

Terms and conditions for transit insurance

Version 1/2014

CHUBB®

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1. Initial terms

The relationship between the **insurer**, the **policyholder** and the **insured** in relation to the transit insurance is governed by (1) the **policy**; (2) the contractual amendments to the **policy**; and (3) these **conditions**. The above documents (2) and (3) are indivisible parts of the **policy**. The **policy** or these **conditions** may also refer to a questionnaire answered by the **policyholder** or the **insured(s)**.

2. Insured event

- 2.1 The **insurer** shall provide the **insured** with insurance payment within the scope agreed in the **policy** provided that the **insured event** defined in these **conditions** occurs.
- 2.2 For the purpose of these **conditions** the **insured event** means occurrence of **material damage to insured items** in the course of transit specified in the **policy**, provided it was pursued by a conveyance stated in the **policy** and during the trip stated in the **policy**.
- 2.3 This insurance covers:
- a) compensation for **material damage to the insured item**;
 - b) compensation for expenses or other damage incurred by the **insured** in relation to the **insured event**, which are specified in the **policy** and in the **conditions**.
- 2.4 For avoidance of doubts it is stated that this insurance does not provide compensation for immaterial damages.
- 2.5 The **insurer** shall the indemnity in the form of financial reimbursement. The indemnity in the form of material compensation is possible only on the basis of an agreement in writing between the **insurer** and the **insured**.

3. Insurable perils

- 3.1 The **policy** can be written:
- a) “against all **insurable perils**”; or
 - b) “against named **insurable perils**”; or
 - c) “against the most serious **insurable perils**”.
- 3.2 If the insurance is agreed “**against all insurable perils**” it covers the **material damage to the insured item** regardless of the cause of the damage, unless the respective **insurable peril** is excluded or otherwise limited or amended in the **policy**.
- 3.3 If the insurance is agreed “**against named insurable perils**” it covers the **material damage to the insured item** as a result of the following insurable perils:
- a) **fire or explosion**;
 - b) vessel or craft being stranded, grounded, sunk or capsized;
 - c) overturning or derailment of a land conveyance;
 - d) collision of a vessel, craft or other conveyance with any external object other than water;
 - e) discharge of the **insured item** in the **port of distress**;
 - f) **earthquake**, volcanic eruption or lightning;
 - g) **general average** sacrifice;
 - h) jettison or washing overboard;
 - i) entry of sea, lake or river water into vessel, craft, hold, conveyance, container or place of storage;
 - j) **destruction or loss** of any **item** lost overboard or dropped whilst loading on to, or unloading from a vessel or craft.

- 3.4 If the insurance is agreed “**against the most serious insurable perils**” it covers the **material damage** to the **insured item** as a result of the following **insurable perils**:
- a) **fire or explosion**;
 - b) vessel or craft being stranded, grounded, sunk or capsized;
 - c) overturning or derailment of a land conveyance;
 - d) collision of a vessel, craft or other conveyance with any external object other than water;
 - e) discharge of the **insured item** in the **port of distress**;
 - f) **general average** sacrifice;
 - g) jettison.
- 3.5 Insurance arranged in any of the scopes of insurance coverage shall also cover:
- a) **insured’s** share in the expenses caused in connection with **general average**, which were adjusted and allocated according to the contract of affreightment, the governing law and practice, and which were incurred to avoid or in connection with the avoidance of the **loss event** which is not excluded by these **conditions** or by the **policy**.
 - b) **insured’s** share in the damage under “Both to Blame Collision” clause of the contract of affreightment, in proportion in which the **material damage** to the **insured item** would be covered according to this **policy**.

