Terms and Conditions of Liability Insurance for Information Technology Professional Services

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Noncommittal translation. In case of questions of interpretation or legal disputes, the Hungarian text shall prevail.

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Contents

Terms and Conditions of Liability Insurance for Information Technology Professional Services

The Terms and Conditions of Liability Insurance for Information Technology Professional Services contain the general terms and conditions applicable to insurance policies concluded with Generali Biztosító Zrt. for liability insurance covering information technology activities, provided that the insurance policy is concluded by reference to these Terms and Conditions.

The Specific Clauses attached to the Terms and Conditions of Liability Insurance for Information Technology Professional Services contain the risks selected by the Policyholder as specified in the insurance policy or in the insurance application forming part of that policy. Together, these documents constitute the general terms and conditions.

In matters not regulated by the Specific Clauses, the Terms and Conditions of Liability Insurance for Information Technology Professional Services shall apply. Where the provisions of the Specific Clauses differ from those of the Terms and Conditions of Liability Insurance for Information Technology Professional Services, the provisions of the Specific Clauses shall prevail.

The parties may derogate from the general terms and conditions, in which case the written agreement of the parties shall govern the matter concerned.

The Customer Information and General Provisions Governing Insurance Policies shall also form part of the insurance policy.

Under these general terms and conditions, Generali Biztosító Zrt. (hereinafter: the Insurance Company) undertakes, in consideration of the premium paid by the Policyholder, to provide the insurance benefit stipulated in the insurance policy upon the occurrence of a specified future event (insured event).

I. PARTIES TO THE INSURANCE POLICY

I.1. Insurance Company

The Insurance Company is the legal person that, in consideration of the insurance premium, provides insurance cover in respect of the insured risk and undertakes to provide the benefit specified in these Terms and Conditions.

I.2. Policyholder

I.2.1. The Policyholder is the person who concludes the insurance policy with the Insurance Company and undertakes to pay the insurance premium.

The Policyholder may be a person or organization that does not qualify as a consumer.

I.2.2. In connection with the insurance policy, the Policyholder shall be entitled to make legal declarations to the Insurance Company, and the Insurance Company shall address its legal declarations to the Policyholder.

I.2.3. If the Policyholder and the Insured are different persons, the Policyholder shall inform the Insured of any declarations addressed to the Policyholder and of any changes to the insurance policy until the occurrence of an insured event or until the Insured enters into the policy.

I.2.4. Any change in the person of the Policyholder (substitution of the Policyholder) requires the Insurance Company's consent, except where the change in the person of the Policyholder occurs as a result of legal succession or the Insured entering into the insurance policy.

If the insurance policy was not concluded by the Insured, the Insured may enter into the policy by written declaration addressed to the Insurance Company ("entry into the policy"). The Insurance Company's consent is not required for such entry. Upon entry into the policy, all rights and obligations of the Policyholder shall transfer to the Insured, and the entering Insured shall be jointly and severally liable with the Policyholder for premiums due in the current policy period.

I.3. Insured

I.3.1. The Insured is the person whose liability to pay compensation is covered by the Insurance Company under these Terms and Conditions.

II. THE INSURED EVENT

II.1. The insured event means the Insured's liability under Hungarian law to pay compensation for loss or damage caused to another person in the course of the Insured's information technology professional service, while carrying out the activity specified in the insurance application/certificate of coverage, where the Insurance Company indemnifies the Insured against that liability in accordance with these Terms and Conditions in consideration of the premium paid.

II.2. An insured event also means conduct that infringes the personality rights of another person and gives rise to the Insured's obligation to pay non-material damages, where the Insurance Company releases the Insured from that obligation in accordance with these Terms and Conditions, provided that the Insured caused the infringement of personality rights in the course of the Insured's information technology professional service, while carrying out the activity specified in the insurance application/certificate of coverage.

The provisions of these Terms and Conditions relating to conduct giving rise to loss or damage, loss or damage, and liability to pay compensation shall apply, as appropriate, to conduct infringing personality rights, non-material damages, and the obligation to pay non-material damages, unless these Terms and Conditions provide otherwise.

II.3. Serial losses shall be deemed to constitute a single insured event. Serial loss means any loss or damage arising from the same conduct or cause giving rise to the loss or damage, or attributable to the same cause but occurring at different times, provided that a legal, economic or technical connection exists between the cause and the effect, regardless of whether more than one injured party brings a claim for compensation.

III. SUBJECT OF THE INSURANCE COVER

III.1. Professional Services Liability

III.1.1. The Insurance Company undertakes, to the extent and subject to the terms set out in the insurance policy, to indemnify the Insured against liability for:

a) compensation for bodily injury, property damage and pure financial loss caused to the Insured's contractual partners or to users of the service by the Insured, or by any person employed by the Insured or otherwise engaged by the Insured under another work-related legal relationship, as a result of defective performance of the information technology professional service specified in the insurance application/certificate of coverage, where the Insured is liable to pay compensation for such loss or damage;

b) non-material damages payable by the Insured in respect of an infringement of personality rights committed by the Insured, or by any person employed by the Insured or otherwise engaged by the Insured under another work-related legal relationship, as a result of defective performance of the information technology professional service specified in the insurance application/certificate of coverage.

III.1.2.1. The Insurance Company shall also indemnify the Insured against liability for:

a) compensation for loss or damage caused to natural persons by the unlawful processing of personal data, whether in the capacity of controller or processor, as a result of an error committed in the course of the Insured's information technology professional service, where the Insured is liable to pay compensation for such loss or damage under the General Data Protection Regulation; and

b) non-material damages payable by the Insured under the General Data Protection Regulation in respect of an infringement of the personality rights of natural persons resulting from the unlawful processing of personal data, where such infringement is caused by an error committed in the course of the Insured's information technology professional service.

III.1.2.2. Insurance cover for loss or damage and claims for non-material damages caused in connection with the processing of personal data shall apply exclusively to loss or damage, or non-material damages, arising in connection with the following unlawful conduct:

a) **personal data** stored in the Insured's computer system **are destroyed, modified or otherwise damaged,** and become accessible to unauthorized persons, as a result of a malicious computer program, other malicious activity affecting the Insured's computer system, or human error;

b) **theft of personal data** falling within the Insured's scope of data processing and stored in the Insured's computer systems or electronic or printed mass communication media;

c) **personal data** falling within the Insured's scope of data processing and stored in the Insured's computer systems or electronic or printed mass communication media are disclosed, i.e. that they become accessible to unauthorized persons;

d) personal data falling within the Insured's scope of data processing **are disclosed,** i.e. that they become accessible to unauthorized persons, even where the unlawful act leading to such disclosure is connected neither with electronic or printed mass communication media nor with the Insured's computer systems.

III.1.3. Insurance cover shall apply exclusively to loss or damage and infringements of personality rights caused in the course of the information technology professional service specified in the insurance application.

III.1.4. **In addition to the exclusions set out in Chapter X, insurance shall not cover:**

a) the performance of obligations arising under warranty or guarantee, and the related costs and other expenses, including costs and other expenses incurred in correcting the defective service or performing it again;

b) liability to pay compensation imposed on the Insured in its capacity as employer under the Labour Code;

c) property damage and bodily injury caused by environmentally hazardous activities, and damage caused to environmental elements, including land, water, air and living organisms;
For the purposes of these insurance terms and conditions,
- **'environmental endangerment' means any activity or omission that causes environmental damage;**
- **'environmental damage' means any change in, pollution of, or use of the environment or any of its elements, including land, air, water and living organisms, to such an extent that its natural or previous condition or quality can be restored only through intervention, or cannot be restored at all, or that adversely affects living organisms.**

d) loss or damage arising in connection with the Insured's failure to protect its computer systems or computer network with up-to-date, professional-grade software designed to protect against malicious computer software, including antivirus software, or failure to update such software in accordance with the manufacturer's instructions;

e) loss or damage arising in connection with the Insured's failure to take appropriate measures to safeguard data security in order to prevent malicious activity affecting its computer systems, including setting passwords, regulating access rights and protecting network firewalls;

f) loss or damage arising in connection with the Insured's failure to remove any content from a website despite having been requested to do so;

g) loss or damage arising in connection with websites that are not under the direct control of the Insured or on which content may be published without registration;

h) loss or damage arising in connection with the restriction of the Insured's ownership rights by an official measure taken in the public interest, including where, as a result of any official measure, the Insured's computer system or the personal data stored in it are seized, confiscated, destroyed or otherwise damaged, whether permanently or temporarily;

i) loss or damage attributable to the use of illegal or unlicensed software, or to the unauthorized use of any software;

j) loss or damage connected in any way with extortion, payment of ransom, or industrial, business or political espionage.

III.1.5. **In addition to the cases set out in Chapter XI, the following shall be deemed to constitute gross negligence and, under the relevant provisions of these Terms and Conditions, shall release the Insurance Company from its obligation to provide the insurance benefit where:**

a) the supervisory authority notifies the data controller or processor of a suspected breach of the General Data Protection Regulation, or warns or instructs it to comply with the provisions of the General Data Protection Regulation, but the Insured fails to take the measures necessary for lawful data processing;

b) the supervisory authority repeatedly imposes a sanction on the Insured in respect of the same breach, including imposing an administrative fine or ordering the restriction of data processing or the suspension of data flows.

