

Conditions of November 2003

AB-DF:4

# General Conditions of Contract (IV) and Definitions - Explanations (VI) for Commercial Insurance

## **IV GENERAL CONDITIONS OF CONTRACT and VI DEFINITIONS – EXPLANATIONS**

This being a translation, the Swedish wording shall always prevail.

These conditions, designated in the text "AB-DF", form part of the insurance contract, together with the insurance policy and insurance conditions.

<b>Contents</b>	<b>Page</b>
<b>IV General Conditions of Contract</b>	<b>3-8</b>
1 Insurance contract	3
2 Cancellation of insurance contract	3
3 Premium payment	4
4 Duty to inform and increased risk	5
5 Safety regulations and consequences of non-observance	5
6 General exclusions	6-7
7 Obligations in the event of loss	7-8
8 Claim settlement	8-11
9 Date of payment of indemnity	11
10 Double insurance	12
11 Force majeure	12
12 Right of recourse	12
13 Insurance Contracts Act	12
<b>VI Definitions – explanations</b>	<b>12-21</b>

## IV GENERAL CONDITIONS OF CONTRACT

### 1 Insurance contract

#### 1.1 Policy period

The policy period starts at 00.00 hours on the day of inception and shall be one year unless otherwise stated in the policy. If the insurance is taken out on the inception day, however, the policy period starts when the insurance contract is signed.

#### 1.2 Renewal of the insurance contract

If either party has reason not to renew the insurance, the other party shall be notified no later than 30 days prior to the end of the policy period. If notification is given later, the policy is extended by the number of days corresponding to the delay in receiving notification.

If a higher premium is payable or an amendment has been made to the terms and conditions of the renewal policy, Moderna Försäkringar shall issue notification thereof no later than when the premium invoice is sent out.

### 2 Cancellation of the insurance contract

#### 2.1 Delay in premium payment

In the event of a delay in the payment of the premium, Moderna Försäkringar is entitled to give notice of cancellation of the insurance, to take effect three days after notice of cancellation has been issued.

#### 2.2 Change in circumstances

If the loss risk increases in the manner stated in section 4.2, Moderna Försäkringar is entitled to give notice of cancellation of the insurance, to take effect 14 days after notice has been issued.

#### 2.3 Refusal of inspection

If the insured does not permit Moderna Försäkringar to inspect the insured property, Moderna Försäkringar is entitled to give notice of cancellation of the insurance contract, to take effect 14 days after notice of cancellation has been issued.

#### 2.4 In the event of a loss

Both the insured and Moderna Försäkringar are, in the event of a loss, entitled to give notice of cancellation of the insurance contract, to take effect 30 days after notice of cancellation has been issued.

#### 2.5 Need for insurance ceases

The insured is entitled to give notice of cancellation of the insurance contract if the need for insurance ceases completely or substantially because of the sale of the property or for a similar reason.

### 3 Premium payment

#### 3.1 First premium

The premium shall be paid in advance. Moderna Försäkringar's liability commences at the beginning of the insurance period, even if the premium has not yet been paid. However, this only applies provided that the premium is paid within 14 days of the date on which Moderna Försäkringar sent out the premium invoice.

If the premium is not paid within this period, the payment of the premium is regarded as being in arrears and Moderna Försäkringar is then entitled to give notice of cancellation of the insurance. If the premium is paid later but before the insurance has been cancelled, Moderna Försäkringar's liability begins on the first day after payment of the premium.

#### 3.2 Renewal premium

The premium for renewal of the insurance shall be paid no later than the date on which it commences. However, the premium need not be paid earlier than 30 days after Moderna Försäkringar has sent the premium invoice.

If the premium is paid later, it is in arrears and Moderna Försäkringar's liability commences on the first day after payment.

#### 3.3 Additional premium during the insurance period

If the additional premium is not paid within 14 days of Moderna Försäkringar dispatching the premium invoice, Moderna Försäkringar's liability is limited to the equivalent of the premium paid.

#### 3.4 Premium refund when the insurance contract is prematurely terminated

Should Moderna Försäkringar's liability for insured property cease for reasons other than a claim, Moderna Försäkringar will refund the unused part of the premium.

If a loss has occurred, the premium for an amount equivalent to the amount of indemnity is regarded as having been used.

For the policy period up to the expiry of the insurance contract, Moderna Försäkringar is entitled, after notice is given of cancellation, to receive the premium which would have been charged if the insurance had been set to apply for the shorter period from the outset.

