

Commercial property insurance

Insurance product information document
ERGO Insurance SE Lietuvos filialas

This information document provides information about the product of commercial property insurance. This document does not reveal any specific terms and conditions of an insurance contract. All detailed pre-contract information on the insurance product and information related to a specific insurance contract is provided in other documents, for instance, in the insurance offer, rules, insurance policy.

What is this type of insurance?

Commercial property insurance is a voluntary type of insurance. Commercial property insurance serves to compensate damages incurred due to damage caused to buildings, structures, equipment's, stocks or other insured property, its destruction or loss.



What is insured?

- ✓ The object of insurance is property interests related to any damage caused to movable and immovable property, its destruction or loss due to the occurrence of insured events
- ✓ An insured event means destruction of property owned by the insured person, damage to such property or its loss due to sudden and unexpected events provided for in an insurance contract. There are two options to choose from:
 - the list of named insurable events: fire, water, theft, natural forces, glass break, deliberate actions by third persons, surges and other risks chosen in the insurance contract
 - insurance against all risks, except for the non-insured events specified in the insurance rules
- ✓ Insurance sum means the maximum amount specified in the insurance policy which can be paid by the insurer in the event of an insured event:
 - Insurance sum shall be the same as the insurance value. The policyholder is responsible for choosing the correct insurance sum
 - Insurance sum can be determined based on the restoration value or the residual value
 - Insurance benefit does not reduce the insurance sum, if the insured property is restored after an insured event



What is not insured?

- Property damage is not compensated when it is caused due to:
- ✗ microorganisms, fungus, mould, rats, the effect of animals, plants, insects or parasites/pest
 - ✗ vibration, ordinary sinking of buildings, natural wear and tear, corrosion or erosion
 - ✗ designing, construction, installation, soil investigation mistakes or the use of finished, poor quality materials and devices
 - ✗ such mistakes, defects or events which lead to the damage to be compensated on the basis of warranty



Are there any restrictions on cover?

- Insurance benefit is not paid, if:
- ! an event occurred due to deliberate actions of the policyholder or beneficiary
 - ! an event occurred due to gross negligence
 - ! an event occurred due to inebriation, under the effect of drugs or any other intoxicating agents
 - ! an event occurred during the suspension of insurance coverage resulting from failure to make instalment payment
 - ! an insurance contract was signed after the occurrence of an insured event
 - ! policyholder submits fraudulent documents or attempts to mislead the insurer by falsifying facts
 - ! policyholder incurs damaged due to war actions, terrorist attacks, nuclear energy effect or state of emergency



Where am I covered?

- ✓ ERGO commercial property insurance coverage is only valid in the place of insurance which is specified in the insurance policy
- ✓ Place of insurance can be buildings, premises, land plots, territory



What are my obligations?

- Before signing an insurance contract – to provide the insurer with correct information about the property to be insured, to allow the insurer to examine the property to be insured, to provide information about insurance contracts already signed or planned to be signed with regard to the same object. To indicate the correct insurance amount to the insurer. To provide information about insurance risks (to give the main information – insurance address, insurance amount of the insurance objects, fire safety and property protection systems, information about previous events)
- During the effect of the contract – to ensure the protection of property, to implement insurance risk management measures specified in the insurance contract, to take consideration of the manufacturers' instructions and recommendations, to comply with fire and occupational safety requirements, to protect and take care of one's property, immediately remove any defects. Should insurance risk increase or reduce or should any possibility of the aforementioned occur – to immediately notify the insurer thereof (risk increase shall mean, e.g., change of conducted activities or construction in the place of insurance, also cases where insured buildings become unserviceable, change of fire and property protection). An insurance contract can be amended or supplemented in writing during its effect
- In the event of an insured event – the policyholder must notify the insurer orally or by calling 1887 within 1 day after the emergence of an insured event or after s/he was made aware of the event, provide details of the event and confirm the report about damage in writing no later than within 7 days. The insurer shall immediately inform competent authorities according to the nature of damage (e.g., a fire service – about fire, police – about a theft, emergency service – about damages caused by water or natural forces)



When and how do I pay?

The amount of an insurance premium, its payment schedule and terms and conditions are laid down in the insurance contract



When does the cover start and end?

- An insurance contract is concluded for the insurance period agreed by the policyholder and the insurer and specified in the insurance policy
- An insurance contract comes into force from the date and hour of the insurance period specified in the contract. The entry into force is linked to the payment of the aggregated total or the first insurance premium
- An insurance contract expires if the policyholder fails to pay the second or any other subsequent insurance premium by the deadlines specified in the insurance contract
- Insurance contracts also expire in cases where the grounds set forth in the Civil Code and the Law on Insurance occur



How do I cancel the contract?

An insurance contract can be terminated before its expiry date – on the policyholder's initiative, by mutual agreement between the insurer and the policyholder, or when the risk for an insured event to occur disappears, also where the insurance risk disappears due to the circumstances not related to an insured event