

GENERAL TERMS AND CONDITIONS OF THE PZU BEZPIECZNE LOKUM INSURANCE

adopted by the resolution of the Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna
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Information referred to in the Art.17 section 1 of the Act on insurance and reinsurance activity:

Type of information	Number of editorial unit of the model agreement
Grounds for the payment of indemnity and other benefits	<p>COMMON PROVISIONS: § 1 section 9, § 2, § 3 section 2-4, § 4, § 8</p> <p>CLAUSE NO. 1 PROPERTY AND CONTENTS INSURANCE: § 1-5, § 6 section 1-3 and 9 point 2, § 7-9, § 11-16</p> <p>CLAUSE NO. 2 BREAKABLE ITEMS INSURANCE: § 1-3, § 4 section 1, § 5-9</p> <p>CLAUSE NO. 3 THIRD-PARTY LIABILITY INSURANCE: § 1-6, § 7 section 1 point 22, § 8-11</p> <p>CLAUSE NO. 4 LEGAL EXPENSES INSURANCE: § 1-5, § 7-9</p> <p>CLAUSE NO. 5 HOME ASSISTANCE INSURANCE § 1-3, § 4 section 5 and 6, § 5 and 6</p>
Limitations and exclusions of liability of the insurance company entitling it to refuse to pay indemnity and other benefits or to reduce them a	<p>COMMON PROVISIONS: § 1 section 9, § 2, § 3 section 5, § 4</p> <p>CLAUSE NO. 1 BUILDING AND CONTENTS INSURANCE: § 1, § 3-7, § 9-13, § 14 section 1 point 1 and 3, section 2, § 15-17, § 18 section 3</p>

<p>Limitations and exclusions of liability of the insurance company entitling it to refuse to pay indemnity and other benefits or to reduce them</p>	<p>CLAUSE NO. 2 BREAKABLE ITEMS INSURANCE: § 1, § 3-6, § 7 point 1 and 3, § 8 and 9, § 10 section 3</p> <p>CLAUSE NO. 3 THIRD-PARTY LIABILITY INSURANCE: § 1, § 3 section 2-4, § 4, § 5 section 2, § 6 section 2, § 7-9, § 10 section 1, § 11</p> <p>CLAUSE NO. 4 LEGAL EXPENSES INSURANCE: § 1, § 3, § 4 section 4, § 5-7, § 9 and 10</p> <p>CLAUSE NO. 5 HOME ASSISTANCE INSURANCE § 1—4, § 6</p>
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**CHAPTER 1
COMMON PROVISIONS**

INTRODUCTORY PROVISIONS

- i.e. some important information to start with

§ 1

1. General Terms and Conditions of PZU Bezpieczne Lokum, hereinafter referred to as the "GTCl", apply to insurance agreements concluded by Powszechny Zakład Ubezpieczeń Spółka Akcyjna, hereinafter referred to as "PZU", with natural persons, legal persons and organisational units not being legal persons, hereinafter referred to as the "Policyholders".
2. The insurance agreement shall cover at least one of the insurances listed below:
 - 1) Building insurance or Contents insurance (Clause no. 1) or
 - 2) Breakable Items Insurance (Clause no. 2) or
 - 3) third-party liability insurance in private life, hereinafter referred to as the „Third-party liability“ (Clause no. 3) or
 - 4) legal expenses insurance (Clause no. 4) or
 - 5) home assistance insurance, hereinafter referred to as the „Home Assistance insurance“ (Clause no. 5).
3. The Policyholder may conclude an insurance agreement for its own account (for itself - it is then also the insured party) or for the account of another party (for another party - this party is then the insured party. If an insurance agreement is concluded for the account of a third party:
 - 1) the Policyholder is obliged to pay the insurance premium;
 - 2) an allegation affecting liability of PZU may also be raised by PZU against the insured party;
 - 3) the insured party may demand that PZU provide him/her with information on the provisions of the insurance agreement concluded and the GTCl with respect to the rights and obligations of the insured party.
4. Additional or deviating provisions to the insurance agreement may be introduced into the insurance agreement by agreement with the Policyholder. Where additional or deviating provisions are introduced into the insurance agreement, the GTCl shall apply to the extent not governed by these provisions.
5. PZU is obliged to present the difference between the content of the insurance agreement and GTCl to the Policyholder in writing before the insurance agreement is concluded. If PZU fails to fulfil this obligation, it may not invoke a difference unfavourable to the Policyholder or the insured party. This provision shall not apply to insurance agreements that are concluded by way of negotiation.
6. PZU serves the GTCl to the Policyholder before the insurance agreement is concluded. If the insurance agreement is concluded for the account of a third party, the Policyholder is obliged to provide the GTCl to all insured parties before the commencement of the insurance period, or if that is not possible - on the first day of that period at the latest. The GTCl may be provided on paper or, if the insured party agrees, on another durable medium. PZU may ask the Policyholder for proof of the provision of the GTCl to the insured parties.
7. If the insurance agreement is concluded by means of distance communication, the GTCl is also made available at the branches and on the website of PZU and communicated to the Policyholder along with the policy.

8. In its relations with a consumer, PZU shall apply the Polish language.

9. In matters not regulated in the GTCI, the relevant provisions of the Civil Code and other applicable provisions of the Polish law shall apply to the insurance agreement.

GLOSSARY

- i.e. the terms that are used in the GTCI

§ 2

The GTCI uses the terms:

- 1) **home dweller** - a relative or close one of the person identified in the policy as the insured party, who:
 - a) shares a common household with him or her, or
 - b) does not have a shared household with him or her, but lives with him or her;
- 2) **relative or close one** - spouse, he or she cohabitant, ascendant, descendant, brother, sister, stepfather, stepmother, stepson, stepdaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, adoptee, adopter, being under guardianship or adopted as a part of a foster family, within the meaning of the family and guardianship law;
- 3) **policy** - a document which confirms a conclusion of the insurance agreement.

CONCLUSION OF INSURANCE AGREEMENT

- i.e. how to conclude an insurance agreement

§ 3

1. PZU concludes the insurance agreement with the Policyholder on the basis of his or her request.
2. The Policyholder is obliged to inform PZU of all circumstances known to him or her and which PZU asked about in the offer form or in other letters prior to the conclusion of the insurance agreement. If the Policyholder concludes the insurance agreement through a representative, the obligation is also incumbent upon the representative and it also covers the circumstances known to him or her. If PZU concludes the insurance agreement despite a lack of responses to particular questions, the omitted circumstances are deemed insignificant.
3. During the term of the insurance agreement, the Policyholder shall notify PZU of a change in the circumstances referred to in the section 2, immediately upon becoming aware of them.
4. Where the Policyholder concludes the insurance agreement for the account of a third party, the obligations laid down in the sections 2 and 3 shall be incumbent on both the latter and the insured party. This shall not apply if the insured party was not aware that the agreement had been concluded for his or her account.
5. PZU is neither liable for the consequences of circumstances which, in an infringement of the sections 2-4, were not communicated to PZU. If an infringement of the sections 2-4 was committed due to a wilful fault, it shall be assumed, in case of doubt, that the insurance event and its consequences are the result of circumstances referred to in the preceding sentence.
6. Conclusion of insurance agreement by means of distance communication occurs after the Policyholder:
 - 1) reads and accepts the relevant terms and conditions for the provision of services by electronic means (if required under the applicable law);
 - 2) accepts the contents of the GTCI;
 - 3) submits a request by means of remote means of communication.

7. Conclusion of insurance agreement via the Internet takes place at the time of submission of the declaration on its conclusion by both parties. Conclusion of insurance agreement during a telephone conversation takes place at the moment when PZU confirms an acceptance of the request of the Policyholder.

8. The insurance agreement shall be concluded for a period of 12 months, with the possibility of its automatic conclusion, i.e. without the submission of separate declarations of intent, for successive insurance periods of 12 months, under the terms of sections 9 and 10.

9. The insurance agreement is automatically concluded, i.e. without any separate declarations, for a further 12-month period of insurance, if all of the following grounds are met jointly:

- 1) the Policyholder does not submit, at the latest before the expiry of the 12-month period of insurance in the current insurance agreement, a declaration on refusing to accept the automatic conclusion of an insurance agreement for another 12-month period of insurance, and
- 2) fails to submit, at the latest 30 days prior to the expiry of the 12-month period of insurance in the current insurance agreement, a statement on refusal to give a consent for automatic conclusion of an insurance agreement for the next 12-month insurance period, and
- 3) the insurance premium under the previous insurance agreement has been paid in full, and
- 4) the insurance premium or its first instalment for the next 12-month period of insurance has been paid.

10. The automatic conclusion, i.e. without any separate declarations, of an insurance agreement for a further 12-month period as referred to in the sections 8 and 9 shall take place on the terms and conditions applicable to the existing insurance agreement.

11. Conclusion of insurance agreement, including the automatic conclusion of the insurance agreement referred to in the sections 8 to 10, for each 12-month period of insurance, shall be confirmed by PZU by means of a policy.

COMMENCEMENT AND END OF LIABILITY OF PZU

- i.e. when an insurance cover begins and ends

§ 4

1. The period of insurance is indicated in the policy.

2. The insurance cover shall last:

- 1) from the first day of the insurance period indicated in the policy, if the time limit for payment of the insurance premium or its first instalment **falls on this first day** of the insurance period or later. If the insurance premium or its first instalment has not been paid on time, the insurance cover shall expire on the day on which the Policyholder receives a notification of termination of the insurance agreement with immediate effect;
- 2) from the day following the day of payment of the insurance premium or its first instalment, but not earlier than from the first day of the insurance period indicated in the policy, if the time limit for payment of the insurance premium or its first instalment falls **before this first day** of the insurance period. If the insurance premium or its first instalment has not been paid by the 30th day counted from the first day of the insurance period, the insurance agreement shall terminate on that date.

3. The insurance cover in an insurance agreement concluded via the Internet lasts from the first day of the insurance period, which is indicated in the policy.

4. The insurance cover shall cease:

- 1) upon an expiry of the insurance period;
- 2) upon an expiry of 7 days from the day on which the Policyholder receives a call for the payment of the next insurance premium instalment sent after the expiry of the time limit for its payment, if the Policyholder was informed in this call that non-payment within 7 days from the day of receiving this call shall cause the termination of the insurance cover;
- 3) on the date of delivery to the other party of a notification of termination of the insurance agreement, referred to in § 6 section 7;
- 4) on the date of delivery to PZU of a declaration on withdrawal from the insurance agreement, pursuant to the rules defined in § 5 sections 1-3;
- 5) on the date of delivery to PZU of a declaration on termination of the insurance agreement, as referred to in § 5 section 4;
- 6) on the date of termination of the insurance agreement by mutual agreement of the parties;
- 7) in cases specified in the clauses pertaining to the particular insurances.

§ 5

1. The Policyholder shall have the right to withdraw from the insurance agreement by making a declaration to this effect:

- 1) within 30 days from the conclusion of the insurance agreement - if the Policyholder is a consumer;
- 2) within 7 days from the date of conclusion of the insurance agreement - if the Policyholder is an entrepreneur.

If PZU did not inform the Policyholder, who is a consumer, of the right to withdraw from the insurance agreement at the latest at the time of conclusion of the insurance agreement, the period of 30 days starts to run from the date on which the Policyholder became aware of that right.

2. If the Policyholder, who is a consumer, concludes the insurance agreement by means of distance communication, the time limit within which the latter may withdraw from that agreement by submitting a written statement to that effect, shall be 30 days from the day PZU informed him/her of the conclusion of that insurance agreement, or if it is a later date - from the date of delivery of information to be provided to the consumer on the basis of regulations on conclusion of distance agreements. The time limit shall be met if, prior to its expiry, a declaration on withdrawal from the insurance agreement was sent.

3. Withdrawal from the insurance agreement shall not release the Policyholder from the obligation to pay an insurance premium for the period during which PZU provided the insurance coverage.

4. Notwithstanding the right referred to in the sections 1 and 2, upon an expiry of the period for withdrawal from the insurance agreement, the Policyholder may terminate the insurance agreement at any time with immediate effect by submitting a declaration to that effect. Termination of the insurance agreement shall not release the Policyholder from the obligation to pay insurance premium for the period during which PZU provided insurance cover.

5. The insurance agreement may be terminated at any time by mutual agreement of the parties.

INSURANCE PREMIUM

- i.e. how PZU determines the insurance premium and how you can pay it

§ 6

1. The amount of insurance premium is set by PZU according to the tariff that is in force on the date PZU prepares the insurance offer for the Policyholder.

The amount of the insurance premium shall be determined taking into account:

- 1) the sum insured, the Sum Insured;
- 2) the insurance coverage;
- 3) the type of the subject matter of insurance and its characteristics, the location of the place of insurance - in the property insurance and the Contents insurance.

The calculation of the insurance premium may be subject to a discount or increase on account of an individual risk assessment.

2. The insurance premium shall be calculated for the duration of liability of PZU.

3. The insurance premium may be payable as a one-off premium or in instalments. The payment time limits of the premium and the amount of its instalments are specified in the policy.

4. The insurance premium or its instalment may be paid in cash or in a cashless method.

5. If the insurance premium or an instalment of the insurance premium is paid by cashless method, PZU considers the date of payment of the insurance premium as the date:

- 1) payment authorisation - if the Policyholder pays by card or through moje.pzu.pl;
- 2) on which the full, due amount of the premium or its instalment was credited to a bank account of PZU - if the Policyholder pays in a method other than that specified in the point 1 (for example, by bank transfer or postal order).

6. If the insurance cover terminates before an expiry of the period for which the insurance agreement was concluded, the insured party shall be entitled to a refund of the insurance premium for the period of unused insurance cover.

7. In case of disclosure of a circumstance that entails a significant change in the probability of an insurance event, either party may demand an appropriate change in the amount of the insurance premium, starting from the moment in which the circumstance occurred, but not earlier than from the beginning of the current insurance period. In case of such a demand, the other party may, within 14 days, terminate the insurance agreement with immediate effect by making a declaration to this effect.

8. If the Policyholder or the insured party provided false data to PZU, which affect the amount of insurance premium, the Policyholder is obliged to pay the additional insurance premium resulting from the difference between the insurance premium that would be due to PZU if truthful data had been provided, and the insurance premium assumed in the insurance agreement. If an insurance accident occurs, a claim of PZU for the additional payment of the difference in the insurance premium becomes immediately due and payable, at the latest, on the date of indemnity payment.

PAYMENT OF INDEMNITY

- i.e. when PZU pays indemnity and what its obligations are

§ 7

1. PZU shall pay indemnity within 30 days from the date of receiving a notification of an insurance event.

2. If it proves impossible to clarify, within the timeframe defined in the section 1, the circumstances necessary to determine the liability of PZU or the amount of indemnity, the indemnity shall be paid within 14 days from the date when clarification of those circumstances became possible with due diligence. However, the unquestionable part of indemnity shall be paid by PZU within the timeframe defined in the section 1.

3. PZU is obliged to:

COMPLAINTS, PLAINTS AND GRIEVANCES

- 1) upon receipt of a notification of the occurrence of an insurance accident, within 7 days of receiving such a notification, to:
- i.e. what other rights the Policyholder, the insured party and the beneficiary have under the insurance agreement

- a) inform the Policyholder or the insured party, if they are not the persons submitting the notification, and
 - b) undertake proceedings which relate to establishing the facts of the insurance event, legitimacy of the claims submitted and the amount of indemnity, and
 - c) If the insurance agreement was concluded for the account of a third party, the notification on the occurrence of an insurance event may also be submitted by the insured party or may be submitted by his/her heirs. In this case, the heir. If the insurance agreement was concluded for the account of a third party, a notification of the occurrence of an insurance event may also be submitted by the insured party or his/her heirs. In this case, the heir shall be treated as the beneficiary under the insurance agreement;
- 2) if the latter does not pay indemnity within the time limits specified in the sections 1 and 2, to notify in writing:
- a) the person making the claim, and
 - b) the insured party, in case where an insurance agreement concluded for the account of a third party, if the latter is not the person making the claim,
- of the reasons why it is impossible to satisfy their claims in whole or in part, and to pay the undisputed part of the indemnity;
- 3) if indemnity is not due or is due in an amount different from that specified in the claim submitted, to inform in writing:
- a) the person making the claim, and
 - b) the insured party, in case where an insurance agreement concluded for the account of a third party, if the latter is not the person making the claim
- while indicating the circumstances and the legal basis which justify the total or partial refusal to pay the indemnity and to instruct that person about the possibility of pursuing the claim before the courts;
- 4) make available to the Policyholder, the insured party, the person making a claim or the beneficiary under the insurance agreement, information and documents collected for the purpose of establishing liability of PZU or the amount of indemnity. Those persons may request a written confirmation of the information made available by PZU, as well as to make, at their own expense, photocopies of the documents and have them certified as true copies by PZU;
- 5) make the information and documents referred to in the point 4 available to the persons referred to in the point 4, upon their request, in the electronic form;
- 6) make available information in his/her possession related to the insurance event that is the basis for establishing liability of PZU and determining the circumstances of the insurance event as well as the amount of indemnity, at the request of the insured party or beneficiary under the insurance agreement;
- 7) provide information on the declarations made by them at the stage of the conclusion of the insurance agreement for the purpose of assessing the insurance risk, or copies of the documents drawn up at that stage, at the request of the Policyholder or insured party.

