

General Insurance Conditions for Liability Insurance (AHB 2013)

Scope of the insurance cover	17	Lapse of the insured risk
1 Object of the insurance, insured event	18	<i>Not applicable</i>
2 Consequential losses, loss of objects	19	Termination after insured event
3 Insured risk	20	Termination after the sale of insured companies
4 Contingency insurance	21	Termination after increase in risk owing to a change in or the enactment of legal regulations
5 Payments of the insurance	22	Multiple insurance
6 Limitation to the payments		
7 Exclusions		
Begin of the insurance cover/payment of premiums		Responsibilities of the insurance policy holder
8 Begin of the insurance cover	23	Pre-contractual reporting duties of the insurance policy holder
9 Payment and consequences of delayed payment/first or one-time premium	24	Responsibilities before occurrence of the insured event
10 Payment and consequences of delayed payment/follow-up premium	25	Responsibilities after occurrence of the insured event
11 Punctuality of the payment in case of direct debit mandate	26	Legal consequences in case of breach of responsibilities
12 Instalments and consequences in case of delayed payment		
13 Premium settlement		Further provisions
14 Premium with premature termination of contract	27	Co-insured persons
15 <i>Not applicable</i>	28	Ban on assignment
Duration and end of the contract/termination	29	Notifications, declarations of intent, change in address
16 Duration and end of the contract	30	Statute-of-limitations
	31	Court of jurisdiction
	32	Applicable law

Scope of the insurance cover

- 1 Object of the insurance, insured event
- 1.1 Insurance cover exists within the framework of the insured risk for the event that a claim is asserted against the insurance policy holder by a third party owing to a damaging event which occurred during the validity of the insurance (insured event) that had resulted in physical injuries, property damages or ensuing consequential losses owing to
- statutory liability provisions
with contents under private law.
- A damaging event is the event as a consequence of which the damages of the third party were directly incurred. It does not depend on the time when the damages were caused which led to the damaging event.
- 1.2 No insurance cover shall exist for claims, even if it concerns statutory claims,
- 1.2.1 for satisfaction of contracts, subsequent performance, from a self-undertaking, cancellation, reduction, for damages instead of the performance;
- 1.2.2 owing to damages which are caused in order to be able to carry out the subsequent performance;

- 1.2.3 owing to the loss of the use of the object of contract or owing to the omission of the success which is owed with the contractual service;
- 1.2.4 for reimbursement of fruitless expenses with the trust in the proper satisfaction of the contract;
- 1.2.5 for reimbursement of consequential losses owing to a delay in the service;
- 1.2.6 owing to other compensation instead of the performance.
- 2 **Consequential losses, loss of objects**
- This insurance cover can be extended by special agreement to the statutory liability with contents under private law of the insurance policy holder owing to
- 2.1 Consequential losses which were not incurred either through physical injuries nor through property damages;
- 2.2 Damages through the loss of objects; the provisions concerning property damages shall accordingly apply to this.
- 3 Insured risk
- 3.1 The insurance cover comprises the statutory liability
- 3.1.1 from the risks of the insurance policy holder stated in the in-

insurance policy and its addendums,

3.1.2 from increases in or extensions to the risks stated in the insurance policy and its addendums. This shall not apply to risks from the registered ownership or use of motor vehicles, aircraft or watercraft which are liable to insurance nor to other risks, which are subject to the insurance or cover contingency obligation,

3.1.3 from risks which are incurred new for the insurance policy holder after conclusion of the insurance (contingency insurance) and which are regulated in more detail in Subclause 4.

3.2 The insurance cover shall also cover increases in the insured risk by a change to existing or the enactment of new legal regulations. The insurer can however terminate the contract under the pre-requisites of Subclause 21.

4 Contingency insurance

4.1 Risks, which are incurred new after conclusion of the insurance contract, are insured immediately within the framework of the existing contract.

4.1.1 After being requested by the insurer the insurance policy holder undertakes to report each new risk within one month. The request can also be made with the premium statement. If the insurance policy holder fails to submit a report in time the insurance cover shall cease to apply for the new risk retrospectively from when it occurred.