## 4 Duty to inform and increased risk

### 4.1 Incorrect or incomplete information

Premiums and conditions of insurance are based on the information given when the insurance was taken out or renewed. If the policyholder has supplied information which he has realised or ought to have realised is incorrect or incomplete and this has led to a premium that was too low or to conditions that were too advantageous, Moderna Försäkringar's liability is limited to the level of liability corresponding to the premium paid and the conditions which should actually have applied. If Moderna Försäkringar would have refused insurance had it had knowledge of the true conditions, no indemnity will be paid for a loss.

### 4.2 Changed conditions

If the conditions that form the basis of the insurance change, the policyholder shall notify Moderna Försäkringar thereof. Should the change lead to a higher premium or an increased risk, and should the policyholder have failed without reasonable cause to notify Moderna Försäkringar of the change, liability is limited in the manner stated in 4.1 above.

### 4.3 Brokers

When the insurance is taken out through a broker, the broker has the same obligations as the insured to give notification of the circumstances which form the basis for the insurance and Moderna Försäkringar's liability is limited to the same extent as if the details had been provided by the insured.

## 5 Safety regulations and consequences of non-observance

The insured shall observe the safety regulations stated in the insurance contract issued by Moderna Försäkringar with the aim of preventing or limiting a loss.

Safety regulations include such rules as may have been issued for the same purposes by manufacturers, suppliers, inspector or equivalent.

The insured shall ensure observance of the regulations which have been issued in law or statute with a view to preventing or limiting a loss.

### 5.1 Consequences of disregarding safety regulations

If a safety regulation has not been observed, a deduction of 20% of the indemnity otherwise payable will be made, subject to a minimum of one base amount and a maximum of 10 base amounts.

However, no deduction shall be made if it may be assumed that the loss would have occurred even if the regulation had been observed.

## 6 General exclusions

### 6.1 Nuclear process

Indemnity is not paid for a loss, whose origin or extent are connected with a nuclear process.

### 6.2 War or insurrection

Indemnity is not paid for a loss, whose origin or extent was directly or indirectly caused by or is connected with war, an event similar to war, civil war, revolution, rebellion, riot, terrorism, sabotage or action of a person who has unlawfully seized power.

### 6.3 Gross negligence and intent

Moderna Försäkringar is not liable to the insured for loss caused by the latter as a result of gross negligence or partially caused with intent.

### 6.4 Foreseeable loss

Indemnity is not paid for losses which are caused by action or neglect which – in the light of the circumstances – have led to a considerable risk that the loss would occur. The insurance is valid, however, if the insured can demonstrate that neither the insured nor his management were aware of or ought to have been aware of the risk of the loss.

#### 6.4.1 Product safety

In the event of a loss resulting from a product or property supplied, the insurance does not apply when the insured or his management

- were aware of the fault or shortcoming before the loss occurred and failed to take reasonable measures to prevent the loss
- failed to carry out customary examinations, tests or analyses to determine the suitability of the product or property and this resulted in a defect in the product or property not being discovered.

### 6.5 Supplier's undertaking

If the supplier, contractor or other party is obliged under a contractual agreement to indemnify damage to insured property, Moderna Försäkringar does not cover the cost thereof.

This does not apply to the extent a supplier, contractor or other party is unable to fulfil his undertaking and this can be verified by the insured.

If the insured is the manufacturer or seller of the insured property, indemnity is not paid for loss of this property if the loss would have been covered by a guarantee on sale or delivery which is customary in the line of business concerned.

6.6 Date error in a computer operation

The insurance does not cover damage, cost, liability for damages, other liabilities or dispute which has been caused directly or indirectly by or is related to a date errors in computer operation.

This exception shall not apply to property and loss of profit insurance in the event of fire/damage of fire (fire which has broken out), explosion or damage caused by aircraft which have crashed or objects which have fallen down from aircraft.

## 7 Obligations in the event of loss

7.1 Salvage obligations

The insured shall to the best of his ability

- avert losses which it may be feared are imminent
- limit losses which have already occurred
- as soon as possible take care of and protect damaged property
- without delay take appropriate action, even of a provisional nature, to resume and maintain the operation of the insured business
- seek to provide employees who may have been left without work as a result of the loss with productive employment outside their normal duties.

7.1.2 Salvage obligation in connection with liability insurance

The insured shall to the best of his ability avert losses which it may be feared are about to occur and limit losses which have already occurred.

This means that

- the insured is under an obligation to limit the effects of occurrences which may give rise to liability for damages
- the insured shall assist in maintaining any right of recourse in relation to third parties
- the directions issued by Moderna Försäkringar must be observed.