§ 8

PZU pays indemnity on the basis of recognition of a claim, a settlement or a final and unappealable court ruling.

§ 9

1. A complaint, plaint or grievance shall be submitted to any PZU unit handling the client.
2. A complaint, plaint or grievance may be submitted:
 - 1) in writing - in person or sent by mail within the meaning of the Postal Law Act, for example by writing to: PZU S.A. ul. Postępu 18A, 02-676 Warsaw, Poland (address for correspondence only);
 - 2) in writing - sent to the address for electronic correspondence services of PZU S.A. within the meaning of the Act on Electronic Delivery, starting from the date of entry of that address into the electronic address database;
 - 3) in the oral form - by telephone, for example by calling the helpline number 801 102 102 or personally for a record during a visit to the unit referred to in the section 1;
 - 4) in the electronic form - by sending an e-mail to: reklamacje@pzu.pl or by completing a form at www.pzu.pl.
3. PZU shall consider and respond a complaint, plaint or grievance without undue delay, but no later than within 30 days of its receipt, subject to the section 4.
4. In particularly complicated cases which make it impossible to consider a complaint, plaint or grievance and provide an response within the time limit referred to in section 3, PZU shall provide the person who submitted the complaint, plaint or grievance with information in which:
 - 1) explains the reason for the delay;
 - 2) indicates the circumstances that need to be established in order to consider the case;
 - 3) specifies the expected time limit for consideration of the complaint, plaint or grievance and providing an response, which may not exceed 60 days from the date of receipt of the complaint, plaint or grievance.
5. The response of the PZU to a complaint, plaint or grievance shall be served on the person who submitted it,
 - 1) in case where the client is an individual - in writing, however, the response may be provided by e-mail only upon the client's request;
 - 2) in case where the client is an entity other than the one specified in the points 1 - in writing or by means of another durable medium.
6. An individual who has made a complaint has the right to apply to the Financial Ombudsman concerning:
 - 1) a failure to take into account the claims in the complaint handling procedure;
 - 2) a failure to perform actions resulting from a complaint considered according to the person's will within the time limit specified in the response to the complaint.
7. Complaints, plaints and grievances are considered by the organisational units of PZU which are competent with respect to the subject matter of the case.
8. Complaints are regulated in the Act on Processing of Complaints by Financial Market Operators and the Financial Ombudsman and in the Act on Insurance Distribution.
9. PZU provides for the possibility of out-of-court dispute resolution.
10. The authorised entity within the meaning of the Act on Out-of-court Settlement of Consumer Disputes, competent for PZU to resolve disputes out of court, is the Financial Ombudsman, whose website address is: www.rf.gov.pl.

11. The Policyholder, the insured party and the beneficiary of the insurance agreement, being a consumer, shall have the right to turn to the Municipal and District Consumer Ombudsmen for assistance.
12. In case of an insurance agreement concluded by electronic means, the consumer shall have the right to use an out-of-court means of dispute resolution and to lodge a complaint through the platform of the on-line dispute resolution system (ODR Platform) according to the Regulation No 524/2013 of the European Parliament and of the Council of 21 May 2013. - address: <http://ec.europa.eu/consumers/odr/>. The European Commission is responsible for the operation of the ODR Platform. The e-mail address to contact the PZU is as follows.
13. PZU is subject to the supervision of the Polish Financial Supervision Authority (UKNF).

FINAL PROVISIONS

- i.e. what else is important

§ 10

1. An action on a claim arising from the insurance agreement may be brought according to the rules of general jurisdiction or before the court having jurisdiction over the place of residence or the registered office of the Policyholder, the insured party or the beneficiary under the insurance agreement.
2. An action on a claim arising from the insurance agreement may be brought according to the rules of general jurisdiction or before the court having jurisdiction over the place of residence of the heir of the insured party or the heir of the beneficiary under the insurance agreement.
3. W An action on a claim arising from the insurance agreement may be brought according to the rules of general jurisdiction or before the court having jurisdiction over the place of residence of the heir of the insured party or the heir of the beneficiary under the insurance agreement.
4. In case of claims resulting from the legal expenses insurance, PZU and the insured party may conclude an agreement on submitting a dispute between them to an arbitration court for settlement.

CHAPTER 2 CLAUSES

CLAUSE NO. 1 BUILDING AND CONTENTS INSURANCE

GLOSSARY

- i.e. terms that are used in the clause no. 1

§ 1

In the clause are used the terms referred to in § 2 of the Preliminary Provisions and the following terms:

- 1) **acts of terrorism** - individual or group actions directed against the people or property. Their purpose is to achieve economic, political, religious or social effects by creating chaos, intimidation of the population, disorganisation of public life;
- 2) **breakdown of installation** - resulting from external or internal cause, sudden, unexpected and independent from the will of the insured party damage to the following installations: electrical, water, sewage or central heating system together with equipment and fittings, which causes its cessation or malfunction, which is connected with an occurrence or a possibility of damage in the place of insurance;
- 3) **jewellery:**
 - a) items of personal use intended to adorn the body or dress of a person, for the manufacture of which precious or semi-precious metals, precious or semi-precious stones were used,

- b) glasses and wristwatches;
- 4) **building** - a construction object permanently connected to the ground, separated from the space by means of building partitions, having a foundation and a roof;
- 5) **structure** - the following construction objects:
 - a) a fence including a gate and permanently fixtures (for example, a letterbox, an actuator and a gate drive),
 - b) surface of yards and drives,
 - c) a septic tank, domestic sewage treatment plant,
 - d) domestic liquid gas or liquid fuel storage tank,
 - e) a light structure for the storage of property (for example, shed, tool shed, garden box, shelter),
 - f) serving for decoration, recreation or order maintenance: statues, masonry barbecues, fountains, wells, ponds, hot tubs, masonry swimming pools with canopies, saunas, pergolas, rubbish bins, beehives, kennels, dog pens and equipment permanently fixed to the ground: playground equipment, flower pots, gazebos,
 - g) installations, including fixtures and fittings, which are located outside the building on the property (for example, water, gas, electricity, lighting, irrigation or rainwater recycling installations, connections);
- 6) **non-residential building:**
 - a) a building intended for the storage of property (for example an outbuilding, barn, stable),
 - b) a building or a sheet-metal structure intended for parking motor vehicles,
 - c) also includes fixtures and external elements;
- 7) **malicious damage** – an intentional destruction or damage to property by third parties, also in connection with burglary or attempted burglary, intervention of law enforcement authorities, fire brigade or ambulance service. PZU shall not be liable under malicious damage for loss of property which was taken for the purpose of its appropriation;
- 8) **single-family house**- a detached, semi-detached or terraced residential building containing no more than two premises which are not separate properties or are not the subject of a cooperative ownership right to the premises. It also includes the fixtures and exteriors and the utility rooms of that building;
- 9) **works of art** - items, their parts, ensembles, collections, catalogued collections, which have a collector's, monumental, artistic value or are a testimony of a previous era or event;
- 10) **external elements** - elements located on the outside: walls, roofs, windows, doors of the residential unit, single-family house, non-residential building and permanently fixed to them, in particular: a) gutters and downpipes, b) balcony or terrace enclosures, c) balustrades, d) window sills, e) awnings, f) fixtures and fittings which are not structures or fixtures (e.g. lightning protection system, external lighting, solar panels, photovoltaic system, comprising photovoltaic panels);
- 11) **theft** - taking someone else's property for the purpose of appropriation;

- 12) **burglary** - theft committed or attempted by the perpetrator:
- after having removed - by using force or tools - the security devices, leaving traces on these security devices which are evidence of the use of force or tools, or
 - after opening the locks with an original key or other opening device (for example, a remote control) which the latter obtained as a result of the burglary of another room or vehicle or as a result of a robbery, or c) after overcoming a mechanical and electronic lock or an electronic gate locking system, if evidence of the unlawful presence or action of the perpetrator remains (for example, recorded camera footage, other evidence secured by the police);
- 13) **place of insurance** - the place at the address indicated in the policy where the subject matter of insurance is located;
- 14) **business property** - a laptop, tablet, mobile phone, including a smartphone, which the employer provided to the insured party for use on the basis of a document imposing material liability on the user of such property;
- 15) **borrowed property** - items which were hired or let to the insured party for use by:
- a telephone, internet or television network operator,
 - a sports or social organisation,
 - rental company,
 - insofar as it was documented;
- 16) **residential unit** - separate living spaces in a building. It also includes fixtures and exteriors as well as utility rooms, parking spaces which are located in a building in the same locality as these living quarters;
- 17) **third party** - any party who is not the Policyholder or the insured party;
- 18) **combustible structure** - a building structure in which:
- load-bearing walls are made of wooden elements, or
 - roofing is made of wood, cane, straw or plastic;
- 19) **securities** - cheques, bills of exchange, bonds, shares, bills of lading, letters of credit, other documents that substitute cash, in accordance with the provisions of the law;
- 20) **utility room** - a separate room in a building:
- cellar, b) laundry room, c) drying room, d) attic, e) storage room, f) pushchair room, bicycle room, g) room intended for parking motor vehicles;
- 21) **usable area of a residential unit** - the area of all rooms that are located in the residential unit. The usable area of a residential unit does not include the area of balconies, terraces, mezzanine floors and utility rooms. The usable area of a residential unit is determined depending on the height of the room: in the case of heights above 2.20 m - 100% of the area is assumed, in the case of heights between 1.40 m and 2.20 m - 50% of the area is assumed, in the case of heights below 1.40 m - this area is not included;
- 22) **medical devices** - a tool, instrument, apparatus for:
- diagnosing, preventing, monitoring, treating or alleviating the course of disease,
 - compensating for injuries or disabilities,
 - examining, replacing or modifying anatomical structures,
 - conducting a physiological process;
- 23) **power surge** - sudden change of voltage in electrical installation;
- 24) **robbery outside the place of insurance** - taking of Contents outside the place of insurance for the purpose of appropriation (for example in the street) committed in Poland or abroad:
- with the use by the perpetrator of physical violence or threat of its immediate use, against the insured party, or
 - with the perpetrator leading the insured party into unconsciousness or defencelessness;
- 25) **robbery at the place of insurance** - a seizure of household goods for the purpose of appropriation at the place of insurance (e.g. in a single-family house, residential unit):
- with the use of physical violence or threat of its immediate use by the perpetrator against the insured party, or
 - with the perpetrator leading the insured party into unconsciousness or defencelessness, or
 - carried out by the perpetrator who, with the use of physical violence or the threat of immediate use thereof, forced a person who has keys to the place of insurance to open the place of insurance or opened it himself/herself with keys which he had taken by violence;
- 26) **Contents** - Contents insurance, in particular:
- furniture, excluding built-in or permanently installed furniture,
 - household equipment
 - interior decoration
 - items made of silver, gold, platinum or palladium, coins, jewellery,
 - cash,
 - clothing and other personal effects,
 - household supplies,
 - audio-visual equipment (including television and radio aerials installed outside the residential unit, building and permanently attached to it), computer equipment, photographic equipment, musical instruments, telephones,
 - business equipment, business property, hired property,
 - hiking, gardening or sporting equipment,
 - drones,
 - pushchairs, wheelchairs, bicycles,
 - spare parts for cars, motorbikes or mopeds and their accessories,
 - potted plants,
 - Pets;
- 27) **equipment for economic activity** - movables that the insured party acquired in the course of his/her economic activity and uses them to carry out gainful employment and in his/her private life;
- 28) **fixtures**:
- elements permanently installed or built-in in the interior of a residential unit, a single-family house, a non-residential building, in particular:
 - custom-made furniture including household appliances fitted therein,

- coverings: walls, floors, stairs, ceilings, columns,
 - fireplaces,
 - internal staircases, mezzanine floors, suspended ceilings,
 - plastering, painting,
 - internal partition walls,
 - window and door joinery including glazing and closures,
 - fixtures and fittings (e.g. wash basins, sinks, baths, shower cubicles, shower trays, ovens, radiators, water heaters, plug sockets, switches),
 - mirrors incorporated in walls,
- b) elements referred to in (a) which are not yet permanently installed or built-in,
- c) elements permanently fixed to the residential unit, single-family house, non-residential building: air-conditioning devices, ventilation devices, heat pumps, grilles, shutters, roller blinds, detectors, sirens, monitoring installation with devices and accessories (e.g. a camera with a video recorder), other elements of anti-theft protection and fire protection,
- d) intercoms, video intercoms - including installation;
- 29) **degree of technical wear and tear** - the rate of wear and tear of a property which results from the period of its use, the durability of materials used, the quality of construction, installation or electrical works carried out, the manner of use, renovation management, repairs carried out;
- 30) **damage** - loss of, damage to or destruction of the subject-matter of insurance. It does not include the lost profits of the insured party, which could have been achieved if the loss, destruction or damage of the subject-matter of insurance had not occurred (for example, lost profit or income);
- 31) **insured party** - the entity named in the policy as the insured party for whose account the insurance agreement is concluded and the parties for whose account the insurance agreement is concluded, according to the provisions of the clause relating to the insurance in question;
- 32) **annihilation** - total destruction of a residential unit, a parking space, a utility room, a single-family house, a non-residential building, a structure to such an extent that it cannot be repaired or reconstructed, and the reconstruction requires the removal of remains and the construction of new aforementioned insured subject-matters;
- 33) **new value** - the value which corresponds to the cost of restoring the property to a new but unimproved state, and:
- a) for a residential unit, a single-family house, a non-residential building, a structure - the value which corresponds to repair or reconstruction costs determined taking into account its previous construction, dimensions and finishing standards as well as using the same or the closest similar materials, taking into account the average prices in the area where the insurance event took place,
- b) for fixtures - the value which corresponds to repair or reconstruction costs, determined taking into account the existing construction, dimensions and finishing standards, and using the same or the closest similar materials, or purchasing (manufacturing) a new item of the same or the closest similar type, brand,

taking into account the average prices in the area where the insurance event occurred.,

- c) for Contents - the value which corresponds to the cost of repair or purchase (manufacture) of a new item of the same or the closest type, brand, type and parameters, taking into account the average prices in the area where the insurance event occurred.

The value which corresponds to the cost of repair or reconstruction referred to in (a) and (b) shall be determined according to the principles for the calculation and pricing of building, electrical and plumbing works used in the construction industry.

