

**SPECIAL TERMS AND CONDITIONS
FOR COMPREHENSIVE HOUSEHOLD CONTENTS INSURANCE****SUBJECT MATTER OF INSURANCE****Article 1**

- (1) According to the Insurance Terms and Conditions hereof the subject matter of insurance shall be building structures and household contents, as follows: apartments as a part of a residential building, single-family residences (hereinafter: residential property) and contents therein (hereinafter: household contents), while situated at the place of insurance indicated in the policy.
- (2) An integral part of a building structure i.e. (residential) building shall be considered all installations therein (plumbing installations, waste water piping, electrical wiring, heating installations etc.) and fixtures and fittings (water heaters, air-conditioning and heating devices, sanitaryware etc.), whereas in single-family residences, all parts of a building structure shall be included (foundation, basement walls, etc.).
- (3) The residential building which is the subject matter of insurance must be on the territory of the Republic of Serbia and must be permanently occupied. According to the Terms and Conditions hereof, a permanently occupied residential building is a building which during the insurance year does not remain unoccupied for more than 60 (sixty) consecutive days.
- (4) Insurance cover is also provided for auxiliary rooms (attic, basement, garage, shed, and the like) if such rooms are physically connected to the building structure (situated in the building, auxiliary rooms of the apartment if physically within the building in which the apartment is located, and the like) and used for usual purposes (hereinafter: auxiliary rooms).
- (5) Any part of the residential building which is the subject matter of insurance may not be used for industry, crafts business, or other activities.
- (6) The subject matter of insurance may not be the buildings which are incomplete, if any parts thereof are in the construction phase, makeshift buildings, and other buildings of low construction category (travel trailers or stationary trailers, container homes, shacks, facilities with soft cover materials, temporary or prefabricated facilities, and the like), as well as household contents therein.
- (7) Household contents shall be insured as a set of objects situated in a household at the moment of insurance conclusion and objects obtained during the insurance period, which are owned by the Insured, household members and /or user of a residential building.
- (8) Household contents shall be considered cash, objects of artistic and historical value, jewellery made of precious metal with or without precious stones, pearls, coin or stamp collections and the like situated in the residential building.
- (9) Household contents shall also be considered the objects placed in auxiliary rooms referred to in paragraph 4 of this Article, when their value and purpose allows them to be placed in such rooms.
- (10) Within the meaning of the Terms and Conditions hereof, the household contents shall not be considered:
 - Motor vehicles, trailers of all types, vessels and aircrafts, and spare parts thereof;
 - Building and investment materials;
 - TV antennas and all other antennas outside closed premises;
 - All types of weapons, including hunting and trophy weapons and the antiquities of such kind;
 - All types of documents, personal and other, securities, notes and the like.
 - Objects placed at an unprotected area and the objects not situated in the place of insurance indicated in the policy.
- (11) If specially agreed, the subject matter of insurance may also be:
 - 1) objects of historical and artistic value, collections, jewellery and valuables to the specially agreed value;
 - 2) sanitaryware against the risk of breakdown;
 - 3) auxiliary buildings and household contents therein;
 - 4) aliquot part of the building.

INSURED PERILS (RISKS)**Article 2****Standard property package**

- (1) Within the scope determined in the Terms and Conditions hereof, this insurance shall cover the destruction of, or damage to the insured object, against the following risks:
 - 1) Fire and allied perils (hereinafter: fire risks group):
 - Fire
 - Lightning
 - Storm
 - Hail
 - Explosion
 - Fall of an aircraft

- Manifestations and demonstrations
 - Impact of own motor vehicle into an insured building structure;
- 2) Water damage;
 - 3) Burglary and robbery;
 - 4) Glass breakage;
 - 5) Breakage of installations.
- (2) Following the special proposal of the Insurer, the standard property package may contain the combination of the risks insured which is different than that referred to in paragraph 1 of the Article hereof.