7.2 Consequences of disregard

If the insured, intentionally or through gross negligence, has failed to observe his salvage obligations according to the above, and if this can have been injurious to Moderna Försäkringar, Moderna Försäkringar is entitled to a reasonable deduction from the indemnity which would otherwise have been paid, or to full release from payment of indemnity.

- 7.3 Salvage costs**
- Moderna Försäkringar indemnifies the insured's salvage costs according to 7.1, if, in the light of the circumstances, they are reasonable.
- In conjunction with a covered property loss, indemnity is also provided for damage arising if the insured property has been damaged, lost or stolen in conjunction with reasonable salvage measures being taken. Indemnity is not provided, however, if compensation can be obtained elsewhere.
- The sum insured constitutes the maximum amount under first-risk insurance for damage, salvage and clearance costs.
- 7.3.1 Liability insurance**
- Indemnity is not provided to avoid a threatened loss as a result of a defect in the product/property supplied.
- Indemnity is also not provided for the cost of clean up of the insured property or a building owned, rented or otherwise used by the insured.
- 7.3.2 Loss of profits and loss of rent insurance**
- Salvage costs will be indemnified up to the amount by which the action has reduced the loss. To the extent that such cost has also been of value during the waiting period or after the period of liability, it will be indemnified up to the amount which can be assigned to that part of the period of liability which is not within the waiting period.
- 8 Claim settlement**
- 8.1 Consequences of failure to observe obligations**
- If the insured fails to observe his obligations pursuant to the rules in Section 8 Claim settlement, and if this can have been detrimental to Moderna Försäkringar, Moderna Försäkringar is entitled to a reasonable deduction from the indemnity which would otherwise have been paid, or to full release from payment of indemnity.
- 8.2 Notification of loss**
- A loss which may lead to a claim for indemnity or damages shall be notified as soon as possible to Moderna Försäkringar. Cases of breaking and entering or other criminal offences shall be reported to the police and a police report shall be sent to Moderna Försäkringar.
- 8.3 Claim for indemnity**
- Indemnity claims shall be presented to Moderna Försäkringar as soon as possible after the loss has occurred and no later than six months after the insured has become aware of the possibility of obtaining indemnity. If the claim is lodged later, Moderna Försäkringar is freed from liability.
- The insured is under an obligation to specify his claim for indemnity and on request to provide a list of insured property – damaged and undamaged – with details of the value of each



object before and after the damage. The insured is also under a duty to substantiate on request the claim for indemnity by supplying the information available and producing verifications, proof and other documents that are required in order to assess Moderna Försäkringar's liability and the amount of indemnity.

**8.3.1 Claim settlement rules, miscellaneous**

Moderna Försäkringar is entitled, instead of making a cash payment, to stipulate that the damaged property be reinstated or to provide other comparable property.

Moderna Försäkringar is not obliged to take over damaged property but is entitled, following valuation, to take over the property either wholly or in part.

If the property for which indemnity has been paid re-appears, the property shall be immediately placed at the disposal of Moderna Försäkringar. The insured, however, may retain the property if he repays the indemnity received therefor without delay.

**8.4 Loss of rent and loss of profits**

Claims for loss of rent and loss of profits will be settled after the end of the period of liability. The policyholder shall, no later than three months after the end of the period of liability, submit to the company a written claim for indemnity, drawn up as required by the current conditions of insurance. The policyholder is under an obligation to assist Moderna Försäkringar in the investigation of the claim by all means available.

**8.5 Liability loss**

A claim for damages shall be forwarded to Moderna Försäkringar as soon as possible after it has been received by the insured. If the claim for damages is not presented to Moderna Försäkringar within six months of receipt of the claim by the insured, Moderna Försäkringar is freed from liability.

**8.5.1 Obligation to provide information**

The insured is under an obligation to provide Moderna Försäkringar with documents and other information without delay which may be of relevance to investigating the claim.

**8.5.2 Fraudulent information**

If the insured fraudulently states, fails to disclose or conceals anything of relevance to the assessment of the claim, the insurance will not apply.

