the insurer is entitled to require that all remaining premium instalments payable for the policy period are paid immediately. Premium or instalment or advanced payment of premium is considered to be paid at the date when it is credited to the insurer's account specified in the policy or (in case the policy does not specify such account) to any other account properly announced to the policyholder for this purpose.
- 4.4.2 **Advance Loss of Profits Insurance premium refund** If the insured declares (to be certified by the insured's auditors) that the gross profit earned during the accounting period of twelve months following the commencement of the insured business or the date on which but for the delay the insured business would have commenced was less than the annual sum insured thereon, a pro rata refund of premium not exceeding one third of the premium paid shall be made in respect of the difference. If an insured event has occurred giving rise to payment of indemnity under Advance Loss of Profits Insurance cover, such return shall be made in respect only of so much of said difference as is not due to such insured event.

#### 4.5 Obligations of the policyholder and the insured

- 4.5.1 In addition to his/her statutory obligations, the insured is also obliged to:
- Properly use all efforts to prevent occurrence of an insured event and ensure that the insurance risk does not increase.
  - Keep to the duties set by legal regulations of any kind, norms, other standards like generally accepted codes of practice, requirements or recommendations of public authorities, manufacturer's recommendations and reasonable recommendations of the insurer to prevent a loss, damage or liability or reducing the loss arising thereof;
  - Prevent, to a maximum extent which may reasonably be required, violation of the regulations under (b) by its staff or by any third parties at the insured location or its immediate surroundings;
  - Notify the insurer in writing without undue delay of any changes in circumstances which could affect the insurance risk and/or severity of consequences of an insured event, in particular all changes in matters of fact communicated to the insurer when entering into or amending the policy;

- 4.5.2 Enable to the insurer (and its staff and any agents) to access and inspect the insured location, inspect the insured property and any relevant records or other relevant documentation for the assessment of the insurance risk;
- 4.5.3 **Change of the ownership of the insured property** The policyholder and the insured are obliged to notify the insurer in writing without undue delay of any change of the ownership or co-ownership of the insured property occurring during the policy period.
- 4.5.4 **Change of the delivery address** The policyholder and the insured are obliged to notify the insurer in writing without undue delay of any change of their delivery address.
- 4.5.5 **Progress reports** In respect of Advance Loss of Profits Insurance, the insured shall present the insurer with updated written progress reports at intervals stated in the policy; changes of the envisaged progress programme, alteration, modification or addition to any item of work, departure from prescribed construction methods and changes in the insured's interest in respect of the insurance cover shall be considered to amount to substantial increase of the amount of the insurance risk.

#### 4.6 Sum insured, indemnity limit

- 4.6.1 **Sum insured** The sum insured shall be set by the policyholder at its own responsibility and shall correspond to:
- For contract works in respect of contractors' insurance: the full value of the contract works at the completion of the construction, inclusive of all materials, wages, freight, customs duties, dues, and materials or items supplied by the principal;
  - For construction plant and equipment and construction machinery in respect of contractors' insurance: cost of replacement of the individual insured items by new items of the same kind and capacity;
  - In respect of erection insurance, full value of each item of the erection works at the completion of the erection, inclusive of freight, customs duties, dues and erection cost;
- The insured/policyholder undertakes to notify the insurer in writing about increase or decrease of the relevant insurance value in the event of any material fluctuation in wages or prices and to increase or decrease the relevant sum insured provided always that such increase or decrease shall take effect only after the same has been accepted by the insurer.
- 4.6.2 **Indemnity limit** Indemnity limit is the maximum amount, to be set out in the policy, which the insurer shall be liable to pay as indemnity in relation to insured event. Sub-limits shall be, unless agreed otherwise in the policy, considered as included in any applicable indemnity limit.
- 4.6.3 **Salvage costs** Compensation of salvage costs is limited by 5% of the relevant indemnity limit or the sum insured (depending on the agreed type of the upper limit of indemnity), however, not more than CZK 10,000,000, unless agreed upon otherwise in the policy. The salvage costs limit with respect to the rescue of life or health of persons amounts to 30% of the relevant indemnity limit or the sum insured (depending on the agreed type of the upper limit of indemnity). For the avoidance of doubt, the limit pursuant to the first sentence is contained within the limit pursuant to the second sentence.