Additionally agreed covers

- (3) If specially agreed, within the scope determined hereunder, the insurance may also cover the risk of:
 - 1) Earthquake;
 - 2) Flood and torrent
 - 3) Impact of an unknown motor vehicle;
 - 4) Unexpected risks (snow pressure, wanton act/vandalism, fall of a tree, stormwater and smoke);
 - 5) General liability;
 - 6) Accident of household members.

RISK OF FIRE AND LIGHTNING**Article 3**

- (1) According to the Terms and Conditions hereof, fire shall be considered the fire occurred outside a particular hearth or the fire which has left that place and is able further to spread by means of its own power.
- (2) Fire shall not be deemed to have occurred and the Insurer shall not be liable to indemnify if the insured item was destroyed or damaged due to:
 - 1) exposure to fire or heat for processing or other purposes (e.g. ironing, drying, frying, baking or due to fall or drop into the hearth, furnace, stove, etc.);
 - 2) scorching, singeing or burning through with a cigarette, a lightning gadget, live coal and the like;
 - 3) brewing or heating, boiling, smoking and the like.
- (3) Insurance covering the risk of fire shall not include damages to chimneys occurred in connection with their operation.
- (4) Under the Terms and Conditions hereof, the insurance against lightning strike shall cover the damages caused to insured items by the power and heat of lightning as well as damages caused by the impact of falling items struck by lightning.
- (5) The insurance shall not cover the damages to:
 - 1) the insured electric appliances and apparatuses – household contents and to electric lines, due to the effects of electricity, overvoltage or heating due to overload, atmospheric impacts and dead loads, induction due to atmospheric discharges, and similar events.
However, indemnified shall be the damage due to fire caused by the effects of electricity that after the cessation of such effects would continue to spread independently.
 - 2) caused by transmission of the electric energy through electric lines as a result of a lightning strike, and damages to safety fuses of any type, safety switches, overvoltage lead-outs, lightning conductors, and similar devices during their standard operation.

RISK OF EXPLOSION**Article 4**

- (1) According to the Terms and Conditions hereof, the explosion shall be deemed a sudden release of force based on tendency of vapour and gasses to spread.
In the event of explosion of vessels under pressure (boilers, boot boilers, furnaces, pipes, etc.) the insurance shall cover the damage only when vessel walls are demolished to such an extent that momentary equalizations of internal and external pressure occur.
When an explosion occurs inside of a vessel because of chemical conversion, a resulting damage to the vessel shall be covered by insurance even when the vessel walls have not been torn.
- (2) The insurance shall not cover:
 - 1) damages caused by the decrease of pressure inside the vessel,
 - 2) damages to the Insured's contents caused by blasting which is carried out by the Insured or within the permitted activity of third parties,
 - 3) damages caused by breaking the sound barrier,
 - 4) damages caused by explosion on pressure vessels, referred to in paragraph (1) indent 2 of this Article due to wear and tear, excessive layers of rust, scale, sediment, or mud on the insured object. However, the damages to the other objects related to the occurred explosion shall be indemnified.

**RISK OF WINDSTORM****Article 5**

- (1) According to the Insurance Terms and Conditions hereof, the windstorm shall mean a wind blowing 17.2 m/s or 62 km/h (8 degrees per Beaufort scale) or over. It shall be deemed that the wind of the mentioned speed blew in the area in which the insured object is situated if the wind was breaking the tree branches and trunks and damaged regularly maintained building structures. In case of any doubt, the Insured shall be obliged to give evidence of the wind speed producing the report of the Weather Bureau.
- (2) Damages caused by windstorm shall be covered by the insurance hereof if mechanical damages to the insured object were caused by:
- 1) direct effects of the windstorm,
 - 2) direct impact of falling objects or objects carried by the windstorm and
 - 3) snow blown by the windstorm onto a regularly maintained building.
- (3) Insurance against windstorm shall not cover the damages:
- 1) due to penetration of rain, hail, snow or other drifts through an open window or other openings on the building, unless the openings were made by the windstorm, and unless the damage itself occurred during the windstorm or immediately after the cessation thereof,
 - 2) due to the weight of snow provided for in technical regulations,
 - 3) on the building structure that was not built according construction method that is standard at that place or that was insufficiently maintained or dilapidated.