- 8.5.3**            **Obligation to investigate, give evidence, etc.**
- The insured is under an obligation, without remuneration, to perform the enquiries, analyses and examinations which are relevant to an assessment of the claim and the insured's liability and which can be performed within the scope of the insured's business.
- The insured also is also under an obligation, in the event of legal proceedings, to ensure, without remuneration, that necessary witnesses and expert evidence can be made available with the aid of the staff employed by the insured.
- 8.5.4**            **Obligation to provide documents**
- Documentation in the form of design drawings, manufacturing plans, recipes, instructions, instructions for use, agreements, guarantees and similar documents, should to a reasonable extent be stored and at Moderna Försäkringar's request be produced in the event of a loss.
- If the insured fails to observe his obligations and this can be assumed to be detrimental to Moderna Försäkringar, Moderna Försäkringar is entitled to a reasonable deduction from the indemnity that would have otherwise been paid.
- 8.5.5**            **Summons and attorney**
- If the insured party is summoned to court or receives information that this will happen, this must be reported to Moderna Försäkringar immediately. Moderna Försäkringar will appoint an attorney.
- If the insured does not fulfil these obligations, a judgment of liability for damages may not be adduced against Moderna Försäkringar, nor will legal costs be met.
- 8.5.6**            **Amicable settlement**
- If the insured accepts liability, approves claims for compensation or pays compensation, without Moderna Försäkringar's consent, Moderna Försäkringar is free from liability unless the claim was obviously founded.
- The insured is under an obligation – if Moderna Försäkringar so wishes – to assist in reaching an amicable settlement with the person who has suffered the loss.
- Where Moderna Försäkringar has declared itself prepared to settle amicably with a claimant, Moderna Försäkringar has no obligation to meet subsequent costs or damages or to carry out further investigation.
- 8.5.7**            **Liability limitation**
- If liability limitation in an agreement restricts the policyholder's obligation to pay damages and the policyholder waives the right to adduce liability limitation, Moderna Försäkringar is under no obligation to pay indemnity.

- 8.5.8 Penalty interest
- Moderna Försäkringar will not pay the interest accruing as a result of the insured's delay in performing his duties under the claim settlement regulations.
- 8.6 Inspection of loss
- Moderna Försäkringar has a right to have a loss inspected, to issue instructions for repair and to take care of damaged property before repairs are carried out. Should Moderna Försäkringar issue instructions concerning the choice of repairer or the method of repair, the insured is obliged to follow these instructions.
- Should the insured not observe these provisions, Moderna Försäkringar's liability is limited to the cost which would have been incurred had the instructions been followed.
- 8.7 Lien in real estate
- Any party holding a lien in real estate is subject to the rules in law governing the right of a creditor to receive payment under a fire insurance agreement. Other insurance agreements count as fire insurance agreements to the extent they offer indemnity for a loss resulting from fire, lightning or explosion.
- 8.8 Corporate mortgage
- If a party with rights pursuant to a corporate mortgage has notified Moderna Försäkringar of its name and address to ensure that, if there is loss or damage to the property covered by the corporate mortgage, he has a preferential right to indemnity for loss resulting from fire, lightning, explosion or aircraft. This applies irrespective of whether the indemnity is paid under a fire insurance agreement or other insurance agreement. The preferential right applies if the indemnity amount exceeds 10% of the sum insured for the type of property in question. Current law on mutual preferential rights between these mortgage holders and other parties with rights in conjunction with bankruptcy and distraint are, however, applicable.

## 9 Date of payment of indemnity

Indemnity shall be paid no later than one month after the insured party has fulfilled his obligations under Section 8.

That part of the indemnity which may be due to the insured if insured property is reinstated or replaced, shall be paid no later than one month after the insured has shown that this has happened.

If an appeal has been lodged against an official ban on the re-erection of a damaged building and Moderna Försäkringar has delayed paying indemnity for this reason, indemnity shall be paid no later than one month after Moderna Försäkringar has learned that the appeal has not led to a reversal.

## 10 Double insurance

If an interest covered by this insurance is also covered by another policy and this contains a reservation against double insurance, the same reservation shall apply to both insurance policies. Liability will then be divided between the insurance policies in the manner specified in the Insurance Contracts Act (FAL), Section 43.

## 11 Force majeure

Moderna Försäkringar is not liable for loss which may occur if investigation of a claim, payment of indemnity or replacement of damaged property is delayed because of war, military action, civil war, revolution or insurrection or because of a labour dispute, confiscation or nationalisation, requisition, destruction of or damage to property by order of the government or a public authority.

The reservation relating to a labour dispute applies even if Moderna Försäkringar has taken or is the object of industrial action.

## 12 Right of recourse

To the extent that Moderna Försäkringar has paid indemnity, Moderna Försäkringar assumes the right of the insured to claim compensation from the person liable for the loss.