When determining the value referred to in a and b, PZU shall also take into account the costs of transport, assembly, disassembly;

- 34) **market value** - the value which corresponds to the product of the usable area of the residential unit and the average market price of 1 m² in the locality or district of the city in which the place of insurance is located, with regard to a residential unit with similar parameters, standard of finish and comparable technical condition, taking into account the utility room belonging to the unit. For a parking space that constitutes a separate Building or is subject to a cooperative ownership right to a parking space - the value that corresponds to the average market price of a parking space with similar parameters and comparable technical condition in the town or district of the town where the place of insurance is located;
- 35) **real value** - the new value minus the value which is the product of the degree of technical wear and tear and the new value;
- 36) **building age** - the difference between the year of the first day of the insurance period and the year of construction of the building. The year of construction is considered by PZU as the year in which the building was first put into operation on the basis of a valid decision on use permit or a valid notice of completion of construction. If the year of issuance of such a decision or notification is unknown, PZU considers the year of construction to be the year of first occupancy of a single-family house, or the commencement of use of a non-residential building;
- 37) **mechanical and electronic lock** - the lock which is activated by means of an electronic system;
- 38) **multipoint lock** - the lock which engages the door leaf in the frame at several distant points;
- 39) **multi-pin tumbler lock** - the lock having at least two moveable pins for locking the latch bolt (the number of pins in a lock can be determined from the notches profiled in the key);
- 40) **random events:**
- a) **smoke and soot** - suspension of particles which is the result of
- combustion and escaping from devices located in the place of insurance, operated according to their purpose and technical regulations and with efficient functioning of ventilation devices,
 - fire, regardless of the place of its origin,

- b) **explosion** - an explosion which consists of the release of gases, dust or vapour and is caused by their property of propagation. With regard to pressure tanks and other such vessels, the condition for the damage to be considered as caused by an explosion is that the walls of these tanks and vessels are torn and cause the escape of gases, dust, vapour or liquids. Damage caused by implosion, which consists in damaging a tank or vacuum apparatus by external pressure, is also deemed to be caused by an explosion,
- c) **hail** - atmospheric precipitation consisting of lumps of ice,
- d) **supersonic bang** - a shock wave generated by an aircraft travelling at a speed greater than the speed of sound,
- e) **hurricane** - wind with speed not less than 13.8 m/s as determined by the Institute of Meteorology and Water Management (IMGW-PIB), hereinafter referred to as the "IMGW", the impact of which causes mass damage. If it is not possible to obtain an opinion from IMGW, the occurrence of a hurricane shall be determined by PZU on the basis of the actual status and extent of damage in the place of its origin or in its immediate vicinity,
- f) **avalanche** - violent sliding or rolling away of masses of snow, ice, mud, rocks or stones from a mountainsides,
- g) **fire** - fire that has escaped from a hearth or originated without a hearth and has spread by its own power,
- h) **precipitation** - rain, melting: snow, ice, hail,
- i) **landslide** - unpremeditated sliding of the earth down an embankment or slope,
- j) **lightning** - direct atmospheric discharge on the subject matter of insurance,
- k) **flooding** - the inundation of land as a result of:
 - rising water levels in flowing or stagnant watercourses and waterbeds,
 - run-off on slopes or hillsides in mountainous or undulating areas,
 - rising sea levels in coastal waters (backwater),
 - rainfall with a coefficient of performance of at least 4 determined by IMGW. If it is not possible to obtain an opinion from the IMGW, the occurrence of rain of a coefficient of performance of at least 4 shall be determined by PZU on the basis of actual state and size of damage in the place of its occurrence or in its immediate vicinity,
- l) **snow and ice** - natural precipitation in the form of snow or ice which:
 - by its weight directly affects the subject matter of insurance, or
 - by its weight, can cause trees or other objects to fall on the subject matter of insurance,
- m) **vehicle impact** - the impact of a vehicle, its parts or cargo carried therein on the subject matter of insurance,
- n) **aircraft fall** - a disaster or forced landing of a motorised or unmotorised aircraft or other flying object, as well as the fall of their parts or of the load carried therein,
- o) **fall of trees or masts** - a fall of trees, masts, power poles, chimneys, lampposts or their parts on the subject matter of insurance,

- p) **earthquake** - natural, violent shaking of the earth's crust,
- q) **inundation** - the effect of steam, water or other liquids, due to:
 - a breakdown of the water system (including a water pump), the following systems: sewage system, air-conditioning system, central heating system,
 - backflow of water or sewage from a sewage system,
 - cessation of proper operation of household appliances, interruption of power supply, damage to an aquarium or waterbed,
 - inadvertent leaving open of taps or other valves installed on the installation.
 It also covers inundation caused by third parties by water or other liquid that originates from outside the place of insurance,
- r) **land subsidence** - the lowering of land due to the collapse of natural, underground, hollow spaces in the ground;
- 4) **Pets** - dogs, cats, hamsters, guinea pigs, parrots, canaries, turtles, aquarium fish, ferrets, chinchillas, gerbils, mice, rats, rabbits, excluding those kept for breeding or commercial purposes.

SUBJECT MATTER OF INSURANCE

- i.e. what can be covered by the insurance

§ 2

1. As a part of the **Building insurance** you can insure:

- 1) a residential unit;
- 2) a single-family house;
- 3) a non-residential building;
- 4) a structure,

- which are located in Poland and to which the entity indicated in the policy as the insured party holds the legal title (ownership, co-ownership, co-operative ownership right to premises, right to a single-family house in a housing cooperative).

The insured subject-matter is identified in the policy.

2. In the insurance of Building, items listed in section 1 in which economic activity is conducted cannot be insured. The subject matter of the insurance may be a residential unit or a single-family house, listed in the section 1, which is rented for residential purposes in the course of economic activity.

3. As a part of the **Contents Insurance** you can insure:

- 1) Contents or
- 2) fixtures

- to which the entity specified in the policy as the insured party or home dweller holds a legal title and which are located in a residential unit or single-family house (excluding a parking space, terrace and balcony) in Poland:

- a) Contents in a non-residential building in the same locality as the residential unit or single-family house,
- b) Contents in a structure on the property on which the single-family house is situated, if this structure is secured according to § 8 section 1, point 1, 2, 4 and 5.

The aforementioned residential unit or single-family house is specified in the policy.

INSURANCE COVERAGE

- i.e. what PZU is liable for

§ 3

PZU shall be liable for an **insurance event**, which is a future and uncertain event of a sudden nature, independent of the insured party's will, which occurred during the insurance period, and as a result of which damage covered by the insurance was caused. PZU shall be liable for insurance events that occurred in the places specified in § 2, as well as outside those places in the case of robbery outside the place of insurance in the case of insurance of Contents insurance referred to in § 4 section 2 item 3 of the Table.

§ 4

1. In the Contents insurance, Contents or fixtures are covered by the insurance. The selection of the subject matter of insurance is made by the Policyholder.
2. Depending on the selected subject matter of insurance, PZU shall be liable for damages occurring as a result of insurance events set forth in the "Insurance coverage" column (table below), whereby the Exclusions of liability set forth in § 6:

Building insurance		
Pos.	Subject matter of insurance	Insurance coverage
1.	residential unit	covers 'All Risk' insurance , including: - random events - power surge - malicious damage whereby the exclusions of liability specified in § 6 shall apply: - burglary
2.	single-family house	
3.	non-residential house	
4.	structure	
5.	a structure which is permanently attached to the land and its parts which are permanently connected to the structure	

Contents Insurance		
Pos.	Subject matter of insurance	Insurance coverage
1.	Contents Contents: - residential house - single-family house - structure - non-residential house considering § 2 section 3	covers 'All Risk' insurance , including: - random events - power surge - malicious damage whereby the exclusions of liability specified in § 6 shall apply - random events - power surge - malicious damage whereby the exclusions of liability specified in § 6 shall apply Fixtures can be insured if the insured party did not insure a residential unit or a single-family house.
2.	fixtures fixtures in: - residential unit - single-family, considering § 2 section 3	
3.	Contents and fixtures in: - residential unit - single-family house - structure - non-residential building considering § 2 section 3	

3. PZU shall also be liable for damage caused as a result of rescue operations conducted in relation to the insurance event specified in the section 2 (table above) for which PZU bears liability.
4. PZU shall also be liable for damage caused by the insured party as a result of gross negligence, if the damage is caused by:
 - 1) a failure to perform periodical technical inspections of: chimney flues, gas installation, electrical installation, as provided for by the construction law - at the place where the insured Contents insurance or of the insured party is located:
 - a) a single-family house - if the age of the building on the first day of the insurance period does not exceed 50 years,
 - b) a non-residential house - if the age of the building on the first day of the insurance period does not exceed 50 years,
 - c) a residential unit.
 PZU pays indemnity for the aforementioned damage as a part of the property insurance within the limits of the sum insured for the items listed above under a-c, but not more than 50% of that sum insured (liability limit), and in the case of the Contents Insurance

within the limits of the sum insured for the Contents insurance which is situated in the house, building, residential unit as listed under a-c above, not more than 50% of that sum insured (limit of liability) and not more than the limits of liability specified under § 10 section 1;

- 2) leaving:
 - a) switched on to the electrical system: iron, hair straightener, curling iron, hair dryer, electric heater, fan heater, electric cooker, toaster, deep fryer, electric grill, charger for: telephone, laptop, push scooter,,
 - b) on a naked flame, burner, electric cooker, electric or induction hob: a vessel used to heat water or meals,
 - c) an unextinguished fireplace.

COST REFUNDS

- i.e. what additional costs are borne by PZU

§ 5

1. If an insurance event occurs that is covered by the insurance, PZU covers, up to the limits of liability laid down in § 10 section 3, the costs incurred by the insured party:

- 1) **searching for the cause of the damage** - i.e. the costs of materials, equipment and labour incurred in order to:
 - a) finding the place of breakdown of the installation which was the cause of the damage,
 - b) removing the installation breakdown,
 - c) repair of elements of the insured subject-matter damaged or destroyed as a result of searching for the cause of damage.

- i.e. what PZU is not liable for
PZU bears those costs, if the damage occurred in the place of insurance.

If the damage occurred outside the place of insurance, and it was probable that the installation breakdown occurred in the place of insurance, PZU covers the costs of locating the installation breakdown in the place of insurance, removal of that breakdown, and repair of the elements of the insured object which were damaged or destroyed as a result of searching for the cause of the damage.

PZU covers those costs in the case of insurance of Building, referred to in § 4 section 2 item 1-4 of the Table, and in the case of insurance of fixtures referred to in § 4 section 2 item 2 of the Table;

- 2) **loss of water** - i.e. costs of water that escaped from the water or central heating system located at the place of insurance as a result of installation breakdown - if the damage was caused by flooding. These costs are covered by PZU in the case of insurance of Building, referred to in § 4 section 2 item 1-4 of the Table, and in the case of insurance of fixtures referred to in § 4 section 2 item 2 of the Table;
- 3) **clean-up of the place of insurance after the damage** - i.e. costs of removal of contamination, costs of removal of unusable elements (waste) together with the costs of their storage or disposal, costs of demolition and disassembly of unusable elements, costs of cleaning up the tree which damaged the subject matter of insurance; these costs are covered by PZU in the case of Building insurance and Contents insurance;
- 4) **repair of anti-theft protection** - i.e. costs of repairing damaged or destroyed due to burglary of the following fixtures: window and door joinery, including glazing and closures, grating, roller-blinds, detectors, sirens and other anti-theft security elements. These costs are covered by PZU as a part of the insurance of Contents insurance, which includes the risk of burglary.

2. Furthermore - PZU covers, up to the limits of liability laid down in § 10 section 3, the costs of purchasing food products - i.e. the costs that the insured party has to incur in order **to purchase food products** in exchange for those that have thawed. **Thawing** is the loss of shelf-life as a result of an increase in storage temperature in a refrigeration appliance due to the cessation of the rightful operation of this appliance or a power cut that occurs during the period of insurance. This appliance must be located in the residential unit or house where the insured movables are located. PZU covers those costs in the insurance of Contents referred to in § 4 section 2 item 1 of the Table.

3. PZU covers the costs referred to in the section 1 up to the amount actually incurred, however no more than up to an amount which corresponds to the repair or reconstruction costs, taking into account the existing design, dimensions and finishing standards and using the same or the closest similar materials, or the costs of purchase (manufacture) of a new object of the same or the closest similar type, brand, taking into account the average prices in the area where the insurance event occurred.

EXCLUSIONS OF LIABILITY

§ 6

1. The insurance cover fails to include:

- 1) photovoltaic installation comprising photovoltaic panels with a total capacity exceeding 20 kW;
- 2) payment cards;
- 3) securities;
- 4) public transport tickets, service cards;
- 5) documents. This exclusion does not apply to identity documents: identity card, passport, driving licence, school card, student card;
- 6) works of art;
- 7) hunting trophies;
- 8) precious, semi-precious or synthetic stones, precious organic substances which are not articles of use, and precious metals in scrap or bars;
- 9) items collected in quantities which indicate their commercial purpose;
- 10) data and documents stored on computers, tablets, telephones or removable data carriers;
- 11) keys to buildings other than those specified in the policy, and keys and other instruments for opening vehicle locks;
- 12) software. This exclusion does not apply to the operating system which is an integral part of the computer;
- 13) animals other than Pets;
- 14) land vehicles subject to compulsory registration, watercraft other than those propelled by muscular power, aircraft other than: hang gliders, motor gliders, paragliders, balloons, parachutes, kites, flying models, drones;
- 15) medical devices.

2. The insurance cover fails to include: cash, items of silver, gold, platinum or palladium, coins, jewellery, if:
- 1) the insured party let the residential unit or single-family house in which they are located to a third party for use;
 - 2) the insured party's continuous absence from the residential unit or detached house in which they are located lasted more than 3 months;
 - 3) they are lost during a rescue operation carried out in connection with an insurance event; or
 - 4) they are located in a utility room, non-residential building, structure.
3. The insurance cover fails to include: audio-visual equipment, computer equipment, photographic equipment, musical instruments, telephones which are located in any utility room, non-residential building, structure, etc..
4. PZU is not liable for damages:
- 1) which the insured party caused intentionally or due to gross negligence. This exclusion does not apply if, in spite of gross negligence, the payment of indemnity corresponds to considerations of equity in the given circumstances, or if PZU is liable for damage caused as a result of gross negligence under § 4 section 4;
 - 2) which was intentionally caused by the person with whom the insured party shares a common household.
5. Subject to § 7, PZU is neither liable for damages that result from:
- 1) non-performance of technical inspections of the items of insurance and the place where the items of insurance are located, as defined by the law, as well as their periodic inspections, if the obligation to perform such inspections belonged to the insured party. This exclusion shall not apply if the non-fulfilment of this obligation did not affect the occurrence of the insured event;
 - 2) rupture of pipes or fittings due to freezing of water or other liquid caused by a failure to maintain the proper temperature at the premises, if the obligation to maintain the proper temperature at the premises was incumbent upon the insured party. This exclusion shall not apply if the failure to do so did not affect the occurrence of the insured event;
 - 3) inundation due to precipitation:
 - a) through unsealed, leaky or unsecured windows, doors or other openings, if it was the insured party's obligation to close, seal or secure them. This exclusion shall not apply if a failure to do so did not affect the occurrence of the insured event,
 - b) through non-maintained or improperly maintained roof, walls, balconies, terraces or windows, if it was the insured party's obligation to close, seal or secure them. This exclusion shall not apply if a failure to do so did not affect the occurrence of the insured event..
 6. PZU is neither liable for damages that result from:
 - 1) structural errors in the insured single-family house, non-residential building, if:
 - a) it was erected or reconstructed without a design made by an authorised specialist,
 - b) it was constructed or reconstructed without a design made by an authorised specialist, provided that the insured party was aware of this fact or that the design was not made by an authorised specialist - insofar as the insured party was aware of this or could reasonably have been aware of it and it had an effect on the occurrence of an insurance event;
7. PZU is either not be liable for damage caused in relation to the operation of a mining plant.
8. PZU is also not be liable for damage that the insured party caused in a state of:
- 1) intoxication or
 - 2) after the consumption of alcohol, or
 - 3) under the influence of intoxicants, psychotropic substances, neuroactive substances or substitute agents within the meaning of the regulations on the prevention of drug addiction.
- This exclusion shall not apply if the insured party's condition had no influence on the occurrence of the insured event..
9. PZU is neither liable for:
- 1) damage resulting from:
 - a) breakage (smashing) or fracture of:
 - an item of insurance or an element thereof made of ceramic, stone, conglomerate, plastic, glass (including crystal),
 - induction hob, solar collector, photovoltaic panel,
 - screens, monitors, matrices or displays which are elements of the subject-matter insured.

This exclusion does not apply to damage which is the consequence of: random events, power surge, malicious damage, fire-fighting conducted in connection with any of these insurance events - for which PZU bears liability,
 - b) spilling or leakage of water or other liquid caused by a human being. This exclusion shall not apply to damage caused by inundation for which PZU bears liability, or when the spill or outpouring is the result of malicious damage for which PZU bears liability,
 - c) falling of the subject-matter of insurance into water or other liquid caused by a human being,
 - d) construction, assembly, disassembly or installation work carried out inside: a residential unit,

- a single-family house, a non-residential building or a structure - indicated in the policy. This exclusion does not apply if the works are caused by random events or power surge for which PZU bears liability,
- e) action of insects, ticks, mould, fungus, internal decomposition or natural processes that take place in the subject-matter of insurance,
 - f) action of animals (including birds) soiling the subject-matter of insurance,
 - g) action of plants or animals which belong to the insured party. This exclusion does not apply if the consequence of such action is a random event or power surge for which PZU is liable,
 - h) improper care of plants, plant diseases,
 - i) disease or death due to natural causes of Pets,
 - j) natural subsidence of a building or structure. This exclusion shall not apply where the subsidence is caused by random events or power surges for which PZU is liable,
 - k) vibrations or oscillations caused by the movement of land, underground or air vehicles. This exclusion shall not apply where the vibration or vibration is caused by a supersonic bang for which PZU shall be responsible,
 - l) exploitation or wear and tear as a result of which the subject matter of insurance became: collapsed, stained, discoloured, deformed, deformed, abraded, scratched, chipped, splintered, torn, corroded or oxidised. This exclusion shall not apply where the consequence of such use or wear is due to acts of God or power surge for which PZU is liable,,
 - l) smoke or soot generated during meal preparation. This exclusion does not apply if the smoke or soot is caused by random events or an power surge for which PZU is liable,
 - m) loss, sale, donation, exchange of insured subject-matters,
 - n) extortion of the insured party's items due to fraud;
- 2) damage to the subject-matter of insurance which is the result of a breakdown of the subject-matter of insurance. This exclusion does not apply if a failure is caused by smoke and soot, explosion, fire, inundation or power surge for which PZU is liable. **Breakdown of the subject-matter of insurance** is the damage that prevents the subject-matter of insurance from being used as intended, caused by a defect of the subject-matter of insurance, its improper operation, improper maintenance or wear and tear of its elements.
- 10.** PZU is neither liable for damages that result from:
- 1) acts of terrorism;
 - 2) theft, subject to points 3 and 4. This exclusion does not apply to robbery in the place of insurance and robbery outside the place of insurance of Contents, referred to in § 4 section 2 item 3 of the Table;
 - 3) burglary in the property insurance. This exclusion does not apply to burglary of a structure and its elements, as referred to in § 4 section 2 item 5 of the Table, which consists in the perpetrator overcoming the security measures specified in § 8 section 2 and 4;

- 4) burglary in the Contents insurance. This exclusion does not apply to burglary of household goods and fixtures as referred to in § 4 section 2 item 3 of the Table, which consists in the perpetrator's overcoming of the security devices, specified in § 8 section 1, 3 and 4.