III.1.6. For the purposes of these insurance terms and conditions,

a) 'information technology professional service' means any activity performed for the purpose of manufacturing, procuring, installing, configuring, maintaining or repairing computer equipment, including servers, workstations, network equipment and peripheral devices. In addition, this includes the development, customization, integration, operation and maintenance of software, applications and information

technology systems. The service also includes the design and optimization of information technology infrastructure, including the implementation of data centers and network systems and the application of security solutions.
The term also includes information technology consulting, auditing and compliance reviews, as well as training and support activities provided to users;

b) 'employment' means the legal relationship defined in the legislation on the Labor Code in force from time to time;
c) 'other work-related legal relationship' means a public service relationship, government service relationship, service relationship, public employee relationship, membership relationship in a business association or individual firm, agency relationship, relationship under a contract to produce a work, public-interest volunteer relationship, or activity as a private entrepreneur;
d) 'bodily injury' means the death, physical injury or impairment of health of any person; 'property damage' means damage to, destruction of, or rendering unusable of any tangible property;
'pure financial loss' means loss that is not bodily injury or property damage and is not attributable to bodily injury or property damage.
e) 'personal data' means any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person;
f) 'data controller' means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data;
g) 'data processor' means a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller;
h) 'data processing' means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;
i) 'General Data Protection Regulation' means Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
j) 'computer system' means an information technology device that is able to electronically record, process, store and transfer data, including hardware components and the associated software operating them, as well as its computer networks;
k) 'computer network' means a system providing communication between computers, and enabling the transfer of data stored in computer systems, as well as a shared use of ancillary and peripheral devices, applications and data, including the Internet, intranet and virtual private networks;
l) 'malicious activity affecting a computer system' means any unlawful act that, through the use of a computer system or computer network, provides unauthorized access to the computer system and, as a result, to the data stored in it;
m) 'malicious computer program (malware)' means any unwanted, intrusive computer program intended to damage computer systems or the data stored in them, including, for example, viruses, worms, spyware, ransomware and Trojan horses.
n) 'human error' means any information technology operational error attributable to the involvement of a person employed by the Insured or otherwise engaged by the Insured under another work-related legal relationship, including, for example, an error in selecting or configuring the software to be used.
o) 'data theft' means any malicious activity affecting a computer system that enables the unlawful acquisition or copying of data stored in the computer system;
p) 'electronic mass communication medium' means any information technology device used to record and store data during data processing, including external and internal drives, CD-ROMs and USB devices;
q) 'printed mass communication medium' means any mass communication medium appearing in printed form, including information letters, periodicals, books and literary works, brochures, publications, advertising media, packaging and photographs.

III.2. Product Liability

III.2.1. The Insurance Company undertakes, to the extent and subject to the terms set out in the insurance policy, to indemnify the Insured, in its capacity as the manufacturer, importer or distributor of the hardware specified in the insurance application, the manufacturer's authorized representative, logistics service provider or online platform, against liability for the following loss or damage caused by a defect in the hardware to any person other than the Insurance Company or the Insured:
a) compensation for bodily injury and property damage for which the Insured is liable under Hungarian product liability legislation;
b) non-material damages directly related to bodily injury or property damage, which the Insured is required to pay under Hungarian law on the grounds of an infringement of personality rights.

III.2.2. The insurance also provides cover, as set out in Clause III.2.1, for claims for compensation and non-material damages arising, in the course of distribution of the hardware, from any error or omission in advice relating to the hardware.

III.2.3. Loss or damage attributable to the same defect in the insured hardware (serial losses) shall be deemed to constitute a single insured event.

III.2.4. **The insurance cover extends to loss or damage qualifying as an insured event that is caused by defective hardware among the products manufactured, imported or distributed during the term of the insurance policy, provided that the loss or damage is caused and occurs during the term of the policy and is notified to the Insurance Company no later than 90 days after termination of the policy.**

III.2.5. **In addition to the cases listed in Chapter X of these insurance terms and conditions, the insurance shall not cover:**
a) loss or damage occurring in the defective hardware itself;
b) the performance of obligations arising under product warranty, statutory warranty for defects or guarantee, and the related costs and other expenses, including costs and other expenses incurred in repairing or replacing the defective hardware or replacing it with non-defective hardware;
c) the costs of recalling the defective hardware for inspection, repair, servicing, replacement or withdrawal from the market, the costs of destroying, repairing or modifying the defective hardware, and the value of the hardware recalled from the market;
d) loss or damage arising from the absence of, or errors in, the manufacturer's instructions for the use, handling or maintenance of the hardware;
e) claims for compensation made in connection with hardware that was not manufactured in accordance with the state of scientific and technical knowledge applicable at the relevant time;
f) loss or damage caused to a third party, hereinafter the user, in the course of and as a result of the incorporation by that third party of defective hardware manufactured by the Insured into another product;
g) loss or damage arising where hardware manufactured by the Insured and incorporated into machinery used to manufacture a product is defective, and as a result the machinery produces a defective product or cannot be used to manufacture a product, causing loss or damage to the user manufacturing the defective product;

h) loss or damage arising from the defective hardware becoming a component part of immovable property;
i) property damage and bodily injury caused by environmentally hazardous activities, and damage caused to environmental elements, including land, water, air and living organisms.
For the purposes of these insurance terms and conditions,
– 'environmental endangerment' means any activity or omission that causes environmental damage;
– 'environmental damage' means any change in, pollution of, or use of the environment or any of its elements, including land, air, water and living organisms, to such an extent that its natural or previous condition or quality can be restored only through intervention, or cannot be restored at all, or that adversely affects living organisms.

III.2.6. For the purposes of these insurance terms and conditions,
a) 'hardware' means the physical components of an information technology system; this includes any electronic or mechanical device, including, but not limited to, the following: central processing unit (CPU), random-access memory (RAM), storage devices, including hard drives, SSDs and optical drives, motherboard and expansion cards, including video, sound and network cards, power supply unit and cooling systems, peripherals, including keyboard, mouse, monitor and printer, and any other external or internal electronic device required for the operation of a computer;
b) 'manufacturer' means the producer of the hardware as a finished product or component product, and any person who presents itself as the manufacturer of the hardware by placing its name, trademark or other distinguishing mark on the hardware;
c) 'authorized representative' means any natural or legal person established in the European Union that has received a written mandate from the manufacturer of the hardware to act on that manufacturer's behalf in relation to specified tasks;
d) 'logistics service provider' means any natural or legal person that, in the course of its commercial activity, offers at least two of the following services without owning the hardware: warehousing, packaging, addressing and dispatching of the hardware, excluding postal services, parcel delivery services and freight transport services;
e) 'online platform' means a hosting service that stores and publicly disseminates information at the request of the recipient of the service;
f) hardware is defective if it does not provide the level of safety that may generally be expected;
g) 'bodily injury' means the death, physical injury or impairment of health of any person; 'property damage' means damage to, destruction of, or rendering unusable of any tangible property. 'property' means physical objects which may be possessed, including cash and securities.
h) 'advice relating to hardware' means individual information provided by the distributor to the purchaser or user of the hardware in the course of distribution concerning the use, handling and maintenance of the hardware;
i) 'finished product' means a new product produced by combining defective hardware manufactured by the Insured with another product or by incorporating such hardware into another product;
j) 'placing on the market' means the process of transferring ownership of the finished product for the first time, whether for consideration or free of charge;
k) 'user' means any third party that first uses defective hardware manufactured by the Insured for the purpose of combining it with another product or incorporating it into another product.

III.2.7. **In addition to the cases listed in Chapter XI of these insurance terms and conditions, the Insurance Company shall be released from its obligation to provide the insurance benefit on the grounds of gross negligence if the loss or damage was caused by hardware whose withdrawal from the market or recall had been ordered by an authority, and the Insured failed to comply with its recall obligation.**

III.3. General Third Party Liability

III.3.1. The Insurance Company undertakes, to the extent and subject to the terms set out in the insurance policy, to indemnify the Insured, in the capacity specified in the insurance policy, against liability for:
a) liability to pay compensation for bodily injury and property damage caused outside the provision of the insured services, where such liability arises under Hungarian law;
b) liability to pay non-material damages under Hungarian law for infringement of personality rights, where such non-material damages are directly related to bodily injury or property damage caused outside the provision of the insured services.

III.3.2. For the purposes of these insurance terms and conditions,
a) loss or damage caused outside the provision of services means only loss or damage where:
– the Insured, in the course of carrying on the insured activity, that is, in performing the information technology professional service provided by the Insured, or in connection with that activity, causes loss or damage to a person with whom the Insured has no contractual relationship in relation to the activity specified in the insurance policy, and who is not otherwise a user of the service provided by the Insured;
– the Insured, in the course of carrying on the insured activity, that is, in performing the information technology professional service provided by the Insured, or in connection with that activity, causes loss or damage to a person with whom the Insured has a contractual relationship, where such loss or damage occurs independently of the performance of the contractual obligation;
– the Insured causes loss or damage, as the person carrying on the activity specified in the insurance policy, in its capacity as the maintainer and operator of the immovable property used for that business.
For the purposes of these Terms and Conditions, immovable property means land and anything permanently attached to it, including buildings – and, within buildings, building fixtures and building services installations, including lifts and heating, electrical, water and gas installations – premises, structures, advertising equipment, and the section of sidewalk in front of the immovable property or, in the absence of a sidewalk, a strip of land one meter wide, or, where there is also a green strip next to the sidewalk, the entire area extending to the roadway.
Loss or damage caused to each other by breach of contract between the owner, lessor, lessee or operator of immovable property shall not qualify as loss or damage caused outside the provision of services.
b) 'bodily injury' means the death, impairment of health or physical injury of any person;
c) 'property damage' means the destruction of, damage to, or rendering unusable of any tangible property. Tangible property means any corporeal object capable of possession, including money and securities.