If the insured, after a loss has occurred, waives his right to indemnity from another party under a contract, guarantee or similar document or through a right of recourse, Moderna Försäkringar's obligation to indemnify is limited to the equivalent extent and the insurance indemnity paid out shall be repaid to Moderna Försäkringar.

Recourse claims against private individuals may be brought under strict liability and simple negligence.

Claims may always be made, however,

- if the person has caused the loss deliberately or by gross negligence or
- if the loss is connected with the person's business

## 13 Insurance Contracts Act

In other respects the provisions of the Insurance Contracts Act (FAL) apply to this insurance.

## VI DEFINITIONS – EXPLANATIONS

### Annual turnover

The term "annual turnover" is defined as the sales value for the most recently completed financial year, of sold and delivered goods and/or services provided, excluding value added tax.

### Approved lock

The term "approved lock" (lock unit) refers to an approved mortise lock and approved striking plate or approved padlock and fastening. The term "mortise lock" is defined as a lock which is fitted into a hole in the edge of the door and is made up of a chubb lock with at least a seven-tumbler or cylinder lock with double cylinders.

### Assault

The term "assault" is defined as injury by violence to the person.

### Assembly work

The term "assembly work" is defined as assembly or installation of machinery and other mechanical or electrical equipment for industrial activities which is added to a property which is wholly or in part equipped for this purpose.

### Base amount

The term "base amount" in this context is defined as the amount laid down under the National Insurance Act (1962:381) which applied in the year in which the loss occurred. When calculating the deductible, expressed in terms of a base amount, the deductible is rounded down to the nearest SEK 100. Other sums expressed as a base amount are rounded up to the nearest SEK 100.

### Breaking and entering

The term "breaking and entering" is defined as the action of a person, without authorisation, breaking into premises or a home by force or with a skeleton key.

### Breakout

The term "breakout" is defined as a situation where a person has unlawfully, with the use of violence or with a skeleton key, escaped from a premises.

### Building equipment

The term "building equipment" is defined as

- existing property for the maintenance of the building and replacement parts and copies of objects belonging to the building, although not mechanically-propelled vehicles and trailers therefor which are subject to registration
- existing equipment which the property owner acquires for the common use of the tenant of the apartment or premises
- existing building material which the property owner has acquired for the maintenance of the building and which is stored within the building. Building material also includes such property which comprised building accessories for the real estate but which has been removed therefrom.

### Building proprietor

The term "building proprietor" is defined as the owner or user of real estate on whose behalf a contract is performed.

### Building (type of object)

The term "building" is defined as a building and such property as belongs to the building under section 2 chapter 2 of the Land Law Code, which reads

"The term 'building' includes fittings and fixtures and anything else with which the building has been equipped, if it is intended for permanent use in the building or a part thereof, such as permanent partitioning, lifts, handrails, pipes or wiring for water, heating or lighting or any other purposes with taps, switches and such equipment, heating boilers, radiators, heaters, tiled stoves, inside windows, awnings, fire equipment, civil defence material and keys."

Under the provisions of the first paragraph, the term "building" usually also includes, in the case of

- residential property: bath tub and other sanitary installations, oven, heating cabinet and refrigerator and machines for washing or mangling
- shop premises: shelf, counter and shop window appliances
- assembly room: stage and fixed seating equipment
- utility building on a farm: device for feeding livestock and plant for mechanical milking
- factory premises: cooling system and fans.

Spare parts and duplicates of objects referred to in the first or second paragraph do not belong to the building."

Oil tanks and fuel in the property, intended for the heating of an insured building, are also included in the building.

### Cavitation

The term "cavitation" is defined as the occurrence of cavities, or bubbles, in fast-flowing fluid when the local pressure of the fluid drops to a level near to the vapour pressure of the fluid at the temperature in question. The cavities occurring beside the surface of the material may collapse, for example, under the impact of propellers, water turbines or pipe bottlenecks. Two main types of cavitation attack may be distinguished, i.e.

- cavitation erosion, where the attack is purely mechanical
- cavitation corrosion, where the attack consists of simultaneous corrosion and cavitation erosion.

### Cellar premises

The term "cellar premises" in this context is defined as premises the floor of which is wholly or partially located at least one metre below the surrounding ground level. In a building with a number of cellar levels, one above the other, special provisions apply only to the lowest level.

### Corrosion

The term "corrosion" is defined by the Technical Nomenclature Centre as "an attack on a material by chemical or electrochemical reaction by an ambient medium". Chemical corrosion occurs in a dry environment, e.g. in dry gases or in water-free organic fluids. In the presence of water, corrosion occurs as a result of electrochemical reactions.

