



Special Conditions of All Risk Insurance of Electronic Appliances and Equipment

Index

General part	2
Special part	2
Chapter 1. - Insured assets and expenses	2
Chapter 2 - Insured dangers and damages	3
Exclusions	4
Chapter 3. - Insurance value	5
Chapter 4. – Site insured	5
Chapter 5 - Damage prevention liabilities of the insured	5
Chapter 6. - The liabilities of the insured on the occurrence of incident	5
Chapter 7. - Indemnity	6
Chapter 8. - Limitation of insurance coverage in case of other existing insurances	7
Chapter 9. - Coinsurance	7
Chapter 10. – Expert procedures	8
Chapter 11. - Legal relationship after the incidence	8



General part

The ordainments of the General Conditions of Property Insurance and the authoritative Hungarian statutes are applicable for the insurance.

Special part

Chapter 1.

Insured assets and expenses

1. The insurance protection covers the assets installed in good working condition at the insurance site (point 2), and indicated in the contract of insurance.
 - 1.1 Electronic equipment and appliances, such as eg.:
 - IT-;
 - electronic data-processing-;
 - communication-;
 - process controlling-;
 - electronic photo- and printing appliances.
 - 1.2. Electromechanical and other appliances, equipment, such as eg.:
 - medical technical appliances and equipment;
 - x-ray appliances
 - visual- and acoustic technical equipments;
 - measuring- and control technical appliances, and their inner data storage devices (which cannot be replaced according to rules by the user), but without the data on them.
2. An appliance is qualified as in operational, if after finishing the trial run is capable of starting the normal operation, corresponding to the manufacturer's instructions and the technical taking-over of the appliance has been carried out.
If the appliances are already operational, the insurance covers the time period of cleaning, checking, displacement, repairing and maintenance, if these activities are done at the site of the insurance.
3. Based on special agreements the following can be insured:
 - 3.1. Assets built into mobile or regularly used transport means in traffic (except water- and air-crafts);
 - 3.2. Cash and goods on stock stored in insured assets;
 - 3.3. Foundation, earthwork and construction work;
 - 3.4. Additional expenses of rescue and debris-clearing works;
 - 3.5. Additional expenses of air cargo incurred in connection with prevention of liable for indemnity damages;
 - 3.6. Arisen damage of X-ray tubes, image amplifier tubes, vacuum tubes and television tubes in case of diagnostic, therapeutic and material examination appliances.
4. The insurance does not cover:



- 4.1. industrial material, auxiliary material, any kind of wearing parts and tools as well as expendable tools;
- 4.2. external data storage devices (which can be changed by the user according to rules, and do not contain moving parts, e.g.: motor, electronics, such as floppy discs, magnetic tapes, CD-ROMs, DVD-ROMs, image- and sound recording media);
- 4.3. films, raster, foils, canvas- and plastic inserts, plugs, moulds;
- 4.4. purchased and individually developed software and data.

Chapter 2. **Insured dangers and damages**

1. The insurer provides insurance protection against damage occurring in covered assets at the site of the insurance for events that can be proved to have come from the outside and unforeseeable and as a result suddenly happening
 - damage,
 - breaking or
 - destruction

damage such as:

 - 1.1. handling failure, clumsiness, carelessness, vandalism or sabotage if the damage can be determined without special tools;
 - 1.2. mechanical force;
 - 1.3. implosion (quick explosion-like decrease in volume, collapse) or other vacuum impacts;
 - 1.4. all kinds of water, moisture or liquid;
 - 1.5. earth slide, settlement, stone- and rock-fall, frost, hail, flood, avalanche, snow pressure, storm, waves;
 - 1.6. fire, lightning strikes, explosion (including damages arisen at extinguishing and rescuing);
 - 1.7. scorching, heat induced shrinking, smoke, soot;
 - 1.8. impacts of electric power (atmospheric electricity, surges, disturbances in public- and/ or private electric supply), if the damages caused by the previous events can be determined without special tools;
 - 1.9. burglary, theft, robbery including vandalism
 - 1.10. glass breaking
2. Extending risk-taking to electromechanical and other appliances and equipment, according to chapter I. in point 1.2.
The insurer's insurance protection covers the parts of the insured assets at the insurance site, except for semiconductors for unforeseeable and as a result suddenly happening
 - injury,
 - damage, or
 - destruction

damages inside of the equipment if the reason of it:

 - 2.1. fault in planning, calculating, material, manufacturing or installation;
 - 2.2. direct effects of electric power, such as short circuit, excess overvoltage, arc-through, arc-over;



- 2.3. fault in handling, clumsiness, carelessness, vandalism or sabotage, even if the damage cannot be determined without special tools. Exclusions from 3.13 to 3.16 are not valid.

Exclusions

3. The insurance protection does not cover those damages or losses regardless of their reasons, which have arisen due to the following:
- 3.1. concerning that period, till the manufacturers, the sellers, the tenants, or the company which does the repairing, maintenance, are responsible resulting from law or contract (contract of maintenance); Those expenditures do not constitute object of the insurance, which must be done within the scope of maintenance according to general practice.
- The below services are qualified as maintenance in accordance with the present condition:
- security inspection,
 - preventive maintenance
 - preclusion of disturbances due to ageing,
 - preclusion of disturbances and damages arisen without external impact, during regular operation,
 - all necessary material and parts to aforesaid work.
- 3.2. inner riots, strike, war events, revolt, rebellion, military occupation, invasion, terror and confiscation or seizing by some upper power or authority; earthquake, eruption, blasting and impairing effects of nuclear power; unless signatory proves that the above had no direct, nor indirect effect on the arisen damage.
- 3.3. such faults or deficiencies, which existed at the conclusion of the contract or before the incident arose, and were known or should have been known by signatory,
- 3.4. intentional or severely careless deeds or failures of signatory;
- 3.5. permanently occurring chemical, thermal, mechanical, electric or electromagnetic effects, and/or corrosion, oxidation cavitation, erosion and any encrusting resulting from them;
- 3.6. wearing and ageing phenomena;
- 3.7. putting into operation or further operating after the damage, if that happens before the final termination of reinstatement and the regular course of operation. (this ordainment won't be applied, if the prescribed technological instructions were kept)
- 3.8. weather effects, which must be considered, based on the season and the local conditions;
- 3.9. scratch, abrasion or other injuries of the surface, which count only as an aesthetic problem (eg. varnish, enamel and scratch damages);
- 3.10. loss of asset
- 3.11. transportation outside of the insurance site
- 3.12. scorching, shrinking due to heat, smoke, soot, if these events don't arise due to external effects;

The below exclusions are valid only to electronic parts:

- 3.13. fault of planning, calculating, material-, manufacturing and installation;



- 3.14. consequences of grounding fault, short circuit, exaggerated overvoltage, arc-through, arc-over due to direct effect of electric power inside the equipment;
- 3.15. effects of electric power coming from outside (atmospheric electricity, overvoltage, disturbance at public- and/ or private electric supply), if the damages cannot be determined without special tools;
- 3.16. handling failure, clumsiness, carelessness, vandalism or sabotage, if the damages cannot be determined without special tools.
4. Moreover the insurance protection does not cover
 - 4.1. those losses, which are established during inventory count or inspection;
 - 4.2. any kind of property damages (expenses of standstill and downtime) performance decrease after restoring or repairing, amortisation;

Chapter 3. Insurance value

1. The insurance value is the new value of the assets valid on the day of damage, that is to say the expenses of the repurchasing of these assets (without discounts, such as seasonal discount, bulk discount), including transportation (except air cargo), custom and installation.
2. If an insured asset is no longer produced, then the last new value - valid at the time of producing - must be considered, taking into account the changes of price conditions.

Chapter 4. Insurance site

The insurance is valid at the risk-taking place, specified in the contract of insurance.