III.3.3. **In addition to the cases listed in Chapter X of these insurance terms and conditions, the insurance shall not cover:**
a) property damage caused in the course of information technology professional services, that is, property damage caused to the Insured's contractual partner or to a user of the service provided by the Insured;
b) property damage and bodily injury caused by environmentally hazardous activities, and damage caused to environmental elements, including land, water, air and living organisms.
For the purposes of these insurance terms and conditions,
– 'environmental endangerment' means any activity or omission that causes environmental damage;

– **'environmental damage' means any change in, pollution of, or use of the environment or any of its elements, including land, air, water and living organisms, to such an extent that its natural or previous condition or quality can be restored only through intervention, or cannot be restored at all, or that adversely affects living organisms.**

c) product liability losses, i.e. loss or damage for which the Insured is liable in its capacity as the manufacturer, importer or distributor of a product, the manufacturer's authorized representative, a logistics service provider or an online platform;

d) liability to pay compensation imposed on the Insured in its capacity as employer under the Labour Code;

e) liability to pay compensation arising from the loss, misplacement or theft of property;

f) liability to pay compensation imposed on the Insured in its capacity as lessor of immovable property, machinery, technical equipment or other items for use;

g) pure financial loss.
For the purposes of these insurance terms and conditions, pure financial loss means loss that does not constitute bodily injury, including death, impairment of health or physical injury, or property damage, including damage to, destruction of, or rendering unusable of property, and is not attributable to any such injury or damage. Tangible property means any corporeal object capable of possession, including money and securities.

III.3.4. **The insurance cover shall extend to property damage caused to immovable property leased by the Insured only where a Specific Clause to that effect applies, in accordance with the provisions of that Specific Clause.**

III.4. Employer's Liability

III.4.1. The Insurance Company undertakes, to the extent and subject to the terms set out in the insurance policy, to indemnify the Insured against the following claims asserted against the Insured on account of and in respect of work accidents sustained by **persons employed by the Insured, including a public employee relationship, service relationship, public service relationship, government service relationship or public-interest volunteer relationship:**
– claims for compensation for which the Insured is liable under Hungarian law;
– claims for payment of non-material damages which the Insured is required to pay under Hungarian law on the grounds of an infringement of personality rights.

III.4.2. Insurance cover shall also apply, in accordance with Clause III.4.1, to claims for compensation and claims for payment of non-material damages asserted against the Insured, whether as the temporary-work agency or the user undertaking, on account of and in respect of **work accidents sustained by temporary agency workers in the course of temporary agency work.**

III.4.3. Insurance cover shall also apply, in accordance with Clause III.4.1, to claims for compensation and claims for payment of non-material damages asserted against the Insured on account of and in respect of **work accidents sustained by employees employed under teleworking arrangements, where the employee sustains the work accident:**
a) at the place of work chosen by the employee; or
b) at the employer's registered office or site, in the course of exercising rights and performing obligations arising from the employment relationship, while maintaining contact with the employer or with another employee.

Where a work accident occurs at the place of work chosen by the employee under point a), insurance cover is subject to the employer and the employee having agreed in writing in the employment contract on employment under teleworking arrangements, and:
– in the case of telework not performed using computer equipment, they must also agree on the place of telework; where the work equipment is provided by the employee, the employer must have satisfied itself, as part of the risk assessment, that the work equipment is safe and without risk to health, and must have assessed the place of telework in advance as appropriate from an occupational safety perspective;
– in the case of telework performed using computer equipment, the employer must have informed the employee in writing of the rules on working conditions required for the performance of work that are safe and without risk to health.

III.4.4. The insurance also provides cover for social security reimbursement claims asserted against the Insured on account of work accidents sustained by persons in an employment relationship with the Insured, including a public employee relationship, service relationship, public service relationship, government service relationship or public-interest volunteer relationship, or in an employment relationship established on the basis of temporary agency work.

III.4.5. **In addition to the cases listed in Chapter X, the insurance shall not cover claims for compensation arising from occupational disease, or claims for compensation arising from workplace or occupational harm that does not qualify as an occupational disease.**

III.4.6. For the purposes of these insurance terms and conditions,
a) 'work accident' means an accident sustained by an employee in the course of, or in connection with, organized work, irrespective of the place or time of the accident or the degree of contribution by the employee or injured party. An accident occurs in connection with work if the employee sustains the accident while using or receiving work-related transport, collection of materials, materials handling, washing facilities, organized workplace catering, occupational health services or any other service provided by the employer in connection with the employee's occupation. A work accident also includes an accident sustained by the injured party while travelling from their home or accommodation to the workplace, or from the workplace to their home or accommodation, provided that the accident occurred in a vehicle owned by the employer or provided under a lease or other contract or under any other arrangement;
b) 'accident' means a single external effect on the human body that occurs suddenly and independently of the injured party's will, and causes injury, poisoning or other impairment of health, or death;
c) 'occupational disease' means any acute or chronic impairment of health occurring during the performance of work or the exercise of an occupation, or any chronic impairment of health appearing or developing after the exercise of an occupation, which is attributable to physical, chemical, biological, psychosocial or ergonomic pathogenic factors connected with the work or occupation and occurring during the work or work process, or which results from the employee being exposed to a level of strain greater or lower than optimal.

III.4.7. **The following shall constitute gross negligence for the purposes of Clause XI.1 and release the Insurance Company from its obligation to provide the insurance benefit:**
a) the accident occurs repeatedly as a result of failure to comply with the same occupational safety rule;
b) gross or deliberate negligence is established by a final court decision, legislation or contract, including an employment contract or collective agreement, or a final court decision establishes that the accident occurred as a result of a grossly negligent breach of occupational safety rules;
c) the labor inspectorate imposes a fine exceeding HUF 3,000,000 on the employer for committing an occupational safety infringement.

IV. CONCLUSION OF THE INSURANCE POLICY, COMMENCEMENT OF COVERAGE, TERMINATION OF THE INSURANCE POLICY

IV.1. Conclusion of the insurance policy

IV.1.1. An insurance policy may be concluded only by a person who has an interest in avoiding the insured event by virtue of a property or personal legal relationship (Insured), or by a person who concludes the policy for the benefit of an interested person (Policyholder).

IV.1.2. The insurance policy may be concluded:
a) by way of a written agreement between the parties,
b) by acceptance by the Insurance Company, within 15 days, of the Policyholder's insurance application, which shall constitute a written agreement,
c) by the Insurance Company's implied conduct.

IV.1.3. If the policy has not been concluded in writing, the Insurance Company shall issue a document certifying insurance cover (hereinafter: certificate of coverage).

If the certificate of coverage differs from the Policyholder's application, and the Policyholder does not object without delay, but in any event within 15 days, to the difference contained in the certificate of coverage issued on terms differing from the application, the policy shall be concluded on the terms set out in the certificate of coverage. If the Policyholder rejects, i.e. objects to, the difference, the insurance policy shall not be concluded. The Insurance Company shall draw the Policyholder's attention in writing to any material difference when delivering the certificate of coverage. In the absence of such notice, the policy shall be concluded on the terms of the application.

The Policyholder shall be bound by its insurance application for 15 days from the date it is made.

IV.1.4. **The insurance policy shall be concluded by the Insurance Company's implied conduct (tacitly), on the terms set out in the application, if the Insurance Company does not respond to the Policyholder's application within 15 days of receipt, provided that**
- **the application was made upon receipt of the relevant statutory information on the content of such legal relationship,**
- **on the Insurance Company's standard application form, and**
- **in accordance with the Insurance Company's premium rates applicable to the policy concerned.**

A policy so concluded shall be formed on the day following expiry of the underwriting period, with retroactive effect to the date on which the application was delivered to the Insurance Company.

If a policy concluded by the Insurance Company's implied conduct differs materially from the general terms and conditions, the Insurance Company may, within 15 days of conclusion of the policy, propose that the policy be amended in accordance with the general terms and conditions. If the Policyholder does not accept the proposed amendment or fails to respond to it within 15 days, the Insurance Company may terminate the policy in writing with 30 days' notice within 15 days of the rejection or receipt of the amendment proposal.

IV.1.5. The Insurance Company may reject the insurance application in writing within 15 days of receipt.

IV.2. Commencement of coverage

In the case of a validly concluded insurance policy, the Insurance Company's coverage shall commence on the date specified by the Policyholder in the insurance application as the commencement date of coverage.

The commencement date of coverage may not be earlier than 0:00 hours on the day following the date on which the Policyholder signs the insurance application.

IV.3. Term of the insurance policy

IV.3.1. This insurance policy may be concluded for a fixed term or for an indeterminate period. The term of the policy shall be stated in the insurance policy.

IV.3.2. The policy period shall be the period for which the insurance premium has been calculated as a unit, regardless of any insurance premium payment in instalments. For policies concluded for an indeterminate period, the policy period shall start on the anniversary of the policy every year and shall last for 1 year from such date. **For fixed-term policies, the policy period shall be the full term of the policy, unless otherwise provided in the insurance policy.**

IV.3.3. The policy anniversary is the first day of the policy period. If coverage commences on the first day of a month, the policy anniversary shall be the date of commencement of coverage; otherwise, it shall be the first day of the following month.

IV.4. Termination of the insurance policy

IV.4.1. The insurance policy shall terminate
a) if an insurance policy concluded for an indefinite term is terminated in writing by either party, with 30 days' notice, effective at the end of the policy period (Clause IV.4.2);
b) upon expiry of the term of a fixed-term policy;
c) in the event of failure to pay the insurance premium, as set out in Clause VII.6 of these Terms and Conditions;
d) in the event of a change in the insurance premium, if the Policyholder terminates the policy with effect from the end of the policy period in accordance with Clause VII.5.3;
e) in the event of subsequent termination of an insurance policy formed by implied conduct, in accordance with Clause IV.1.4, or in the event of a significant increase in the insurance risk, in accordance with Clause VIII.2.4 of these Terms and Conditions;
f) if the insured event has occurred before commencement of coverage, or if its occurrence has become impossible or the insurable interest has ceased to exist. If, during the period of coverage, the occurrence of the insured event becomes impossible or the insurable interest ceases to exist, the policy or the relevant part of the policy shall terminate;
g) by the mutual written agreement of the Parties.

IV.4.2. An insurance policy concluded for an indefinite term may be terminated by either party at the end of the period of insurance by giving 30 days' notice.

The parties may exclude the right of termination in the insurance policy for a period of up to 3 years.

If the policy is concluded for a period exceeding 3 years and the parties have not stipulated that it may be terminated before expiry of the agreed term, either party may terminate the insurance policy from the fourth year onward.