4. Definitions

Unless otherwise stated, the following expressions written in *italic* have the following meanings:

Actual value means the new price from which the degree of wear and tear or other depreciation is deducted (current price);

Capture means seizure of the **insured item** during a state of war;

Civil war means hostile acts of groups of the same state;

Conditions means these general insurance terms and conditions for transit insurance;

Confiscation, detention, garnishment means the consequences of an order of a political or executive power, which are not violent;

Constructive total loss means damage to the **insured item** in case that the salvage and repair expenses of the **insured item** is higher than the value of the **insured item** after salvage;

Damage means change of condition of the **insured item** or its part, which is possible to be repaired; if such a change cannot be repaired, it is deemed to be damage only if the **insured item** or its part can still be used for its original purpose;

Destruction means change of condition of all parts of the **insured item**, or of the **insured item** as a whole, provided such condition cannot be repaired, and therefore the **insured item** cannot be used for the original purpose;

Earthquake means shakings of the Earth's surface caused by movement in the Earth's crust, which reach up to at least the 6th grade on the international scale of macroseismic intensity of an earthquake (MCS);

Explosion means sudden devastating manifestation of pressure force consisting in extensibility of gases or steams (very fast chemical reaction of an instable system); explosion of a pressure tank (boiler, pipeline etc.) containing compressed gas or steam means bursting of their walls in such an extent that the pressure between the inside and outside of the tank suddenly levels off;

Fire means fire in the form of flames, which goes along with burning and which originated outside the designated fire place or has abandoned such a fireplace and spreads by its own force; the term fire does, however, not include glowing and smouldering with a limited access of oxygen, or impact of utility fire and its heat; it neither includes the impact of heat in case of a short circuit in electrical lead or appliance if the fire caused by the short circuit did not spread further;

General average means situation regulated by naval law or by law of inland navigation, whose purpose is just allocation of sacrifices and expenses caused by the decision of the vessel captain or other responsible person concerning measures to salvage the vessel and its shipment from common peril;

Inherent vice means damage or destruction of the **insured item** caused by its natural characteristics without influence of external factors; **inherent vice** also includes situations when external factors create favourable conditions but such external factors are not the immediate cause of the **inherent vice**;

Insurable peril means possible cause of occurrence of an **insured event**;

Insurable risk means a rate of probability of occurrence of an **insured event** caused by an insurable peril;

Insurable value means the highest possible property loss that may occur as a result of an **insured event**; unless otherwise agreed in the **policy**, the **insurable value** is the invoiced value of the **insured item**;

Insured means the person stated in the **policy**, who sustains injury as a result of damage to the **insured item**, i.e. the person who has insurance interest in the **insured item** at the time of the **insured event**;

Insured event means accidental event which meets the attributes specified in these **conditions**, with which triggers the obligation of the **insurer** to provide an insurance payment;

Insured item means the transported item stated or specified in the **policy**; the **insured item** may be freely loaded (e.g. commodities), may consist of one or more items, i.e. parts which are not freely loaded; packaging whose sole purpose is to protect the **insured items** in the course of transit, is not considered to be a part of the **insured item**;

Insurer means Chubb European Group Limited, with its seat at London, place of business at Chubb Building, 100 Leadenhall Street, London EC3A 3BP, the United Kingdom, running insurance activities in the Czech Republic on the freedom of services basis through its branch **Chubb European Group Limited, organizační složka**, with its registered office at Pobřežní 620/3, 186 00 Praha 8, identification number 27893723, registered in the Municipal Court in Prague, Section A, File 57233;

Insurrection means a violent act of a group of people or movement, with the aim to overthrow the government and to assume power;

Item means a coherent unit of the **insured item**, which is not freely loaded;

Loss means cessation of the possibility of the insured to dispose of the **insured item** or its part; as loss is considered also the case when the **insured item** or its part is missing, i.e. if the **insured item** or its part was not transported to the place of destination stated in the **policy** within a period (minimum 90 days) which is three times longer than the period necessary to cover the route using the same conveyance and if theft of the **insured item** was not proved, the **insured item** or its part is unaccounted-for and it is not sold or destroyed during the insured transport; this period shall be increased to six fold (minimum 170 days) in case of insurance of war **insurable perils**;

Loss event means event leading to damage which could constitute a right for insurance payment;

Material damage means damage to property identifiable in money, caused by **loss**, damage or **destruction** of the **insured item**;

Mutiny means organised armed resistance against the establishment, government, ruler;

Nature means natural physical or chemical characteristics which are typical for the **insured item**;