SECURITY OF PROPERTY

- i.e. how to protect items insured

§ 7

The insured party is obliged to:

- 1) observe the fire protection regulations in force;
 - 2) maintain the subject-matter of insurance and the places where the subject-matters of insurance is located in an appropriate technical condition, including carrying out their technical inspections and periodical checks as well as carrying out their current preventive maintenance;
 - 3) follow the recommendations of producers and suppliers of technical devices;
 - 4) apply appropriate protective measures in order to protect water and central heating systems and their installation equipment against frost, in particular to maintain proper temperature in the rooms and to close valves and drain water from the system in unused facilities;
 - 5) ensure that during the insurance period the conditions for securing the property of the insured party referred to in § 8 are fulfilled, including closing openings (for example windows and doors) in the manner specified in § 8.
- Subject to § 4 section 4, if the insured party infringes these obligations intentionally or as a result of gross negligence, PZU shall not be liable for damage arising for that reason. This provision does not apply if, despite gross negligence, the payment of indemnity corresponds to considerations of equity in the given circumstances.

§ 8

1. The property of the insured party should be secured as follows:

- 1) walls, floors, ceilings, roofs in the residential unit, single-family house, non-residential building, structure, are so fixed and embedded that it is not possible to remove them without damaging or destroying them at the same time;
- 2) all openings in walls, ceilings, floors, roofs in the residential unit, single-family house, non-residential building, structure, are closed and secured in a way that prevents third parties from accessing the interior or prevents objects from escaping from the interior without the use of force or tools. Windows, balcony or terrace doors may be unsealed in such a way that the sash of the window or leaf of door forms a micro-leak in relation to the frame, but still cannot be opened without leaving evidence of the use of force or tools;
- 3) external doors, with the exception of balcony or terrace doors, to a residential unit, single-family house, shall be lockable with one or more multi-point or mechanical-electronic locks;
- 4) external doors to an outbuilding, a non-residential building, a structure shall be locked with at least one multi-pin tumbler lock or a multi-bar padlock. The following shall be regarded as equivalent closure of the external door

to an utility room, PZU also recognises the electronic gate locking system;

- 5) keys and other devices used for opening the locks are held only by: the insured party or a person authorised by the latter. This does not apply to utility rooms shared with other persons.

2. The insured structure and its elements specified in § 4 section 2 item 5 of the Table shall be secured in such a way that it cannot be detached from the ground or its element permanently attached to the structure cannot be dismantled without leaving evidence of the use of force or tools.
3. The insured fixtures: air-conditioning devices, ventilation devices, heat pumps, grating, blinds, shutters, detectors, signalling devices, monitoring installation together with devices and accessories (e.g. camera with video recorder), other elements of anti-theft protection and fire protection, intercoms, video intercoms - together with the installation mentioned in § 4 section 2 item 3 of the Table shall be secured in such a manner as referred to in the section 1 and in such a manner that it is not possible to detach them from a residential unit, single-family house or non-residential building without leaving traces of the use of force or tools.
4. On the basis of the risk assessment, PZU may set individual conditions for securing the insured property. PZU may make the conclusion of insurance agreement conditional upon its visual inspection.

SUM INSURED

- i.e. how to determine the sum insured

§ 9

1. As a part of the property and Contents insurance, the Policyholder shall determine separate sums insured for individual items of insurance. Where the insurance coverage includes damage caused by burglary of the structure and its elements, the Policyholder shall fix a separate sum insured for this risk. If the insurance coverage includes damage caused by burglary in respect of Contents and fixtures as well as damage caused by robbery in the place of insurance and robbery outside the place of insurance of Contents, the Policyholder sets a separate total sum insured for these risks.
2. The sum insured should correspond to the value of the items insured and constitutes the upper limit of liability of PZU. If a limit of liability was set for specific damages or costs, it constitutes the upper limit of liability for those damages or costs.
3. As a part of the movables insurance, including the insurance referred to in § 4 section 2 item 3 of the Table, the sum insured for Contents, fixtures set at the new value.
4. As a party of the Building insurance, including insurance referred to in § 4 section 2 item 5 of the Table, the sum insured shall not be reduced by any amount paid out by PZU.
5. As a part of the movables insurance, including the insurance referred to in § 4 section 2 item 3 of the Table, after the payment of damages or costs defined in § 5 and in § 14 section 1 point 1 of the Table, the sum insured shall be reduced by the amount paid by PZU.

6. If, after conclusion of the insurance agreement, the value of the insured subject-matter increases, the Policyholder may, upon agreement with PZU, increase the sum insured. If after the conclusion of the insurance agreement the value of the insured subject-matter decreases, the Policyholder may request that the sum insured be reduced accordingly. For the same reason PZU may unilaterally reduce the sum insured, at the same time notifying the Policyholder thereof. Reduction of the sum insured shall result in an appropriate reduction of the insurance premium starting from the first day of that month in which the Policyholder requested reduction of the sum insured, or in which PZU notified the Policyholder of the unilateral reduction of that sum.

LIMITS OF LIABILITY

- i.e. what are the limitations of liability of PZU

§ 10

1. As a part of the insurance of Contents, including the insurance referred to in § 4 section 2 item 3 of the Table, the following limits of liability shall apply for these Contents depending on the insurance event and within the limits of the sum insured (table below):

Pos.	Subject matter of insurance	Limit of liability
1.	silver, gold, platinum or palladium items, coins, jewellery	40% of the insured sum, not more than 50 000 zł
2.	cash	10% of the insured sum, not more than 10 000 zł
3.	equipment for conducting an economic activity	not more than 10 000 zł
4.	Contents in a utility room, except the utility room of a single-family house	30% of the insured sum
5.	Contents in a non-residential building	30% of the insured sum
6.	Contents in a structure	30% of the insured sum
7.	Contents in in case where robbed outside the place of insurance	10% of the insured sum, not more than 10 000 zł
8.	Pets	not more than 5000 zł

2. If a given subject matter of insurance qualifies in respect of more than one item from among those listed in section i (table above), the upper limit of liability of PZU shall be the lowest limit from among the limits for which that subject matter of insurance qualifies.
3. PZU shall cover the costs specified in § 5 up to the following limits of liability (table below):

Pos.	Cost type	Limits of liability
1.	search for the cause of damage	a) in the Building insurance - within the limits of the sum insured for the subject-matter insured, as mentioned in § 4 section 2 items 1-4 of the Table, b) in the Contents insurance - within the limits of sum insured for fixtures mentioned in § 4 section 2 item 2 of the Table
2.	loss of water	a) in the Building insurance - within the limits of the sum insured for the subject-matter insured as mentioned in § 4 section 2 items 1-4 of the Table, b) in the Contents insurance - within the limits of sum insured for fixtures mentioned in § 4 section 2 item 2 of the Table, - not more than PLN 3 000
3.	cleaning up the place of insurance after damage	a) in the Building insurance - within the limits of the sum insured for the subject-matter insured, not more than 5% of this amount, b) in the Contents insurance - within the limits of the respective sum insured for the subject-matter of insurance. If the costs relate to the insured property and the non-insured property, and it is not possible to allocate them to a given part of the property, PZU covers the incurred costs in such proportion in which the value of the insured property remains to the total value of the insured and the non-insured property, and if it is not possible to determine the proportion, PZU covers 50% of the incurred costs.
4.	repairing anti-theft protection	in the Contents insurance - within the limits of the sum insured for the subject-matters insured mentioned in § 4 section 2 item 3 of the Table.
5.	purchase of food products	in the Contents insurance - within the limits of the sum insured for Contents, mentioned in § 4 section 2 item 1 of the Table, not more than 500 zł.

4) structure including in the insurance referred to in § 4 section 2 item 5 of the Table - at the real value;

5) Contents, fixtures, including

6) in the insurance, mentioned in § 4 section 2 item 3 of the Table – at the new value.

3. Subject to the section 1, in case of insurance of a residential unit, indemnity shall also be sought in respect of damage to the common elements of the residential building in which the residential unit is located, in proportion to the share in the common elements of the property attributable to the residential unit.

§ 12

1. As a part of Building insurance and fixtures insurance, the amount of indemnity is determined on the basis of a cost estimate prepared by PZU:

1) in the expert system of cost estimation of works and construction objects, or
2) on the basis of construction price lists developed by entities specialising in construction.

2. As a part of the Building insurance and fixtures insurance, in consultation with the insured party, PZU may determine the amount of indemnity on the basis of:

1) bills for reconstruction or repair of the subject-matter of insurance, which are confirmed by:
a) an as-built cost estimate prepared by the entity performing the reconstruction or repair,
b) a specification of the scope of works carried out, which was prepared by the entity carrying out the reconstruction or repair, if the amount of damage before taking into account the degree of technical wear and tear does not exceed the amount of 10,000 PLN or

2) a cost estimate of the reconstruction or repair performed by the entity carrying out the reconstruction or repair.

3. The cost estimates referred to in the section 2 must be drawn up in accordance with the principles of calculation and pricing of construction, electrical and installation works in the construction industry, which take into account the existing structure and dimensions of the property

DETERMINATION OF INDEMNITY

- i.e. how PZU determines the amount of indemnity

§ 11

1. PZU determines the amount of indemnity in the amount that corresponds to the amount of damage incurred and does not exceed the sum insured under the policy and takes into account the limits of liability defined in § 10.

2. The amount of indemnity is determined by PZU in respect of:

1) a residential unit:

a) at market value - in the case of a **total damage**.

Total damage is the infringement or destruction of the building in which the insured residential unit, utility room or parking space is located, to such an extent that:

- it causes the continued habitation of that residential unit or the use of that room or place impossible and irreparable, or
- it causes the residential unit, room or space irreparable,

b) at new value - in the case of other types of damage;

2) a single-family house:

a) at new value - if on the first day of the insurance period the age of the building:

- of non-combustible construction does not exceed 45 years,
- of combustible construction does not exceed 30 years,

b) at actual value - if on the first day of the insurance period the age of the building exceeds the values given in a;

3) a non-residential building

a) at new value - if on the first day of the insurance period the age of the building does not exceed 20 years,

b) at actual value - if on the first day of the insurance period the age of the building exceeds the values given in a;

and the standard of finishing, using the same or the closest similar materials, taking into account the average prices prevailing in the area where the insurance event occurred.

4. When determining the costs of repairing paint or varnish coatings of walls, floors, ceilings and stairs located inside a residential unit or building PZU does not take into account the degree of technical wear and tear.
5. If the total loss referred to in § 11 section 2 point 1 a occurs in the residential unit, utility room or parking space, PZU determines the amount of indemnity according to:
 - 1) the price of 1 m² of usable floor area of the residential unit assumed for the purpose of determining the market value of the residential unit;
 - 2) the price of the utility room or parking space assumed to determine the market value of the utility room or parking space, respectively.
6. The amount of indemnity for the Contents is determined by PZU:
 - 1) in case of total destruction or loss of the insured subject-matter - in the amount that corresponds to its documented value, if repair is not possible;
 - 2) in case of damage to the subject-matter of insurance - in the amount of the cost of repair of the damage caused by the insurance event. PZU determines the cost of repair on the basis of average prices of service providers or repair bills, or in the amount of percentage loss in value of the damaged subject-matter of insurance, determined in consultation with the insured party.
7. In case of total destruction or loss of fixtures, PZU determines the amount of indemnity in the amount that corresponds to their documented value, if repair is not possible.
8. If the value of Contents or fixtures cannot be documented, the amount of indemnity shall be determined by PZU according to the average value of an item of the same or similar type and quality/species, taking into account the average prices prevailing in the area where the insurance event occurred.
9. The amount of indemnity determined for Contents in the amount of repair costs may not exceed the new value of the insured subject matter.
10. Submitted bills for reconstruction or repair, together with an as-built cost estimate and a specification of the scope of work performed, cost estimates for reconstruction or repair performed with the use of the economic system, PZU verifies their compliance with the facts, i.e. reviews:
 - 1) the amount of costs incurred;
 - 2) the existing dimensions of the insured subject matters;
 - 3) the scope of the works performed and the type of materials used.
11. When determining the amount of indemnity for Contents that i.e. what to do when event occurs form a set or a whole, PZU shall take into account the loss of value of the set or the whole, provided that they cannot be reconstructed by purchasing, making up or completing the lost elements.
12. The amount of indemnity for the following Contents PZU determines:
 - 1) in respect of cash - at its nominal value. If the cash is foreign currency, PZU converts it into Polish zlotys according to the average exchange rate of the National Bank of Poland, which is in effect on the date of determining indemnity;
 - 2) in respect of coins - at scrap value. If coins are legal tender and their nominal value is higher than the value of scrap metal, PZU determines the amount of indemnity according to their nominal value.

If the coins are foreign currency, it converts them into Polish zlotys according to the average exchange rate of the National Bank of Poland, which is in effect on the date of determining the indemnity;

- 3) in respect of silver, gold, platinum or palladium items and jewellery - at the cost of repairing, manufacturing or acquiring a new item of the same or similar type;
- 4) in respect of identity documents - at the cost of issuing duplicates or obtaining new documents;
- 5) in respect of keys to external doors that lead to the place of insurance - at the cost of restoring a set of keys including the cost of replacing the locks;
- 6) in respect of Pets, where:
 - a) medical expenses resulting from an insurance event - according to submitted bills,
 - b) loss - at the average value of an animal of the same breed and species, determined taking into account the average prices prevailing in the area where the insurance accident occurred;
- 7) in respect of potted plants - in the average value of a potted plant of the same species and variety and of the same or similar size, determined taking into account the average prices occurring in the area where the insurance event occurred;
- 8) in respect of food products - on the basis of average prices of food products occurring in the area where the insurance event occurred.

§ 13

1. When determining the amount of indemnity, PZU:
 - 1) takes into account the value of the remains of the damaged or destroyed subject-matter of insurance;
 - 2) fails to consider:
 - a) scientific, collector, artistic, antique or commemorative value,
 - b) costs that result from a lack of spare parts or materials needed to restore the item to its condition before the damage.
2. The amount of indemnity PZU determines on the basis of prices on the date of its determination. An exception is damage documented by a bill for reconstruction or repair confirmed by an as-built cost estimate or specification of the scope of work performed, or documented by a cost estimate of reconstruction or repair performed by a home-based system, in accordance with § 12.

PROCEDURE IN CASE OF INSURANCE EVENT –

§ 14

1. If an insurance event occurs, the Policyholder or insured party is obliged to:
 - 1) use the measures available to the latter to save the subject-matter insured and to prevent or reduce the extent of the damage:
 - a) among other things, call the fire department and notify the police, if necessary, especially in the case of burglary, robbery at the place of insurance, robbery outside the place of insurance,
 - b) additionally, in the case of robbery outside the place of insurance committed outside Poland, notify the relevant crime investigation services.

If the Policyholder or the insured party, either intentionally or due to gross negligence, has failed to apply the above measures, PZU is not liable for damages that arose for that reason. PZU is obliged, within the limits of the appropriate sum insured, to refund the costs that resulted from the application of the above measures, if those measures have been advisable, even if they proved ineffective;

- 2) secure the possibility of pursuing claims for indemnity against persons responsible for the damage and provide PZU with assistance by providing information and documents necessary for effective pursuit of recourse claims;
 - 3) notify PZU of the occurrence of an insurance event immediately, but no later than within 7 days from its occurrence. If PZU infringes this obligation intentionally or due to gross negligence, PZU may adequately reduce the indemnity if the infringement contributed to the increase of the damage or made it impossible for PZU to determine the circumstances and effects of the event. The consequences of a failure to notify PZU about the insurance event shall not occur if PZU, within the aforementioned time limit, received information on circumstances that should have been communicated to it;
 - 4) do not - until PZU or its representative has performed an inspection - make any changes to the damaged subject-matter of insurance and do not repair it if it is not necessary to protect the remaining subject-matter after the damage or to reduce the size of the damage. This provision does not apply if PZU or its representative has not performed such inspection within 7 days from the date of receipt of the notice of damage, or within 14 days if it has been necessary to call expert witnesses (experts);
 - 5) provide the representative of PZU with explanations and assistance in obtaining information on the circumstances of the insurance event, the causes of the damage, its subject matter and size.
2. In case of insurance as referred to in § 4 section 2 item 3 of the Table, in case of burglary of fixtures which have not yet been built in or installed, the insured party is obliged to prove their purchase.