#### 4.7 Loss event, claim processing

- 4.7.1 **Obligations of the insured and the beneficiary** In addition to or specifying his/her statutory obligations, the insured and/or the beneficiary is also obliged to:
- (a) Inform in writing the insurer provably about occurrence of the loss event (including in respect of the Advance Loss of Profits Insurance of any occurrence that might cause the delay and in respect of Third Party Liability Insurance of any claim raised or civil or criminal proceedings initiated) and its basic description without undue delay, however within 3 working days at a maximum, and take all steps within his power to minimize the extent of the loss or damage;
  - (b) Follow instructions of the insurer provided in respect of dealing with the consequences of the insured event;
  - (c) Directly notify the police if the occurrence of the insured event or its aggravation is suspected to have been caused by or contributed to by a criminal act or other act breaching the law, duly cooperate with the police or any other relevant authority when investigating the circumstances of occurrence of the insured event;
  - (d) Notwithstanding the mandatory or justified measures undertaken to protect the insured property or prevent the increase of the loss amount, the insured shall preserve the actual condition of the insured location and of the insured property as affected by the insured event to a maximum extent possible until the insurer begins its inspection or grants its approval to remedy the consequences of the insured event; if the above measures are undertaken or the insurer delays with beginning its inspection, the insured shall duly document the situation arising after the insured event and is entitled to proceed with the repairs or replacement;
  - (e) Carry out the reinstatement, reconstruction, overhaul or repair of the insured property affected by the insured event without undue delay (provision (d) not being affected);
  - (f) In respect of Advance Loss of Profits Insurance, do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interference with the construction work so as to avoid or diminish any delay resulting therefrom;
  - (g) in respect of Advance Loss of Profits Insurance enable to the insurer (and its staff and any agents) to access and inspect the insured location where a loss event has occurred, for the purpose of direct negotiation with the

responsible contractor or subcontractor in order to establish the possible cause and extent of the loss event, its effect on the insured interest, to examine the possibilities for minimizing any delay and if necessary to make any reasonable recommendations for the avoidance or minimization of such delay;

- (h) In the event of a claim made under Advance Loss of Profits Insurance, the insured shall at his own expense deliver to the insurer not later than thirty days after the end of the delay or within such further period as the insurer may allow in writing a written statement setting forth particulars of his claim. Furthermore, the insured shall at his own expense produce and furnish to the insurer such books of account and other business books, e.g. invoices, balance sheets and other documents, proofs, information, explanations or other evidence as may reasonably be required by the insurer for the purpose of investigating or verifying the claim.
- (i) In respect of Third Party Liability Insurance, enable the insurer at any time to manage and supervise defense and/or legal representation of the insured or conduct negotiations on its behalf on settlement of any claim, remediation and legal proceedings or alternative dispute resolution relating thereto, to use all legal remedies available for defense against the claim; in addition, it is obliged to inform the insurer good time in advance before lapse or relevant period for employing relevant procedural remedy. The insurer, however, is not obliged to perform its rights under this article or to perform them permanently;
- (j) In respect of Third Part Liability Insurance, unless previous consent of the insurer is granted, desist from:
  - Taking any step by which it would negotiate or admit its liability or would make any other issue in that respect undisputed or make any promise or payment;
  - Acknowledging or settling any claim;

4.7.2 **Claim processing pending** In case there is a pending court, arbitral or mediation proceedings regarding existence of the obligation of the insurer to pay indemnity, its amount and/or identity of the beneficiary, the insurer can decide that the investigation of the loss event may be ended only after an effective or otherwise final result of such court, arbitral or mediation proceedings was notified and proved to him. In case that as a result of such insurer's decision, the investigation of the loss event cannot be ended within the time period of three months from the notification of the loss event to the insurer, it shall not be considered as a breach of the insurer's obligations.