Naval vessel means a ship transporting the **insured item** from one port or place to another port or place provided that at least part of the transport takes place on sea;

New price means the price at which the same or similar item can be obtained as the same or new item of the same kind and purpose at the given place and time;

Ordinary course of transit means transportation of the **insured item** in a way usual for such an **insured item** including all usual trans-shipments and interim storage when the type of conveyance is changed;

Policy means the agreement concluded between the **insurer** and the **policyholder** under these **conditions**;

Policy period means period of time set out in the policy, for which the insurance has been concluded;

Policyholder means the person who concluded the **policy** with the **insurer** and is obliged to pay the premium; the **policyholder** can be an insured at the same time;

Port of distress means a port other than the original port of destination, which the vessel sailed in as a result of an insurable peril;

Revolution means total overthrow of government or political power;

Sailing in means moorage, makefasting or other type of fastening of the a vessel at the wharf or in other place within the reach of the port administration; if such a wharf or place is not available, then it means the first moorage, makefasting or other fastening of the vessel either in the scheduled port or outside of this port, or in the place of discharge;

Seizure means violent usurpation of the **insured item**;

Statutory rules means act no. 40/1964 Coll., Civil Code, act no. 37/2004 Coll., on Insurance Contract and other statutory rules pertaining to insurance;

Sum insured means an amount set out in the **policy** as a ceiling of the insurance payment;

Terrorist means a person who uses violence or threat of violence, including the intention to intimidate or harm a government, civil population or its part, to achieve his/her political, religious, ideological or similar aims;

Unseaworthiness of vessel or craft means lack in the equipment of a vessel or a craft, which can make them unfit for usual hazards of the planned transit;

War means hostile acts among states or groups which are capable of exercising certain power in the course of enemy actions;

Worker means:

- a) the person who works for the insured on the basis of any labour-law relationship or other contract provided such contract is the main source of income of such person;
- b) the employee of an employer other than the insured, who was temporarily transferred to work for the insured; and
- c) the person who performs his/her professional practice, internship or similar activity by the insured.

5. Exclusions

5.1 The insurance shall not cover any damage or expenses incurred as a result of the following **insurable perils**:

- a) wilful conduct of the **insured**, the **policyholder** or any person acting on the initiative of any of them;
- b) ordinary leakage of liquids, ordinary loss of weight or volume or ordinary wear and tear of the **insured item**;
- c) faulty, insufficient or unsuitable packaging or preparation of the **insured item**; for the purpose of this exclusion, the term “packaging” includes also embarkation on a conveyance and stowage in a container, but only if these occur prior to commencement of the insured transit, or are carried out by the **insured** or his/her **workmen**;
- d) delay, even if caused by an **insurable peril**; this exclusion shall, however, not be applied to the insurance of expenses incurred for **general average**;
- e) insolvency or breach of financial obligations by the owners, charterers or operators of a vessel or an aircraft if the **insured** knew about such insolvency or breach of financial obligations in time when the **insured item** was loaded onboard a vessel or aircraft or he should have known that such insolvency or breach of financial obligations could have influence on the usual course of transport. However, this exclusion will not apply in such cases when the insurance is concluded on behalf of the beneficiary who is buyer of the **insured item** or who agreed with buying the **insured item** in good will with a binding contract.
- f) **unseaworthiness of vessel or craft**; unfitness of vessel, craft, aircraft, conveyance or container for safe transportation of the **insured item** provided the **insured** or his **worker** were aware of such unseaworthiness or unfitness prior to loading of the **insured item**. However, this exclusion will not apply in such cases when the insurance is concluded on behalf of the beneficiary who is buyer of the **insured item** or who agreed with buying the **insured item** in good will with a binding contract.
- g) use of any weapon of **war** employing atomic or nuclear fission or fusion or similar reaction or radioactive force or substance;
- h) **war, civil war, revolution, mutiny, insurrection** or the following civil commotion, hostile acts by or against a belligerent power;
- i) **capture, seizure, confiscation, detention** or **garnishment** of vessel or aircraft (with the exclusion of piracy), and the consequences thereof or attempts thereat;
- j) abandoned mines, torpedoes, bombs or other derelict weapons of **war**;
- k) acts by strikers, laid off workmen, persons participating in labour disturbances, riots or civil commotions;
- l) strikes, lock-outs, employees disturbances, mutinies or other civil commotions;
- m) acts of **terrorists** or other persons acting from political ideological or religious motives.