Chapter 5. Damage prevention liabilities of the insured

1. The insured is liable to take care either by itself or by commissioning third parties that the insured assets are
 - technically immaculate and operational,
 - assured to be careful maintained and conserved,
 - not overburdened permanently or intentionally over the technically allowable extent,
 - operated according to the manufacturer's instructions.
2. The insured is liable to allow the insurer's authorised person to inspect the insured assets.
3. If the insured does not perform the above liabilities, and it's in connection with the arisen incident, the insurer becomes exempt of liability of performing the insurance services.

Chapter 6. The liabilities of the insured on the occurrence of incident

1. The liabilities of the insured in case of damage:



- 1.1. They are obliged to do their best for the sake of prevention and mitigation of damages. If the circumstances allow it, they must check the necessary tasks with the insurer for the sake of prevention and mitigation of damages.
- 1.2. The damage must be reported to the insurer in writing, via fax, telephone or electronically immediately, but not later than 3 days of its discovery. The time of posting is authoritative from the point of view of keeping to the reporting deadline. In case of burglary, theft, robbery, vandalism and fire damages, reporting to the competent authorities immediately is also a must.
- 1.3. The insured - if it can be expected - is liable to
 - allow any kind of investigation concerning the reason and extent of damage
 - attach warrantsfor the insurer.
- 1.4. The insured can immediately start carrying out the final repairing after reporting, if the insurer agrees to it, but in case of greater damage, the induced state by the damage is allowed to be changed only to an extent, which is absolutely necessary to the factory's operation, till the inspection by the insurer's authorised person – which must be done within 5 working days of the report's arrival to the insurer. If the inspection does not take place within the above mentioned 8 days, then the insured is exempt of liability of maintaining the induced state by the damage and can begin the repair or renewal of the damaged asset without limitation. But even in this case, the not utilised, or replaced damaged parts must be put at the insurer's disposal for the purpose of inspection.
- 1.5. The insured is liable to give all written or oral information according to facts and completely during the valuation of the damage.
2. If the insured violates any of the previously listed liabilities, and the clearing up of circumstances - which are important for the insurer to judge its payment liability - became impossible, the insurer becomes exempt from its payment liability.
3. The insurer's liability of coverage remains even in case of signatory's severely careless violation of liabilities, if this violation of liabilities does not influence the determining, extent or clearing up of the incident.
4. In case of severely careless violation of liabilities of prevention and mitigation of damages stated in point 1.1, the insurer's payment liability remains, if the extent of damage could not have been decreased even with proper compliance with liabilities.
5. If the insured did not inform the competent authorities in case of damage, then the insurer cannot be obliged for indemnity until the information takes place. If the damage report did not happen or not fully with regard to certain assets, then the insurer's liability is valid only to the reported assets.

Chapter 7. Indemnity

1. The insured should bear the amount defined in the policy as deductible in all incidents, if it is agreed on.

The given deductible is deducted from the calculated insurance amount according to the conditions at all time (this includes also the expenditures connected to the damage).

The upper limit of the indemnity is the insurance amount decreased by the deductible, differing from the one given in chapter 10 of General Conditions of Property Insurances.
2. Indemnity takes place according to the following:
 - 2.1. The restoration of the damaged assets to their operating condition before the incident based on the presented invoices which include:
 - the repair costs at the time of the occurrence of the incident, including
 - the expenses of disassembling, assembling, transportation (except air cargo) and customs.

The stated residual value will be deducted.



If the insured does the repairing on its own, then only the prime costs are chargeable, but at most the repairing expenses of one specialised company.

In case of damage arisen in electron tubes and electron-ray tubes, only the obsolete value is compensated.

In calculating the amortisation of the damaged parts at the occurrence of the incident, the value of the built-in state should be considered as a basis.

- 2.2. In case of total destruction of the insured asset, the insurer compensates the obsolete value of the damage at the time directly before the occurrence of incidence.