END OF LIABILITY OF PZU

- i.e. when the insurance cover ends

§ 15

The insurance cover shall cease in the cases specified in § 4 section 2 and 4 of the Preliminary Provisions and:

- 1) as a part of the Building insurance - at the moment of annihilation of the subject-matter of insurance - as far as this subject-matter is concerned;
- 2) as a part of Contents insurance - upon complete destruction or loss of the subject-matter of insurance - with regard to this subject-matter;
- 3) on the date when the sum insured is exhausted, provided that the insurance agreement provides for the possibility of exhausting the sum insured;
- 4) at the moment of transfer of ownership of the subject-matter of insurance to the purchaser in respect of this subject-matter - in case of disposal as referred to in § 16.

§ 16

In case of disposal of the subject matter of insurance, PZU excludes the granting of a consent for the transfer of rights under the insurance agreement. In case of disposal of the subject-matter of insurance, the insurance cover expires at the moment when the ownership of the subject-matter of insurance is transferred to the purchaser.

§ 17

If, after the indemnity has been paid, the insured party has recovered the lost items, the latter is obliged to:

- 1) immediately return to PZU the indemnity the latter has received for those items, or waive his/her rights to those items for the benefit of PZU;
- 2) return to PZU the amount which corresponds to the value of the item on the date of its recovery - if the item has been recovered in a damaged or incomplete condition.

PASSING ON CLAIMS TO PZU

- i.e. to which claims PZU is entitled

§ 18

1. On the date PZU pays the indemnity, the claims of the insured party against the third party responsible for the damage are assigned, by force of law, to PZU up to the amount of paid indemnity. If PZU covers only a part of the damage, the insured party has a priority of satisfaction with regard to the remaining part before the claims of PZU.
2. No claims of the insured party against persons with whom the insured party remains in common household shall be assigned to PZU.
3. If the insured party, without an approval of PZU, waives his/her claim against the third party responsible for the damage, or limits his/her claim, PZU may refuse to pay indemnity or reduce it. If the waiver or limitation of the claim is revealed after PZU pays the indemnity, then PZU has the right to claim from the insured party the return of the whole or part of the paid indemnity.

CLAUSE NO. 2 BREAKABLE ITEMS INSURANCE

GLOSSARY

- i.e. terms that are used in the clause no. 2

§ 1

In the clause are used the terms referred to in § 2 of the Preliminary Provisions and the following terms:

- 1) **acts of terrorism** - individual or group actions directed against the people or property. Their purpose is to achieve economic, political, religious or social effects by creating chaos, intimidation of the population, disorganisation of public life;
- 2) **jewellery**:
 - a) items of personal use intended to adorn the body or dress of a person, for the manufacture of which precious or semi-precious metals, precious or semi-precious stones has been used,
 - b) glasses and wristwatches;
- 3) **building** - a construction object permanently connected to the ground, separated from the space by means of building partitions, having a foundation and a roof;
- 4) **malicious damage** - an intentional destruction or damage to property by third parties, also in connection with burglary or attempted burglary, intervention of law enforcement authorities, fire brigade or ambulance service;
- 5) **works of art** - items, their parts, ensembles, collections, catalogued collections, which have a collector's, monumental, artistic value or are a testimony of a previous era or event;

- 6) **place of insurance** - the residential unit or building indicated in the policy, which is in the possession of the insured party by virtue of a legal title;
- 7) **residential unit** - separate living spaces in a building;
- 8) **third party** - any party who is not the Policyholder or the insured party;
- 9) **power surge** - sudden change of voltage in electrical installation;
- 10) **medical devices** - a tool, instrument, apparatus for:
- diagnosing, preventing, monitoring, treating or alleviating the course of disease,
 - compensating for injuries or disabilities,
 - examining, replacing or modifying anatomical structures,
 - conducting a physiological process;
- 11) **damage** - damage to or destruction of the subject-matter of insurance. It does not include the lost profits of the insured party, which could have been achieved if the loss, destruction or damage of the subject-matter of insurance had not occurred (for example, lost profit or income);
- 12) **insured party** - the entity named in the policy as the insured party for whose account the insurance agreement is concluded and the parties for whose account the insurance agreement is concluded, according to the provisions of the clause;
- 13) **new value** - the value that corresponds to the costs of restoring the property to its new, but not improved condition, and the value that corresponds to the costs of repair or reconstruction, determined taking into account the existing construction, dimensions and finishing standards, and using the same or the closest similar materials, or purchasing (manufacturing) a new item of the same or the closest similar type, brand, taking into account the average prices in the area where the insurance event occurred. When determining the value referred to above, PZU shall also take into account the costs of transport, assembly, disassembly;
- 14) **random events:**
- smoke and soot** - suspension of particles which is the result of:
 - combustion and escaping from devices located in the place of insurance, operated according to their purpose and technical regulations and with efficient functioning of ventilation devices, - fire, regardless of the place of its origin,
 - explosion** - an explosion which consists of the release of gases, dust or vapour and is caused by their property of propagation. With regard to pressure tanks and other such vessels, the condition for the damage to be considered as caused by an explosion is that the walls of these tanks and vessels are torn and cause the escape of gases, dust, vapour or liquids. Damage caused by implosion, which consists in damaging a tank or vacuum apparatus by external pressure, is also deemed to be caused by an explosion,
 - hail** - atmospheric precipitation consisting of lumps of ice,
 - supersonic bang** - a shock wave generated by an aircraft travelling at a speed greater than the speed of sound,
 - hurricane** - wind with speed not less than 13.8 m/s as determined by the Institute of Meteorology and Water Management (IMGW-PIB), hereinafter referred to as the "IMGW", the impact of which causes mass damage. If it is not possible to obtain an opinion from IMGW, the occurrence of a hurricane shall be determined by PZU on the basis of the actual status and extent of damage in the place of its origin or in its immediate vicinity,
- 11)
- avalanche** - violent sliding or rolling away of masses of snow, ice, mud, rocks or stones from a mountainsides,
 - fire** - fire that has escaped from a hearth or originated without a hearth and has spread by its own power,
 - precipitation** - rain, melting: snow, ice, hail,
 - landslide** - unpremeditated sliding of the earth down an embankment or slope,
 - lightning** - direct atmospheric discharge on the subject matter of insurance,
 - flooding** - the inundation of land as a result of:
 - rising water levels in flowing or stagnant watercourses and waterbeds,
 - run-off on slopes or hillsides in mountainous or undulating areas,
 - rising sea levels in coastal waters (backwater),
 - rainfall with a coefficient of performance of at least 4 determined by IMGW. If it is not possible to obtain an opinion from the IMGW, the occurrence of rain of a coefficient of performance of at least 4 shall be determined by PZU on the basis of actual state and size of damage in the place of its occurrence or in its immediate vicinity,
 - snow and ice** - natural precipitation in the form of snow or ice which:
 - by its weight directly affects the subject matter of insurance, or
 - by its weight, can cause trees or other objects to fall on the subject matter of insurance,
 - vehicle impact** - the impact of a vehicle, its parts or cargo carried therein on the subject matter of insurance,
 - aircraft fall** - a disaster or forced landing of a motorised or unmotorised aircraft or other flying object, as well as the fall of their parts or of the load carried therein,
 - fall of trees or masts** - a fall of trees, masts, power poles, chimneys, lampposts or their parts on the subject matter of insurance
 - earthquake** - natural, violent shaking of the earth's crust,
 - inundation** - the effect of steam, water or other liquids, due to:
 - a breakdown of the water system (including a water pump), the following systems: sewage system, air-conditioning system, central heating system,
 - backflow of water or sewage from a sewage system,
 - cessation of proper operation of household appliances,
 - interruption of power supply, damage to an aquarium or waterbed,
 - inadvertent leaving open of taps or other valves installed on the installation.
 It also covers inundation caused by third parties by water or other liquid that originates from outside the place of insurance,
 - land subsidence** - the lowering of land due to the collapse of natural, underground, hollow spaces in the ground.

SUBJECT MATTER OF INSURANCE

- i.e. what can be covered by the insurance

§ 2

1. As a part of the **Breakable Items insurance** you can insure:
 - 1) items made of glass, ceramic, stone, conglomerate and
 - 2) shower cubicles, shower trays, baths, sinks, wash basins, made of plastics,
 - 3) to which the person indicated in the policy as the insured party or home dweller holds the legal title and which are located in Poland in the residential unit or building.
The abovementioned residential unit or building is indicated in the policy.
2. Along with the insurance of the items indicated in the section 1, the following are also insured:
 - 1) glass balustrades;
 - 2) glass or plastic developments of balconies, terraces;;
 - 3) photovoltaic panels of the total power up to 20 kW which are part of photovoltaic installations and solar collectors
- which are located outside the dwelling or building referred to in section 1 and are permanently attached to them.
3. Furthermore, the following structural elements are also insured: window or door joinery, shower enclosures, bathroom screens, if it is not technologically possible to replace the broken element without breaching the structure in which the element is embedded.

- 9) items used for the sole purpose of conducting economic activities.
2. PZU is not liable for damages that have occurred:
 - 1) as a result of scratches, scrapes;
 - 2) as a consequence of acts of war, martial law, state of emergency, strikes, civil unrest;
 - 3) as a consequence of acts of terrorism.
3. PZU is neither liable for damages:
 - 1) which the insured party caused intentionally or through gross negligence. This exclusion shall not apply if, despite gross negligence, the payment of indemnity corresponds to considerations of equity in the given circumstances;
 - 2) which are intentionally caused by a person with whom the insured party remains in a common household.
4. PZU is neither liable for damages, that the insured party caused in a state of:
 - 1) intoxication or
 - 2) after the consumption of alcohol, or
 - 3) under the influence of intoxicants, psychotropic substances, new psychoactive substances or substitute agents within the meaning of the regulations on the prevention of drug addiction.
This exclusion shall not apply if the insured party's condition had no influence on the occurrence of the insured event.

SUM INSURED

- i.e. how to determine the sum insured

INSURANCE COVERAGE

- i.e. what PZU is liable for

§ 3

1. PZU is liable for an insurance event, which is a future and uncertain event of a sudden nature, independent of the insured party's will, which occurred during the insurance period, and as a result of which damage covered by the insurance was caused. PZU shall be liable for insurance events that occurred in the places specified in § 2.
2. PZU is liable for damage resulting from breakage (smashing) or breakage of items indicated in § 2 as a result of insurance events other than: random events, power surge, malicious damage, rescue action carried out in connection with any of these insurance events.

§ 5

1. The Policyholder determines the total sum insured for the items that are located in the residential unit indicated in the policy or determines the total sum insured for the items that are located in the building specified in the policy.
2. The sum insured should correspond to the value of the insured items including the costs of:
 - 1) their disassembly, assembly, installation, transport, setting up of scaffolding or use of a crane for the purpose of replacement or repair;
 - 2) making inscriptions and decorations which have been placed on these items;
 - 3) covering glazing with film
- and represents the upper limit of liability of PZU.
3. After payment of indemnity or costs defined in § 7 point 1, the sum insured is reduced by the amount paid by PZU. The Policyholder, in agreement with PZU, may supplement the sum insured. In such a case, the latter has to pay an additional insurance premium. For insurance events that have occurred until the date of supplementing the sum insured, PZU is liable up to the amount of the sum insured before its supplementation.
4. If, after the conclusion of the insurance agreement, the value of the insured item increases, the Policyholder may, in agreement with PZU, increase the sum insured. If after the conclusion of the insurance agreement the value of the insured item decreases, the Policyholder may request that the sum insured be reduced accordingly. For the same reason PZU may unilaterally reduce the sum insured, at the same time notifying the Policyholder thereof. Reduction of the sum insured entails an appropriate reduction of the insurance premium, starting from the first day of that month in which the Policyholder requested reduction of the sum insured, or in which PZU notifies the Policyholder on a unilateral reduction of the sum insured.

EXCLUSIONS OF LIABILITY

- i.e. what PZU is not liable for

§ 4

1. The insurance cover fails to include:
 - 1) floor and stair coverings (including those made of ceramic tiles);
 - 2) items made of glass, ceramic, stone, conglomerate - prior to an installation;
 - 3) light bulbs;
 - 4) jewellery;
 - 5) works of art;
 - 6) medical equipment;
 - 7) telephones, games consoles, audiovisual equipment, computer equipment including tablets, photographic equipment, weapons and optics for weapons;
 - 8) utensils, vases, household supplies;

DETERMINATION OF INDEMNITY

- i.e. how PZU determines the amount of indemnity

§ 6

1. The amount of indemnity is determined by PZU in the amount that corresponds to the amount of damage suffered and does not exceed the sum insured specified in the policy.
2. PZU determines the amount of indemnity at a new value.
3. PZU determines the amount of indemnity:
 - 1) in the amount of the repair costs of the damage caused by the insurance event. PZU determines the costs of repair on the basis of average prices of service providers or repair bills, or in the amount of percentage decrease in value of the damaged subject matter of insurance, determined in agreement with the insured party;
 - 2) if repair is not possible - in the amount that corresponds to the documented value of the subject matter of insurance.
4. The indemnity also takes into account the costs of disassembly, assembly, installation, transport, setting up of scaffolding or use of a crane for the purpose of replacement or repair, making inscriptions and decorations which have been placed on the subject matter of insurance, covering the glazing with film.
5. If the value of the subject matter of insurance cannot be documented, PZU determines the amount of indemnity according to the average value of the subject matter of insurance of the same or similar type and species/grade, taking into account the average prices prevailing in the area where the insurance event has occurred.

§ 8

6. When determining the amount of indemnity PZU takes into account the value of the remains of the damaged or destroyed subject matter of insurance.
7. When determining the amount of indemnity, PZU does not take into account:
 - 1) scientific, collector's, artistic, historical or commemorative value;
 - 2) costs resulting from a lack of spare parts or materials necessary to restore the condition from before the damage.
8. PZU determines the amount of indemnity on the basis of prices documented with a bill.

PROCEDURE IN CASE OF INSURANCE EVENT

- i.e. what to do when event occurs

§ 7

If an insurance event occurs, the Policyholder or insured party is obliged to:

- 1) use the measures available to the latter to save the subject-matter of the insurance and to prevent the loss or to reduce its size. If the Policyholder or the insured party, either intentionally or through gross negligence, has failed to apply the above-mentioned measures, PZU is not liable for damages arising for that reason. PZU is obliged, within the limits of the respective sum insured, to refund the costs that resulted from the application of the above measures, if those measures have been advisable, even if they have proven ineffective;
- 2) secure the possibility of pursuing claims for indemnity against persons responsible for the damage and provide PZU with assistance by providing information and documents necessary for effective pursuit of recourse claims;
- 3) notify PZU of the occurrence of an insurance event immediately, but no later than within 7 days from its occurrence. If PZU infringes this obligation intentionally

or due to gross negligence, PZU may adequately reduce the indemnity if the infringement contributed to the increase of the damage or made it impossible for PZU to determine the circumstances and effects of the event. The consequences of a failure to notify PZU about the insurance event shall not occur if PZU, within the aforementioned time limit, received information on circumstances that should have been communicated to it;

- 4) do not - until PZU or its representative has performed an inspection - make any changes to the damaged subject-matter of insurance and do not repair it if it is not necessary to protect the remaining subject-matter after the damage or to reduce the size of the damage. This provision does not apply if PZU or its representative has not performed such inspection within 7 days from the date of receipt of the notice of damage, or within 14 days if it has been necessary to call expert witnesses (experts);
- 5) provide the representative of PZU with explanations and assistance in obtaining information on the circumstances of the insurance event, the causes of the damage, its subject matter and size.

END OF LIABILITY OF PZU

- i.e. when the insurance cover ends

The insurance cover shall cease in the cases specified in § 4 section 2 and 4 of the Preliminary Provisions and:

- 1) upon complete destruction of the subject-matter of insurance - to the extent of this subject-matter;
- 2) on the date when the sum insured is exhausted;
- 3) on the transfer of ownership of the subject-matter of insurance to the purchaser in respect of this subject-matter - in case of disposal as referred to in § 9.

§ 9

In case of disposal of the subject matter of insurance, PZU excludes the granting of a consent for the transfer of rights under the insurance agreement. In case of disposal of the subject-matter of insurance, the insurance cover expires at the moment when the ownership of the subject-matter of insurance is transferred to the purchaser.

PASSING ON CLAIMS TO PZU

- i.e. to which claims PZU is entitled

§ 10

1. On the date PZU pays the indemnity, the claims of the insured party against the third party responsible for the damage are assigned, by force of law, to PZU up to the amount of paid indemnity. If PZU covers only a part of the damage, the insured party has a priority of satisfaction with regard to the remaining part before the claims of PZU.
2. No claims of the insured party against persons with whom the insured party remains in common household shall be assigned to PZU.
3. If the insured party, without an approval of PZU, waives his/her claim against the third party responsible for the damage, or limits his/her claim, PZU may refuse to pay indemnity or reduce it. If the waiver or limitation of the claim is revealed after PZU pays the indemnity, then PZU has the right to claim from the insured party the return of the whole or part of the paid indemnity.