6. Inception and termination of the insured transit

- 6.1 Unless otherwise agreed in the **policy**, the insurance begins when it is first manipulated with the **insured item** at the place of storage specified in the **policy** with the purpose of loading to the means of transit or a vehicle for the purpose of beginning of the transport, it continues during the **ordinary course of transit** and terminates:
- a) by termination of unloading from the means of transport at the consignee's warehouse or at any other final place of storage in the destination specified in the **policy**; or
 - b) by termination of unloading from the means of transport at any other place of storage than specified in the **policy**, which occurs prior to delivery to the place of destination or in the place of destination, which the **insured** chose to use either:
 - (i) for other storage than during the **ordinary course of transit**; or
 - (ii) for storage for the purpose of successive deliveries or distribution;
 - c) by decision of the **insured** to use means of transport or container for the purpose of other storage than during the **ordinary course of transit**; or
 - d) on expiry of 60 days after completion of unloading of the **insured item** from a naval vessel in the final port of discharge; or
 - e) on expiry of 30 days after completion of unloading of the **insured item** from an aircraft in the final place of discharge;
- whichever of the facts under a) to e) above shall occur first.
- 6.2 If, after unloading from a **naval vessel** or an aircraft in the final port or place of discharge, but prior to termination of this insurance, the **insured item** is to be sent to a place of destination other than specified in the **policy**, then this insurance shall continue until the commencement of transit to this other place of destination. Provisions for termination of the insurance specified in the subsection 6.1 under a) to e) shall, however, apply also in this case.
- 6.3 This insurance covers also cases of delay independently from the will of the **insured** or any deviation from the course of transit, forced discharge, reshipment or transshipment, and of any alteration of the course of transit arising from asserting the rights of the vessel owners, vessel charterers or air carriers under the contract of affreightment or contract of carriage independently from the will of the **insured**. Provisions for termination of the insurance specified in the sub-section 6.1 under a) to e) shall, however, apply also in this case.
- 6.4 If the fulfilment of the contract of carriage independently from the will of the **insured** is terminated in a port or place of destination different than specified in the **policy**, or the transit is terminated before the delivery of the **insured item** in the way specified in the sub-section 5.1 a) to e), then the insurance shall terminate unless the **insured** notifies the **insurer** without undue delay of occurrence of such facts and requires extension of the insurance and agrees with the **insurer** on eventual additional premium. If such agreement is concluded, the insurance continues to exist:
- a) until the **insured item** is sold or delivered in such different place of destination; or
 - b) until the expiry of 30 days in case of air transit and 60 days in case of marine transit after the arrival of the **insured item** to such a different place of destination, whichever of these facts a) and b) shall occur first; or
 - c) until the place of destination specified in the **policy** or different place of destination, if the **insured item** is forwarded within the said period of 30 days in case of air transit and 60 days in case of other transit or within other agreed extended period. The insurance shall terminate pursuant to the sub-section 5.1.
- 6.5 Where the place of destination is changed by the **insured** after commencement of transit, the insurance shall cover the **insured item** only provided the **insured** gives a prompt notice to the **insurer** thereof, and under the conditions on which the **insured** and the **insurer** agree.

7. Underinsurance

- 7.1 If the **sum insured** set down for the respective **insured item** is lower than the **insurable value** of such **insured item** at the time when the **insured event** occurs, the **insurer** shall reduce the insurance payment in proportion which the **sum insured** bears to the **actual value** of the **insured item**, unless agreed otherwise in the **policy**.
- 7.2 The underinsurance rules shall be applied to each **insured item** individually. If the insurance covers a set of **insured items** the underinsurance applies to the whole set.