V. TERM AND GEOGRAPHICAL LIMIT OF THE COVERAGE

V.1. Coverage applies to loss or damage caused, occurring and claimed within the territory of Hungary, unless a Specific Clause provides otherwise.

V.2. Coverage applies to loss or damage qualifying as an insured event that is caused and occurs during the term of the insurance policy and is reported to the Insurance Company no later than 90 days after termination of the policy, unless a Specific Clause provides otherwise.

V.3. For the purposes of these insurance terms and conditions,

a) the date on which the loss or damage is caused means the date on which the act giving rise to the loss or damage occurred.
Where the loss or damage is caused by an omission, the date on which the loss or damage is caused means the date on which the omission could still have been remedied without the loss or damage occurring.

b) the date of occurrence of the loss or damage means the date from which the Insured's liability to pay compensation becomes due.
   - In respect of bodily injury, the date of occurrence of the loss or damage shall be:
     In the event of death, the date of death;
     In the event of physical injury, the date of injury, even if the injury subsequently results in death;
     In the event of impairment of health, the date of impairment;
     In the event of deterioration of health involving bodily injury with a slow progression, the date on which the physician first diagnosed the impairment of health, in the event of a dispute.
   - In respect of property damage, the date of occurrence of the loss or damage shall be the date of damage;
   - The date of occurrence of serial losses shall be the date of the first loss event in the series.

c) the date of notification of the loss or damage means the date on which the Insured notified the Insurance Company of the occurrence of the loss or damage in accordance with Clause IX.1.1;

d) 'bodily injury' means death, impairment of health or physical injury sustained by any person;

e) 'property damage' means the destruction of, damage to, or rendering unusable of any tangible property. Tangible property means any corporeal object capable of possession, including money and securities.

f) pure financial loss means loss that does not constitute bodily injury (death, impairment of health or physical injury) or property damage (damage to, destruction of, or rendering unusable of property), and is not attributable to any such injury or damage.

VI. SUM INSURED

VI.1. Upon the occurrence of an insured event, the Insurance Company's payment obligation shall be limited to the sum insured per insured event and the aggregate sum insured for the policy period, as stated in the insurance application.

VI.1.1. The sum insured per insured event is the maximum amount payable in connection with a single insured event, subject to the rules governing payment of the insurance benefit (Clause IX.2).

VI.1.2. The sum insured specified for a policy period is the total amount payable for insured events arising from loss or damage caused during that policy period, subject to the rules governing payment of the insurance benefit (Clause IX.2).

If a claim for compensation is made against the Insured in writing in respect of an insured event occurring during a policy period, but the Insured reports the claim to the Insurance Company only in the following policy period, the Insurance Company's payment obligation shall be determined in accordance with the rules governing payment of the insurance benefit (Clause IX.2). In that case, the applicable sum insured shall not be the sum insured specified for the current policy period, but the sum insured applicable to the policy period in which the insured event occurred or, where relevant, the remaining amount of that sum insured.

The sum insured specified for the policy period shall be reduced by any amount paid in respect of an insured event occurring during the same policy period, or in respect of the loss or damage caused. The Policyholder shall not be entitled to restore the sum insured specified for the policy period to its original amount by paying a corresponding additional annual premium (reinstatement of the sum insured). The insurance policy shall remain in force for the current policy period with the sum insured reduced by any claim payment made.

VI.2. The amount payable by the Insurance Company as an insurance benefit (Clause IX.2) may not exceed the sum insured even where several Insureds are liable to pay compensation or several persons bring claims for compensation.

If claims for compensation are brought by several persons and the sum insured per insured event is insufficient to satisfy all claims, the Insurance Company shall pay compensation to the injured parties in proportion to the loss or damage suffered by them or, where the loss or damage cannot be determined or can be determined only at separate expense to the Insurance Company, in proportion to the estimated loss or damage.

VII. INSURANCE PREMIUM

The insurance premium is the consideration for the Insurance Company's assumption of the insured risk.

VII.1. Party required to pay the insurance premium

VII.1.1. The Policyholder shall be required to pay the insurance premium.

VII.1.2. If the Insured enters into the insurance policy in place of the Policyholder by written declaration addressed to the Insurance Company (Clause I.2.4), the Insured shall be jointly and severally liable with the Policyholder for premiums due in the current policy period.

VII.2. Premium payment frequency

The Insurance Company shall determine the insurance premium for each policy period. The premium payment frequency shall be specified by the parties in the insurance policy.

VII.3. Premium payment due date

VII.3.1. The first premium (or the first premium instalment in the case of semi-annual or quarterly premium payment frequency) shall be due on the date specified by the parties or, in the absence of such date, when the policy is concluded. The renewal premium shall be due on the first day of the period (policy year, half-year or quarter) to which the premium relates. The single premium shall be due when the policy is concluded.

VII.3.2. Any premium or premium instalment paid by the Policyholder to the Insurance Company before conclusion of the insurance policy shall be deemed an advance premium, which the Insurance Company shall hold without interest. If the insurance policy is concluded, the Insurance Company shall credit the advance premium against the insurance premium. If the insurance policy is not concluded, the Insurance Company shall refund the advance premium to the Policyholder.

VII.4. Calculation of the insurance premium

VII.4.1. The insurance premium shall be calculated on the basis of the Insurance Company's premium rates or individual underwriting.

VII.4.2. The Policyholder (Insured) shall disclose the data required to calculate the insurance premium.

The basis for calculating the insurance premium (e.g. the Policyholder's annual net sales revenue, number of employees, etc.) shall be stated in the insurance policy. Additional factors affecting the insurance premium include, in particular, the sum insured, the amount of the deductible assumed, the Insured's activity, the frequency and method of premium payment, and other data disclosed by the Policyholder during risk assessment, such as claims history.

VII.5. Modification of the insurance premium

VII.5.1. Adjustment of premium if the data underlying the premium calculation change

VII.5.1.1. The parties shall adjust the insurance premium for the next policy period each year, with effect from the policy anniversary, on the basis of changes in the data underlying the premium calculation. For the purpose of calculating the insurance premium, the Policyholder shall notify the Insurance Company of any change in the data stated in the insurance application that forms the basis for premium calculation at least 60 days before the policy anniversary.

VII.5.1.2. **If the Insurance Company becomes aware that the actual data differ from the data forming the basis for premium calculation, the Insurance Company shall be entitled, notwithstanding Clause XIII.1, to determine and enforce the insurance premium on the basis of the actual data retroactively for up to five years and to claim the resulting premium difference from the Policyholder.**

VII.5.1.3. **If the Policyholder provides incorrect data for the calculation of the premium or fails to comply with the obligation set out in Clause VII.5.1.1, then upon the occurrence of a loss event the Insurance Company shall be required to pay only the same proportion of the assessed loss, but not more than the total loss, as the premium paid bears to the premium that would have been charged had the Policyholder provided correct data.**

VII.5.2. Changes in premium rates

During the term of the insurance policy, the Insurance Company may amend the amount of the insurance premium in the following cases:

a) in the event of a significant change of more than 4% in the loss ratio of this policy, or in the claims frequency or average claim amount of insurance policies of the same type according to the Insurance Company's records, occurring in the calendar year preceding the effective date of the amendment;
b) in the event of a change in public charges affecting the insurance benefit;
c) by reference to the rate of inflation published by the Hungarian Central Statistical Office for July of the calendar year immediately preceding the policy anniversary.

The insurance premium may be amended with effect from the next policy anniversary in proportion to the changed circumstances, but by no more than 100%, or by no more than 300% in the case of a premium increase due to an increase in the loss ratio of this policy.

VII.5.3. The Insurance Company shall notify the Policyholder in writing of the premium amended under Clauses VII.5.1 and VII.5.2 at least 30 days before the policy anniversary. If the Policyholder does not wish to maintain the insurance policy at the new premium communicated by the Insurance Company, the Policyholder may terminate the insurance policy in writing before the policy anniversary, with effect from the end of the policy period and, by way of derogation from Clause IV.4.2 of these Terms and Conditions, without notice. In the absence of termination, the Policyholder shall pay the amended insurance premium with effect from the policy anniversary.

VII.5.4. The insurance premium shall also be amended if the Insurance Company proposes to the Policyholder that the insurance premium be amended with effect from the next policy anniversary and the Policyholder accepts the proposal by paying the first premium due after the anniversary in the amended amount. The Insurance Company shall communicate its proposal to amend the insurance premium to the Policyholder in writing at least 30 days before the next policy anniversary.

VII.5.5. The Insurance Company shall be entitled to inspect the Policyholder's (Insured's) business books to the extent necessary to verify the data provided.

VII.6. Consequences of failure to pay the insurance premium

VII.6.1. **The insurance policy shall terminate upon expiry of the 60th day following the premium due date if the overdue premium has not been paid by that time, the Policyholder has not been granted a deferral, and the Insurance Company has not enforced its premium claim through court proceedings. If the Policyholder has not paid the full amount of the premium due but has paid part of it, and the period covered by the premium so paid extends beyond the 60th day following the due date, the policy shall terminate on the last day of the paid-up period.**

VII.6.2. **The Insurance Company may extend the termination of the policy and the time limit for taking court action by a further 30 days if, before expiry of 60 days from the premium due date, it calls upon the Policyholder in writing to make payment and informs the Policyholder of that circumstance. If the Policyholder is in default in paying the premium and the Insurance Company initiates court proceedings to enforce payment of the premium, the premium calculated until the end of the relevant policy period shall become due in one lump sum.**

VII.6.3. An insurance policy terminated for non-payment of the premium shall not be reinstated by subsequent payment of the insurance premium.

The Insurance Company shall refund the premium difference. The Insurance Company shall not separately notify the Policyholder or the Insured in writing of lapsation of the policy terminated for non-payment of the insurance premium.