If an insured event occurs before the new risk was reported then the insurance policy holder must prove that the new risk was only added after conclusion of the insurance and at a time at which the reporting deadline had not yet expired.

4.1.2 The insurer is entitled to request a reasonable premium for the new risk. If no agreement is reached about the amount of the premium within a period of one month after receipt of the notification, the insurance cover shall cease to apply to the new risk retrospectively from when it occurred.

4.2 The insurance cover for new risks is limited from their occurrence until the agreement within the meaning of Subclause 4.1.2 to the amount of € 250,000 for physical injuries and € 75,000 for property damages and – insofar as agreed – € 25,000 for consequential losses insofar as no lower sums insured are fixed in the insurance policy.

4.3 The regulation of the contingency insurance shall not apply to risks

4.3.1 from the ownership, possession, registered ownership or operation of a motor vehicle, aircraft or watercraft insofar as these vehicles are subject to registration, driving licence or insurance obligation;

4.3.2 from the ownership, possession, operation or driving of railways;

4.3.3 which are subject to the insurance or cover contingency obligation;

4.3.4 which exist for less than one year and therefore are to be in-

sured within the framework of short-term insurance contracts.

5 Payments of the insurance

5.1 The insurance cover comprises the examination of the question of liability, the defence of unjustified claims for damages and the indemnification of the insurance policy holder from justified compensation obligations.

Compensation obligations are justified if the insurance policy holder is obliged to pay compensation by virtue of law, a final and absolute judgement, an acknowledgement or settlement and the insurer is bound thereby. Acknowledgements and settlements, which have been submitted or concluded by the insurance policy holder without the consent of the insurer, shall only bind the insurer insofar as the claim would also have existed without an acknowledgement or settlement.

If the compensation obligation of the insurance policy holder has been determined with binding effect for the insurer the insurer must indemnify the insurance policy holder from the claim of the third party within two weeks.

5.2 The insurer is authorized to submit all declarations on behalf of the insurance policy holder which appear useful in its opinion for processing the damages or defending the claims for damages.

If a lawsuit is initiated in an insured event concerning claims for damages against the insurance policy holder the insurer is authorized to conduct the proceedings. It shall conduct the lawsuit in the name of the insurance policy holder at its costs.

5.3 If the appointment of defence counsel for the insurance policy holder is requested or approved by the insurer in criminal proceedings, owing to a damaging event that may result in a liability claim which falls under the insurance cover, then the insurer shall bear the costs of the defence counsel according to the schedule of fees or the higher costs which were agreed separately with it.

5.4 If the insurance policy holder or a co-insured person gains the right to demand the revocation or reduction of a pension which is to be paid then the insurer is authorized to exercise this right.

6 Limitation to the payments

6.1 The compensation payment of the insurer is limited to the agreed sums insured in each insured event. This shall also apply if the insurance cover extends to several persons who are liable to compensation.

6.2 Insofar as not otherwise agreed the compensation payments of the insurer are limited for all insured events of an insurance year to the single amount of the agreed sums insured.

6.3 Several insured events which occur during the validity of the insurance shall be deemed as one insured event, which occurred at the time of the first of these insured events if these

- are due to the same cause,
- to the same causes with inherent, in particular objective and time connection or

- from the delivery of goods with the same defects.
- 6.4 In case agreed especially the insurance policy holder shall participate with an amount in the compensation payment in each insured event (excess) which shall be stipulated in the insurance policy. Insofar as not otherwise agreed the insurer is also obliged to defend unjustified claims for damages in these cases.
- 6.5 The expenses of the insurer for costs shall not be offset against the sums insured.
- 6.6 If the justified liability claims from an insured event exceed the sum insured the insurer shall bear the costs for the proceedings as a ratio of the sum insured to the total amount of these claims. In such cases the insurer is entitled to release itself from further payments by payment of the sum insured and its shares of the costs accrued until that time which correspond with the sum insured.
- 6.7 If the insurance policy holder has to pay pension payments to the injured party and if the capital value of the pension exceeds the sum insured or the residual amount of the sum insured which still remains after deduction of possible other payments from the insured events then the pension which is to be paid shall only be re-imbursed by the insurer as a ratio of the sum insured or its residual amount at the capital value of the pension.