CLAUSE NO. 3
THIRD-PARTY LIABILITY INSURANCE

GLOSSARY

- i.e. terms that are used in the clause no. 3

§ 1

In the clause are used the terms referred to in § 2 of the Preliminary Provisions and the following terms:

- 1) **acts of terrorism** - individual or group actions directed against the people or property. Their purpose is to achieve economic, political, religious or social effects by creating chaos, intimidation of the population, disorganisation of public life;
- 2) **jewellery** - items of personal use intended to adorn the body or dress of a person, for the manufacture of which precious or semi-precious metals, precious or semi-precious stones has been used;
- 3) **building** - a construction object permanently connected to the ground, separated from the space by means of building partitions, having a foundation and a roof;
- 4) **activities of private life** - activities concerning private sphere, not connected with professional activity and not related to the performance of official duties, paid work or practical vocational training outside the premises of the school. Activities of private life do not include, in particular, performance of economic activity, freelance profession, performing functions in unions, associations, social or political organisations and housing communities;
- 5) **works of art** - items, their parts, ensembles, collections, catalogued collections, which have a collector's, monumental, artistic value or are a testimony of a previous era or event;
- 6) **business property** - a laptop, tablet, mobile phone, including a smartphone, which the employer provided to the insured party for use on the basis of a document imposing material liability on the user of such property;
- 7) **residential unit** - separate living spaces in a building;
- 8) **third party** - any party who is not the Policyholder or the insured party;
- 9) **securities** - cheques, bills of exchange, bonds, shares, bills of lading, letters of credit, other documents that substitute cash, in accordance with the provisions of the law;
- 10) **domestic help** - any person (for example, housekeeper, gardener, child minder, person caring for a disabled person, person caring for a dog) who carries out assigned household auxiliary work for the person designated in the policy as the insured party or home dweller;
- 11) **damage:**
 - loss of, damage to, or destruction of the injured person's property, including the injured person's loss of income which he/she would have gained if the loss, damage or destruction of the property had not occurred,
 - death, bodily injury or disorder of health of a injured person, including also the injured person's loss of benefits which he or she might have gained if there had been no bodily injury or disorder of health;
- 12) **insured party** - the natural person named in the policy as the insured party for whose account the insurance agreement is concluded, and the parties for whose account the insurance agreement is concluded, as specified in the provisions of the clause.

- 13) **practising competitive sport** - practising a sport which involves regular participation in training in a club, association or sports society. It also includes participation in sports competitions (competitions, matches, tournaments or other sports events) or participation in sports conditioning or training camps - with the aim of learning and improving one's skills in a given discipline;
- 14) **Pets** - dogs, cats, hamsters, guinea pigs, parrots, canaries, turtles, aquarium fish, ferrets, chinchillas, gerbils, mice, rats, rabbits, excluding those kept for breeding or commercial purposes.

SUBJECT MATTER AND INSURANCE COVERAGE

- i.e. what can be insured and what PZU is liable for in a third-party insurance policy

§ 2

1. The subject-matter of third-party insurance is the civil liability of the insured party, who is a natural person and who is indicated in the policy, and a home dweller, when in connection with the performance of activities of private life or in connection with the property owned, which is used to perform these activities, as a result of a tortious act (civil liability in tort) they are obliged to indemnify damage caused to a third party. Third party liability in connection with the ownership of a residential unit, building applies only to that residential unit, building which is indicated in the policy and located in Poland. Third party liability also relates to the ownership of the property on which the building is situated and to the ownership of other buildings on the property.
2. The subject-matter of third party insurance shall also include civil liability of a natural person who owns, on the basis of a legal title, including lease agreement: a residential unit, a building, a property or other structures - specified in the section 1, which are used to perform the activities of private life, if in connection with the ownership of this property as a result of a tortious act (liability in tort) the latter is obliged to redress the damage caused to a third party.
3. The subject-matter of third-party insurance is also the third-party liability of a domestic help towards third parties for damages which are the consequence of a tort (third-party liability in tort) caused during the performance of the entrusted auxiliary works in a household carried out in a residential unit, a building, on a property or in any other construction object - specified in the section 1.
4. The insurance cover is also provided for damage caused by gross negligence.
5. The insurance cover extends in particular to third party liability related to:
 - 1) occurrence of water and sewage damage;
 - 2) maintenance of pavements at the property on which the building indicated in the section 1 is located;
 - 3) use of household appliances, bicycle, scooter including electric scooter, personal transport devices, wheelchair or pushchair;

- 4) owning Pets;
 - 5) practising amateur sports;
 - 6) volunteering;
 - 7) taking care of children, disabled persons and other persons;
 - 8) use for recreational purposes of remotely controlled (unmanned) vehicle models, watercraft models, flying models and drones weighing up to 250 g;
 - 9) short-term (up to 90 days) use of the premises and their equipment during tourist, business or social trips or while learning.
- 6.)** PZU provides the insurance coverage within the limits of the insured party's statutory liability, taking into account the provisions of the GTCI.
- 7.** The prerequisite for liability of PZU is the occurrence of an insurance event during the insurance period, and reporting the claim on that account before the expiration of the statute of limitations. An **insurance event** is an act or omission of the insured party, constituting a tortious act, as a result of which the latter has caused damage included in the insurance coverage.
- 8.** Subject to the sections 1-7, the insurance covers third party liability for damage caused by an insurance event that has occurred in Poland.
- 9.** Subject to the sections 1-7, for an additional premium and within the Sum Insured, the Policyholder may extend the insurance coverage to damages occurring on the territory of the European Union countries as well as Iceland, Norway, Switzerland and Great Britain.

§ 3

- 1.** Regardless of the civil liability referred to in § 2, PZU - within the Sum Insured - provides the insurance coverage for damages occurring during the insurance period, caused by direct action of water or other liquid that escaped from the central heating system, air conditioning system, water supply system, sewage system or household appliances directly cooperating with them, when the direct source of the damage is located in the residential unit, building or other building structure, specified in § 2 section 1.
- 2.** The following damages are excluded from liability of PZU:
- 1) caused by force majeure;
 - 2) caused by intentional fault of:
 - a) insured party,
 - b) of persons referred to in § 2 sections 1-3.
- 3.** The insurance cover referred to in the section 1 fails to apply to damages caused to persons referred to in § 2 sections 1-3.
- 4.** The provisions of § 7 section 1 points 4, 9-11, 18, 19, § 8 and § 10 sections 1 and 3, § 11 apply.

§ 4

- 1.** Regardless of the third party liability referred to in § 2, PZU - within the Sum Insured and up to the liability limit of PLN 10,000 - also provides the insurance coverage for damage caused by a home dweller who has been under 13 years of age at the time when the damage has been caused, hereinafter referred to as the "minor", when the person named in the policy as the insured party or home dweller, who is obliged to supervise the minor, has fulfilled this obligation or the damage would also have occurred with diligent supervision.
- 2.** The provisions of § 2 sections 7-9, § 7 section 1 points 2-4, 6, 8-27, sections 2-4, § 8 and § 10, § 11 apply.

EXTENSION OF LIABILITY TO INCLUDE DAMAGE TO RENTED PROPERTY

§ 5

- 1.** Against payment of an additional premium and within the limit of the Sum Insured, the Policyholder may extend the insurance coverage to cover damages which have arisen:
- 1) in property, excluding business property, used by the person designated in the policy as the insured party or home dweller on the basis of an agreement of rent, lease, usufruct, lending, leasing or any other similar form of use of third-party property;
 - 2) in business property while performing official duties.
- 2.** The provisions of § 7 section 1 points 1-19, 22-27 and sections 2-4 apply and the insurance cover fails to include damages which:
- 1) have arisen from vehicles other than bicycles, wheelchairs, scooters, including electric scooters, or personal transport devices and their equipment and property left in such vehicles;
 - 2) have arisen from normal wear and tear of the property;
 - 3) have arisen from the operation of the property contrary to its intended use;
 - 4) consist of loss of property, unless the damage was caused to business property;
 - 5) have arisen as a result of construction, assembly or renovation works, excluding necessary repairs, which - on the basis of binding legal regulations - the person specified in the policy as the insured party or home dweller is obliged to carry out;
 - 6) have arisen from computer programmes, excluding operating systems installed in computer equipment.

EXTENSION OF LIABILITY FOR DAMAGE CAUSED TO THE TENANT

§ 6

- 1.** Against the payment of an additional premium and within the Sum Insured, the Policyholder may extend the insurance coverage to include damage caused by the person designated in the policy as the insured party or a home dweller to the Tenant in connection with the non-performance or improper performance of the Tenancy Agreement for the residential unit or building specified in § 2 section 1.
- 2.** The provisions of § 7 section 1 points 1-6, 9-17, 20, 22-27 and sections 2-4 apply and the insurance cover fails to include damages:
- 1) if the rental of the residential unit or building is for purposes other than meeting the housing needs of the Tenant;
 - 2) arising from the conduct by the person designated in the policy as the insured party or home dweller of a business which consists in renting premises or buildings;
 - 3) if the Tenancy Agreement has not been concluded in writing.

EXCLUSIONS OF LIABILITY

- i.e. what PZU is not liable for in third party liability insurance

§ 7

- 1.** PZU is not liable for damages:
- 1) caused intentionally;
 - 2) caused to the home dweller;
 - 3) caused to a domestic help during performance of assigned auxiliary works in the household;

- 4) caused in a state of intoxication or under the influence of intoxicants, psychotropic substances, new psychoactive substances or substitute drugs, as defined by the regulations on counteracting drug addiction. This exclusion does not apply if such condition of the insured party did not affect the occurrence of the insurance event. The state of the insured party is assessed by PZU according to the provisions of the law of the country where the insurance event occurred;
 - 5) caused by owned animals other than Pets, with the exclusion of damage caused by bees from an apiary of up to 5 hives;
 - 6) caused by practising competitive sports;
 - 7) caused by the obstruction of air traffic or collision with aircraft;
 - 8) caused by the transmission of infectious diseases or infections;
 - 9) involving destruction, damage, loss or theft of: cash, securities, vouchers, works of art, jewellery (excluding eyeglasses and wristwatches), items made of precious metals or stones, items of an antique, archival or unique nature;
 - 10) involving destruction, damage, loss or theft of documents, data carriers, data;
 - 11) caused by slow temperature, gases, smoke, soot, sewage, fungus, vibration and noise;
 - 12) related to the infringement of intellectual property rights, i.e. caused by the infringement of copyrights, licences, patents, trademarks or trade names;
 - 13) related to an access to or use of computer networks or the Internet;
 - 14) caused by acts of terrorism, acts of war, martial law, state of emergency, strikes, social unrest;
 - 15) caused by participation in strikes, riots, civil unrest, protest actions, roadblocks;
 - 16) caused by the impact of nuclear energy, laser rays, maser rays, ionising radiation, magnetic and electromagnetic fields, radioactive contamination;
 - 17) arising from the necessity to undertake an action or omission specified by an administrative decision;
 - 18) arising in the natural environment, which consists in its pollution or contamination;
 - 19) arising in the stand of forests or parks;
 - 20) arising from property used by the person designated in the policy as the insured party or home dweller under a rental, lease, usufruct, lending to use, leasing agreement or other similar form of use of third-party property. This exclusion fails to apply to short-term (up to 90 days) use of the premises with their equipment during tourist, business, integration or study trips and where the Policyholder has extended the insurance coverage according to § 5;
 - 21) caused to the Tenant in connection with non-performance or improper performance of the Tenancy Agreement, this exclusion fails to apply where the Policyholder has extended the insurance coverage according to § 6;
 - 22) caused by owned aggressive dogs. **Aggressive dogs** are dogs of breeds recognised as aggressive according to the applicable Polish legislation: American pit bull terrier, Mallorquin dog (Perro de Presa Mallorquin), American bulldog, Argentine dog, Canary islands mastiff
- 23) arising from the ownership or use of horses;
 - 24) arising from the possession or use of firearms, pneumatic weapons, paintball devices and ammunition for these weapons or devices;
 - 25) arising from participation in hunting;
 - 26) arising from possession or use of watercrafts;
 - 27) caused in relation to the possession or use of motor vehicles which are not subject to compulsory motor vehicle liability insurance.
2. The insurance coverage fails to include fines, contractual penalties, court and administrative fines, advance payments, claims for rescission of the agreement, claims for refunds incurred on account of or in order to perform the agreement, exemplary damages, punitive damages, which the insured is obliged to pay.
 3. Insurance coverage fails to apply to claims that relate to infringement of personal property other than human life and health.
 4. The insurance cover does not include third party liability being the subject-matter of insurance compulsory referred to in the Act on Compulsory Insurance, the Insurance Guarantee Fund and the Polish Motor Insurers' Bureau.

GURANTEED SUM

- i.e. how to determine the Sum Insured and what it covers

§ 8

1. The Sum Insured specified in the third party liability insurance constitutes the upper limit of liability of PZU with respect to all insurance events that have occurred during the insurance period, taking into consideration the liability limit referred to in § 4 section 1. Payment of indemnity or costs referred to in the section 3 and § 10 section 1 point 1 reduces the Sum Insured and the liability limit referred to in § 4 section 1 by the amount paid.
2. The Policyholder, in agreement with PZU, may supplement the Sum Insured and the limit referred to in § 4 section 1. In such case the latter has to pay an additional insurance premium. For insurance events occurring prior to the date of supplementing the Sum Insured and the limit referred to in § 4 section 1, PZU remains liable up to the amount of the Sum Insured and the limit referred to in § 4 section 1 prior to their supplementation.
3. Within the Sum Insured PZU is obliged to cover the costs of defence in relation to the claims for indemnity, that is:
 - 1) necessary costs of court defence against the claim of the injured party or beneficiary under the insurance agreement in a dispute conducted with PZU;
 - 2) necessary costs of court defence in a criminal proceeding, if the pending proceeding is related to the settlement of liability and if PZU requested to appoint a defence or agreed to cover those costs;
 - 3) costs of court proceedings (including mediation or conciliation proceedings) and costs of administrative fees, where PZU has agreed to bear such costs.

DETERMINATION OF INDEMNITY

- i.e. how PZU determines the amount of indemnity

§ 9

1. Satisfying or recognising the claim referred to in § 10 section 2 by the insured party does not have legal effects with respect to PZU, if PZU has not given its prior approval.
2. If on account of indemnity the injured party is entitled to both single benefits and disability benefits, PZU pays them out of the applicable Sum Insured in the following order:
 - 1) single benefit;
 - 2) temporary benefits
 - 3) life annuity.

PROCEDURE IN CASE OF INSURANCE EVENT

- i.e. what to do when event occurs

1. If an insurance event occurs, the Policyholder or insured party is obliged to:
 - 1) use available measures to save the subject-matter of insurance, prevent the damage or reduce its size, inter alia, in the case of theft of business property, notify the police if necessary. If the Policyholder or the insured party intentionally or through gross negligence has failed to apply the above measures, PZU shall not be liable for the damage that has arisen for that reason. PZU is obliged, within the limits of the Sum Insured, to refund the costs that have resulted from the application of the above measures, if those measures have been advisable, even if they have proved ineffective;
 - 2) notify PZU of the occurrence of an insurance event immediately, but no later than within 7 days of its occurrence or becoming aware thereof. If PZU infringes this obligation intentionally or through gross negligence, PZU may adequately reduce the indemnity if the infringement contributed to the increase of the damage or made it impossible for PZU to determine the circumstances and effects of the event. The consequences of a failure to notify PZU about the insurance event shall not occur if PZU, within the aforementioned time limit, has received information on the circumstances which should have been communicated to it.
2. If the injured party submits a claim for indemnity against the insured party, the Policyholder or the insured party is obliged to notify PZU of that immediately, but no later than within 7 days. If the above claim is brought to court, the Policyholder or the insured party is obliged to notify PZU immediately, but no later than within 7 days of receipt of the action. The Policyholder or the insured party is obliged to provide PZU with a court ruling in time to take a position on the legal action.
3. If an insurance event occurs, the Policyholder or insured party is obliged to cooperate with PZU in order to clarify the circumstances and causes of the damage and to determine its extent.

END OF LIABILITY OF PZU

- i.e. when the insurance cover ends

§ 11

The insurance cover ceases in the cases specified in § 4 section 2 and 4 of the Preliminary Provisions and on the date on which the Sum Insured is exhausted

CLAUSE NO. 4

LEGAL EXPENSES INSURANCE

GLOSSARY

§ 1

The clause uses the terms referred to in § 2 of the Preliminary Provisions and the following terms:

- 1) **activities of private life** - activities concerning private sphere, not connected with professional activity and not related to the performance of official duties, paid work or practical vocational training outside the premises of the school. Activities of private life do not include, in particular, performance of economic activity, freelance profession, performing functions in unions, associations, social or political organisations and housing communities;
- 2) **securities** - cheques, bills of exchange, bonds, shares, bills of lading, letters of credit, other documents that substitute cash, in accordance with the provisions of the law;;
- 3) **insured party** - the natural person named in the policy as the insured party for whose account the insurance agreement is concluded, and the parties for whose account the insurance agreement is concluded, as defined in the provisions of the clause.