VII.6.4. **In the event of late payment of the premium, the Insurance Company shall not be required to set any additional grace period.**

VII.6.5. If only part of the premium due has been paid, the policy shall remain in force with the sum insured unchanged for a period proportionate to the premium paid.

VII.7. Premium payment obligation in the event of termination of the policy

The Insurance Company may claim payment of the premium due until the date on which coverage ended. If more than the pro rata premium has been paid, the Insurance Company shall refund the excess premium.

VIII. COOPERATION OF THE PARTIES

VIII.1. Obligation to disclose information

VIII.1.1. Upon conclusion of the insurance policy (submission of the insurance application), the Policyholder and the Insured shall disclose to the Insurance Company all material circumstances relevant to the Insurance Company's acceptance of the insurance which they knew or should have known, and shall answer the questions asked by the Insurance Company in the underwriting data sheet and the insurance application truthfully and completely, even where the data or information constitutes a business or professional secret. The parties shall comply with their disclosure obligation by providing truthful answers to the Insurance Company's written questions.

VIII.1.2. The Policyholder and the Insured shall provide the Insurance Company with any documents, contracts and authority decisions material to the Insurance Company's acceptance of the risk and the conclusion of the insurance policy, or allow the Insurance Company to inspect them.

VIII.2. Obligation to notify changes

VIII.2.1. The Policyholder and the Insured shall notify the Insurance Company in writing within 5 business days of any change in material circumstances falling within the scope of the disclosure obligation, in particular where
- there are changes in any data and conditions specified in the insurance application and/or the underwriting data sheet;
- there is a material change in the circumstances in which the insured activity is carried out;
- a liability insurance policy is concluded with another insurance company for the risk covered by the insurance policy;
- the systems of loss prevention and damage control have been modified;
- the competent court has ordered the institution of bankruptcy or liquidation proceedings against them or a voluntary dissolution procedure is instituted.

VIII.2.2. If any documents, contracts or authority decisions material to the Insurance Company's acceptance of the risk and to the insurance policy are amended, the Policyholder and the Insured shall provide the amended documents to the Insurance Company within 5 business days.

VIII.2.3. The Policyholder and the Insured may not rely on lack of knowledge of any circumstance or change that either of them failed to disclose or notify to the Insurance Company although they should have known of it and were required to disclose or notify it.

VIII.2.4. If the Insurance Company becomes aware only after conclusion of the policy of material circumstances affecting the policy, or if the Insurance Company is notified of a change in material circumstances specified in the policy and those circumstances result in a significant increase in the insurance risk, the Insurance Company may, within 15 days of becoming aware of them, propose an amendment to the policy in writing or terminate the insurance policy with 30 days' notice.

If the Policyholder does not accept the amendment proposal or does not respond within 15 days of receipt, the policy shall terminate on the 30th day following communication of the amendment proposal, provided that the Insurance Company drew the Policyholder's attention to this consequence when making the amendment proposal.

If the Insurance Company does not exercise these rights, the policy shall remain in force on its original terms.

A significant increase in the insurance risk means that, on the basis of the material circumstance of which the Insurance Company becomes aware, the Insurance Company would refuse to conclude the policy, apply an exclusion, or accept the risk under its premium rates only for an insurance premium at least 10% higher.

If the policy covers several property items or persons at the same time and the significant increase in the insurance risk arises only in respect of some of them, the Insurance Company may not exercise the rights specified above in respect of the other property items or persons.

VIII.3. In the event of breach of the disclosure obligation or the obligation to notify changes, the Insurance Company may be released from its obligation to provide the insurance benefit as set out in Clause XI.3.

VIII.4. Obligation to prevent loss or damage

VIII.4.1. The Policyholder and the Insured shall take the measures generally expected in the circumstances in order to prevent loss or damage. They shall at all times comply with the laws in force, standards and authority decisions, as well as professional requirements for installation, operation, protection, maintenance and storage, and the manufacturer's instructions and recommendations relating to the foregoing. They shall also eliminate danger in any identified hazardous situation and comply with the loss prevention measures requested by the Insurance Company.

In the event of a dispute, any circumstance that has already resulted in loss or damage, or any existing risk of loss or damage of which the Insured has been warned by the Insurance Company or a third party, shall be deemed an identified hazardous situation.

VIII.4.2. The Insurance Company shall be entitled to inspect the implementation and maintenance of loss prevention measures.

VIII.5. Obligation to mitigate loss

VIII.5.1. The Policyholder and the Insured shall take all measures necessary to mitigate loss or damage in accordance with the Insurance Company's requirements and instructions given upon the occurrence of the loss event or, in the absence of such requirements or instructions, in accordance with the conduct generally expected in the circumstances.

VIII.5.2. The Insurance Company shall be entitled to inspect the implementation of loss mitigation measures and compliance with its requirements and instructions.

VIII.6. If loss or damage is caused by the Policyholder's or the Insured's intentional or grossly negligent breach of their loss prevention or loss mitigation obligations, or if the extent of the loss or damage increases as a result of such conduct or omission, the Insurance Company shall be released from its obligation to provide the insurance benefit as set out in Clause XI.2.

IX. RULES GOVERNING PAYMENT OF THE INSURANCE BENEFIT

IX.1. Notification of claims

IX.1.1. The Insured shall notify the Insurance Company without delay, but no later than within 30 days, if a claim is made against the Insured or if the Insured becomes aware of any circumstance that may give rise to such a claim.

Notifications of claims may be given:
a) in person: at any customer service office of the Insurance Company,
b) by telephone: on business days between 8 a.m. and 8 p.m. via the Generali Telephone Customer Service number +36 1 452 3333,
c) online: through the online claim notification system (generali.hu/Online_ugyfelszolgalat/Karbejelentes),
d) by post to 7602 Pécs, Pf. 888.

IX.1.2. The claim notification must contain:
- the reference number of the certificate of coverage;
- the name and residential address or registered office of the injured party or parties;
- the amount of the loss or damage, if known, and the place and date of its occurrence;
- a detailed description of the loss event;
- the Insured's statement, with reasons, acknowledging or denying liability;
- the reference number of any authority proceedings, the authority conducting the proceedings, and the decision issued;
- the name, address and telephone number of the person assisting in claim settlement and authorized by the Insured;
- all other material information relating to the loss or damage;
- the actual data pertaining to the preceding calendar year, required for the premium calculation (e.g.: average headcount, annual net turnover).

IX.1.3. The Insurance Company may request that the following documents be provided for the reimbursement of loss or damage and costs caused by the insured event:
- documents evidencing that the conditions stipulated in the insurance policy are fulfilled,
- documents necessary to clarify the circumstances and consequences of the insured event, including statements by the Insured and any other person aware of the insured event regarding its circumstances and copies of any records containing such statements,
- where police, administrative or other authority proceedings have been initiated in connection with the insured event or the circumstances underlying it, the documents produced in those proceedings or forming part of the case file, including any final decision issued in criminal or misdemeanor proceedings only if it is available when the claim is submitted or during claim settlement,
- medical documentation of the Insured or the injured party relating to the insured event and medical history, including documents issued by general practitioners or company physicians, documents produced during outpatient or inpatient care, and documents evidencing the use of medication,
- documents held by a social security body or another person or organization containing data of the Insured or injured party in connection with the insured event or the circumstances underlying it, on the basis of the authorization required for release from confidentiality and data requests,
- the Insurance Company may request documents, invoices, accounting vouchers, expert opinions, records, photographs and contracts supporting the claim and necessary for its decision on the claim for compensation or insurance benefit, and, in the case of foreign-language documentation, Hungarian translations of those documents, the cost of which shall be borne by the claimant,
- documents suitable for evidencing costs incurred in connection with the use of equipment and resources for rescue, loss prevention and loss mitigation in connection with the insured event,

The Insurance Company may verify the documents submitted for the assessment of the claim for compensation or insurance benefit and may obtain other documents connected with assessment of the reported claim.

In addition to the documents listed, the Insured or the injured party may prove the loss or damage and costs by other instruments or documents, in accordance with the general rules of evidence, in order to enforce their claim.

IX.1.4. The Insured shall provide the information necessary for claim settlement and assist the Insurance Company in determining the amount of the loss or damage caused, settling the claim, and defending against unfounded claims.

IX.1.5. The Insured shall allow the Insurance Company's expert to examine the cause of the loss or damage, the circumstances of its occurrence, its extent, and the scope of the Insured's liability to pay compensation.

IX.1.6. **In the event of breach of the claim notification obligation, the Insurance Company may be released from its obligation to provide the insurance benefit as set out in Clause XI.4.**

IX.1.7. **The Insurance Company's benefit shall not cover default interest payable to the injured party as a result of late performance of the claim notification obligation.**

IX.2. Insurance Benefit

IX.2.1. Up to the amount of the sum insured (Clause VI.1), the Insurance Company shall pay, in connection with an insured event:

a) as compensation, all loss or damage suffered by the injured party for which the Insured is liable, including
   – in the case of property damage, bodily injury and pure financial loss, the diminution in value of the injured party's assets resulting from the circumstances giving rise to the loss or damage, and the costs necessary to eliminate the financial disadvantages suffered by the injured party;
   – in the case of bodily injury, loss of financial benefit.

b) non-material damages payable by the Insured, provided that
   – the infringement of personality rights is directly connected with conduct causing bodily injury or property damage covered under this insurance policy and for which the Insured is liable to pay compensation, and
   – the injured party proves that their personality rights were infringed as a result of the conduct giving rise to the loss or damage and that the Insured is therefore required to pay non-material damages.

   The Insurance Company shall pay non-material damages having regard to the circumstances of the case, in particular the gravity and repeated nature of the infringement, the degree of fault, and the impact of the infringement on the injured party and their environment.

c) default interest chargeable on the claim for compensation and on non-material damages, subject also to the limitation set out in Clause IX.1.7;

d) the costs of legal proceedings for enforcing well-founded claims asserted against the Insured in connection with the insured event, or for defending against unfounded claims, including procedural fees, duties and litigation costs payable by the Insured, provided that such costs were incurred on the basis of the Insurance Company's instructions or with its prior approval.