The corresponding regulation of the provisions concerning the insurance cover in the motor vehicle third party insurance in the respective applicable version at the time of the insured event shall apply to the calculation of the pension value.

When calculating the amount with which the insurance policy holder has to participate in regular pension payments if the capital value of the pension exceeds the sum insured or the residual sum insured which remains after deduction of other payments the other payments shall be deducted from the sum insured with their full amount.
- 6.8 In case the settlement of a liability claim by acknowledgement, satisfaction or settlement requested by the insurer fails due to the conduct of the insurance policy holder the insurer must not pay the additional expenses in compensation payment, interest and costs incurred by the refusal.
- 7 **Exclusions**

In case not expressly otherwise determined in the insurance policy or its addendums the following are excluded from the insurance:
 - 7.1 Insurance claims from all persons who caused the damages by wilful intent.
 - 7.2 Insurance claims of all persons who caused the damages due to the fact that in the knowledge of their faulty or harmful nature they
 - brought products into circulation or
 - provided work or other services.
 - 7.3 Liability claims insofar as they exceed the scope of the statutory
- liability of the insurance policy holder based on a contract or promises.
- 7.4 Liability claims
 - 7.4.1 of the insurance policy holder himself or of the persons named in Subclause 7.5 against the co-insured person,
 - 7.4.2 between several insurance policy holders of the same insurance contract,
 - 7.4.3 between several co-insured persons of the same insurance contract.
- 7.5 Liability claims against the insurance policy holder
 - 7.5.1 from damaging events of his family members who share a household with him or who belong to the persons who are co-insured in the insurance contract;

Deemed as family members are spouses, partners within the meaning of civil partnership law or comparable partnerships according to the law of other states, parents and children, adoptive parents and children, parents-in-law and children-in-law, step-parents and stepchildren, grandparents and grandchildren, brothers and sisters as well as foster parents and foster children (persons, who are affiliated with each other through a relationship similar to a family and oriented to the long-term such as parents and children).
 - 7.5.2 by his statutory representatives or guardians if the insurance policy holder has no capacity or limited capacity to enter into legal transactions or persons subject to a guardianship;
 - 7.5.3 by his statutory representatives if the insurance policy holder is a legal entity under private or public law or an association with no legal capacity;
 - 7.5.4 by his shareholders with unlimited personal liability if the insurance policy holder is a general partnership, limited partnership or GbR [company constituted under civil law];
 - 7.5.5 by his partners if the insurance policy holder is a registered partnership;
 - 7.5.6 by his liquidators, liquidators and receivers.
- Regarding Subclause 7.4 and Subclause 7.5:**

The exclusions under Subclause 7.4 and Subclause 7.5.2 to 7.5.6 shall also cover liability claims of family members of the persons named therein who share a household with them.
- 7.6 Liability claims owing to damages to third party objects and all ensuing consequential losses if the insurance policy holder has rented, leased, lent these objects, obtained these through prohibited own power or they are the object of a special contract for safekeeping.
- 7.7 Liability claims owing to damages to third party objects and all ensuing consequential losses if
 - 7.7.1 the damages were suffered through a commercial or professional activity of the insurance policy holder to these objects (processing, repair, transport, inspection, etc.); with immovable

objects this exclusion shall only apply to the extent that these objects or parts thereof were directly affected by the activity;

- 7.7.2 the damages were caused due to the fact that the insurance policy holder used these objects to carry out his commercial or professional activities (as tool, aids, material storage area, etc.); with immovable objects this exclusion shall only apply to the extent that these objects or parts thereof were directly affected by the use;
- 7.7.3 the damages were suffered through a commercial or professional activity of the insurance policy holder and these objects or – insofar as they concern immovable objects – the parts of which were located in the direct sphere of influence of the activity; this exclusion shall not apply if the insurance policy holder proves that at the time of the activity he had obviously taken necessary protective measures to avoid damages.