8. Deductible, franchise

- 8.1 The insurance is concluded with a deductible or franchise of the **insured**, whose amount is agreed in the **policy**.
- 8.2 The deductible means an amount, which is deducted from the insurance payment for every **insured event**. No insurance payment shall be provided for any **insured event** if the insurance payment would not exceed the agreed deductible.
- 8.3 The franchise means an amount up to which the **insurer** shall not provide any insurance payment when the **insured event** occurs. The **insurer** shall provide the insurance payment in full if the said amount is exceeded.

9. Rights and obligations of parties

- 9.1 The **policyholder** is obliged to acquaint the **insured** with the content of the **policy**.
- 9.2 The **policyholder** and the **insured** are bound according to statutory rules to answer truthfully and in full all written questions of the **insurer** in relation to the **policy**. This obligation shall also apply to any change of the **policy**.
- 9.3 The **policyholder** shall inform the **insurer** preferably in advance otherwise without undue delay about all changes which occur during the **policy** period in the information provided to the **insurer** when the **policy** was concluded.
- 9.4 The **policyholder** and the **insured** are obliged
- used all reasonable efforts to ensure that the **insured event** did not occur;
 - did not violate statutory duties aimed at averting an impending loss or reducing the insurable peril;
 - made all reasonable efforts to reduce loss arising or potentially arising from an **insured event**; and
 - adopted appropriate measures aimed at averting an **insured event** and reducing its consequences.

10. Consequences of breach of obligations

- 10.1 The **insurer** may reduce the insurance payment proportionally according to the ratio between the premium the **insurer** received and the premium he should have received,
- if the **policyholder** or the **insured** breached the obligations to notify change or termination of the **insured** risk and the **insured event** occurred after such change or termination; or
 - if the **policyholder** or the **insured** breached during the negotiations of the policy or of its changes any of the obligations stated in the statutory rules, in the **conditions** or **policy**, and as result a lower premium was stated.
- 10.2 If a breach of obligations set out in statutory rules, these **conditions** or in the **policy** had a material influence on occurrence of the **insured event**, or had an influence on its course or aggravation of its consequences or the ability of the **insurer** to assess the amount of the insurance payment, the **insurer** may reduce the insurance payment pro-rata to the impact of such breach on the scope of its obligation to provide the insurance payment. It is understood that breach of **insured**'s obligations stated in the article 8.4 has a substantial impact on loss occurrence, its course or consequences or observation or specification of the indemnity amount.
- 10.3 If the **insured** makes a **claim** for indemnity under this policy knowing the same to be false or fraudulent as regards the amount or otherwise, the **insurer** has right to refuse the indemnity in accordance with relevant legislation. In such case the **policyholder** does not have a right for refund of premiums.

11. Insurance payment

- 11.1 The **insurer** shall provide the insurance payment according to the **policy** for all **insured events** that occur during the **policy** period. The insurance payment for every **insured event** is limited to the **sum insured** stated in the **policy**.
- 11.2 If more **insureds** have an insurance interest in the **insured item** at the time of the **insured event**, the **insurer** shall provide the insurance payment to the **insured** who first submits the original of the insurance certificate.
- 11.3 If more originals of the insurance certificate were issued, the **insurer** shall be exempted from the obligation to provide the insurance payment by providing the insurance payment in good faith to the **insured** who first submitted the original of the insurance certificate.