SUBJECT MATTER OF INSURANCE

- i.e. what can be covered by the insurance

§ 2

1. As a part of the legal expenses insurance, PZU covers or reimburses the necessary and legally justified costs of protecting the legal interests of the natural person specified in the policy as the insured party and the home dweller, which are related to the performance of activities of private life. The costs are necessary and legally justified if the protection of the legal interests of the natural person named in the policy as the insured party and home dweller or the assertion of claims is permissible under the applicable legal provisions.
2. PZU reimburses the costs referred to in the section 1, if the insurance event defined in § 3 has occurred in Poland during the insurance period and is governed by the law of the Republic of Poland.

INSURANCE COVERAGE

- i.e. what PZU is liable for

§ 3

1. Subject to § 2, PZU covers or reimburses the costs of legal protection, particularly in respect of:
 - 1) pursuing by the insured party his/her own claims for damages on account of torts - the insurance event is the first event that caused damage to the insured party;
 - 2) defence of the insured party in respect of criminal law and misdemeanours - the **insured event** is the first actual or alleged infringement of criminal law or misdemeanours by the insured party;
 - 3) protection of the insured party's legal interests in administrative proceedings and proceedings before administrative courts - the **insured event** in the case of proceedings initiated:

- a) at the request of a party - is the first event that triggers the need to initiate administrative proceedings,
 - b) ex officio - is the moment when the administrative proceedings are initiated;
- 4) protection of the legal interests of the insured party with regard to agreements - the **insured event** in case of:
- a) disputes that arise from agreements, other than the assertion of claims under a warranty or statutory warranty - is the first infringement of the contractual provisions that gives rise to the need to protect the legal interest of the insured party,
 - b) the assertion of claims under the warranty or statutory warranty - is the moment at which the defect becomes apparent;
- 5) protection of legal interests of the insured party related to owning, using, letting into use, renting, leasing, lending property - the **insured event** is the first event which results in the necessity to protect the legal interests of the insured party;
- 6) protection of legal interests of the insured party in respect of inheritance law - the **insured event** is the death of the testator;
- 7) protection of the insured party's legal interests in the field of labour and social insurance law - the **insured event** is the first event resulting in the insured party or
- for the insured party, a claim under the labour or social insurance law;
- 8) protection of personal data of the insured party, including protection of legal interests of the insured party related to unauthorised use of his/her personal data (for example, when someone uses stolen data of the insured party to extort money or other property or to expose him/her to loss of reputation) - the **insured event** is the first event as a result of which the need to protect the legal interests of the insured party arises. In cases other than those mentioned above, **the insured event** is the first event that gives rise to the need to protect the legal interests of the insured party.
2. If several of the events or infringements mentioned in the section 1 are in the cause and effect relationship and it is necessary to protect the legal interest of the insured party, then they constitute one insurance event. In this case, the moment of occurrence of this insurance event is the occurrence of the first of these events or the occurrence of the first of these infringements.
3. The legal expenses insurance may be taken out in one of the following insurance variants: in the Komfort Legal Expenses variant or in the Super Legal Expenses variant. The choice of the variant is made by the Policyholder.
4. Depending on the chosen variant of insurance, the following legal expenses are covered (table below):

Insurance variants	
Komfort Legal Expenses	Super Legal Expenses
<ul style="list-style-type: none"> - costs of legal opinions - fees of one advocate or attorney at law as mentioned in § 5, chosen by the insured party - court costs in the civil and criminal cases and costs of proceedings before administrative courts - costs of administrative proceedings 	<ul style="list-style-type: none"> - costs of legal opinions - fees of one advocate or attorney at law as specified in § 5, chosen by the insured party - court costs in the civil and criminal cases and costs of proceedings before administrative courts - costs of administrative proceedings - costs awarded by a final and non-appealable court decision against the insured party in favour of the opposing party - costs of enforcement proceedings if the insured party is the creditor - costs of arbitration proceedings - costs of out-of-court mediation, if it has been conducted with the consent of PZU, and costs of court mediation - costs of suretyship, taking into account the sections 5 and 6

- costs of providing legal information relating to not more than 10 insurance events.

Legal information is:

- 1) sending of model agreements or letters that are part of common legal transactions;
 - 2) sending of texts of current or archival legal acts;
 - 3) providing information on the applicable court procedures and costs of court proceedings;
 - 4) providing information on legal provisions, case law, views on the doctrine of law - within the scope of the reported legal problem.
5. Under the Super Legal Expenses variant, PZU covers, up to the amount of the sum insured, the costs of property surety (deposit) provided by the criminal law in order for the insured party to avoid temporary arrest. towards the imposed penalty, the insured party is obliged to return the deposit to PZU within 7 days from the date that the ruling becomes unappealable and final.
6. The insured party is obliged to return the deposit to PZU within 12 months from the date of its coverage at the latest. If the deposit is waived or if it is returned to the insured party, the latter is obliged to return the amount that PZU has paid under the deposit to PZU within 7 days. If the court decides to forfeit the deposit or a part of it, or credits it to the

PARTICIPATION OF ADVOCATE OR ATTORNEY AT LAW

§ 4

- 1. The insured party has the right to freely choose an advocate or attorney at law to defend and represent his/her interests.

2. PZU may also recommend an advocate or attorney at law to the insured party on a non-binding basis.
3. The insured party is obliged - in the power of attorney granted to the advocate or attorney at law - to oblige him/her to keep PZU informed on the status of the case.
4. The advocate or attorney at law is liable only towards the insured party. PZU shall not be liable for the acts of the advocate or attorney at law..

§ 5

1. The costs of fees for an advocate or attorney at law are borne by PZU according to the following rules:
 - 1) for cases for which the minimum rate exceeds PLN 360 - up to twice the minimum rate determined under the applicable provisions of law on the fees for the activities performed by an advocate or attorney at law;
 - 2) for cases for which the minimum fee does not exceed PLN 360 - up to six times the minimum rate according to the relevant provisions of the law on fees for the activities performed by an advocate or attorney at law.
2. The rules described in the section 1 apply to the amount of remuneration of an advocate or attorney at law for providing services at each stage of protection of the insured party's legal interests. However, for the whole period of rendering services (pre-court and court stage) one remuneration is due in total, determined according to these rules.

EXCLUSIONS OF LIABILITY

- i.e. what PZU is not liable for

§ 6

PZU is not liable for legal expenses which:

- 1) refer to insurance events caused intentionally or which are in direct connection with the commission of an intentional crime or offence;
- 2) refer to insurance events caused by the insured party while the latter is intoxicated or under the influence of intoxicants, psychoactive substances, new psychoactive substances or substitutes in the meaning of the provisions on the prevention of drug addiction. This exclusion shall not apply if such condition of the insured party did not affect the occurrence of the insurance event;
- 3) refer to disputes between the parties to the legal expenses insurance agreement;
- 4) refer to disputes between insured parties;
- 5) refer to disputes between the insured party and PZU, PZU Życie SA, PTE PZU SA, TFI PZU SA, PZU Pomoc SA, PZU Zdrowie SA, PZU Centrum Operacji SA, Link4 TU SA, PEKAO SA, Alior Bank SA and costs incurred by the insured party in proceedings in which it is probable that the latter has acted to the detriment of PZU;
- 6) have been covered under an insurance agreement that the insured party has concluded with another insurance company;
- 7) refer to cases within the scope of the tax law, customs law, other public and fiscal law, as well as cases within the scope of commercial law, commercial companies law and agency agreements;
- 8) refer to matters of family and guardianship law;
- 9) refer to matters of the law on investment funds, bonds, securities;
- 10) refer to matters of the law on associations, the law on trade unions;
- 11) arise from agreements concluded by the insured party: suretyship, assumption of debt, credit, loan, bank account, financial intermediation, life insurance with insurance capital fund;
- 12) refer to restructuring, arrangement, reorganisation, bankruptcy proceedings;
- 13) arise from employment agreements or other legal relations which relate to the performance of functions of members of the statutory bodies of legal persons;
- 14) refer to matters related to the protection of copyrights, patent law, trademarks, other intellectual property rights, industrial property rights, competition law, the law on the rules of competition;
- 15) refer to matters of the press law;
- 16) are in connection with gambling, betting, futures or speculative transactions;
- 17) are in connection with zoning, subdivision, consolidation and expropriation of Building, privatisation, re-privatisation, other ownership transformations, proceedings for the demarcation of Building;
- 18) refer to matters of the construction law;
- 19) refer to proceedings before the Constitutional Court and international tribunals;
- 20) are in connection with the driving or possession of motor vehicles;
- 21) are in connection with the deliberate concealment by the insured party of information or documents that may affect the provision of legal assistance;
- 22) refer to the assertion of claims for improper performance of services by entities acting on behalf of PZU;
- 23) refer to situations where the defence of the insured party's interests is contrary to good morals;
- 24) are in connection with an access to public information;
- 25) are in connection with the lengthiness of proceedings;
- 26) have arisen as a result of the insured party's participation in strikes, riots, disturbances, protest actions, road blockades.

SUM INSURED

- i.e. how to determine the sum insured

§ 7

1. The sum insured represents the upper limit of liability of PZU. It is determined for all insured events that occurred during the insurance period and for all insured parties jointly. The sum insured amounts to:
 - 1) PLN 500 - for the Komfort Legal Expenses variant;
 - 2) PLN 30,000 - for the Super Legal Expenses variant.
2. Each coverage or cost refund causes a reduction of the sum insured.

PROCEDURE IN CASE OF INSURANCE EVENT

- i.e. what to do when event occurs

§ 8

- 1) immediately notify PZU of the occurrence of the insurance event, its circumstances and provide PZU with all information, documents, correspondence and evidence related thereto needed to establish the type and size of indemnity

- and allow the explanatory proceedings to be carried out;;
- 2) proceed in accordance with the instructions of PZU;
 - 3) inform the PZU of his/her choice of an advocate or attorney at law;
 - 4) cooperate with PZU in order to clarify the circumstances of the insurance event and the causes of the claim or damage;
 - 5) before proceeding to court - at the request of PZU - conduct pre-court proceedings;
 - 6) refrain from pursuing his/her claims in court until other proceedings already pending which are related to the above claims have become final and unappealable. This shall not apply if the delay could lead to prescription of claims of the insured party;
 - 7) at the justified request of PZU, submit only a request for an amicable settlement or a partial claim and withhold the enforcement of the remaining claims until a decision concerning a part of the claim becomes final and unappealable;
 - 8) not conclude an amicable settlement if PZU has not accepted it.

PAYMENT OF INDEMNITY

- i.e. how PZU determines the amount of benefit

§ 9

1. The following evidence, which proves that the insured party has incurred costs or had an obligation to pay, constitutes the basis for the payment of indemnity:
 - 1) bills issued by an advocate or attorney at law with proof of payment;
 - 2) court demands for payment;
 - 3) final and unappealable court rulings;
 - 4) other documents which prove the reasonableness and amount of the costs incurred or to be incurred.
2. If the insured party has covered the costs on his/her own, pursuant to § 5, PZU reimburses them to the insured party up to the amount actually incurred, but no more than up to the amount of the sum insured. The basis for the consideration of the claim submitted is the presentation to PZU of the evidence specified in the section 1, along with the information and documents that are necessary to establish the circumstances of the insurance event, legitimacy of claims and the amount of indemnity.
3. If the amount of costs does not result from the provisions of the law, PZU covers them in the amount previously agreed upon with the insured party.
4. If the insured party has been accused of an intentional crime or misdemeanour and has been acquitted by a final and unappealable judgment, PZU covers the costs according to the GTCI. This rule also applies in the case of other legal proceedings if the denial of coverage has been caused by an intentional infringement of the law by the insured party.
5. If the insured party chooses an advocate or attorney at law recommended to him/her by PZU on a non-binding basis, PZU covers the costs on a cashless basis.

END OF LIABILITY OF PZU

- i.e. when an insurance cover begins and ends

§ 10

The insurance cover ceases in the cases specified in § 4 section 2 and 4 of the Preliminary Provisions and on the date on which the sum insured is exhausted.

CLAUSE NO. 5 HOME ASSISTANCE INSURANCE

GLOSSARY

- i.e. terms that are used in the clause no. 5

§ 1

In the clause are used the terms referred to in § 2 of the Preliminary Provisions and the following terms:

- 1) **breakdown of an external door** - sudden and independent from the will of the insured party damage to the external door of the residential unit or single-family house, including balcony or terrace door, or to the lock on this door, which makes it impossible to open or close it properly. It is also the slamming of a door in such a way that the keys or other devices used to open the door are inside and the insured party is unable to get inside or get out;
- 2) **breakdown of installation** - resulting from an external or internal cause, sudden, unexpected, and beyond the control of the insured party, damage to electrical, water, sewage or central heating systems, including fittings and fixtures, which causes them to stop working or to malfunction;
- 3) **building** - a construction object permanently connected to the ground, separated from the space by means of building partitions, having a foundation and a roof;
- 4) **malicious damage** - an intentional destruction or damage to property by third parties, also in connection with burglary or attempted burglary, intervention of law enforcement authorities, fire brigade or ambulance service;
- 5) **single-family house** - a detached, semi-detached or terraced residential building containing no more than two premises which are not separate properties or are not the subject of a cooperative ownership right to the premises;
- 6) **burglary** - theft committed or attempted by the perpetrator:
 - a) after having removed - by using force or tools - the security devices, leaving traces on these security devices which are evidence of the use of force or tools, or
 - b) after opening the locks with an original key or other opening device (for example, a remote control) which the latter obtained as a result of the burglary of another room or vehicle or as a result of a robbery, or
 - c) after overcoming a mechanical and electronic lock or an electronic gate locking system, if evidence of the unlawful presence or action of the perpetrator remains (for example, recorded camera footage, other evidence secured by the police);
- 7) **residential unit** - separate living spaces in a building;
- 8) **place of insurance** - the residential unit or single - family house indicated in the policy, which is in the possession of the insured party under a legal title;
- 9) **third party** - any party who is not the Policyholder or the insured party;
- 10) **power surge** - sudden change of voltage in electrical installation;
- 11) **insured party** - the natural person named in the policy as the insured party for whose account the insurance agreement is concluded, and the parties for whose account the insurance agreement is concluded, as defined in the provisions of the clause;
- 12) **securing the place of insurance:**

- 1) walls, floors, ceilings, roofs in the residential unit, single-family house are fixed and embedded in such a way that it is not possible to dismantle them without damaging or destroying them at the same time;
- 2) all openings in the walls, ceilings, floors and roofs of the flat, single-family house are closed and secured in such a way that it is impossible for third parties to gain access to the interior or to remove objects from the interior without the use of force or tools;
 - 3) external doors, with the exception of balcony or terrace doors, to a residential unit, single-family house, are locked with at least one multi-pin tumbler lock or multi-point lock or a mechanical and electronic lock;
- 13) **random events:**
 - a) **smoke and soot** - suspension of particles which is the result of:
 - combustion and escaping from devices located in the place of insurance, operated according to their purpose and technical regulations and with efficient functioning of ventilation devices,
 - fire, regardless of the place of its origin,,
 - b) **explosion** - explosion - an explosion which consists of the release of gases, dust or vapour and is caused by their property of propagation. With regard to pressure tanks and other such vessels, the condition for the damage to be considered as caused by an explosion is that the walls of these tanks and vessels are torn and cause the escape of gases, dust, vapour or liquids. Damage caused by implosion, which consists in damaging a tank or vacuum apparatus by external pressure, is also deemed to be caused by an explosion,
 - c) **hail** - atmospheric precipitation consisting of lumps of ice,
 - d) **supersonic bang** - a shock wave generated by an aircraft travelling at a speed greater than the speed of sound,
 - e) **hurricane** - wind with speed not less than 13.8 m/s as determined by the Institute of Meteorology and Water Management (IMGW-PIB), hereinafter referred to as the "IMGW", the impact of which causes mass damage. If it is not possible to obtain an opinion from IMGW, the occurrence of a hurricane shall be determined by PZU on the basis of the actual status and extent of damage in the place of its origin or in its immediate vicinity,
 - f) **avalanche** - violent sliding or rolling away of masses of snow, ice, mud, rocks or stones from a mountainsides,
 - g) **fire** - fire that has escaped from a hearth or originated without a hearth and has spread by its own power,
 - h) **precipitation** - rain, melting: snow, ice, hail,
 - i) **landslide** - unpremeditated sliding of the earth down an embankment or slope,
 - j) **lightning** - direct atmospheric discharge on the subject matter of insurance,
 - k) **flooding** - the inundation of land as a result of:
 - rising water levels in flowing or stagnant watercourses and waterbeds,
 - run-off on slopes or hillsides in mountainous or undulating areas,
 - rising sea levels in coastal waters (backwater),
 - rainfall with a coefficient of performance of at least 4 determined by IMGW. If it is not possible to obtain an opinion from the IMGW, the occurrence of rain of a coefficient of performance of at least 4 shall be determined by PZU on the basis of actual state and size of damage in the place of its occurrence or in its immediate vicinity,
 - p) **snow and ice** - natural precipitation in the form of snow or ice which:
 - by its weight directly affects the subject matter of insurance, or
 - by its weight, can cause trees or other objects to fall on the subject matter of insurance,
 - q) **vehicle impact** - the impact of a vehicle, its parts or cargo carried therein on the subject matter of insurance,
 - r) **aircraft fall** - a disaster or forced landing of a motorised or unmotorised aircraft or other flying object, as well as the fall of their parts or of the load carried therein,
 - l) **fall of trees or masts** - a fall of trees, masts, power poles, chimneys, lampposts or their parts on the subject matter of insurance,
 - m) **earthquake** - natural, violent shaking of the earth's crust,
 - n) **inundation** - the effect of steam, water or other liquids, due to:
 - a breakdown of the water system (including a water pump), the following systems: sewage system, air-conditioning system, central heating system,
 - backflow of water or sewage from a sewage system,
 - cessation of proper operation of household appliances, interruption of power supply, damage to an aquarium or waterbed,
 - inadvertent leaving open of taps or other valves installed on the installation.
 It also covers inundation caused by third parties by water or other liquid that originates from outside the place of insurance,
 - o) **land subsidence** - the lowering of land due to the collapse of natural, underground, hollow spaces in the ground.

