

These insurance terms and conditions regulate insurance contracts between the Estonian branch of Compensa Vienna Insurance Group, ADB (hereinafter: Compensa) and policyholder on commercial property insurance, in which equipment failure protection is added upon special agreements (established on a separate insurance policy). In any matters not resolved by these terms and conditions, the parties to an insurance contract shall be guided by terms and conditions of Compensa's commercial property insurance, the Law of Obligations Act and other legislation.

1. INSURED ITEM

1.1. The insured item may be a stationary, mobile or portable item established in the insurance contract:

1.1.1. electronic equipment, including office and computer equipment, geodetic, audio-video, photo, sound and transmission equipment, data processing, recording and transmission equipment, medical and laboratory equipment, navigation, signalling and lighting equipment, measuring equipment, and control equipment, telephone system and the like;

1.1.2. a software program or operating system used on an electronic device and an external storage medium;

1.1.3. auxiliary equipment used to ensure the safety of the insured item, including ventilation equipment, air conditioner, power supply sources, UPS;

1.1.4. industrial and production equipment, including energy and heat production and conversion equipment, transport and lifting systems, tanks, compressors, pumps, other machinery and equipment for various industrial and industrial applications;

1.1.5. computer equipment and software that is an integral part of the production process and / or the equipment or production line used therein.

1.2. The insured item must be technically in order, fully installed and assembled in accordance with the manufacturer's instructions, successfully passed the test run and ready for operation.

1.3. Electricity supply wiring for the insured item must be installed and its equipment must comply with electrical safety requirements and be equipped with flash protection systems or surge arresters.

1.4. Insured item does not include:

1.4.1. construction machine, driven equipment, railway rolling stock;

1.4.2. transmission or distribution line and their masts;

1.4.3. mobile phone, tablet, and media player - e.g., iPhone, iPad, iPod, etc.

1.4.4. internal electricity, gas, heating, water supply, sewerage, ventilation, cooling, and fire extinguishing systems, communication and signalisation systems, elevators and escalators, and other fixed constructions supporting the building's function, that are deemed parts of the building according to the terms and conditions of commercial property insurance;

1.4.5. electronic devices older than 10 years at the time of issuing the policy;

1.4.6. industrial and production equipment older than 15 years at the time of issuing the policy.

2. INSURED EVENT

2.1. An insured event is an unexpected and unforeseen event established in the insurance contract taking place during the term of the insurance protection in relation to the policyholder and the insured person, as a result of which the insured item is damaged or destroyed. In the event of an insured event, insurer shall compensate for the damage.

2.2. In case of equipment failure insurance, damage to the insured item is compensated, if the cause is:

2.2.1. internal electrical or mechanical failure of the insured item;

2.2.2. short-circuiting, overvoltage or undervoltage, induction, electromagnetic oscillation due to lightning transient process or other electrical reasons;

2.2.3. control, protection or measuring device failure;

2.2.4. insufficient skill or negligence of the operator in handling the insured item;

2.2.5. unsatisfactory manufacturing material of the insured item, technological error or installation or installation error of the insured item (except for damages which must be compensated under a valid warranty of the equipment manufacturer, distributor, importer, installer or maintenance company);

2.2.6. leaking liquid or gas and the resulting moisture and corrosion;

2.2.7. fracture by centrifugal force, lack of water or other liquid in boilers and pressure equipment, foreign matter entering the insured object;

2.2.8. excess pressure;

2.2.9. other unexpected and unforeseen events that are not covered by these terms of insurance and the company's property insurance policy.