Regarding Subclause 7.6 and Subclause 7.7:

If the pre-requisites of the exclusions in Subclause 7.6 and Subclause 7.7 exist in the person of employees, workers, authorized agents of the insurance policy holder then at the same time the insurance cover shall cease to apply both to the insurance policy holder as well as to the persons who may be co-insured by the insurance contract.

- 7.8 Liability claims owing to damages to objects, work or other services produced or delivered by the insurance policy holder, as a result of a cause in the production, delivery or service and all ensuing consequential losses. This shall also apply if the cause of the damages lies in a faulty single part of the object or in a faulty partial service and leads to the damage or destruction of the object or service.

This exclusion shall also apply if third parties have assumed responsibility for the production or delivery of the objects or the work or other services by order or for the account of the insurance policy holder.

- 7.9 Liability claims from damaging events which occur overseas.
- 7.10.1 Claims, which are asserted against the insurance policy holder owing to environmental damages according to the environmental damage law or other national implementation laws based on the EU environmental liability directive (2004/35/EC). This shall also apply if a claim is asserted against the insurance policy holder by a third party owing to statutory liability provisions of contents under private law for reimbursement of the costs incurred through such environmental damages.

However, the insurance cover shall continue to apply to those claims which could also be asserted against the insurance policy holder without the existence of the environmental damages law or other national implementation laws based on the EU environmental liability directive (2004/35/EC) already owing to statutory liability provisions of contents under private law.

This exclusion shall not apply within the framework of the insurance of private liability risks.

- 7.10.2 Liability claims owing to damages through environmental ef-

fects.

This exclusion shall not apply

- a) within the framework of the insurance of private liability risks or
- b) for damages, which are suffered through products produced or delivered by the insurance policy holder (also waste), through work or other services after execution of the service or after completion of the work (product liability).

No insurance cover exists however for damages through environmental influence, which result from the planning, production, delivery, assembly, disassembly, maintenance or service or

- plants which are determined to produce, process, store, deposit, transport or discharge substances which are hazardous for the waters (WHG plants);
- plants acc. Annex 1 or 2 to the environmental liability act (UmweltHG plants);
- plants, which according to the provisions which serve the environmental protection are subject to a permit or reporting duty;
- waste water plants

or parts which are clearly intended for such plants.

- 7.11 Liability claims owing to damages which are a result of asbestos, substances or products which contain asbestos.

- 7.12 Liability claims owing to damages

- 7.12.1 through nuclear energy;

The reimbursement of damages through nuclear energy is oriented to the Atomic Energy Act in the Federal Republic of Germany. The operators of nuclear plants are obliged to take out contingency cover and liability insurances for this purpose.

- 7.12.2 which are directly or indirectly associated with high-energy ionising rays (e.g. rays of radioactive substances or X-rays).

- 7.13 Liability claims owing to damages which are a result of

- 7.13.1 genetic-technology work,

- 7.13.2 genetically modified organisms (GVO),

- 7.13.3 products which

- contain components from GVO,
- were produced from or using GVO.

- 7.14 Liability claims from property damages which are suffered through

- 7.14.1 waste water insofar as it does not concern household waste water,

- 7.14.2 subsidence of properties or landslides,

- 7.14.3 flooding of standing or flowing waters.