#### 4.8 Basis of Loss Settlement

4.8.1 **Property Damage Insurance** The basis for the settlement shall be, in the case of

- (a) Property damage which can be repaired: the cost of repairs necessary to restore the items of insured property to their condition immediately before the occurrence of the property damage less salvage,
- (b) A total loss: the actual value of the items of insured property immediately before the occurrence of the property damage less salvage

However, only to the extent the costs claimed had to be borne by the insureds and to the extent these costs have been included in the relevant sums insured.

The insurer will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items of insured property immediately before the occurrence of the property damage, the settlement shall be made on the basis provided for in (b) above.

- 4.8.2 **Provisional repairs** The costs of any provisional repairs will be borne by the insurer if such repairs constitute part of the final repairs and do not increase the total repair expenses.
- 4.8.3 **No improvements cover** The cost of any alterations, additions and/or improvements done in respect of reinstatement or repair of the insured property shall not be recoverable.
- 4.8.4 **Underinsurance** If the sum insured is lower than the insurance value of the insured property at the time immediately preceding the insured event, the insurer shall reduce the indemnity in the proportion of the sum insured and the actual insurance value of the insured property. This rule shall apply individually in respect of each item, set or class of the insured property in respect of which the sum insured has been set out individually.
- 4.8.5 **Third Party Liability Insurance** As a rule, the insurer shall pay the indemnity to the injured party on behalf of the insured. The injured party does not have direct claim against the insurer to obtain the indemnity. If the insured has already paid the indemnity directly to the injured party, it is the relevant insured whom the indemnity should be paid, however the right of the insurer to independently determine existence of liability of the insured and amount of the damages shall not be affected by that.
- 4.8.6 **Deductible** The insurance is concluded with a deductible, the amount of which shall be set out in the policy. Deductible represents uninsurable participation of the insured in negative consequences of each and every insured event and shall be subtracted from the indemnity. The deductible may be agreed in the policy as amount, percentage, time or combined one. In respect of Advance Loss of Profits Insurance, the corresponding amount of deductible shall be calculated by multiplying the average daily value of financial loss sustained during the indemnity period by the number of days agreed as time deductible for this insurance.