RISK OF HAIL**Article 6**

- (1) According to the Terms and Conditions hereof, the insurance shall cover the damages from destruction of, or damage to the insured objects caused by the impact of hail. Damages caused by penetration of hail and/or rain through a window or other openings on a building shall not be covered by insurance, unless such openings were made by the impact of hail, and the damage itself has occurred during hail od immediately after the cessation thereof.
- (2) The insurance shall not cover the damages to a dilapidated or insufficiently maintained facade or to the unmaintained roof cover.

RISK OF FALL OF AN AIRCRAFT**Article 7**

- (1) According to the Terms and Conditions hereof, the fall of an aircraft shall be deemed any aircraft falling onto the insured object.
- (2) The event of falling aircraft shall be deemed to have occurred if, due to a direct impact of an aircraft and/or parts/contents thereof, the insured object is destroyed or damaged.

RISK OF MANIFESTATIONS AND DEMONSTRATIONS**Article 8**

- (1) According to the Terms and Conditions hereof, manifestation or demonstration is considered an organized or spontaneous public expression of a viewpoint of group of people not larger than 100 (hundred) people.
- (2) The insured event of manifestations and demonstrations shall be deemed to have occurred if the insured item is destroyed or damaged by the actions of people manifesting or demonstrating (demolition, dismantling, breaking, setting fire etc.).
- (3) Damage occurred by stealing the insured property during the actions of people manifesting or demonstrating shall not be covered by insurance.
- (4) The insurance hereof shall not cover damages occurred to the objects insured by the actions of people manifesting or demonstrating, if the public expression of their disposition is targeted at removal from current power and/or seizure of power, or is directed against authorities, or has assumed such character and endangers public peace, life, health and property of people and utility system to such an extent that it threatens to turn into a riot and disturbance or develop into a protest or rebellion.

RISK OF IMPACT OF OWN MOTOR VEHICLE INTO THE INSURED BUILDING STRUCTURE**Article 9**

- (1) The insurance hereof shall cover the damages to the insured building structure occurred by the impact of own motor vehicle.
- (2) The insurance shall also cover the damages to the insured household contents occurred as a consequence of demolition of a building structure or part thereof caused by the impact of own motor vehicle within the meaning of paragraph 1 of this Article.

RISK OF WATER DAMAGE**Article 10**

- (1) In accordance with the Terms and Conditions hereof, water damage shall be:
- 1) Unexpected discharge of water from water supply pipes, sewers (drainage) and hot-water pipes belonging to the building, hot water heating devices, steam

heating and other devices and apparatuses connected to the central system, as well as from air-conditioning devices, hot-water heating installations and all other devices connected to the water supply and drainage installations in the building, due to damage (breaking, cracks, or failures of control and safety devices) or blocking of these installations, devices and apparatuses.

The installations belonging to the building shall mean the installations up to their connection to the external network (manhole, booster pump, hot-water substation, and the like).

- 2) Unexpected outbreak of steam from hot water and heating installations and equipment (radiators).
- (2) The insurance shall cover damages to insured objects that occur pursuant to paragraph (1) of this Article also when the risk insured against arose from other premises of the building where the insured contents are located.
- (3) The insurance shall not cover damages:
 - 1) due to escape of water from open taps in the insured residential building and from sewer (drainage) installations, if the damage is caused by congestion of the installations at the premises of the Insured;
 - 2) occurred to water and sewer installations, devices and apparatuses in the boilers located at the premises of the Insured;
 - 3) due to wear and tear and corrosion of installations that are accessible to the control of the Insured, namely, due to their lack of maintenance;
 - 4) due to humidity-caused fungi;
 - 5) due to water escape from gutters and conductors;
 - 6) due to water escape from outdoor installations (street, etc.);
 - 7) due to subsidence as a result of water damage from water and sewer installations;
 - 8) due to freezing in the installations and devices controlled by the Insured;
 - 9) to the auxiliary rooms of the residential building referred to in Article1, paragraph 4 of the Terms and Conditions hereof and to the contents placed therein.