   The Insurance Company shall reimburse the fee of the attorney providing legal representation to the Insured and the cost of any expert engaged to determine the legal basis or amount of the loss event, provided that the attorney or expert was engaged with the Insurance Company's prior approval. In the absence of prior approval, the Insurance Company shall reimburse, at most, the attorney's fee calculated in the absence of a fee agreement under the legislation in force from time to time on attorney's fees that may be awarded in court proceedings, and the expert's fee payable under the legislation in force from time to time on the remuneration of judicial experts.

e) social security reimbursement claims payable by the Insured;

f) costs incurred in relation to the mitigation of loss.

IX.2.2. **The Insurance Company shall pay the insurance benefit specified in Clauses IX.2.1(a)–(f) within, and up to the amount of, the sum insured per insured event and for the policy period. This provision shall also apply to the legal representation costs and interest payment obligations payable by the Insured who caused the loss or damage.**

IX.2.3. If the Insured is required by law or by court order to provide security or a deposit to cover its liability to pay compensation, the Insurance Company shall be required to do so only to the same extent as it is required to pay compensation.

IX.2.4. If several persons jointly cause the loss or damage and the Insured is therefore jointly and severally liable with another person, the Insurance Company's liability shall extend only to the extent of the Insured's culpable conduct. If the proportion of fault attributable to the persons who caused the loss or damage cannot be determined, the Insurance Company shall make payment in proportion to their respective contributions. If the proportion of contributions cannot be determined, the Insurance Company shall make payment as if the loss or damage had been caused by those persons in equal shares.

IX.2.5. Where there is an obligation to pay an annuity, the Insurance Company, the Insured and the injured party may each initiate commutation of the annuity into a lump sum (capitalization). An annuity may be capitalized only by mutual agreement of the parties, that is, if the Insurance Company, the Insured and the injured party accept both the fact of capitalization and the amount of the lump-sum commutation. In the event of capitalization of an annuity, the Insurance Company shall determine the capital value of the annuity on the basis of the 1993 Hungarian female mortality table and a technical interest rate of 6.25%.

IX.2.6. If the Insurance Company has reimbursed litigation costs or attorney's fees in connection with proceedings against the Insured under Clause IX.2.1(d), and the court awards litigation costs or attorney's fees to the Insured in a final decision, the resulting amount shall belong to the Insurance Company up to the amount paid by the Insurance Company.

The Insured shall pay the recovered legal costs to the Insurance Company within 15 days of recovery.

If the Insured fails to take steps to recover legal costs awarded to the Insured, the Insurance Company shall enforce the claim on the basis of an assignment agreement concluded with the Insured. The Insured shall support the Insurance Company in enforcing its claims and execute the deed of assignment in favor of the Insurance Company.

IX.3. Claim settlement

IX.3.1. The Insurance Company shall settle the claim in accordance with the provisions of the insurance policy in force between the parties on the date the loss or damage was caused.

IX.3.2. The Insurance Company shall provide the insurance benefit within 30 days of the date on which all documents required to assess the claim for compensation are available.

IX.3.3. The Insured's acknowledgement or satisfaction of the injured party's claim for compensation, and any settlement relating to that claim, shall be effective against the Insurance Company only if the Insurance Company gave its prior consent or subsequently acknowledged it. A court judgment against the Insured shall be effective against the Insurance Company only if the Insurance Company participated in the proceedings, arranged for the Insured's representation, or waived those rights.

IX.3.4. **If the Insurance Company is able to settle the claim by agreement with the injured party or otherwise, but closure of the matter fails due to the Insured's resistance or unfounded dispute of the claim for compensation, the Insurance Company shall keep the insurance benefit payable to the injured party available until the Insured gives instructions or the matter becomes time-barred. Any additional loss or damage, costs and interest incurred due to the Insured's unfounded dispute shall be borne by the Insured; the Insurance Company shall not be required to pay those costs.**

IX.3.5. The insurance benefit specified in Clauses IX.2.1(a), (b), (c) and (e) may be paid only to the injured party.

The Insured may require the Insurance Company to make payment to the Insured only to the extent that the Insured has settled the injured party's claim.

IX.4. Deductible

The deductible, stated in the insurance policy or insurance application as an absolute amount, a percentage or a combination of the two, is the part of the insurance benefit that the Insured shall bear in respect of each insured event. The Insurance Company shall deduct the amount corresponding to the deductible from the full amount of the insurance benefit under Clauses IX.2.1(a)–(f).

X. EXCLUSIONS FROM INSURANCE COVER

X.1. The insurance shall not cover

a) the Insured's own loss or damage, or any loss or damage caused to the Insured's relatives listed in Section 8:1(2) of the Civil Code; The representative of any Insured that is a legal person or an organization without legal personality, and the legal representative of any Insured who lacks legal capacity or has partially limited legal capacity, together with such representative's relatives, shall be treated in the same manner as the Insured and the Insured's relatives;

b) where the Insured is a legal person or an organization without legal personality, any loss or damage caused to its owners in proportion to their ownership percentage;

c) loss or damage caused to any legal person or other organization without legal personality owned by the Insured, in proportion to the Insured's ownership percentage;

d) loss or damage caused by the Insured's executive officers or senior management employees in their capacity as executive officers or senior management employees;

e) where there are several Insured parties, loss or damage caused by the Insured parties to each other;

f) loss or damage for which the Insured is not liable in the capacity specified in the insurance policy;

g) loss or damage covered by other liability insurance;

h) loss or damage based on an obligation to assume liability undertaken in a contract or unilateral declaration that is more stringent than the Insured's liability prescribed by law;

i) loss or damage arising from failure by the Insured or the injured party to comply with any time limit binding on them under law or contract. Failure to comply includes non-performance and late performance;

j) loss or damage caused by unfair market conduct, unfair commercial practices toward consumers, misleading advertising of goods or services, or deficiencies in information provided in relation to goods or services;

k) claims for recovery of fees paid to the Insured, including agency fees or contractor's fees, and for reimbursement of costs;

l) loss or damage caused by the Insured, or by any person for whose conduct the Insured is liable under Hungarian law, by means of a criminal offense or by conduct forming the basis of a settlement reached in mediation proceedings conducted under criminal procedure rules, except for loss or damage caused by endangerment committed in the course of an occupation;

m) ancillary obligations securing the contract, including contractual penalties, fines or financial penalties imposed on the Policyholder or the Insured, any other punitive costs, and the related representation costs of the person who caused the loss or damage;

n) loss of financial benefit in the case of property damage and pure financial loss;

o) loss or damage arising from the insolvency or bankruptcy of the Insured's subcontractor or business partner;

p) loss or damage arising from overruns of budgets or credit facilities, and loss or damage arising from the Insured's failure to accurately assess in advance the cost and/or time required for its professional services;

q) loss or damage arising from the withdrawal, recall, inspection, adjustment or disposal of an information technology product;

r) any loss of or damage to the information technology product, and the costs of any repair, modification, replacement or restoration made necessary by any suspected or known defect;

s) loss or damage arising from the suspension of production or services as a result of an insured event;

t) any loss, damage, liability to pay compensation, claim, cost or expense that is directly or indirectly caused by, contributed to by, results from, arises out of, is a consequence of, or is incurred in connection with a cyber event or cyber act, including, without limitation, any measures taken to control, prevent, suppress or remedy the consequences of any cyber event or cyber act (hereinafter: cyber loss), regardless of whether any other cause or event, occurring concurrently or in any sequence, contributed to the occurrence of the cyber loss. The insurance shall also not cover loss or damage arising in connection with a cybersecurity audit conducted by the Insured in its capacity as an auditor authorized to carry out cybersecurity audits.
For the purposes of these insurance terms and conditions,
- **'cyber event' means any unauthorized, malicious act or criminal offense (or a series of related unauthorized, malicious acts or criminal offenses), regardless of time or place, or any threat or scaremongering relating to such act, involving access to, processing by, use of or operation of any computer system;**
- **'cyber act' means any error or omission (or a series of related errors or omissions) affecting access to, processing by, use of or operation of any computer system, or any partial or total unavailability or partial or total failure (or related series thereof) that prevents access to, processing by, use of or operation of any computer system;**
- **'computer system' means any computer, hardware, software, communications system, electronic device (including but not limited to smart phones, laptops, tablets, portable devices), server, cloud service or microcontroller, including any similar system or configuration, and including any associated input, output, data storage device, network equipment or backup device.**
- **'cybersecurity audit' means the classification of electronic information systems into security classes and the verification of the adequacy of the protective measures applicable to the relevant security class.**

u) claims asserted against the Insured in connection with the Insured's information technology professional service in respect of loss or damage caused by:

i) any computer virus, Trojan horse, worm or other malicious computer code arising in the course of, or in connection with, that service;

ii) the fraudulent use of the Insured's information technology equipment by an unauthorized person or hacker;

v) loss or damage arising from infringement of intellectual property rights, including copyright, trademark rights and patent rights, or arising in connection with the payment of license fees or other royalties;

w) loss or damage arising from, or connected in any way with, the manufacture or installation of aircraft, rockets or spacecraft, or their ground support equipment or devices, or with related professional services and/or technology products. The insurance shall likewise not cover loss or damage connected in any way with related training materials, operating instructions or other data, or with any related consulting or services;

x) loss or damage arising from the explosion of fissile materials, nuclear reaction, the possession or therapeutic use of radioactive materials, or loss or damage caused by electromagnetic fields;

y) loss or damage caused by the Insured where the Insured is not authorized under the laws in force to carry on the insured activity;

z) loss or damage arising from events resulting from electrical or mechanical failure or network failure, including, but not limited to, fluctuation in or interruption of electricity, water, gas or heat supply, overvoltage, power outage, termination, interruption or loss of internet access, or failure of any telecommunications, telephone, satellite or other similar network;

aa) loss or damage caused during, or arising in connection with, war, acts of war, hostile acts by a foreign power, acts of terrorism, civil war, rebellion, revolution, demonstration, march, strike, workplace disturbance or riots.
For the purposes of these insurance terms and conditions, an act of terrorism includes, in particular, any violent act, threat of violence, or act dangerous to human life, tangible or intangible property, or infrastructure, which is committed in support of political, religious, ideological or ethnic aims, or is intended or capable of influencing any government or creating fear in society or in any section of society.

ab) risks, loss or damage, and claims arising from, or connected in any way with, conduct or activity that violates any embargo imposed by the United Nations, the European Union or the United States of America, or any other economic, trade or financial prohibition or restriction imposed by those organizations or countries.