An asset can be considered as totally destructed, if their repairing expenses reach or exceed the obsolete value at time of damage.

The calculated amortisation write-off, concerning electronic data processing appliances and equipment is 10% of the new value, but not more than 70% at most according to chapter III.

In case of arisen damages in new assets (except electron-ray tubes and electron tubes) the insurer does not enforce the amortisation write-off for 6 months following the first installation.

Concerning all other insured assets, the establishment of amortisation write-off takes place individually.

- 2.3. If no re-restoration or re-purchase takes place, the insurer compensates the market value at most.

- 2.4. The value of the sellable parts will be deducted from the indemnity amount.

- 2.5. If under an item of an insured asset is more units belong to each other are insured, and one of them is destroyed, then these incidences must be judged as if the totally destroyed units had been insured under separate items.

- 2.6. In case of belonging together assets, the insurer does not take into consideration that possible amortisation, which is endured by the assets remained unharmed due to the damage of other assets. In case of occurred damages in lighting-, radiating-, heating elements and heating units, only the obsolete value of the damage time will be compensated.

- 2.7. The insurer's indemnification burden also covers those expenses of debris-clearing work, which are devoted to prevent a compensable damage, till the 2% of the insurance amount of the damaged assets.

3. The insurer does not compensate:

- 3.1. those additional expenses, which have arisen due to changes, upgrading, reshaping or revision during repairing;

- 3.2. expenses of temporary repairing;

- 3.3. stand-by expenses.

Chapter 8.

Limitation of insurance coverage in case of other existing insurances

If other insurances concerning certain insured dangers (eg. fire, burglary etc...) existed, then in case of incidence, these insurances are primary.

If these insurances don't give enough protection, then the insurer of present contract of insurance undertakes the surpass burdens, in the scope of electronic contract of insurance, if the incident is qualified as an insurance event based on present condition

Chapter 9.

Co-insurance

1. Declarations of law

In case of co-insurance, the leading insurer issuing the policy, or its representative named in the policy, is authorised to receive the insured's reports and declarations, on behalf of the follower insurers.

2. Procedure order



If the co-insurer's conditions of contract are identical, then the below statements are valid:

- 2.1. In case of legal dispute, the signatory can enforce its claims originating from present contract, only towards leader insurer, till keeping its force.
- 2.2. Co-insurers, participating in the insurance, declare that they consider the final decisions of the disputed case between the insured and the leading insurer and the consequences of the out of court settlements concluded between the leader insurer and the insured obligatory for themselves.
- 2.3. If the proportion of the leader insurer does not reach the amount of appeal or recourse, then the signatory is authorised to extend the claim to another, or if necessary further insurers, for the request of the leader, or a participating insurer, till it reaches that amount. If it does not comply with the request, then point 2.2 is not valid.

Chapter 10. Expert procedures

Supplement to chapter 11 of the General Conditions of Property Insurances:

The expertise given by the experts should contain at least the below, beside the detailed estimation of the extent of damage:

1. the established or presumed reason of origin and its extent;
2. the value of the damaged asset, directly before the occurrence of the damage, according to the points 2.2 and 2.3 of chapter VII;
3. the new value of the damaged asset at the time of the damage's origin;
4. in case of repairable damage, the value of the damaged parts directly before the damage's origin, according to point 2.1 of chapter VII;
5. the possible added value after the repair;
6. the value of the remained parts, considering their availability to repairing or other purposes.

Chapter 11. Legal relationship after the incidence

The insurance amount is decreased with the paid indemnity from the day of **incidence** to the rest of the given insurance period, except if the signatory pays the necessary fee difference of the original insurance amount to the rest of the insurance period, immediately, before further damages arise.

If the signatory pays the insurance fee concerning the total amount for the following insurance period, then from this time the insurance is valid again to the previous insurance amount.

In case of total destruction (chapter VII point 2.2), the insurance together with its insurance amount, concerning the destroyed assets terminates, without the claim of proportional fee refund.