- 4.8.7 **Value added tax** If the [insured](#) or the [beneficiary](#) is registered as payer of value added tax, any of excise taxes or other indirect taxes, such taxes shall be disregarded when calculating [loss](#) and [indemnity](#) amounts (not applicable for the Third Party Liability Insurance).
- 4.8.8 **One insured event** Any and all [loss events](#) due to the same cause shall be considered to constitute one [insured event](#). All relevant material, time and place aspects shall be duly reflected when considering this.
- 4.8.9 **Pledge of the insured property** In case the [insured property](#) becomes a subject of pledge and the conditions under section 1354 of the [act](#) are met, the insurance indemnity shall be paid out to the pledgee.
- 4.8.10 **Monetary payment** The [insurer](#) is obliged to provide the insurance indemnity in no other form than in a monetary payment regardless of whether the relevant laws require or allow to provide compensation for loss through non-monetary payment.
- 4.9 **Miscellaneous**
- 4.9.1 **Determination of the beneficiary** The following rules shall apply for determination of the [beneficiary](#): It is the [policyholder](#) who shall generally be in position of the [beneficiary](#). However, if the [insured](#) is an entity different from the [policyholder](#), it is the relevant [insured](#) who is the [beneficiary](#), unless the [policy](#) sets out otherwise. The [policy](#) may expressly set out a third party to be the [beneficiary](#).
- 4.9.2 **Insurance intermediary** If an insurance intermediary is involved in acting for any person or in any communication on its behalf in course of the insurance relationship, such acting and/or communication shall be attributed to the relevant participant.
- 4.9.3 **The form of legal acts** Legal acts leading to the creation, modification or termination of the insurance shall be in writing. Other legal acts, notifications or communication relating to the insurance may also be in electronic form, unless it is provided otherwise by relevant laws, [conditions](#) or the [policy](#). The written form is required in particular for the notification of the [loss event](#), notification of the change of the delivery address, for claiming indemnification, notification of the change or termination of ownership or co-ownership of [insured property](#), notification of the change or termination of the [insurable interest](#) and for the notification of the change or termination of the [insurance risk](#).
- 4.9.4 **Delivery** Communications in writing sent under the [policy](#) shall be delivered to the address of a [party](#) set out therein or otherwise duly communicated to the sender. The addressee is obliged to ensure that a duly addressed communication is accepted by it within three working days after first due attempt to deliver. If the addressee thwarts delivery of the shipment (e.g. due to failure to notify the change of delivery address or new delivery address), such shipment is considered to be delivered at the third working day after its dispatch (or at the fifteenth day after the dispatch in case the delivery address is outside the Czech Republic).
- 4.9.5 **Language versions** The [conditions](#) exist in Czech and English language version. Both language versions are legally binding. In case of any discrepancies between the language versions, the Czech language version shall prevail, unless set out otherwise in the [policy](#).
- 4.9.6 **Governing law** The [conditions](#) and the [policy](#) shall be governed by the laws of the Czech Republic, in particular relevant provisions of the [act](#) and other applicable legal regulations.
- 4.9.7 **Dispute resolution** Any disputes arising from or in connection with the [policy](#) and the [conditions](#) (including their interpretation, validity and termination) shall be settled by competent courts of the Czech Republic.
- 4.9.8 **Deviations from more general regulation** Wherever the [policy](#) deviates from the [conditions](#) or from the [act](#), the provision of the [policy](#) shall apply. Wherever the [conditions](#) deviate from the provisions of the [act](#) from which such deviation is permissible, the provision of the [conditions](#) shall apply.
- 4.9.9 **Amendment to the act** If the [act](#) or any other piece of legislation specifically referred to by the [conditions](#) or the [policy](#) is amended or replaced by a new legislation after the date hereof, the [conditions](#) and the [policy](#) shall, to the maximum extent legally permissible be construed and interpreted as if they expressly incorporated all the provisions of the [act](#) and those provisions of any other piece of legislation to which they refer as in force at the date hereof.
- 4.9.10 **Commercial practices** Commercial practices prevalent in insurance business shall be respected as a supplementary interpretation tool when interpreting the [policy](#) and the [conditions](#) wherever the matter in question is not regulated expressly.
- 4.9.11 **Loss insurance** The insurance is loss insurance.
- 4.9.12 **Severability** If any provision of the [conditions](#) or of the [policy](#) is or becomes invalid, the validity of the remaining provisions shall not be affected. The parties shall in good faith amend and/or interpret the [policy](#) in order to replace the invalid provision by a valid provision or interpretation of the same or similar economic purpose and effect.
- 4.9.13 **Exclusion of the statutory provision on acceptance of an offer with supplements or variations** Section 1740 paragraph 3 of the [act](#) regarding acceptance of an offer with supplements or variations shall not apply to the relationship between the [insurer](#) and the [policyholder](#).
- 4.9.14 **Exclusion of the statutory provision on a late acceptance of an offer** Section 1743 of the [act](#) regarding late acceptance of an offer shall not apply to the relationship between the [insurer](#) and the [policyholder](#).
- 4.9.15 **Exclusion of certain statutory provisions on contracts concluded adhesively** Sections 1799 and 1800 of the [act](#) regarding contracts concluded adhesively shall not apply to the relationship between the [insurer](#) and the [policyholder](#).

4.9.16 **Caveat for interested parties** With regard to the nature of the insurance, the [insurer](#) invites the interested party to carefully study the text of the [conditions](#) and the draft [policy](#) prior to the conclusion of the [policy](#) and to contact the [insurer](#) in respect of any specific queries relating to the insurance (or with a request to be provided with the text of the [act](#) to which the [conditions](#) refer should the interested party not have the same available) and, in particular, to consult its professional advisors to obtain qualified and independent advice.