- 7.15 Liability claims owing to damages from the exchange, trans-

mission and provision of electronic data insofar as they concern damages from	9	Payment and consequences of delayed payment/first or one-time premium
7.15.1 deletion, suppression, rendering unusable or change of data,	9.1	The first or one-time premium shall be due immediately after the expiry of two weeks after receipt of the insurance policy.
7.15.2 non-entry or faulty saving of data,		If the payment of the annual premium is agreed in instalments only the first instalment of the first annual premium shall be deemed as the first premium.
7.15.3 interference to the access to the electronic data exchange,		
7.15.4 transmission of confidential data or information.		
7.16 Liability claims owing to damages from infringements of personal or name rights.	9.2	If the insurance policy holder does not pay the first or one-time premium in time, but at a later date the insurance cover shall only apply from this date. This shall not apply if the insurance policy holder proves that he was not responsible for the non-payment. For insured events, which occur until the payment of the premium, the insurer shall only not be obliged to payment if he drew the attention of the insurance policy holder to this legal consequence of the non-payment of the premium through a separate notification in a text form or through a clear reference in the insurance policy.
7.17 Liability claims owing to damages from hostility, victimisation, harassment, unequal treatment or other discrimination.		
7.18 Liability claims owing to physical injuries, which result from the transmission of an illness of the insurance policy holder. The same applies to property damages, which were suffered through the illness of animals belonging to, held by or sold by the insurance policy holder. In both cases insurance cover exists if the insurance policy holder proves that he did not act either wilfully or gross negligently.	9.3	If the insurance policy holder does not pay the first or one-time premium in time the insurer can cancel the contract as long as the premium has not been paid. The insurer cannot cancel if the insurance policy holder proves that he is not responsible for the non-payment.
7.19 All damages triggered off through acts of terror as well as expenses of all kinds in connection with acts of terrors.	10	Payment and consequences of delayed payment/follow-up premium
Acts of terror are all acts of persons or groups of persons for achieving political, religious, ethnical or ideological goals which are suitable for spreading fear or terror among the population or parts of the population and thereby to influence a government or state facility.	10.1	The follow-up premiums are, insofar as not otherwise determined, due and payable on the first of the month of the agreed premium period.
7.20 All dangers from the use of chemical, biological, biochemical substances or electromagnetic waves as weapons with an effect which poses a danger to public safety.		The payment shall be deemed as in time if it is made at the time stated in the insurance policy or in the premium statement.
Also excluded in addition to the dangers of nuclear energy are the risks of other ionising irradiation. Damages to the insured objects are however insured if they are suffered through radioactive isotopes (except nuclear fuel) insofar as such isotopes are provided, transported, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.	10.2	If a follow-up premium is not paid in time the insurance policy holder shall be deemed in default without a reminder unless he is not responsible for the delayed payment.
7.21 Damages through acts of war of all kinds or through internal unrest.		The insurer is entitled to request reimbursement of the damages suffered by it through the default.
Begin of the insurance cover/payment of premium		If a follow-up premium is not paid in time the insurer can stipulate a payment deadline for the insurance policy holder at its costs in a text form, which must be at least two weeks. The stipulation shall only be effective if it states the specific outstanding amounts of the premium, interest and costs in figures and the legal consequences which are associated with the expiry of the deadline according to Subclause 10.3 and 10.4.
8 Begin of the insurance cover		
The insurance cover shall begin at the time stated in the insurance policy if the insurance policy holder pays the first or one-time premium in time within the meaning of Subclause 9.1. The invoiced premium contains the insurance tax which the insurance policy holder has to pay in the respective amount determined by law.		