- 11.4 The insurance payment is payable within 15 days after the investigation necessary to determine the reason and amount of insurance payment has been completed. The insurance payment is payable in Czech currency unless otherwise agreed in the **policy**. The "average exchange rate" published by the Czech National Bank on the day of the **insured event**, is decisive for conversion of foreign currency to Czech currency, unless otherwise agreed in the **policy**.
- 11.5 The **insurer** is obliged to finish the investigation necessary to determine the reason and amount if the insurance payment within 3 months after it was notified of the **loss event**. If the **insurer** is unable to complete the investigation within the mentioned period, it is obliged to notify the **insured** of the reasons why the investigation cannot be completed, and to provide the **insured**, on its request, with an adequate advance payment.
- 11.6 The **insurer** shall provide the **insured** with the insurance payment according to its decision either in the form of financial compensation or in the form of physical substitution of the **insured item** or repair of the damage.
- 11.7 The **insurer** shall cover expenses incurred for investigation of the **loss event**, in particular expenses in relation to the activities of the loss adjuster, even if these expenses exceed the **sum insured**. The **insurer** shall, however, not cover the expenses associated with personal participation of the **insured** and the **policyholder** even if these are related to the **loss event** and its investigation. The right of the **policyholder** and the **insured** for compensation of expenses purposefully and reasonably spent on averting the **insured event** and reducing its consequences, shall not be affected by this sub-section.
- 11.8 If, as a consequence of an insurable peril, transportation of the **insured item** is terminated in a place of destination other than specified in the **policy**, the **insurer** shall cover all expenses purposefully and reasonably spent on discharge, storage and dispatching of the **insured item** to the place of destination specified in the **policy**. Exclusions laid down in section 5 shall, however, apply also in this case, and further the cases are excluded, when this situation arises as a result of wilful conduct, negligence or insolvency or breach of contractual or other obligations by the **insured** or its workers. The provisions of this sub-section shall not apply in case of **general average**.
- 11.9 The insurance shall cover constructive total **loss** only in those cases when the **insured** duly abandons ownership of the **insured item**.

12. Claim for insurance payment

- 12.1 When a **loss event** occurs, the **insured** is obliged to:
- immediately after finding out about the **loss event** notify the **insurer**, its representative or the representative of Lloyd's if the **insurer** or its representative are not close to the place where the **loss event** occurred, in writing of the **loss event**, and to provide the **insurer** with all required explanations, and to enable the investigation needed to find out the circumstances decisive for the obligation of the **insurer** to provide the insurance payment;
 - make a claim to the **insurer** for insurance payment in writing and supply all relevant information and documents proving the cause of the **loss event**, according to the **insurer's** requirements;
 - notify authorities in charge of criminal proceedings of any reasonable suspicion that the damage resulted from a criminal offence or an intentional conduct, and to inform the **insurer** about the course of official investigation;
 - preserve the damaged parts of the **insured items** and make them available for inspection of the **insurer** on request;
 - have the condition of the **insured item**, the cause, the extent and the amount of damage checked, or to make the same possible for the **insurer**.
- 12.2 The **insured** shall notify the **insurer** without undue delay in the case the **insured item** was found, or which insurance payment has already been provided. The ownership of the **insured items** for which insurance payment has been already provided and which are later found does not pass on to the **insurer** but remains with the **insured**. The **insured** is, however, obliged to return to the **insurer** a respective part of the insurance payment according to statutory rules, after deducting purposefully and reasonably spent expenses incurred to find and transport the **insured items** to the **insured** or to the original recipient.
- 12.3 The **insured** shall not carry out any repairs of property damaged as a result of an **insured event**, and shall not remove any remains of it until so being instructed by the **insurer**, but no longer than the period agreed in the **policy**, unless it is necessary to commence the repair or removal of the remains earlier due to safety, hygienic, environmental or other important reasons. If the **insured** begins, in accordance with this section, with the repair or replacement sooner, it is obliged to keep documentation evidencing the **insured event**.

- 12.4 The **insurer** is obliged to discuss with the **insured** and the **policyholder** the results of the investigation needed to find out the circumstances decisive for the obligation of the **insurer** to provide the insurance payment, and to enable the **insured** and the **policyholder** to inspect the documents which were gathered by the **insurer** in the course of investigation. The **insurer** and the **policyholder** have the right to make copies of these documents.
- 12.5 The **insurer** is obliged to return to the **insured** and the **policyholder** on request the documents which they provided to it, or if it is not possible, give them copies of such documents.

13. Change of risk

- 13.1 The **policyholder** or the **insured**, if different from the **policyholder**, shall notify the **insurer** without undue delay of any change or cessation of the insurable risk.
- 13.2 If the insurable risk significantly increases during the **policy** period, the **insurer** shall have a right to propose a change of the **policy** or to withdraw from the **policy** in accordance with the relevant provisions of the statutory rules. The **insurer** shall, however, not apply this procedure if the insurable risk increased unknown to **insured**.

