

General Conditions of Electronic Equipment Insurance

The meanings of terms in these Conditions:

Policyholder	- individual or other entity who owns the insurance policy (policy owner);
Insured	- party, whose property and/or property interest is covered by the insurance policy. The Policyholder and the Insured is the same person, except the insurance on somebody other's behalf;
Insurance Policy	- written contract between the Policyholder and the Insurer stating obligations and responsibilities of each party;
Premium	- the amount paid by the Policyholder or the Insured to the Insurer according to the insurance contract;
Indemnity	- the amount paid by the Insurer according to the insurance contract.

Article 1 - INSURED PERILS

- (1) The Insurer shall indemnify to the extent provided by these Conditions any loss, damage or disappearance of the insured item, except due to:
 - 1) deficiencies or failures, existing at the moment of the Insurance Contract conclusion, known or which should have been known to the Insured or to the person responsible for operation;
 - 2) direct consequence of permanent influences and effects of chemical, thermal or mechanical conditions (corrosion, radiation, aging, excessive vibration, etc.);
 - 3) faster wear and tear; however, the insurance covers the damage which occurs on the other parts of the insured computer or a device as a result of the faster wear and tear;
 - 4) excessive burdening or voltage of devices and installations exceeding the limits of their prescribed capacity;
 - 5) insufficient maintenance;
 - 6) working before the repair is finished;
 - 7) erection and starting-up test, or operation test;
 - 8) violation or omission of the technical regulations, protective and preventive measures and rules for technical use of the insured item, and false handling with the insured item;
 - 9) disappearance which is not a consequence of burglary or robbery within the premises, where the insured items are located;
 - 10) earthquake.
- (2) The insurance does not cover also:
 - 1) indirect damage which occurs at the insurance case (liability, loss of rent, business interruption, inferior value, etc.), except the expenses for renting an other computer, if separately agreed.
 - 2) damage which occurs within the guarantee period and shall be refunded by the manufacturer or seller, if their guarantee is not disputable;
 - 3) damage which occurs during the computer's operation time as a scratch on the computer's data media and stored information;
 - 4) expenses for repairing the defect which caused loss or damage on the insured item;
 - 5) costs of dismantling and re-mounting due to regular checking or maintenance of the insured item (periodical repairs or exchange of worn-out parts), even if found out at this occasion, that the damage occurred due to the insured perils.
In this case, this insurance covers only the expenses for repair or changing the damaged or destroyed parts which were not planned to be periodically repaired or changed;
 - 6) damage which would occur due to an unqualified access or entry into a computer system;
 - 7) expenses for maintenance;
 - 8) damage due to nuclear reaction, radiation or radioactive contamination;
 - 9) loss of data on data media due to operation of the programmes which have main or side function causing of loss ("viruses", etc.);
 - 10) indirect or direct damage which would result from the software's incorrect handling of dates and other time data whether related to date change of the Year 2000 or not. This exclusion is valid irrespective of the origin of the software, and also in case if it is directly installed in the firmware.
- (3) The insurance cover for damage due to a possible mechanical breaking and effects of electric current can be excluded from insurance.

Article 2 - INSURED ITEMS

- (1) Insured items are electronic computers and similar appliances with their peripheral units, subsidiary machines and appliances, ATM (automatic teller machine), air-conditioning and power-supply appliances, installations and processing computers for conducting the technological operations (in the following text computers and items or appliances respectively).
- (2) Only if agreed separately, can the insured items be also:
 - 1) costs of resumed daily data in-put on external and internal data media, if the media breakdown occurs;
 - 2) costs of resumed input and setting of software equipment;
 - 3) licences of computer programmes, but only in case they are protected in the way which prevents resumed setting of programme at loss;
 - 4) expenses for renting an other computer.
- (3) According to these Conditions, the following items are not covered under this Insurance, although their value is comprised in the value of the insured item:
 - 1) bulbs, fuses, filters, carriages, punch heads and other miscellaneous parts which are frequently exchanged;
 - 2) different means for maintenance, cleaning and cooling.

Article 3 - INSURANCE VALIDITY AND LOCATION OF INSURANCE

- (1) Insurance covers only the items stated in the Policy, which are located in the Insured's premises, on the same location and time when installed and ready for operation, when in operation, when dismantled and re-installed due to repair, and during repair carried out within the Insured's premises; furthermore, during their transport in order to be cleaned, repaired or transferred to an other location, but at the most 15 km from the primary location.
- (2) If separately agreed, the items are also insured when on lease or loan providing that they operate under normal conditions.
- (3) Insurance cover is also valid when all insured items are transferred to an other location, but only on the territory of the Republic of Slovenia.
- (4) Unless agreed separately, the items are not insured during the transport. This provision however is not valid for cases from the Par. (1) of this Article.