## 5. Definitions

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Terms used in the [conditions](#) and/or the [policy](#) shall have the following meaning, unless the context of their use clearly suggests otherwise:

- 5.1 **Insured location(s)** shall mean site(s) of the insured construction works or erection works, as set out as such in the [policy](#);
- 5.2 **Beneficiary** shall mean a person (legal entity or individual) entitled to [indemnity](#) as a result of an [insured event](#);
- 5.3 **Sum insured** shall mean the upper limit of amount of indemnity of the [insurer](#), unless an [indemnity limit](#) (4.6.2) is set out in this respect.
- 5.4 **Policy Period** shall mean the period set out as such in the [policy](#);
- 5.5 **Insured event** shall mean an accidental event, specifically set out by these [conditions](#) in respect of individual insurance covers hereunder, which is associated with the obligation of the [insurer](#) to provide [indemnity](#), provided that all other conditions are fulfilled and requirements set out met for the obligation of the [insurer](#) to pay [indemnity](#) to come to existence and not to cease to exist.
- 5.6 **Insured peril** shall mean a potential cause of occurrence of an [insured event](#); specifically in these [conditions](#), the Property Damage Insurance covers [property damage](#) to the [insured property](#) that occurred due to whatever reason; insured peril of the Advance Loss of Profits Insurance is threat of financial loss arising as a result of delay in commencement or interference with the [insured business](#) due to occurrence of an [insured event](#) under Property Damage Insurance, insured peril of the Third Party Liability Insurance is the [insured](#) becoming legally liable for damages in respect of [bodily injury](#) or [property damage](#) in connection with construction and/or erection works;
- 5.7 **Insurance risk** means probability of the [insured event](#) caused by an [insured peril](#).
- 5.8 **Insurable interest** means a legitimate need of protection from the consequences of an [insured event](#).
- 5.9 **Policyholder** shall mean a person (legal entity or individual) which concluded the [policy](#) with the [insurer](#);
- 5.10 the **Insured** shall mean a person (legal entity or individual) whose property (for Property Damage Insurance), financial loss (for Advance Loss of Profits Insurance) and legal liability (for Third Party Liability Insurance) are protected by the insurance; the insured(s) shall be set out in the [policy](#);
- 5.11 **Principal** shall mean the [insured](#) set out as such in the policy, who shall become an owner or user of the contract works or erection works after their completion;
- 5.12 **Insured property** shall mean property owned of lawfully used by the [insured](#), specified in the [policy](#) as items covered by the insurance;
- 5.13 **Loss** shall mean [property damage](#) in respect of Property insurance, financial loss in respect of Advance Loss of Profits Insurance, and liability for damages to a third person (the injured party) which arises to the [policyholder](#) based on relevant laws in respect of Third Party Liability Insurance;
- 5.14 **Bodily injury** shall include death, injury, illness and disease, and also mental sufferings sustained by any person as a result of actual or threat of bodily injury;
- 5.15 **Loss event** shall mean an event leading to loss which might have established the entitlement to [indemnity](#) (i.e. which may be an [insured event](#));
- 5.16 **Property damage** shall mean loss of or physical damage to or destruction of [insured property](#);
- 5.17 **Act** shall mean act no. 89/2012 Coll., the Civil Code, as amended and in force as of the date of the [policy](#);