#### Computers and data media

The term "computer" refers to computers and ADP equipment and internal and external units belonging thereto.

The term "data media" refers to punch cards, punch tapes, magnetic tapes, magnetic cards, disks and so forth which are provided with information intended to be processed on a computer.

#### Computer operation

The term "computer operation" refers to a component or function in a unit for the electronic processing of data, including hardware and software in a computer or microprocessor, including so-called embedded systems.

#### Construction work

The term "construction work" is defined as building and construction work, excavation and other foundation work. Building operations also include installation and assembly of permanent fittings and other work designed for permanent use in the building, e.g. lifts and ventilation systems, which according to the rules in section 2, chapter 2, of the Land Code belong to a building. Not included is such work which can be classified as assembly work.

#### Current value (Economic value)

The term "current value" is defined as the market value at a given time. If this cannot be determined, the current value is the replacement value with a deduction for depreciation in value due to age, wear, obsolescence, reduced usability, location and other circumstances.

#### Customers' property (type of object)

The term "customers' property" is defined as property belonging to customers which is in the custody of the policyholder and which has a direct link to the policyholder's business.

#### Data media cabinet

A data media cabinet shall offer such resistance that, in the case of fire in a surrounding area, the temperature in the cabinet will not exceed 65\_C after one hour and the relative humidity will not exceed 85%.

#### Date error

The term "date error" refers to an error or fault which causes the computer operation in connection with

- a certain time or transition from one time to another
- a certain period of time or transition from one period of time to another
- a certain calendar date or switch from one date to another to cease in whole or in part or ceases to supply data or other information in the manner intended or expected in terms of the purpose of the computer operation.

**Drawings, archive documents  
and data media (type of object)**

The term "drawings, archive documents and data media" is defined as

- original drawings and other original documents, e.g. manuscripts, accounting documents, card indexes, correspondence and exposed original film
- archives of newspapers, picture agencies and photographic studios etc.
- machine-readable media which have been provided with information intended for processing in a computer.

**Electrical equipment**

The term "electrical equipment" is defined as an electric machine, apparatus, cable, or other electrical or electronic unit.

**Electrical phenomenon**

The term "electrical phenomenon" is defined as the sudden and unforeseen influence of produced electricity, e.g. short-circuit, flashover, electric arc or excess voltage.

**Employees' property (type of object)**

The term "employees' property" is defined as employees'

- personal property which can be insured according to Moderna Försäkringar's home insurance terms and conditions, although not property belonging to the object type money and securities
- property covered by a current collective agreement

The term "employees' property" in this context includes personal property which belongs to an elected representative.

**Entry protection**

The term "entry protection" is defined as security arrangements for an opening in an enclosing space (wall, floor and roof) which are designed to prevent unauthorised persons from entering through the opening, e.g. a steel grille.

**Explosion**

The term "explosion" is defined as an instantaneously occurring discharge of power, caused by the effort of gas or vapour to expand. For an explosion to be considered to have taken place in a container or vessel of any kind (such as a steam boiler, cylinder or other vessel for steam, gas or liquid or a cooker) it is also required that the walls of the container be damaged to such an extent that the pressure inside and outside the container is instantaneously equalised by the emission of gas or vapour or vaporising liquid. However, explosion is not considered to include, for example, failure which occurs as a result of underpressure, e.g. implosion.

**Fire**

The term "fire" is defined as fire which breaks out. Fire damage does not include damage caused by heat from a fireplace or by incandescence or a heated object, which is not aflame or which scorches or burns a hole without fire arising.



First loss insurance	If the insurance is first loss insurance, damage occurring and salvage and debris removal costs will be indemnified up to a maximum of the sum insured.
Forest etc.	The term "forest land" is defined as forest land according to the Tax Assessment Act. The term "forest products" refers to round timber originating from the insured location. The term "growing forest" refers to forest growing on forest land.
Full value insurance	For there to be full insurance under a full value insurance policy the sum insured must be equal to at least the replacement value.
Gardens and grounds (type of object)	The term "gardens and grounds" is defined as land, vegetation, fences, flagpoles and jetties or similar arrangements – but not wells and water intakes. This category also includes permanent playground equipment, outdoor lighting, connections for engine heaters and asphaltting.
Glass	The term "glass" also includes plastic material, such as polycarbonate material, acrylic plastic or similar, which is used instead of glass.
Goods (type of object)	<p>The term "goods" is defined as</p> <ul style="list-style-type: none"> <li>• raw materials</li> <li>• work in progress</li> <li>• finished or semi-finished products</li> <li>• goods acquired for sale</li> <li>• packaging and other movable property which is designed to be included in the goods or their packing and to accompany the goods or be sold together with them.</li> </ul> <p>Packaging of a reusable nature, which is intended for repeated consignments and property which has been acquired to be hired out or leased is classified as Machinery</p>
Heating duct	The term "heating duct" is defined as a piping system in the ground outside the building – including pipes, heating insulation and a protective cover – for the distribution of heat and hot water and a duct chamber with equipment belonging to such a pipe system. The heating duct does not include sub-subscriber or subscriber boxes or equipment related thereto.
Indemnity period	The term "indemnity period" for loss of profits and loss of rent is defined as the longest period during which indemnity may be paid, calculated from the date the property loss or damage occurred.