14. Premium

- 14.1 The premium is a lump-sum premium and the amount of the premium is set out in the **policy**.
- 14.2 The **policyholder** is obliged to pay a lump-sum premium for the whole **policy** period in advance. Payment of the premium by instalments may, however, be agreed in the **policy**.
- 14.3 The **insurer** may set off unpaid premium against the insurance payment.
- 14.4 If the **policyholder** fails to pay the premium in due time it shall pay to the **insurer** interest on the overdue amount at the applicable statutory rate.
- 14.5 Unless agreed otherwise in the **policy** the insurance shall not be suspended in case of default in payment of the premium.

15. Inception and termination of the insurance

- 15.1 The **policy** is concluded by the **policyholder** and the **insurer** according to general provisions of statutory rules. The **policy** may be concluded for the benefit of a third party, it may, however, not be concluded to the benefit of the hauler or other provider of the **insured item**.
- 15.2 The insurance begins on the day specified in the **policy** and is written for an indefinite period of time or for a definite period of time with a **policy** period:
- a) whose duration is agreed in the **policy** if more transits are concerned. The insurance shall, however, cover only those **insured items** whose transit began in the course of the **policy** period, and shall terminate at the moment defined in the sub-section 13.4 even if such moment occurred after the end of the **policy** period, or b) which is identical with the period during which the transit of the **insured item** lasts (lump-sum insurance).
- 15.3 The insurance will terminate:
- a) on expiration of the **policy** period;
 - b) on the basis of a written agreement in writing between the **insurer** and the **policyholder**;
 - c) through termination (in Czech: výpověď) by a notice delivered by either party pursuant to the relevant statutory rules;
 - d) through withdrawal (in Czech: odstoupením) according to the relevant statutory rules;
 - e) through withdrawal by the **insurer** in case of the **policyholder** being put into liquidation, going into bankruptcy, rejection of a proposal for bankruptcy proceeding because of lack of property or approval of composition. The withdrawal takes effect on the thirtieth day after delivery of the notice to the **policyholder**. In this case, the **insurer** shall repay a proportion of the premium according to the unexpired term from the effective date of termination until the end of the originally agreed **policy** period;
 - f) pursuant to the relevant statutory rules, on the basis of a default of the **policyholder** in paying the premium; and
 - g) in other cases set out in the statutory rules.

- 15.4 It is possible to agree in the **policy** that the insurance covers the period before the **policy** was concluded. The **insurer** is not obliged to provide the insurance payment if the **insured** knew or could have known that the **insured event** had already occurred at the time when the draft **policy** was submitted. The **insurer** is not entitled to receive any premium if it knew or could have known that the **insured event** could not occur at the time when the draft **policy** was submitted.

16. Insurance certificate

- 16.1 The **insurer** shall issue to the **insured** an insurance certificate upon its request as confirmation of existence of the transit insurance of a specified **insured item**.
- 16.2 In order to make a claim to the **insurer** for the insurance payment, the **insured** must supply the insurance certificate.
- 16.3 If the insurance certificate states that the person who concluded the contract with the **insurer** is entitled to assign the right for insurance payment to other persons, these other persons are entitled to further assign the right to other parties.

17. Delivery

Communications in writing sent under the insurance contract shall be delivered to the address of a party set out therein or otherwise duly communicated to the sender. The addressee is obliged to ensure that a duly addressed communication is accepted by it within three working days after first due attempt to deliver. If the addressee thwarts delivery of the shipment (e.g. due to failure to notify the change of delivery address or new delivery address), such shipment is considered to be delivered at the third working day after its posting (or at the fifteenth day after the posting in case the delivery address is outside the Czech Republic).

18. Subrogation

- 18.1 If the **insured** has a claim against another person(s) for compensation of the loss caused by an **insured event** or other similar right, such right shall be subrogated to the **insurer** to the extent of sums paid by the **insurer** to the **insured** under the **policy**. In such a case the **insured** shall do everything necessary to secure and preserve the rights of the **insurer** against the other party(ies). The **insurer** shall be entitled to assign the rights to other persons, which have been subrogated to it in accordance with this provision, or any other rights arising out of the **policy**.
- 18.2 The **insurer** shall compensate the **insured** for expenses which were purposefully and reasonably spent in connection with performing the duties pursuant to the preceding paragraph.