- 10.3 If the insurance policy holder is still in default with the payment after expiry of this payment deadline no insurance cover shall exist from this time until payment if he was informed thereof with the payment request according to Subclause 10.2 Par. 3.
- 10.4 If the insurance policy holder is still in default with the payment after expiry of this payment deadline the insurer can terminate the contract without observing a period of notice if it has informed the insurance policy holder thereof with the payment request according to Subclause 10.2 Par. 3.
- The contract shall continue to exist if the insurer has terminated and if the insurance policy holder subsequently pays the reminded amount within one month. However, no insurance cover exists for insured events which were suffered between the receipt of the termination and the payment.
- 11 **Punctuality of the payment in case of direct debit mandate**
- If the collection of the premium is agreed from an account the payment shall be deemed in time if the premium can be collected as of the due date and the insurance policy holder does not object to a justified collection.
- If the due premium could not be collected by the insurer without this being the fault of the insurance policy holder the payment is still also deemed in time if it is made immediately after a payment request of the insurer which is made in a text form.
- If the due premium cannot be collected because the insurance policy holder has revoked the direct debit mandate or if the insurance policy holder is responsible for other reasons for the fact that the premium cannot be collected the insurer is entitled to request payment in future outside of the direct debit mandate procedure. The insurance policy holder is only obliged to send the premium if he has been requested to do so by the insurer in a text form.
- 12 **Instalments and consequences in case of delayed payment**
- If the payment of the annual premium has been agreed in instalments the still outstanding instalments are due and payable immediately if the insurance policy holder is in default with the payment of one instalment.
- The insurer can further request an annual premium payment in future.
- 13 **Premium adjustment**
- 13.1 Upon request the insurance policy holder must inform whether and which changes have occurred to the insured risk compared with the previous information. This request can also be made through a reference on the premium statement. The information is to be provided within one month after receipt of the request and upon request of the insurer proof to be provided. In case of incorrect information for the disadvantage of the insurer it can demand a conventional penalty from the insurance policy holder of three times the amount of the determined difference in premium. This shall not apply if the insurance policy holder proves that the inaccuracy of the information was not his fault.
- 13.2 Owing to the notification of a change from the insurance policy holder or other findings the premium shall be corrected from the time of the change (premium settlement), with the lapse of insured risks however only from the time when the notification was received by the insurer. The contractually agreed minimum premium may not be fallen short of through this circumstance. All increases and reductions in the minimum premium which occurred after conclusion of the insurance in line with Subclause 15.1 will be taken into account.
- 13.3 If the insurance policy holder fails to make the timely notification the insurer can request a subsequent payment for the period, for which the information was to be provided, in the amount of the premium which was already invoiced for this period of time. If the information is provided subsequently the premium will be adjusted. A surplus premium which is paid by the insurance policy holder is only reimbursed if the information is provided within two months after receipt of the notification of the increased premium.
- 13.4 The afore-mentioned provisions shall also apply to insurances with advance payment of the premium for several years.
- 14 **Premium with premature termination of the contract**
- In case of the premature termination of the contract the insurer, insofar as not otherwise determined by law, is only entitled to the part of the premium which corresponds with the period of time for which insurance cover existed.
- 15 *Not applicable*
- Duration and end of the contract/termination**
- 16 **Duration and end of the contract**
- 16.1 The contract is concluded for the period of time stated in the insurance policy.
- 16.2 With a contractual term of at least one year the contract shall be extended by respectively one year if the contractual partner has not received a termination by no later than three months before the expiry of the respective insurance year.
- 16.3 With a contractual term of less than one year the contract shall end at the envisaged time without this requiring a termination.
- 16.4 With a contractual term of more than three years the contract can be terminated as of the expiry of the third year already or each subsequent year; the termination must have been received by the contractual partner by no later than three months before the expiry of the respective insurance year.
- 17 **Lapse of the insured risk**
- If insured risks cease to apply in full and permanently then the insurance shall cease to apply with regard to these risks. The insurer shall be entitled to the premium which it could have charged if the insurance of these risks had only been applied for up to the time at which it gained knowledge that the risk has ceased to apply.