Article 4 - INSURED VALUE

- (1) Insured value of the item is the purchase price of the new item increased by the installation expenses and reduced by the inferior value due to use, wear and tear, age and economic obsolescence (amortization), unless agreed otherwise.
- (2) If the insured value of an item, determined in the manner described in the previous Paragraph of this Article, is higher than the value of a new item with the same or better capacities, and it can be bought on the market, the insured value is the same as the value of the new item.
- (3) Insured value of the information stored on data media is considered to be an amount, determined mutually for each data unit or complex separately, by the Insurer and the Insured.
- (4) Insured value of the information stored on data media for which duplicates exist or the same data basis on an other location, is considered to be the expenses for copying this information on data media.

Article 5 - SETTLEMENT OF LOSS

- (1) Damage, covered by this insurance, is settled:
 - 1) in case of total loss or disappearance of the insured item - according to the insured value of the item at the close of the settlement of the loss;
 - 2) in case of partial damage of the insured item - according to the repair costs at the close of the settlement of the loss, reduced by the inferior value due to wear and tear, age, economic and technical obsolescence (amortization), if not agreed otherwise and the additional premium is calculated.

- (2) The dependent costs, i.e. the costs for dismantling and re-installation, transport, testing, etc., are also included in the repair costs.
- (3) The indemnity does not include the expenses for reforming, improving and other changes on the insured item which were also carried out during the repair.
- (4) The remaining parts of the damaged items belong to the Insured and are calculated according to the market price valid on the close of the settlement and to the condition they were immediately after the insurance event had occurred.
- (5) If the repair costs would reach the insured value reduced by the value of the remaining parts, it is considered that the item is totally damaged and the loss is therefore settled according to the item 1), Par. (1) of this Article.
- (6) The Insurer is not obliged to indemnify the complete value of appliance, if the damaged part is not repairable (e.g., if the appliance is out of production). In this case, the Insurer indemnifies only the value of the damaged part in proportion to its functional role in the whole appliance.
- (7) If the damaged item cannot be repaired in Slovenia or it is necessary that foreign experts repair it in Slovenia at the higher price in comparison to the costs which would be charged by the most expensive and competent repairer in Slovenia, the higher expenses are approved only in case, if this is separately agreed.
The transport expenses and other expenses connected with the transport are also included in the costs of the foreign repairer.
- (8) If the Insured himself repairs the damaged item and the repair costs are higher than the costs which would be charged by an other repairer, the Insurer – when settles the loss - approves the costs of the other repairer. In this case, the repair costs also include the necessary transport expenses.
- (9) The expenses with regard to finding a defect or the location and extent of damage which is covered by this insurance shall be indemnified only if this is agreed separately.
- (10) The costs of temporary repair carried out without the Insurer's approval are chargeable to the Insured.
- (11) Any extra charges due to overtime, night work and work on Sundays and public holidays, as well as express transport, shall be covered by this insurance only if agreed separately .
- (12) Damage due to loss of the information on data media is calculated according to the insured value or the expenses, which are at the close of the settlement necessary for restoring the information on data media. The highest amount, to which the Insured is entitled, is the sum insured determined for each data media separately.

Article 6 - EXPENSES AFTER THE INSURANCE EVENT

- (1) The expenses for cleaning, needed due to loss or damage of the insured items, but at the most 3% of the sum insured are also added to the damage. These expenses also include the necessary costs for clearing the location of the loss, removing the damaged and useless parts, as well as the transport expenses for removing the burnt, demolished and flotsam objects to the nearest dump.
- (2) Insurance does not cover the costs for clearing or diminishing the perils, nor the expenses for intervention of fire brigades and other organizations which have to – in accordance with the purposes of their activities - offer their assistance free of charge in case of an insurance event.

Article 7 - SUM INSURED

- (1) Unless agreed otherwise, the Insurer shall indemnify only up to the agreed sum insured.
- (2) The Insured or the Insurer may require the reduction in the sum insured and the Premium for the following insurance years, if the sum insured considerably exceeds the insured value.
- (3) If the Insurance Contract is concluded without the sum insured or on the unlimited value, it is considered that the insurance is concluded on the actual value.

Article 8 - INDEMNITY

- (1) If the sum insured is equal or higher than the insured value, the Insurer, on the close of the settlement, shall indemnify the damage in its full amount, but not exceeding however the insured value.
- (2) If the sum insured on the close of the settlement, is lower than the insured value (underinsurance), the Insurer shall indemnify only in proportion between the sum insured and the insured value, but not exceeding however the sum insured.
- (3) In the case that insurance is concluded on the first-risk basis, the Insurer shall indemnify the damage in the full amount, but not exceeding the agreed sum insured on first-risk basis. The provisions on underinsurance from the Paragraph (2) of this Article, do not apply to this case.