RISK OF BURGLARY AND ROBBERY**Article 11**

- (1) According to the Terms and Conditions hereof, the insurance cover shall be provided against the risk of perpetration or attempted perpetration of burglary and robbery, including frivolous and vexatious actions and vandalism during the perpetration or attempted perpetration of burglary and robbery.
- (2) The burglary shall exist if the perpetrator:
- 1) Breaks into locked premises of a residential building (by smashing, breaking or forcing open a lock or a door, smashing a window, cutting the protective wires or bars, making new opening through the walls, ceilings or floors and the like);
 - 2) Opens the entrance to the residential building with a false key or by another means not intended for regular opening, thereby leaving a trace as incontestable proof of burglary, in terms of criminal law, or when there are other reliable proofs that the burglary was committed in the aforementioned manner;
 - 3) Breaks into or forces open the locked storeroom in the premises of the residential building in a manner that is considered a burglary according to the Terms and Conditions hereof;
 - 4) Enters the residential building through an opening not designed for entering, overcoming obstacles that prevent unobstructed entry, or enters through an open window or balcony door, provided that the lower edge of a window or balcony is at least 3 (three) meters above the ground;
 - 5) Opens the building, room or a storeroom with the original key or its duplicate, if the key has been obtained by robbery or any above actions;
 - 6) Enters the room of the residential building while the Insured or other household members are unaware, hides inside, commits theft at the time when there is nobody in the residential building and when the building is locked, and leaves traces on the way out;
 - 7) Steals things from the balcony where the lower edge of the balcony is at least 3 (three) meters above the ground.
- (3) The burglary shall not be considered to have occurred if:
- A family member and/or user of the residential premises committed the burglary or was an accomplice therein;
 - The theft was committed by entering through an open window or balcony door the lower edge of which is at least 3 (three) meters above the ground;
 - The theft that does not contain the elements of a burglary.
- (4) According to the Terms and Conditions hereof, robbery shall be considered forceful taking away of the insured household contents, which entails a risk to the life or body of the insured, his or her family members, or present persons, or threat that the life or body of these persons will be directly attacked. The use of force shall mean the use of means intended to prevent resistance.
- (5) The cover for the robbery risk shall be provided even outside the residential building for the household contents of personal nature such as cash, valuables etc. up to the sublimit or the „first loss sum “ referred to in Article 14 paragraph 5 item 2 of the Terms and Conditions hereof.
- (6) According to the terms and conditions hereof, wanton shall be considered forceful and unreasonable damage to, and destruction of a residential building and household contents during the perpetration or committed perpetration of burglary or robbery.
- (7) According to the terms and conditions hereof, vandalism shall mean forceful and unreasonable damage to, or destruction of items that have artistic or historical value, during the perpetration or committed perpetration of burglary or robbery.
- (8) Upon the occurrence of the risk of burglary and robbery, covered shall be the damages occurred due to removal, destruction, or damage to the insured contents, as



well as the damages to a construction part of a residential building (doors, windows, installations, equipment, walls, ceilings, etc.), where insured contents were located during the perpetration or attempted perpetration of burglary or robbery.

RISK OF GLASS BREAKAGE

Article 12

(1) According to the Terms and Conditions hereof, the risk of glass breakage shall be considered destruction of, or damage to glass on windows and doors of the insured residential building, due to any risk, except for the damage caused by:

- 1) scratches, scuffing or other damages to the glass surface;
- 2) landslide, subsidence, or landslip;
- 3) the effect of heat on glass covered with paint or protective foil which does not transmit light;
- 4) poor structure, materials and design of insulating window glass, as well as wear and tear and loosening of insulating rubber band in the frame.
- 5) any other risk contracted according to the provisions of the Terms and Conditions hereof, in which case the damage shall be indemnified for the risk so contracted, except when the limit /sum insured for such risk was sufficient, and then up to the amount of the uncovered part of the damage.

(2) This insurance shall also cover the glass on balconies and loggias if they are vitrified during construction (according to the design documents), whereas for subsequent vitrification the cover shall be provided only if such vitrification was performed by professionals.