X.2. The Insurance Company shall not provide the insurance benefit upon the occurrence of loss events excluded from coverage.

X.3. Insurance cover shall extend to the excluded loss or damage and risks referred to in Clauses X.1(u)–(v) only where a Specific Clause applies, in accordance with the provisions of that Specific Clause.

XI. RELEASE OF THE INSURANCE COMPANY FROM ITS OBLIGATION TO PROVIDE THE INSURANCE BENEFIT

XI.1. The Insurance Company shall be released from its obligation to provide the insurance benefit if it proves that the loss or damage was caused unlawfully, intentionally or with gross negligence

a) by the Policyholder or the Insured;
b) by their relatives living in the same household, by any member authorized to manage their business, or by any of their employees, members or agents holding a position directly or indirectly connected with carrying on the insured activity; or
c) by any executive officer, company manager or senior employee (including a head of department, team leader or unit head) of the Insured legal person, or by any member, employee or agent of that legal person involved in carrying on the insured activity.

For the purposes of these terms and conditions, conduct shall be deemed grossly negligent, in particular, where:

a) the person responsible for the loss or damage caused it while intoxicated or under the influence of an intoxicating substance, and this fact contributed to the occurrence of the loss or damage;
b) the Insured caused the loss or damage in the course of an activity carried out without authorization or beyond the scope of its authority or duties, or by deliberately departing from statutory provisions or from the client's written instructions and conditions, or by any other deliberate breach of obligation;
c) the Insured carries on its activities without the personal or material conditions required by law or other mandatory provisions, and this fact contributed to the occurrence of the loss or damage.
d) gross or deliberate negligence is established by a final court decision, legislation, contract (including an employment contract or collective agreement) or employer's measure (including a disciplinary decision).

XI.2. The Insurance Company shall be released from its obligation to provide the insurance benefit if any person specified in Clauses XI.1(a)–(c) intentionally or with gross negligence fails to comply with the loss prevention or loss mitigation obligations set out in Clauses VIII.4 and VIII.5, in particular where:

a) the Insured has repeatedly caused loss or damage under the same circumstances and, despite being called upon by the Insurance Company to do so, failed to eliminate those circumstances although they could have been eliminated;
b) the Insurance Company or a third party warned the Insured in writing of an existing risk that loss or damage might occur, and the loss or damage subsequently occurred because the necessary measures were not taken;
c) upon the occurrence of a loss event, the Insurance Company instructed the Insured in writing to take the measures necessary to mitigate the loss or damage, but the Insured failed to comply.

A breach of the obligation to prevent loss or damage shall release the Insurance Company only if the intentional or grossly negligent conduct in the context of loss prevention was directed at breaching the loss prevention rule and it could reasonably be expected that such conduct might result in an insured event.

XI.3. If the Policyholder or the Insured breaches its obligations of disclosure or notification of changes as set out in Clauses VIII.1 and VIII.2, the Insurance Company's obligation shall not arise unless the Policyholder or the Insured proves that one of the following circumstances exists:

a) the Insurance Company was aware of the concealed or unreported circumstance at the time the insurance policy was concluded; or
b) the Policyholder and/or the Insured breached their obligation to notify changes, but the concealed or unreported circumstance came to the Insurance Company's knowledge during the term of the insurance and before the insured event occurred, and the Insurance Company did not exercise its right to amend or terminate the insurance policy under Clause VIII.2.4 of these terms and conditions within 15 days; or
c) the concealed or unreported circumstance did not contribute to the occurrence of the insured event.

XI.4. If the Insured fails to comply with its claim notification obligations set out in Clause IX.1, and as a result material circumstances become impossible to ascertain, including the occurrence of the insured event, its time and cause, the extent of the loss or damage incurred, and the circumstances affecting the Insurance Company's performance under the policy, the Insurance Company's obligation shall not arise.

XII. SUBROGATION OF THE INSURANCE COMPANY

If the Insured is liable to pay compensation for conduct by another person giving rise to loss or damage, and the Insurance Company provides an insurance benefit on that basis, the Insurance Company shall have a right of recovery against that person up to the amount of the insurance benefit provided, unless that person is a relative living in the same household as the Insured.

XIII. LIMITATION

XIII.1. **Claims arising from the insurance policy shall become time-barred after 2 years.**

XIII.2. The limitation period shall commence on the date of occurrence of the insured event.

XIV. PROVISIONS OF THESE TERMS AND CONDITIONS THAT DEVIATE FROM THE CIVIL CODE

XIV.1. Time limit for objecting to a certificate of coverage issued on terms differing from the insurance application

Clause IV.1.3 of these Terms and Conditions clarifies the provision set out in Section 6:443(2) of the Civil Code by stipulating that the Policyholder is entitled to object without delay, but in any event within 15 days, if the Insurance Company issues, in response to the Policyholder's insurance application, a certificate of coverage whose terms differ from that application.

XIV.2. Conclusion of the insurance policy by the Insurance Company's implied conduct

Pursuant to Clause IV.1.4 of these Terms and Conditions, and by way of derogation from Section 6:444 of the Civil Code, the insurance policy shall also be concluded by the Insurance Company's implied conduct where the Policyholder does not qualify as a consumer.

XIV.3. Policy period for fixed-term policies

By way of derogation from Section 6:447(2) of the Civil Code and pursuant to Clause IV.3.2 of these Terms and Conditions, for fixed-term policies the policy period shall be the full term of the policy unless otherwise provided in the insurance policy.

XIV.4. Exclusion of the right to reinstate the sum insured

Pursuant to Clause VI.1.2 of these Terms and Conditions, and by way of derogation from Section 6:461 of the Civil Code, the parties to the insurance policy shall not have the right to reinstate the sum insured. Accordingly, the insurance policy shall remain in force for the current policy period with the sum insured reduced by the amount paid in respect of an insured event occurring during the same policy period, and the Policyholder shall not be entitled to restore the sum insured for that policy period to its original amount by paying a corresponding additional premium.

XIV.5. Reservation of the right to unilaterally reduce the insurance benefit in the event of breach of the disclosure and change notification obligations relating to the data forming the basis for premium rating

If the Policyholder breaches its disclosure and change notification obligations by providing incorrect data for the calculation of the premium, or by failing to notify changes in the data forming the basis for premium calculation, then, upon the occurrence of a loss event, the Insurance Company shall be required, pursuant to Clause VII.5.1.3 of these Terms and Conditions and by way of derogation from Section 6:446 of the Civil Code, to pay only such proportion of the assessed loss as the premium paid bears to the premium that would have been charged had the Policyholder provided correct data.

XIV.6. Consequences of failure to pay the insurance premium

Pursuant to Clause VII.6.1 of these Terms and Conditions, and by way of derogation from Section 6:449 of the Civil Code, the insurance policy shall terminate without any additional grace period upon expiry of the 60th day following the premium due date if the overdue premium has not been paid by that time, the Policyholder has not been granted a deferral, and the Insurance Company has not enforced its premium claim through court proceedings. If the Policyholder has not paid the full amount of the premium due but has paid part of it, and the period covered by the premium so paid extends beyond the 60th day following the due date, the policy shall terminate on the last day of the paid-up period.

The Insurance Company may extend the termination of the policy and the time limit for taking court action by a further 30 days if, before expiry of 60 days from the premium due date, it calls upon the Policyholder in writing to make payment and informs the Policyholder of that circumstance. If the Policyholder is in default in paying the premium and the Insurance Company initiates court proceedings to enforce payment of the premium, the premium calculated until the end of the relevant policy period shall become due in one lump sum.

XIV.7. Notification of an insured event

By way of derogation from Section 6:471 of the Civil Code, the Insured may report the claim not only in writing, but also by any other claim notification method specified in Clause IX.1.1 of these Terms and Conditions.

XIV.8. The insurance covers the Insured's legal representation costs and default interest up to the sum insured

By way of derogation from Section 6:470(3) of the Civil Code, and in accordance with Clauses IX.2.1 and IX.2.2 of these Terms and Conditions, the Insurance Company shall reimburse the legal representation costs and interest payable by the Insured who caused the loss or damage up to, and not exceeding, the sum insured per insured event and for the policy period, even where those costs and interest, together with the amount of compensation, exceed the sum insured.

XIV.9. Length of the limitation period

The provision of these Terms and Conditions on limitation differs from the general five-year (5-year) limitation period specified in Section 6:22(1) of the Civil Code. Claims arising from this insurance policy shall become time-barred after two (2) years, in accordance with Clause XIII.1 of these Terms and Conditions.

Specific Clauses

Insurance cover shall extend to the risks covered under the Specific Clauses only if the Policyholder indicated them in the insurance application and the Insurance Company accepted them.

Unless a Specific Clause provides otherwise, the risks covered under the Specific Clauses shall be governed by the other provisions of these Terms and Conditions.

Specific Clause No. 800 Extension of the Period of Cover (2 years)

Under this Specific Clause, insurance cover shall also extend to insured events caused during the term of the insurance policy supplemented by this Specific Clause, provided that the insured event occurs and is reported to the Insurance Company no later than 2 years after termination of the policy.