- (4) If agreed that this insurance also covers the costs of cleaning and destruction above 3% of the sum insured, the Insurer shall pay all these costs in full up to the agreed amount, although the indemnity exceeds the sum insured.
- (5) If the Insurance Contract stipulates that the Insured himself bears a part of damage (deductible), the indemnity which the Insurer shall pay is reduced for the agreed amount.
- (6) Urgent expenses for measures which should prevent and reduce the damage, and are taken on the Insurer's order after the insurance event occurred, shall be paid in the full amount, regardless of the sum insured.
- (7) While the insured computer has a breakdown and if the costs for renting an other computer are insured, these costs are refunded up to the agreed amount at the most or for the agreed guarantee period.
- (8) On the close of the settlement, the indemnity shall be paid reduced by the eventual already paid advance revalued according to the growth rate of retail prices in the Republic of Slovenia for the period of time from the advance payment to the close of the settlement.

Article 9 - LIMITATIONS OF LIABILITIES DUE TO OTHER INSURANCE COVERS

If the Insured has signed some other insurance contracts (e.g. fire insurance, machinery breakdown insurance, burglary insurance) for the same items, then at the time of the insurance event the damage is paid on the basis of the other existing insurance. The Insurer indemnifies on the basis of this insurance only if the cover from the other insurance was not sufficient, i.e. up to the amount of the uncovered part of the damage.

Article 10 - PERIL CIRCUMSTANCES

- (1) When signing the insurance contract, the Insured shall report to the Insurer all the circumstances that are essential for the risk assessment and with which he is familiar or should be familiar. The circumstances which are important for the risk assessment are especially those, known to the Policy holder and on the basis of which, the Premium is determined and calculated, as well as those stipulated in the insurance Contract. Both, the Policy holder and the Insurer can mutually determine these circumstances.
- (2) The Policy holder shall enable the Insurer to examine and check-up the risks, as well as to determine the maximum possible loss.

Article 11 - CONCLUSION OF INSURANCE CONTRACT

- (1) The insurance contract is concluded on the basis of verbal or written proposal.
- (2) The Insurer may demand, upon receipt of the proposal, some supplements or explanations. It is considered that the Insurer has received the proposal, when the demanded supplements and explanations are also received.
- (3) The regulations on conclusion of the insurance contract are also used when the existing insurance contract is changed, with the exception of changes in the insurance Conditions or Premium base.

Article 12 - PERIOD OF INSURANCE COVER

- (1) The liability of the Insurer on the basis of the insurance contract starts at midnight on the day stated in the policy as the beginning of the insurance cover if the first premium is paid until this day or at midnight on the day when the premium is paid if not otherwise agreed.
- (2) The liability of the Insurer terminates at midnight on the day stated in the policy as the insurance expiration date. If only the beginning of the insurance cover is stated in the policy, the insurance cover continues from year to year until one of the contracting parties gives notice. The party must give notice at least 3 months before the end of the current policy year.
- (3) If the insurance is arranged for more than 3 years, each party may rescind the contract at a six months' written notice.

Article 13 - PREMIUM PAYMENT

- (1) The first or single Premium shall be paid by the Insured at the time of receiving the Policy, the following Premiums shall be paid on the first day of every insurance year. If agreed that the Premium is paid in installments, all installments for the current insurance year fall due when an insurance event occurs.
- (2) If agreed that the Premium is paid in installments or for the past period, the regular interests may be charged for the amount of the Premium for which the deferred payment was agreed. If the installment Premium is not paid till the maturity date, the interest on arrears may be charged.
- (3) If the Premium is paid by mail, the actual date of payment is considered to be the day, on which the Premium amount was regularly

paid at the post office. If the Premium is paid by transfer, it is considered that it was paid on the day, when the order is received by the bank of the Insurer.

- (4) If the lower Premium was determined according to the agreed period of insurance, but for any reason the insurance terminated before that period was over, the Insurer has right to claim for additional payment, for which the Premium would be determined higher, if the contract would be concluded only for the time of its actual duration.
- (5) In case that the insurance contract terminates due to outstanding mature Premium, the Policy holder shall pay the Premium for the period to the termination of the contract, or the total Premium for the current insurance year, if - to the day of termination of the contract - the insurance event had occurred for which the indemnity shall be paid by the Insurer.