(3) This insurance shall not cover the damages occurred by the actuation of the risk of glass breakage on the windows and doors of auxiliary rooms of a residential building referred to in Article 1, paragraph 4 of the Terms and Conditions hereof.

RISK OF BREAKAGE OF INSTALLATIONS

Article 13

(1) According to the Terms and Conditions hereof, the insurance cover shall be provided against the destruction of, or damage to the installations and installed equipment connected thereto (telephones, water and sewer grid, water heaters, hot water and steam heating installations – pipes, radiators, valves, boilers in a detached house, and the like), against the events related to the use of such objects, which occur suddenly, unforeseeably, and independently of the sole will of the Insured or his or her family members.

(2) If the subject matter of insurance is an apartment, installations belonging to such apartment shall be insured up to the common installations of the building, and if the subject matter of insurance is a single-family house, insured shall be installations up to their connection to the public grid.

(3) Except for the direct damage during the replacement of the damaged installation, the cover shall also be provided for the part of the damage relating to the detection of the place of damage and stripping off walls, floors, and ceilings or wall, floor and ceiling coverings, as well as reinstatement after the damage repair.

(4) The subject matter of insurance shall not be:

- Shared installations and equipment installed in the building, outside the apartment of the household;
- Particular parts of installations exposed to accelerated wear and tear and periodical replacement;
- Single-use safety elements.

(5) The Insurer shall not be liable for the damages occurred due to:

- defects or errors that existed at the moment of conclusion of the insurance contract, and that were known or must have been known to the Insured;
- permanent chemical, thermal, atmospheric, mechanical and other impacts (oxidation, aging, corrosion, radiation and the like);
- inadequate conditions for accommodation or work;
- excessive layers of scale, rust, sludge and the like which, as such, have caused damage to, or destruction of the object insured;
- installation and equipment overload (over the designed limits);
- insufficient or negligent maintenance;
- mounting and test trials or commissioning before final repair;
- breach of legal and technical regulations and the rules of technical usage of the insured objects, as well as non-observance of prescribed and usual protective measures (freeze protection).

(6) The Insurer shall not be liable for the warranty-covered damages occurred within the warranty period, and for the costs of installation and reinstallation incurred for the purpose of regular inspection and maintenance of the insured object (periodical repairs or replacements of the worn-out parts), even when the damage caused by the risk insured is established on such occasion.

In such case, the indemnity shall include only the costs of repair or replacement of the damaged parts which were not envisaged for periodical repair or replacement.

(7) The Insurer shall not be liable for damages to installations of auxiliary rooms of the residential building referred to in Article 1 paragraph 4 of the Terms and Conditions hereof.

SUM INSURED

Article 14

(1) Depending on the risk and subject matter of insurance, the limit of Insurer's liability shall be determined as the sum insured or the „first loss “sum.

(2) Within the group of fire risks, the sum insured for a residential building (building structure) is formed (within minimum and maximum values defined in the regulations of the Insurer) either as a product of building surface and actual construction value of the building per m² or in a nominal amount declared by the Insured, and such sum insured shall be the upper limit of the Insurer's liability for the damage to the building structure. If used according to their usual purpose, auxiliary rooms of a residential building referred to in Article 1, paragraph 4 of the Terms and Conditions hereof shall be included in insurance within the sum insured for a residential building.

(3) Within the group of fire risks, the sum insured for household contents which are insured as a set of items shall be determined (within minimum and maximum values defined in the regulations of the Insurer) either as a percent of the sum insured for a residential building (building structure) or in a nominal amount declared by the Insured, and such sum insured shall be the upper limit of the Insurer's liability for the damage to contents.

Within the sum insured (limit of Insurer's liability) referred to in the paragraph above, insured shall also be the household contents in auxiliary rooms referred to in Article 1 paragraph 9 of the Terms and Conditions hereof, and cash and valuables referred to in Article 1 paragraph 8 of the Terms and Conditions hereof, however, maximum up to the „first loss“ sum determined in paragraph 5, item 2, sub-item b) and c) of this Article and sublimit from indent 1 sub-item c).