19. Governing law

The Policy shall be governed by Czech law, and any dispute arising or otherwise relating to the Policy shall be subject to the exclusive jurisdiction of the courts of the Czech Republic.

20. Disputes settlement

Any dispute, claim or point subject to debate between the parties in connection with this agreement (including issues relating to its validity, effect and interpretation) shall be referred for resolution to the relevant court in the Czech Republic.

21. Severability

Any information provided to the **insurer** by the **insured** shall not be imputed to any other **insured** to determine whether cover is available for that other **insured**.

Only statements made in the proposal and knowledge possessed by an **insured** who is the subject of a **claim** under this policy shall be imputed to the **company** for the sole purposes of determining if cover is available for indemnifiable **loss** with respect to such **insured**.

22. Miscellaneous

- 22.1 The insurance is concluded as a "loss insurance".
- 22.2 The **policy** may only be amended in writing, by amendments executed by both parties. Unless stated otherwise in these **conditions** or in the **policy**, all acts relating to the **policy** shall be in writing at the address of the counterparty set out in the **policy**.
- 22.3 The headings of paragraphs and sections in these **conditions** are for convenience only and shall not affect their interpretation.
- 22.4 The **policy** may modify these **conditions** and such modification will prevail over these **conditions**. If such a modification aims at limitation of one of the exclusions set out in these **conditions**, such modification shall prevail only if expressly stated that the exclusion should not to be applied.
- 22.5 **Exclusion of Some Provisions**
- a) Section 1740 paragraph 3 of the **civil code** regarding acceptance of an offer with supplements or variations shall not apply to the relationship between the **insurer** and the **policyholder**.
 - b) Section 1743 of the **civil code** regarding late acceptance of an offer shall not apply to the relationship between the **insurer** and the **policyholder**.
 - c) Sections 1799 and 1800 of the **civil code** regarding contracts concluded adhesively shall not apply to the relationship between the **insurer** and the **policyholder**.

23. Complaints

In case of any complaints or enquiries regarding this insurance, please contact the insurance intermediary through which the insurance contract was concluded or the **insurer** on the address stated in the policy schedule.

If you are not satisfied, you are entitled to refer this matter to the regulatory authority, which is the Czech National Bank. The address of the Czech National Bank is:

Czech National Bank
Na Příkopě 28
115 03 Prague 1
Czech Republic
tel.: + 420 224 411 111

24. Sanctions

Chubb European Group Limited is a subsidiary of a US parent and Chubb Limited (a NYSE listed company) and part of the Chubb Group of companies. Consequently, Chubb European Group Limited is subject to certain US laws and regulations in addition to EU, UN and national sanctions restrictions which may prohibit it from providing cover or paying claims to certain individuals or entities, and from insuring certain types of activities in or connected with certain countries and territories such as, but not limited to, Iran, Syria, North Korea, North Sudan, Cuba and Crimea.

Contact us

Chubb European Group Limited, organizační složka
Pobřežní 620/3
186 00 Praha 8
Czech Republic

T +420 222 351 251
F +420 222 351 291
info.czech@chubb.com

About Chubb

Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. We combine the precision of craftsmanship with decades of experience to conceive, craft and deliver the very best insurance coverage and service to individuals and families, and businesses of all sizes.

Chubb is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. The company serves multinational corporations, mid-size and small businesses with property and casualty insurance and risk engineering services; affluent and high net worth individuals with substantial assets to protect; individuals purchasing life, personal accident, supplemental health, home and car insurance and other specialty personal insurance coverage; companies and affinity groups providing or offering accident and health insurance programs and life insurance to their employees or members; and insurers managing exposures with reinsurance coverage.

Chubb's core operating insurance companies maintain financial strength ratings of AA from Standard & Poor's and A++ from A.M. Best. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index.

Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

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