SUBJECT MATTER AND INSURANCE COVERAGE

- i.e. what can be covered by the insurance and what PZU is liable for

§ 2

1. Under home assistance insurance, in case of the occurrence of the insurance event specified in the section 5 (table below), PZU organizes and covers the costs of assistance services specified in the section 5 and in § 3, if that insurance event occurred during the insurance period at the place of insurance located in Poland.
2. Assistance services are provided to the natural person designated in the policy as the insured party, who has his/her place of insurance on the basis of a legal title, and to his/her home dweller.
3. Assistance services are provided to the natural person designated in the policy as the insured party, who has his/her place of insurance on the basis of a legal title, and to his/her home dweller. Assistance services are provided by PZU exclusively in Poland through the Assistance Centre. The Assistance Centre is a unit acting on behalf of PZU, to which the insured party (or a person acting on his/her behalf) reports the insurance event by phone. The Assistance Centre operates 24 hours a day, 7 days a week. Information on telephone numbers of the Assistance Centre is available on the PZU website, and is also contained in the policy.

4. The Home Assistance insurance can be taken out in one of the following coverages: the Standard Plus variant or the Standard variant. The choice of variant is made by the Policyholder.

5. Depending on the insurance variant chosen, the insured party can benefit from the following assistance services (table below):

Pos.	Insurance event	Assistance service	Limits and availability of services	
			Standard Plus variant	Standard variant
1.	- breakdown of external doors - installation breakdown - random event - power surge - malicious damage - burglary - loss of keys	specialist intervention telephone information	- up to PLN 500 for each intervention and - up to 4 interventions in the insurance period	
2.	installation breakdown	diagnosis of the cause of installation breakdown	- up to PLN 200 per diagnosis and - up to 2 diagnoses during the insurance period	
3.	<input type="checkbox"/> installation breakdown <input type="checkbox"/> random event <input type="checkbox"/> power surge <input type="checkbox"/> malicious damage <input type="checkbox"/> burglary	hotel stay	- service is provided until the place of insurance has been restored to a state that makes it possible to continue living there; not more than: - for a stay in a hotel - for 5 consecutive hotel days and up to PLN 3,000 per insured event - for transport to a hotel - up to PLN 500 per each insured event	service is not eligible
		stay in alternative accommodation	- service is provided until the residential unit or single-family house is restored to a condition permitting further habitation, but no longer than for 6 months from the date the replacement residential unit is made available to the insured party - not more than PLN 15,000 per insured event	
		protection of surviving property	- property surveillance - shall be carried out until the property is repaired or new security measures are put in place, however, not longer than for 14 days - up to PLN 2,000 per each insured event - storage of property - up to PLN 2,500 per each insured event, however, not longer than for 30 days	
		post-damage assistance	- cleaning up the remains after the damage - up to PLN 2,000 per insurance event - securing surviving property - up to PLN 2,000 per insurance event - transport and bringing in building or finishing materials - up to PLN 2,000 per insurance event	
4.	burglary	advice from an anti-theft security specialist	- up to PLN 500 per insured event	
5.	appearance of: mice, rats, German cockroaches, bedbugs, cockroaches, wasp nests or hornets	pest control or disinsectisation, and removal of wasp or hornet nests	- up to PLN 500 per intervention and - 1 intervention during the insurance period	
6.	breakdown of consumer electronics/household appliances/PC hardware	repair of consumer electronics, household appliances, PC hardware	- up to PLN 500 per insured event - up to 2 repairs, 2 transports (both ways) and 2 expert opinions during the insurance period	
7.	software breakdown	remote assistance from an IT specialist	- up to 12 remote assistance services during the insurance period	

6. The limits set forth in the section 5 constitute the upper limit of liability of PZU and are determined jointly for all insured parties.
7. The rules for the organisation of individual assistance services are laid down in § 3.

ASSISTANCE SERVICES

- i.e. the description of the assistance services mentioned in the table above

§ 3

1. The **intervention of a specialist** is available to the insured party if the place of insurance is damaged or destroyed as a result of an insurance event or if the insured party has lost the keys to it. The service includes organising and covering the costs of travel and labour costs of: a locksmith, electrician, plumber, glazier, gas fitter, heating appliance technician, air conditioning appliance technician, roofer, carpenter, bricklayer - to the extent necessary to repair the damaged property, and in case of loss of keys - to the extent of replacing the locks on external doors.
PZU shall also cover the costs of necessary parts or materials used for the repair or replacement, with the exception of: washbasins, toilet bowls, toilet cisterns with tanks, baths, shower trays, gas and electric cookers for heating water and radiators. PZU does not guarantee that the parts or materials used for repair or replacement shall be of the same quality as the damaged elements.
2. **Diagnosis of the cause of installation breakdown** shall be provided to the insured party in case where an installation breakdown resulting in damage to property located at the place of insurance or where probability of damage to such property occurs. The service covers the organisation of the diagnosis of the cause of the breakdown of the installation and the securing of the installation in such a manner that damage to the property located at the aforesaid place of insurance is prevented or the extent of the damage is reduced. The service covers the cost of travel, labour and materials used to secure the installation and shall be provided unless an access to the place where the installation breakdown has occurred is denied.
3. **Directory enquiries** - depending on the nature of the insured party, the latter can obtain information about the telephone numbers of utility services, service providers (for example, plumbers, glaziers, locksmiths, fire extinguishers, heating technicians, air conditioning technicians, electricians, roofers, painters, flooring installers, bricklayers), repair services, construction companies, renovation companies or moving companies.
4. The insured party is entitled to a **stay at a hotel** when, as a result of an insurance event, the residential unit of the insured party is damaged or destroyed to such an extent that the insured party cannot continue to live there. This service includes the organisation of the insured party's stay at a hotel and covering the costs of this stay together with the costs of the insured party's transport to and from the hotel.
5. The insured party shall be entitled to **stay in a substitute residential unit** if, as a result of an insurance event, the insured party's place of residence is damaged or destroyed to such an extent that it takes more than 5 days to restore the place of residence (i.e. until the painting, wallpapering, parquet and tiling work is completed, the water supply, sewerage and central heating systems are operational and a gas or electric cooker is connected). The fact that the above place

of insurance is no longer suitable for habitation, should be determined by the relevant services (for example fire brigade, building supervision or building administration). The service covers costs of making a substitute residential unit available to the insured parties in order to satisfy their housing needs, whereby the location of that substitute unit does not have to correspond to the location of the place of insurance, and its area, standard of finish and equipment may be different from that of the place of insurance.

Rental of the substitute residential unit specified by PZU takes place on the basis of a Tenancy Agreement concluded between the insured party and the entity that rents the substitute residential unit and on the terms and conditions specified in the agreement. If the Tenancy Agreement provides for the need to pay a deposit to the Landlord by the insured party, PZU, upon the application of the insured party, covers the costs of that deposit. Upon termination of the Tenancy Agreement, the insured party is obliged to return the amount of the deposit to PZU within 14 days from the date of termination of that agreement. PZU does not cover costs that are related to the use of the substitute residential unit: utility costs (e.g. water, gas, electricity), telephone, Internet, television or other services provided to the insured party.

6. **Protection of surviving property** - the service covers the organisation and payment of costs of:
 - 1) **surveillance of the property**, which is located at the place of insurance - if as a result of an insurance event the security of the property at the place of insurance is damaged or destroyed;
 - 2) **storage of property** which is located at the place of insurance and which is saved from the insurance event, as well as transport of this property to and from the place specified by the insured party. The insured party is entitled to this service if, as a result of an insurance event, the place of insurance is damaged or destroyed to such an extent that the continued storage of the property at the place of insurance may cause damage or destruction to it.
7. **Post-damage assistance** is available to the insured party when the place of insurance is damaged or destroyed as a result of an insurance event
The service covers the organisation and payment of the costs of:
 - 1) **cleaning up of the remains after the damage;**
 - 2) **securing the property survived** from the insurance event which is located in the aforesaid place of insurance against further damage or destruction;
 - 3) **transport and bringing of building or finishing materials** to the aforesaid place of insurance, which are necessary to carry out repairs aimed at elimination of damages caused by the insurance event.
8. The insured party is entitled to the **advice of a theft-prevention specialist** if a burglary has occurred at the place of insurance. This service includes the organisation and payment of the costs of consultation with a theft prevention expert on how to best secure the place of insurance against burglary.
9. **Pest control or disinsectisation** is available to the insured person when the following occur at the place of insurance: mice, rats, roaches, bedbugs, cockroaches, wasps' nests or hornets' nests. The service covers the organisation and payment of the costs of extermination or disinsectisation as well as removal of wasps' or hornets' nests.

10. The insured party shall be entitled to the repair of **consumer electronics, household appliances, PC hardware** if the consumer electronics, household appliances, PCs have malfunctioned. **Consumer electronics** are TVs, players, recorders, Hi-Fi sets which:

- 1) are owned or co-owned by the insured party;
- 2) are not used for gainful employment;
- 3) are, at the date of the insurance agreement, not more than 5 years old from the date of manufacture; and
- 4) are powered exclusively from the mains (i.e. battery or rechargeable battery power is not possible).

Household appliances are gas cookers, electric cookers, induction hobs, ceramic hobs, glass hobs, ovens, microwave ovens, washing machines, washer-dryers, electric clothes dryers, fridge-freezers, freezers, dishwashers which:

- 1) are owned or co-owned by the insured party;
- 2) are not used for gainful employment; and
- 3) are, at the date of conclusion of the insurance agreement, not more than 5 years old from the date of manufacture.

PC hardware are desktop computers, laptops, which:

- 1) are owned or co-owned by the insured party;
- 2) are not used for gainful employment; and
- 3) are not more than 5 years old from the date of manufacture at the date of the insurance agreement.

Breakdown of consumer electronics, household appliances, PC hardware is a sudden, unexpected damage that prevents the consumer electronics or household appliances or PC hardware from being used as intended and that is not caused by improper operation or preventive maintenance of the equipment.

The service includes organising and covering the costs of the specialist's travel and labour and covering the costs of the necessary parts or materials used for the repair. If repair at the place of insurance is not possible, PZU organises repair in a service centre and covers its costs (including costs of necessary parts or materials used for repair) and the costs of transport of the equipment to and from the service centre. If the cost of repair exceeds the actual value of the equipment (unprofitable repair), PZU organizes and covers only the costs of transport of the equipment to and from the service centre or of the specialist's travel to the place of insurance, as well as the cost of the expert's opinion confirming the unprofitable repair.

If the repair is covered by the manufacturer's warranty, PZU organises and covers only the costs of transport of the equipment to the nearest authorised service station.

11. **Remote assistance of an IT specialist** is available to the insured party if there is a software breakdown in the computer hardware.

PC hardware is a desktop computer, laptop, tablet and printer, scanner which:

- 1) are owned or co-owned by the insured party and
- 2) are not used for gainful employment.

Software breakdown is a sudden, unexpected, malfunction of software installed on computer hardware that prevents the use of that software. Software is the operating system, computer programmes for which the insured party has a licence, if required, and which are not used for gainful employment.

The service covers the organisation and payment of the costs of remote assistance by an IT specialist, i.e.:

- a) installation or uninstallation of software (including anti-virus software),
- b) updating the version of the operating system or software,
- c) configuration of the operating system or software, inter alia mail.

- d) installation of drivers and configuration of printer or scanner,
- e) removal of computer viruses,
- f) other activities necessary for the remote repair of a software malfunction.

Remote assistance by an IT specialist is provided remotely by telephone or by an application that allows an IT specialist to connect to the computer equipment affected by the software breakdown. The service shall be provided if the insured party agrees to install the appropriate application on his/her computer equipment and to connect the IT specialist to this equipment. The insured party gives his/her consent by accepting the message displayed on the monitor of this equipment. If a key or code is required to install the software on the computer equipment, the insured party is obliged to provide it to the IT specialist. The service is provided 7 days a week, from 10 a.m. to 9 p.m., excluding public holidays.

EXCLUSIONS OF LIABILITY

- i.e. what PZU is not liable for

§ 4

1. PZU neither organises nor covers the costs of assistance services:

- 1) if the insurance event is caused intentionally or through gross negligence on the part of the insured party. This exclusion shall not apply if, in spite of gross negligence, the payment of indemnity is equitable under the given circumstances;
- 2) if the insurance event is caused intentionally by a person with whom the insured party remains in the same household;
- 3) if the insurance event is caused by a prolonged and progressive leakage of installations or groundwater infiltration;
- 4) consisting of repairs covered by the manufacturer's warranty;
- 5) provided because of damages:
 - a) light bulbs, fuses,
 - b) faucets that are part of fittings,
 - c) of an aesthetic nature,
 - d) underground pipes, drains, water pipes or underground power lines,
- e) machinery or equipment that is used for business purposes and their connection to the electrical or plumbing system;
- 6) resulting from natural wear and tear of parts or consumables;
- 7) those involving preventive maintenance of the installation;
- 8) resulting from improper or inconsistent with the manufacturer's instructions installation, repair, alteration or structural changes made by the insured party;
- 9) provided in connection with a lack of an access to the Internet;
- 10) in connection with software breakdown:
 - a) caused by illegal software or originated in illegal software,
 - b) related to computer games;
- 11) connected with a lack of mutual compatibility of computer hardware and software elements or resulting from installation of software without any valid licences;
- 12) caused by breakage (smashing) or cracking of consumer electronics, household appliances or PC hardware or its elements;
- 13) connected with the purchase of licences, software;
- 14) those related to data recovery.

3. PZU shall not be liable for loss of data in computer hardware due to software malfunction or in PC hardware due to its breakdown.
4. PZU does not organise and does not cover the costs of assistance services if the insurance event occurred in relation to the insured party being in a state:
- 1) intoxication, or
 - 2) under the influence of alcohol, or
 - 3) under the influence of intoxicants, psychotropic substances, new psychoactive substances or substitute agents, within the meaning of the regulations on the prevention of drug addiction.
- This exclusion shall not apply if such condition of the insured party had no influence on the occurrence of the insured event.
5. The liability of PZU excludes the costs of assistance services incurred by the insured party without the consent of the Assistance Centre. This shall not apply if it has not been possible to contact the Assistance Centre in the manner described in § 5 - then the provisions of the section 6 apply.
6. PZU reimburses the costs of assistance services that the insured party has organised and covered on his/her own, only if for reasons beyond control of the insured party (or the person acting on his/her behalf) the latter could not contact the Assistance Centre in the manner defined in § 5. In such a situation PZU reimburses the costs incurred by the insured party up to the amount actually incurred, but no more than up to the liability limit for the given assistance service defined in § 2 section 5. If that limit has not been determined - up to the maximum amount that corresponds to the average price for performing that type of service in the territory where the service had been provided. The insured party (or the person acting on his/her behalf) is obliged to state the reason for his/her inability to contact the Assistance Centre. The basis for the consideration of a reported claim is the submission by the insured party of named bills and proofs of their payment for the provision of assistance services.

PROCEDURE IN CASE OF INSURANCE EVENT

i.e. what to do when event occurs

§ 5

Should you wish to make use of the assistance services referred to in § 2 section 5, the insured party (or a person acting on his/her behalf) should notify the Assistance Centre of the insurance event by calling the helpline number specified in the policy and provide:

- 1) forename and surname of the insured party;
- 2) address of the place of insurance;
- 3) telephone number where the Assistance Centre can contact the insured party (or the person acting on his/her behalf);
- 4) description of the insurance event and the type of assistance needed.

END OF LIABILITY OF PZU

i.e. when the insurance cover ends

§ 6

The insurance cover ceases in the cases specified in § 4 section 2 and 4 of the Preliminary Provisions and when the insured party named in the policy moves out of the place of insurance.