(4) The aggregate sum insured for a residential building (building structure) and the sum insured for household contents shall constitute the base sum insured (hereinafter: BSI), which represents the base for determining the amount of the „first loss “ sum for particular risks and insurance subjects.

(5) The „first loss “ sum, by risks and insurance subjects is as follows:

1) For the risk of water damage – 5% of the BSI, as a single sum for a residential building (building structure) and household contents, unless agreed otherwise.

Within the „first loss “ sum for the risk of water damage, insured shall be cash and valuables referred to in Article 1, paragraph 8 of the Terms and Conditions hereof, maximum up to the amount as per item 2 of this paragraph, sub-item c) and sub-limits from indent 1 of this sub-item.

2) For the risk of burglary and robbery:

a) for household contents – 5% of the BSI, unless agreed otherwise;

b) for household contents in auxiliary rooms referred to in Article 1 paragraph 4 of the Terms and Conditions hereof – 1% of the BSI;

c) for cash and valuables referred to in Article 1 paragraph 8 of the Terms and Conditions hereof in a locked storeroom, outside the locked storeroom, and for the subjects of insurance referred to in Article 11 paragraph 5 of the Terms and Conditions hereof – the total of 1.5% of the BSI, including indemnity per following sub-limits:

- for cash and valuables referred to in Article 1 paragraph 8 of the Terms and Conditions hereof, outside the locked storeroom i.e. in an unlocked storeroom, sublimit is 50% of the „first loss“ sum, and maximum up to 40,000.00 Dinars;

- for the subjects of insurance referred to in Article 11 paragraph 5 of the Terms and Conditions hereof, sublimit is 50% of the „first loss“ sum, and maximum up to 40,000.00 Dinars.

3) For the risk of glass breakage – 1% of the BSI, unless agreed otherwise.

4) For the risk of installations breakage – 3% of the BSI, unless agreed otherwise.

(6) The „first loss “ sums, including the sub-limits, shall be exhaustible by claim indemnities during one-year insurance period.

OBLIGATIONS OF THE POLICYHOLDER /INSURED

Article 15

(1) Policyholder/Insured shall:

- 1) Pay the insurance premium within the agreed period;
 - 2) Promptly notify the Insurer of the damage, however not later than within 3 (three) days from the date of knowledge thereof;
 - 3) Promptly report to the police authorities the damages caused by fire, explosion, burglary and robbery, wanton and vandalism, missing keys, and submit to the Insurer the confirmation of the competent authorities that the damage was reported;
 - 4) Submit to the Insurer the evidence necessary to establish the cause, scope and amount of damage, and shall not change the condition of damaged or destroyed objects until the arrival of the Insurer's representatives.
- (2) If the policyholder cancels the contract concluded for the term longer than 5 (five) years, he shall pay the difference in premium and discount granted for the insurance period.

OBLIGATIONS OF THE INSURER

Article 16

The Insurer shall:

- (1) promptly, and not later than 3 (three) days from the date of damage notification, start to determine and assess the occurred damage;
- (2) pay out insurance indemnity within the agreed period which may not be longer than 14 (fourteen) days, starting from the date when the Insurer has received the notification of the occurrence of the insured event.
- (3) If determination of Insurer's liability or its amount takes particular period of time, this period shall start running from the date when the existence of Insurer's liability and its amount were determined.



(4) If the amount of Insurer's liability is not determined within the period referred to in paragraph 2 of the Article hereof, the Insurer shall, at the request of the authorized person, advance the amount of the indisputable part of his obligation.

VALUE OF THE OBJECTS INSURED

Article 17

(1) The value of the object insured shall be:

- 1) for building structures and installations therein – price of construction of a new building, according to the prices effective at the place where the building is situated, less the amount of estimated wear and tear/depreciation (technical and/or economic) i.e. actual construction value.
- 2) for household contents and equipment within the building structure – purchase price of new objects less the amount of estimated wear and tear/depreciation (technical and/or economic).
- 3) for cash – nominal value;
- 4) for valuables referred to in Article 1 paragraph 8 of the Terms and Conditions hereof – purchase price or market value of the same or similar object, if lower;
- 5) for glass on doors and windows of the building – according to the purchase price of a new glass, increased by related costs.