<b>Installation</b>	The term "installation" is defined as systems or arrangements with connected objects, e.g. boilers, circulation pumps, expansion chambers, heat exchangers, cooling or freezing facilities, antenna facilities, lifts, piping systems for cold water, hot water, heating, waste, ventilation, gas, electricity and so on.
<b>Insured premises</b>	The term "insured premises" is defined as all premises directly adjoining each other and at the disposal of the policyholder. The term "insured premises" does not include vehicles, working tools, vessels, aircraft, plastic marquees, tents, skips, cupboards, chests, vending machines or similar.
<b>Landslip</b>	See landslide.
<b>Landslide etc.</b>	Damage resulting from a landslide, landslip or rockfall means that a soil mass, boulder or stone has suddenly and unforeseen begun to move and considerably changed position.
<b>Loss due to product delivered</b>	The term "loss due to product delivered" is defined as a loss caused by a defect which has existed in the product when it went into circulation or which has subsequently been introduced into the product by action taken by the insured or by some other person on his behalf.
<b>Machinery (type of object)</b>	<p>The term "machinery" is defined as property which is not assignable to any other type of object and which has not been acquired or manufactured for sale and nor is it specifically excluded.</p> <p>Machinery thus includes</p> <ul style="list-style-type: none"> <li>• machines, equipment, pipes (but not pipe ducts), not assignable to the type of object "Building",</li> <li>• expendable items such as fuel and lubricants,</li> <li>• spare parts for own machines, tools and implements,</li> <li>• equipment for shops, offices, laboratories or storage premises,</li> <li>• printed matter, such as catalogues and advertising literature, product samples,</li> <li>• returnable packaging,</li> <li>• fixed furnishings belonging to a tenant,</li> <li>• property acquired for renting or leasing,</li> <li>• models, pressing and punching tools, moulds and patterns, both current and non-current.</li> </ul>
<b>Money and securities (type of object)</b>	<p>The term "money and securities" is defined as</p> <ul style="list-style-type: none"> <li>• cash and current stamps</li> <li>• shares, bonds, vouchers, lottery tickets, bills, cheques, sales notes and other evidence of claim.</li> </ul>

Note	The term "non-current models, pressing and punching tools, moulds and patterns" does not refer to objects which are normally manufactured, stocked or stated in current catalogues or standardisation norms.
Payroll/wage cost	<p>The term "payroll" is defined as</p> <ul style="list-style-type: none"> <li>• for limited liability companies and co-operative economic associations, the sum, during the most recent calendar year, of the gross cash payments and value of taxable fringe benefits (board and lodging and car) reduced by the costs, i.e. the sum of the monthly reports under the heading "Charge base A" in the National Social Insurance Board form "Uppbördsdeklaration" sent to the tax authority, subject, however, to a minimum of five base amounts.</li> <li>• for other companies and private entrepreneurs, both the sum of wages as stated above, and a sum (salary, fees etc.) which each partner engaged in the company received from the business according to the most recent tax return submitted subject, however, to a minimum of five base amounts for each partner per year.</li> </ul>
PCB	PCB stands for Polychlorinated Biphenyls. PCB is a chemical product which is marketed under a large number of brand names.
Period of business disruption	The term "period of business disruption" is defined as the period during which property damage or power failure affects the business.
Pharmaceuticals	The term "pharmaceuticals" is defined as goods which are intended, either when used internally or externally, to prevent, demonstrate, alleviate or cure sickness or symptoms of sickness in humans or otherwise to be used in the manner stated in the course of treatment of sickness, injury or physical defect or in childbirth, always provided that goods for such purposes by preparation, dosing or dosing instructions have been put into ready-to-use condition. This applies to both registered pharmaceuticals and clinical testing.
Property belonging to an elected representative	This term refers to personal property belonging to an elected representative and which can be insured under Moderna Försäkringar's customary home insurance terms and conditions, although not money or securities.
Property machinery	<p>The term "property machinery" refers to</p> <ul style="list-style-type: none"> <li>• water, heating, waste, ventilation, gas and electricity systems</li> <li>• lifts, escalators or other devices for the carrying of persons</li> <li>• washing, refrigeration or freezing facilities for common use in the building which exist in the property and which belong to the building.</li> </ul>