Article 14 - CONSEQUENCES IF PREMIUM IS NOT PAID

- (1) The liability of the Insurer to pay the damages terminates in case that the Policyholder does not pay the insurance Premium until due date after the conclusion of the contract and nobody else who has interest does it neither, in thirty days from the day when the Policyholder was served the registered letter of the Insurer with the notice on the maturity of the Premium, but this term cannot expire before thirty days after the due date of the Premium.
- (2) After the expiration of the term stated in the first paragraph hereof and if the Policyholder delays payment of the premium which must be paid after the conclusion of the contract, or the second or any subsequent premium, the Insurer can rescind the insurance contract without notice; the rescission of the insurance contract begins when the term in the first paragraph hereof expires and when the insurance cover terminates if the Policyholder was warned by a registered letter with the notice on the maturity of the Premium and on the termination of the insurance cover.
- (3) If the Policyholder pays the Premium after the expiration of the term stated in the first paragraph hereof, not later than one year after the due date of the premium, the Insurer is liable to pay damages if an insurance case occurs after midnight of the day when the Premium and the default interest were paid. If the Policyholder does not pay the Premium within this period, the insurance contract terminates at the end of the policy year.

Article 15 - PREMIUM REFUND

- (1) The Insurer has right to the total Premium for the current insurance year, if the insured item was totally damaged due to an insured peril.
- (2) The Insurer refunds a part of the Premium for the non-consumed period of insurance, if the insured item is totally damaged due to uninsured perils.
- (3) If the insured item is totally damaged before the beginning of warranty, the Insurer refunds the total Premium.
- (4) If the insurance contract terminates due to any other reason before the end of period for which the Premium was paid, the Insurer has the right to Premium till the day of the validity of warranty, unless agreed otherwise.

Article 16 - INSURANCE EVENT

It is considered that the insurance event occurs in the moment when, due to an insured peril, some damages start to occur on the insured item.

Article 17 - OBLIGATIONS OF THE INSURED

- (1) The Insured shall report the insurance event to the Insurer within three days after he is informed about it.
- (2) In case of an insurance event, caused by fire, explosion, burglary or robbery, or the mere attempt of these acts, the Insured shall immediately inform about it the competent body of the Home Office (police authorities) and specify which items have been damaged or destroyed.
- (3) The Insured shall submit to the Insurer all details and other evidences which are necessary for finding out the cause, extent and amount of damage.

Article 18 - EXPERTISE

- (1) Each contract party may require that certain matters in dispute are established by the Arbitrators.

- (2) Each party appoints one Arbitrator among persons who are not employed at the parties. Before the proceedings begin, the appointed Arbitrators appoint the third Arbitrator who expresses his opinion only when the opinions of the other two Arbitrators disagree, and only within limits of their statements.
- (3) Each party bears the expenses for its appointed Arbitrator, however, the parties share the expenses for the third Arbitrator.
- (4) The findings of the Arbitrators shall be respected by both parties.

Article 19 - INSURANCE AFTER THE INSURANCE EVENT

- (1) After the insurance event whereby the insured items were damaged, the insurance relation continues without any changes.
- (2) For items which are considered totally damaged according to the insurance contract, the insurance terminates after the insurance event occurs.

Article 20 - CHANGES OF INSURANCE CONDITIONS AND PREMIUM RATES

- (1) If the Insurer changes the insurance Conditions and tariff rates, he shall notify the Policy holder at least 60 days prior to the end of the current insurance year.
- (2) The Policy holder has right to cancel the insurance contract within 60 days after the receipt of the notification. The contract terminates at the end of the current insurance year.
- (3) If the Policy holder does not cancel the insurance contract, it is changed in accordance with new insurance Conditions and tariff rates at the beginning of the following insurance year.

Article 21 - CHANGE OF ADDRESS

- (1) The Policy holder shall notify the Insurer about his changed name or address and the company or its seat respectively within 15 days after the change.
- (2) If the Policy holder has changed his home address, seat, his name or company name, without notifying the Insurer, it is sufficient that the Insurer sends his notice to the Policy holder to his last known address or seat, and to his last known name or company.

Article 22 - MANNERS OF COMMUNICATION

- (1) Agreements about the contents of the insurance contract are valid only if they are in writing.
- (2) All notices and statements, that have to be presented in accordance with the provisions of the insurance contract, have to be in writing.
- (3) Notices and statements are considered to be presented in time, if sent by registered letter before the end of term.
- (4) The statement which has to be given to an other, becomes valid after it has been received by him.

Article 23 - APPLICATION OF LAW

The relations between the Policyholder or the Insured on one side and the insurance company on the other side are determined by the Code of Obligations.

Article 24 - JURISDICTION IN CASE OF DISPUTE

Disputes between the Policyholder and the Insured on the one hand and the Insurer on the other are resolved either by the court having jurisdiction according to the place of the conclusion of the insurance contract or if specifically agreed by the Arbitration Court of Triglav Insurance Company Ltd. or if specifically agreed by the Mediation Center of the Slovenian Insurance Association.

Article 25 - DEVIATIONS COMPARING TO THE ORIGINAL WORDING

These conditions are translation of original "Splošni pogoji za zavarovanje računalnikov PG-rac/99-12" wording. In case of any deviations the original slovene wording prevails.