DETERMINING INSURANCE INDEMNITY

Article 18

(1) The amount of insurance indemnity shall be determined:

- 1) in the event of destruction of the residential building and installations therein – according to the value of the object insured referred to in Article 17 of the Terms and Conditions hereof effective at the time of the occurrence of the insured event, less the value of salvage. For building structures up to 10 (ten) years old, depreciation shall not be calculated;
 - 2) in the event of destruction or disappearance of household contents and equipment from the construction part - according to the value of the object insured referred to in Article 17 of the Terms and Conditions hereof effective at the time of the occurrence of the insured event, less the value of salvage. For household contents up to one year old (with a payment receipt), depreciation shall not be calculated, and for objects older than one year, depreciation shall be calculated in the amount of 0.8% per month, and maximum up to 80% of the value of the object insured;
 - 3) in the event of damage of a building structure and installations therein – up to the amount of repair costs, at the prices of material and labour during the occurrence of the insured event, less the amount of estimated wear and tear /depreciation and value of salvage. For building structures up to 10 (ten) years old depreciation shall not be calculated;
 - 4) in the event of damage to the household contents and equipment from the construction part - up to the amount of repair costs, at the prices of material and labour during the occurrence of the insured event, less the amount of estimated wear and tear /depreciation and value of salvage. For building structures up to 10 (ten) years old depreciation shall not be calculated, and for the objects older than one year, depreciation shall be calculated in the amount of 0.8% per month;
 - 5) for cash – in nominal value;
 - 6) for valuables and other subjects of insurance referred to in Article 1, paragraph 8 of the Terms and Conditions hereof – according to the purchase price or market value of the same or similar objects, if lower;
 - 7) for damage to glass – according to the value of the object insured referred to in Article 17 of the Terms and Conditions hereof, including the costs of glass fixing and the costs of removal and replacement of a protective net, bar, sun shade louvers and the like which interfere with the removal of the damaged glass and/or fixing of a new glass. The Insurer shall not reimburse the reparation costs (mounting and removal) of glass carried out in difficult working conditions (great height, large glass dimensions, hiring special vehicles, hiring cranes for vertical and horizontal transport and the like). Depreciation shall not be calculated for glass.
- (2) If when determining insurance indemnity it is not possible to determine the actual amount of depreciation, it shall be considered that depreciation is minimum 50%.
- (3) If at the time of the occurrence of the insured event the repair costs are higher than the value of the object insured, such object shall be treated as destroyed (total damage).
- (4) For household contents the value of which exceeds 800 (eight hundred) EUR in Dinar equivalent at the mean rate of the National Bank of Serbia ruling as at the date of conclusion of the insurance contract, insurance indemnity shall be paid maximum up to the specified amount, and the payment above such amount shall be effected only if at the conclusion of the insurance the Insured has specially declared such objects and if he or she has a payment receipt for such objects.
- (5) Higher costs of repair incurred due to modifications, improvements, or upgrades shall be borne by the Insured, as well as the labour costs which deviate from labour costs effective on the surrounding market.
- (6) The value of the whole object shall not be indemnified if a damaged or destroyed part cannot be repaired or purchased because it is no longer produced or was purchased abroad. The Insurer shall be liable only up to the value of the damaged or destroyed part, according to the estimate of his share in the whole object or according to the comparison with a similar object.
- (7) When individual parts of a set are damaged (furniture, cutlery, etc.) diminished value of a set shall not be indemnified but only the value of such individual part;

(8) Salvaged parts of the destroyed objects (salvage value) shall be kept by the Insured and shall be calculated according to the market value effective at the time of the occurrence of the insured event.

(9) The insurance shall cover only direct damages to the insured objects, and not a consequential damage or loss due to the occurrence of the insured event (loss of rent, reduced value, etc.).