<b>Protection class</b>	<p>The insurance terms contain stipulations regarding the insured premises (protection class 1).</p> <p>If stricter rules are applicable to the insurance these are stated in the insurance policy (protection classes 2 or 3).</p>
<b>Reinstatement</b>	<p>The term "reinstatement" is defined here to mean</p> <ul style="list-style-type: none"> <li>• buildings, repair or reconstruction in Sweden of the same or an equally appropriate building for the same or similar purposes</li> <li>• machinery, repair or replacement of property of the same or an equally appropriate type for the same purposes.</li> </ul>
<b>Replacement value</b>	<p>The term "replacement value" is understood, in the case of</p> <ul style="list-style-type: none"> <li>• a building: the cost which would have arisen if the building had been completed as new at a particular time. The value shall include all costs required for the building to be brought into use. The cost of building foundations or foundation walls lying lower than both the bottom of the lowest cellar floor and the adjoining land and water surface are not included.</li> <li>• machinery: the cost which would have arisen if an object of the same or equally appropriate type had been acquired as new at a particular time. The value shall include all costs required for the object to be brought into use, but not the cost of machine bedplates lying lower than both the bottom of the lowest cellar floor and the adjoining land and water surface.</li> </ul>
<b>Robbery</b>	<p>Robbery assumes violence to the person or the use of threat implying imminent danger. This also includes milder force against the person provided that the force and the theft have been immediately perceived by the person subjected to the force, that the latter has done what may reasonably be required to prevent or reduce the injury and that the event can be substantiated by a reliable report.</p>
<b>Rockfall</b>	<p>See landslide.</p>
<b>Small boats</b>	<p>The term "small boats" refers to canoes, rowing-boats, boats with an outboard engine up to a maximum of 7.5 kW, sailing boats with a maximum sail surface of 10m<sup>2</sup>: intended for, for example, rescue or leisure activities.</p>
<b>Strong box</b>	<p>The term "strong box" is defined as a unit for the storage of valuables, providing protection for cash and for objects and securities of value against burglary, which is classified according to SS 3150 or EN 1143.</p>
<b>Storm</b>	<p>The term "storm" is defined as wind with a velocity of at least 21 metres per second.</p>

### Theft-prone property

The term "theft-prone property" is defined as:

- objects consisting wholly or partly of precious metal, real pearls or precious stones,
- antiques, works of art and Oriental carpets,
- watches (pocket watches, wristwatches, fob watches),
- cameras and camera accessories, projectors, tape recorders and gramophones, amplifiers, loudspeakers, radios, videos and TV sets.
- furs and pelts and dressed or undressed skins for furs and pelts,
- tobacco, wines and spirits.

### Types of object

Insured property is divided into the following types of object

- Employees' and elected representatives' property
- Building
- Customers' property
- Machinery
- Money and securities
- Drawings and archive documents together with data media
- Gardens and grounds, park, undeveloped land, street, road etc.
- Goods

### Underinsurance and Consequences

The term "underinsurance" is defined as a situation where the sum insured is lower than the replacement value.

In cases of full-value insurance the indemnity is reduced in the event of underinsurance in proportion to the ratio between the sum insured and the replacement value.

### Vermin in residential property

The term vermin in residential property refers to the following insects

- carpet beetles, larder beetles, silverfish, meal beetles, bread beetles, flat beetles, cockroaches and bedbugs.

### Waiting period

The term "waiting period" is defined as the period, calculated from the date when the property damage occurred, during which indemnity is not paid for loss of contribution to profits.

### Working area

The term "working area" refers to the area and temporary storage areas connected thereto to which the insured has access to carry out contract work, installation, assembly or repair work in conjunction with construction or assembly operations. The working area does not include the insured's normal, permanent places of work, e.g. offices, workshops, store rooms, quarries or stone-crushing facilities.

### Works of art

The term "works of art" is defined as statues, busts, sculptures, paintings and other objects which are created primarily for decoration purposes and the value of which is determined by their artistic workmanship.