- 5.18 **Indemnity period** shall mean the period during which the results of the insured business are affected in consequence of the delay, beginning on the scheduled date of commencement of the insured business and not exceeding the maximum indemnity period stated in the policy.
- 5.19 **Annual Gross profit** shall mean the amount by which the value of the annual turnover exceeds the amount of the specified working expenses in the relevant period. Specified working expenses shall be any variable costs, e.g. costs incurred for the acquisition of goods, materials as well as for supplies and services (unless required for the upkeep of operations) and any expenditure for any form of turnover or purchase tax (if not recoverable), licence fees and royalties, etc., insofar as such costs are dependent on turnover.
- 5.20 **Rate of gross profit** shall mean the rate which, had the delay not occurred, would have been earned on the turnover during the indemnity period;
- 5.21 **Turnover** shall mean the money (less discounts allowed) paid or payable to the insured for accommodation rented or other services rendered in the course of the insured business conducted at the insured location;
- 5.22 **Insured Business** shall mean economic activities of the principal, which it plans to lawfully perform at the insured location after the construction works will have been finished; it shall be set out and described in the policy;
- 5.23 **Delay** shall mean delay in the scheduled date of commencement of the insured business.
- 5.24 **Annual turnover** shall mean the turnover which, had the delay not occurred, would have been achieved during the twelve months after the scheduled date of commencement of the insured business;
- 5.25 **Scheduled date of commencement of the insured business** shall mean the date set out in the policy or any revised date, upon which the insured business would have commenced had the delay not occurred.
- 5.26 **Salvage costs** shall mean any costs that the policyholder (or, under the conditions and in the scope provided by laws, any other person) reasonably incurs in order to prevent an impending insured event, mitigate the consequences of the insured event or because he/she was obliged to remove damaged insured property or its remains due to hygienic, ecological or safety reasons.

## 6. Complaints

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

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

## 7. Sanctions

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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.

## Contact Us

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## About Chubb

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Chubb je největší světová veřejně obchodovaná pojišťovací společnost v oblasti neživotního pojištění. Chubb provozuje pojišťovací činnost v 54 zemích světa. Komerčním subjektům i jednotlivcům poskytuje pojištění majetku, odpovědnosti úrazu a dále doplňkové zdravotní pojištění, zajištění a životní pojištění pro různé typy klientů.

Jakožto pojišťovna s primárním zaměřením na úpis rizika, posuzujeme, přijímáme a spravujeme tato rizika s pochopením a disciplínou. Škody spravujeme a vyplácíme spravedlivě a včas. Spojujeme preciznost řemeslného zpracování s desítkami let zkušeností s vymýšlením a poskytováním toho nejlepšího pojištění a služeb pro potřeby jednotlivců, rodina podniků všech velikostí.

Chubb se odlišuje svou rozsáhlou nabídkou služeb, rozsáhlými možnostmi distribuce, mimořádnou finanční silou, výjimečností v oblasti tvorby pojistných smluv, nadstandardním řešením pojistných událostí a místních operací z globálního hlediska. Společnost slouží nadnárodním korporacím, malým a středně velkým podnikům s pojištěním majetku a odpovědnosti, a s rizikovým inženýrstvím osobám s vysokou hodnotou majetku a s určitými aktivy, které chtějí ochránit; osobám, které chtějí uzavřít životní pojištění, pojištění pro případ úrazu, dodatkové zdravotní pojištění, majitelům nemovitostí, automobilů a jiných speciálních předmětů pojistného krytí; společně a zájmovým skupinám poskytujícím nebo nabízejícím svým zaměstnancům či členům programy úrazového a zdravotního pojištění a životní pojištění; a pojistitelům usilujícím o zajištění pojistného krytí.

Klíčové společnosti sdružené pod značkou Chubb si udržují stabilní finanční zajištění s ratingem AA od Standard & Poor's a A++ od A.M. Best. Chubb Limited, mateřská společnost Chubb, je zalistována na Newyorské burze (NYSE: CB) a je součástí indexu S&P 500.

Chubb má registrované sídlo v Curychu, New Yorku, Londýně a jiných místech, a zaměstnává přibližně 31,000 lidí z celého světa.

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

Chubb European Group Limited, organizační složka, se sídlem Pobřežní 620/3, 186 00 Praha 8, identifikační číslo 278 93 723, zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, oddíl A, vložka 57233, organizační složka společnosti Chubb European Group Limited, se sídlem 100 Leadenhall Street, Londýn EC3A 3BP, Velká Británie, registrační číslo 1112892, oprávněná k podnikání a regulovaná Prudential Regulation Authority a Financial Conduct Authority ve Velké Británii. Organem dohledu pro výkon činnosti v České republice je Česká národní banka; tato regulace může být odlišná od práva Velké Británie.