REIMBURSEMENT OF COSTS

Article 19

- 1) The Insurer shall reimburse the costs necessarily incurred for the clearing and demolition in connection with the occurred insured event (including the costs of cleaning and transportation of the remaining unusable parts to the nearest permitted place of unloading) maximum up to 3% of this sum insured or 10% of the „first loss“ sum for the insured risk.
- 2) In the event of burglary and robbery, covered shall be the damages to building structure, including the equipment and installations therein, to the amount of repair costs, however, not more than up to 10% of the „first loss“ sum for the risk of burglary and robbery of the insured objects.
- 3) The total reimbursement of costs, together with insurance indemnity, may not exceed the agreed sum insured or the „first loss“ sum for the agreed risk.
- 4) The Insurer shall reimburse the costs incurred by reasonable attempt to eliminate immediate risk of occurrence of the insured event and the attempt to limit the harmful consequences thereof, even when such attempts were unsuccessful, and even when together with indemnity they exceed the sum insured or the „first loss“ sum. If the Insured fails to meet his or her obligation to prevent the occurrence of the insured event or the obligation to salvage without a good reason for such failure, the liability of the Insurer shall be reduced in proportion to the increased amount of damage which is the consequence of fulfilment of this obligation of the Insured.
- 5) In the event of the occurrence of the risk of fire, if the damage to the building structure and equipment insured hereunder is of such proportions that further stay of the Insured and household members in such dwelling unit is rendered impossible, the Insurer shall reimburse the rental costs of temporary accommodation, including the transport of the remaining household contents, until the reconstruction of the damaged dwelling unit, up to the amount of 500 EUR per any one loss event and in the aggregate for the one-year period, in Dinar equivalent at the mean rate of the National Bank of Serbia ruling as at the date of the occurrence of the loss event. The costs of renting a temporary accommodation and the costs of transport of the remaining household contents shall be acknowledged upon submission of official payment receipts for such costs.
- 6) The Insurer shall reimburse the costs incurred to preventively replace the lock (of the same type and quality) in the building due to missing keys, up to the amount of 100 EUR per replacement and in the aggregate for one year, in Dinar equivalent, at the mean rate of the National Bank of Serbia ruling as at the date of the loss event, whereas the Insured shall be obliged to report to the competent authorities that the keys are missing.

UNDERINSURANCE

Article 20

- 1) If after the occurrence of the insured event it is established that at the beginning of the agreed insurance period the value of the building structure was higher than the sum insured, the amount of indemnity owed by the Insurer shall be proportionally reduced.
- 2) The provision on underinsurance shall not apply to the insurance of household contents or when the insurance to the „first loss“ sum has been agreed.
- 3) Provisions on underinsurance shall not apply in the part relating to the auxiliary rooms of the residential building referred to in Article 1, paragraph 4 of the Terms and Conditions hereof, which are included in insurance within the sum insured for the residential building.

APPLICATION OF GENERAL TERMS AND CONDITIONS AND LEGAL REGULATIONS

Article 21

- 1) Unless in contravention to the Terms and Conditions hereof, the insurance policies concluded according to these Terms and Conditions shall be subject to the General Property Insurance Terms and Conditions.
- 2) Only if specially contracted and indicated in the insurance policy, the insurance contracts concluded according to the Terms and Conditions hereof shall be subject to clauses, in which case the provisions of such clauses shall have precedence and shall constitute an integral part of the Terms and Conditions hereof.
- 3) Any matters not regulated by the mentioned Terms and Conditions shall be subject to appropriate provisions of the Law of Contracts and Torts and other effective regulations of the Republic of Serbia.

CLOSING PROVISIONS

Article 22

- 1) Any disputable issues which may arise from the insurance contract shall be resolved amicably and in case of a dispute, the court in the place of conclusion of the insurance contract shall have jurisdiction.



Article 23

(1) These Terms and Conditions shall come into force on the date of their publishing in the Company Official Journal, and shall be applied as of 1 March 2016.

**THIS ISSUE OF THE TERMS AND CONDITIONS IS APPLICABLE
AS OF 1 MARCH 2016**