2.3. In the event of equipment failure insurance, the following shall not be compensated:

- 2.3.1. damage and expenses ruled out in the terms and conditions of corporate property insurance;
- 2.3.2. damage caused by faulty or damaged software program, operating system or its operation, programming error, damage to, modification of, deletion or loss of data and / or software, including due to magnetic field or unintentionally, computer virus;
- 2.3.3. damage caused by functional disturbances of the work of the insured object (such as failure to perform telecommunication services, internet services or Internet related services, lack of a satellite connection, incompatibility of data and / or software, other reasons for restarting the insured item, etc.), unless they have arisen as a result of an insured event;
- 2.3.4. damage caused by a defect in the insured item known to the policyholder upon entering into an insurance contract, an internal error or a hidden flaw;
- 2.3.5. damage caused by small external aesthetic flaw of the insured item (scratch, dent, sting, etc.) that does not affect its work;
- 2.3.6. damage due to wear and tear caused by daily operation and use or not of the insured item (incl. external medium) – physical wear and tear, corrosion, cavitation, descaling, wear and damage due to normal weather conditions, etc.;
- 2.3.7. costs for routine maintenance, adjustment and technical inspection of the insured item, as well as the cost of the parts, details and mediums that are being replaced or repaired during the above-mentioned operations;
- 2.3.8. the short object life of the insured item, the high part of the depreciation rate or the part of the replacement requiring frequent replacement (e.g., lamp, bulb, valve, valve, gasket, tape, fuses, strap, cable, rope, pipe, chain, filter, knife, drill bit, cutter or saw blade, tire, inner tube, fabric, screen, etc.) or the cost of damaging or destroying the material or liquid (such as oil, fuel, lubricant, coolant, etc.) required for the work, unless this is the result of an insured event;
- 2.3.9. damage caused by regular and/or notified interruption or disturbance in the supply of water, gas, steam, power and/or other sources of energy;
- 2.3.10. damage caused by testing or test operation of the insured item;
- 2.3.11. damage caused by the violation of the operating requirements of the insured item (e.g., working in excess of the prescribed load, use in non-foreseeable conditions or for the purpose, etc.);

- 2.3.12. damage caused by the loss of the insured item for reasons other than burglary or robbery;
- 2.3.13. damage for which the third party is liable under a contract or law or is liable to compensation under a guarantee given on the insured item or another insurance contract;
- 2.3.14. claims, fines, penalties for late payment or other penalties, as well as loss of income arising from the failure of the policyholder to comply with contractual obligations or their non-compliant enforcement.

3. SPECIAL TERMS AND CONDITIONS FOR MOBILE AND PORTATIVE INSURED ITEMS

The following terms and conditions apply to mobile and portative insured items.

- 3.1. The place of insurance is the territory of European Union Member States, the Kingdom of Norway and the Swiss Confederation.
- 3.2. An insured event is considered to be the damage or destruction of the object caused by the land vehicle or railway vehicle carrying it in a traffic accident.
- 3.3. A loss due to a burglary of an insured item outside the property specified in the property insurance contract is compensated only if at least one of the following conditions is met:
 - 3.3.1. insured item is at a safe place with an automatic activated security alarm that sends the signals to a security company (or any other location under constant surveillance);
 - 3.3.2. physical surveillance is arranged at the place of storage of the insured item, with the person exercising the duties of the guardian having a valid contract establishing the obligations to guard the insured item and instructions in the event of a loss event;
 - 3.3.3. upon keeping an insured item or a group of insured items with a total sum insured of less than 3,000 euros in an accommodation (hotel, etc.), all doors, windows, hatches and other openings of the room are closed and locked so that it is not possible to enter without breaking or removing a barrier or a lock.
- 3.4. Any damage caused by the following shall not be deemed insured event:
 - 3.4.1. using or using an insured item on an aircraft or craft;
 - 3.4.2. use of an insured object in underground work;

3.4.3. burglary of the insured object from its vehicle, or any other theft that is not compensated for under section 3.3 of these terms and conditions.

4. CONTRADICTIONS

In the case of any contradictions in the documents of the insurance contract, the following hierarchy of documents will be used in their interpretation, where each preceding document shall prevail over the next one: special terms and conditions – insurance policy – additional terms and conditions – terms and conditions of corporate property insurance. In the case of any disputes, the proviso of Equipment Failure Insurance compiled in Estonian will always be taken as the basis.