Specific Clause No. 801 Extension of the Period of Cover (3 years)

Under this Specific Clause, insurance cover shall also extend to insured events caused during the term of the insurance policy supplemented by this Specific Clause, provided that the insured event occurs and is reported to the Insurance Company no later than 3 years after termination of the policy.

Specific Clause No. 802 Extension of the Period of Cover (5 years)

Under this Specific Clause, insurance cover shall also extend to insured events caused during the term of the insurance policy supplemented by this Specific Clause, provided that the insured event occurs and is reported to the Insurance Company no later than 5 years after termination of the policy.

Specific Clause No. 803 Extension of the territorial scope of liability insurance cover to Europe

With respect to an insurance policy concluded under this Specific Clause, the other provisions of these Terms and Conditions shall apply as appropriate, subject to the supplements set out in this Specific Clause.

1. Under this Specific Clause, by way of derogation from Clause V.1 of the insurance terms and conditions, liability insurance cover shall extend to loss or damage caused, occurring and claimed within the territory of Europe in the geographical sense.
2. **Irrespective of the geographical extension of coverage, the insurance policy shall in all cases be governed by Hungarian law. If a Member State of the European Union prescribes compulsory liability insurance for the insured activity, a liability insurance policy concluded under these Terms and Conditions may not be used to fulfil that statutory obligation, i.e. as compulsory liability insurance. An exception applies where the law of the Member State prescribing compulsory liability insurance permits Hungarian law to apply to the insurance policy. In the case of litigation initiated in a European state outside the European Union, direct action against the Insurance Company is excluded.**
3. **In addition to the cases listed in the master policy, coverage shall not apply to**
   a) loss or damage where the Insured has its registered office, or a site carrying on the insured activity, abroad, or to liability to pay compensation arising from the activities of the Insured's businesses with a foreign registered office or site, including branches or subsidiaries;
   b) punitive damages;
   c) liability to pay compensation where a foreign state prevents the Insurance Company from assessing the loss or damage, settling the claim, clarifying the legal basis, or performing any other obligation related to claim settlement.
4. In the case of loss or damage caused, occurring and claimed outside the territory of Hungary, the sum insured per insured event shall be reduced by the Insurance Company's costs incurred in assessing the loss or damage, settling the claim, clarifying the legal basis, or performing any other obligation related to claim settlement.

Specific Clause No. 804 Extension of the territorial scope of liability insurance cover to the whole world

With respect to an insurance policy concluded under this Specific Clause, the other provisions of these Terms and Conditions shall apply as appropriate, subject to the supplements set out in this Specific Clause.

1. Under this Specific Clause, by way of derogation from Clause V.1 of the insurance terms and conditions, liability insurance cover shall extend to loss or damage caused, occurring and claimed in the territory of any country worldwide.
2. **Irrespective of the geographical extension of coverage, the insurance policy shall in all cases be governed by Hungarian law. If a Member State of the European Union prescribes compulsory liability insurance for the insured activity, a liability insurance policy concluded under these Terms and Conditions may not be used to fulfil that statutory obligation, i.e. as compulsory liability insurance. An exception applies where the law of the Member State prescribing compulsory liability insurance permits Hungarian law to apply to the insurance policy. In the case of litigation initiated in a European state outside the European Union, direct action against the Insurance Company is excluded.**

3. **In addition to the cases listed in the master policy, coverage shall not apply to**
   a) loss or damage where the Insured has its registered office, or a site carrying on the insured activity, abroad, or to liability to pay compensation arising from the activities of the Insured's businesses with a foreign registered office or site, including branches or subsidiaries;
   b) punitive damages;
   c) liability to pay compensation where a foreign state prevents the Insurance Company from assessing the loss or damage, settling the claim, clarifying the legal basis, or performing any other obligation related to claim settlement.

4. In the case of loss or damage caused, occurring and claimed outside the territory of Hungary, the sum insured per insured event shall be reduced by the Insurance Company's costs incurred in assessing the loss or damage, settling the claim, clarifying the legal basis, or performing any other obligation related to claim settlement.

Specific Clause No. 805 Tenants' Liability Insurance

With respect to an insurance policy concluded under this Specific Clause, the other provisions of these Terms and Conditions shall apply as appropriate, subject to the supplements set out in this Specific Clause.

1. The insurance provides cover for property damage caused by the Insured to immovable property leased by the Insured, including the heating and water-heating system of the immovable property, for which the Insured is liable to pay compensation under Hungarian civil law. The insurance also provides cover for non-material damages directly connected with such property damage, where the Insured is required to pay non-material damages under Hungarian law on the grounds of an infringement of personality rights.

2. **In addition to the cases listed in the master policy, coverage shall not apply to**
   a) economic disadvantages, including loss of production, additional costs or other loss, arising from termination or suspension of the lease of the immovable property as a result of a loss event;
   b) loss or damage arising from unauthorized alterations carried out or procured by the tenant on the leased immovable property where the consent of the lessor or an authority permit would have been required, and the costs borne by the tenant in that case in connection with restoring the original condition;
   c) loss or damage caused by persons who use the leased property, or any part or appurtenance of it, on the basis of an agreement with the Insured tenant, including a sublease;
   d) loss or damage to the rented property due to wear and tear, and regular use;
   e) damage to the fixtures and fittings of the immovable property (excluding damage to boilers, heating, mechanical and hot water installations, electrical and gas appliances);
   f) contamination damage which can be removed by cleaning.

3. The Insured shall conclude the lease agreement in writing and attach it to the claim notification in addition to the documents listed in Chapter IX.

4. The Chapters III.3.1–III.3.2 and the exclusion set out in Clause III.3.3(a) shall not apply to the cover provided under this Specific Clause.

Specific Clause No. 806 Liability Insurance for Loss or Damage Caused by Infringement of Intellectual Property Rights

With respect to an insurance policy concluded under this Specific Clause, the other provisions of these Terms and Conditions shall apply as appropriate, subject to the supplements set out in this Specific Clause.

5. The insurance provides cover, to the extent and subject to the terms set out in the insurance policy, for claims arising from any non-intentional infringement by the Insured of intellectual property rights, including copyright, trademark rights and patent rights, where the infringement occurs on the Insured's website or in the Insured's email communications in the course of, and in connection with, the Insured's information technology professional services.

6. **This Specific Clause shall not extend insurance cover to loss or damage caused by intentional infringement of intellectual property rights, including misappropriation, or to loss or damage arising in connection with the payment of license fees or other royalties.**

7. Where a liability insurance policy is supplemented by this Specific Clause, the exclusion relating to infringement of intellectual property rights set out in Clause X.1(v) of the insurance terms and conditions shall not apply.

Specific Clause No. 807 Liability insurance for loss or damage caused by malicious computer code and hacker attacks

With respect to an insurance policy concluded under this Specific Clause, the other provisions of these Terms and Conditions shall apply as appropriate, subject to the supplements set out in this Specific Clause.

1. The insurance shall extend, to the extent and subject to the terms set out in the insurance policy, to claims:
   a) asserted against the Insured in respect of loss or damage caused by any computer virus, Trojan horse, worm or other malicious computer code that:
      – arose in the course of, or in connection with, the performance of the information technology professional service provided by the Insured, provided that
      – the Insured can demonstrate that it protects its computer systems or computer network with up-to-date, professional-grade software designed to protect against malicious computer software, including antivirus software, and updates such software in accordance with the manufacturer's instructions;
      – the code giving rise to the loss or damage did not enter the system as a result of the intentional activity, direction, authorization or knowing participation of the Insured or of any person employed by the Insured or otherwise engaged by the Insured under another work-related legal relationship.

b) arising from the fraudulent use of the Insured's information technology equipment by an unauthorized person or hacker in the course of the Insured's information technology professional service, provided that:
   – the injured party acted in good faith; and
   – the hacker's activity was intended to obtain an unlawful advantage or to cause financial disadvantage to the Insured; and
   – the Insured demonstrates that it used up-to-date and generally accepted information security technologies and updated them in accordance with the manufacturer's instructions;
   – the unauthorized access did not occur with the intentional participation of the Insured or of any person employed by the Insured or otherwise engaged by the Insured under another work-related legal relationship.

2. **This Specific Clause shall not extend insurance cover to claims:**
   - **in the cases set out in Clause 1(a) (malicious computer code):**
     – **where the claim is asserted against the Insured in respect of loss or damage caused by a computer virus, Trojan horse, worm or other malicious computer code that did not arise in the course of, or in connection with, the performance of the information technology professional service provided by the Insured;**
     – **where the Insured does not protect its computer systems or computer network with up-to-date, professional-grade software designed to protect against malicious computer software, including antivirus software, and does not update such software in accordance with the manufacturer's instructions;**
     – **where the code giving rise to the loss or damage entered the system as a result of the intentional activity, direction, authorization or knowing participation of the Insured, or of any person employed by the Insured or otherwise engaged by the Insured under another work-related legal relationship;**
   - **in the cases set out in Clause 1(b) (hacker attack), to loss or damage arising from the fraudulent use of the Insured's information technology equipment by an unauthorized person or hacker in the course of the Insured's information technology professional service, where:**
     – **the injured party did not act in good faith; or**
     – **the hacker's activity was not intended to obtain an unlawful advantage or to cause financial disadvantage to the Insured;**
     – **the Insured cannot demonstrate that it used up-to-date and generally accepted information security technologies and updated them in accordance with the manufacturer's instructions; or**
     – **the unauthorized access occurred with the intentional participation of the Insured, or of any person employed by the Insured or otherwise engaged by the Insured under another work-related legal relationship.**

3. Where a liability insurance policy is supplemented by this Specific Clause, the exclusion relating to loss or damage caused by malicious computer code set out in Clause X.1(u)(i) of the insurance terms and conditions shall not apply to the cover provided under Clause 1(a) of this Specific Clause. The exclusion relating to hacker attacks set out in Clause X.1(u)(ii) of the insurance terms and conditions shall not apply to the cover provided under Clause 1(b) of this Specific Clause.