- 18 *Not applicable*
- 19 **Termination after insured event**
- 19.1 The insurance relationship can be terminated if
- a damage payment was made by the insurer or
 - a judicial action is served to the insurance policy holder concerning a liability claim which falls under the insurance cover.
- The termination must have been received by the contractual partner in a written form by no later than one month after the payment of the damages or the service of the action.
- 19.2 If the insurance policy holder terminates the contract his termination will become effective immediately after it has been received by the insurer. The insurance policy holder can however determine that the termination will become effective at a later point in time, no later however than as of the end of the current insurance period.
- A termination of the insurer shall become effective one month after it is received by the insurance policy holder.
- 20 **Termination after the sale of insured companies**
- 20.1 If a company for which liability insurance exists is sold to a third party, this party shall take the place of the insurance policy holder and enter into the rights and duties ensuing from the insurance relationship for the duration of its ownership.
- This shall also apply if a company is taken over by a third party owing to a usufruct, a leasehold contract or a similar relationship.
- 20.2 In this case the insurance relationship can be terminated in a written form
- by the insurer towards the third party with a period of notice of one month,
 - by the third party towards the insurer with immediate effect or as of the end of the current insurance period
- 20.3 The right of termination shall cease to apply if
- the insurer does not exercise it within one month from the time at which it gains knowledge of the transfer to the third party;
 - the third party does not exercise it within one month after the transfer, whereby the right of termination shall continue to exist until the expiry of one month from the time at which the third party gained knowledge of the insurance.
- 20.4 If the transfer to the third party is carried out during a current insurance period and if the insurance relationship is not terminated, the previous insurance policy holder and the third party shall be liable for the insurance premium for this period as joint and several debtors.
- 20.5 The insurer is to be informed of the transfer of a company immediately by the previous insurance policy holder or the third party.
- No insurance cover exists with a culpable breach of the reporting duty if the insured event occurs later than one month after the time at which the notification should have been received by the insurer and the insurer would not have concluded the contract which exists with the seller with the buyer.
- The insurance cover shall exist again and exist for all insured events, which occur no earlier than one month after the time, at which the insurer gains knowledge of the sale. This shall only apply if the insurer has not exercised its right of termination during this month.
- The insurance cover shall not cease to apply despite the breach of the reporting duty if the insurer was aware of the sale at the time at which it should have received the notification.
- 21 **Termination after increase in risk owing to a change in or the enactment of legal regulations**
- In case of increases in the insured risk through a change in existing or the enactment of new legal regulations the insurer is entitled to terminate the insurance relationship by observing a period of notice of one month. The right of termination shall cease to apply if it is not exercised within one month from the time at which the insurer gained knowledge of the increase.
- 22 **Multiple insurance**
- 22.1 Multiple insurance exists if the risk is insured in several insurance contracts.
- 22.2 If the multiple insurance occurred without the knowledge of the insurance policy holder he can demand the revocation of the contract which was concluded later.
- 22.3 The right for revocation shall cease to apply if the insurance policy holder does not assert it within one month after he has gained knowledge of the multiple insurance. The revocation shall become effective at the time at which the declaration, with which it is re-requested, is received by the insurer.
- Responsibilities of the insurance policy holder**
- 23 **Pre-contractual reporting duties of the insurance policy holder**
- 23.1 Completeness and accuracy of information concerning circumstances which are relevant for the risks
- The insurance policy holder must inform the insurer of all dangerous circumstances of which he is aware until he submits his contractual declaration which the insurer enquired about in a text form and which are relevant for the decision of the insurer to conclude the contract with the agreed contents. The insurer

ance policy holder is also insofar obliged to submit a report to the extent that questions are asked within the meaning of Sentence 1 in a text form after his contractual declaration, however before acceptance of the contract by the insurer.

Relevant for the risks are those circumstances which are suitable for having an influence on the insurer's decision whether to conclude the contract at all or with the agreed contents.

If the contract is concluded by a representative of the insurance policy holder and if he is aware of the circumstance which is relevant for the risk then the insurance policy holder must allow him-self to be treated as if he was aware of this knowledge himself or he maliciously failed to disclose this.

23.2 Cancellation

23.2.1 Incomplete and incorrect information concerning the circumstances which are relevant for the risk entitle the insurer to cancel the insurance contract.

23.2.2 The insurer has no right of cancellation if the insurance policy holder proves that he or his representative did not provide the incorrect or incomplete information either through wilful intent or gross negligence.

The insurer's right of cancellation owing to a grossly negligent breach of the reporting duty shall not exist if the insurance policy holder proves that the insurer would also have concluded the contract with the knowledge of the circumstances which were not reported, even if at other conditions.

23.2.3 In the event of the cancellation no insurance cover exists.

If the insurer cancels the contract after the occurrence of the insured event it may not refuse the insurance cover if the insurance policy holder proves that the incomplete or incorrectly reported circumstance was not the cause either of the occurrence of the insured event or for the determination or the scope of the payment. However, no insurance cover exists in this case either if the insurance policy holder maliciously breached the reporting duty.

The insurer is entitled to the part of the premium which corresponds with the contractual term which has expired until the declaration of cancellation becomes effective.

23.3 Change in premium or right of termination

If the insurer's right of cancellation is excluded, because the breach of a reporting duty was neither due to wilful intent nor to gross negligence, the insurer can terminate the contract in a written form by observing a period of notice of one month.

The right of termination is excluded if the insurance policy holder proves that the insurer would also have concluded the contract with the knowledge of the circumstances which were not reported even if at other conditions.

If the insurer cannot cancel or terminate the contract, because it would also have concluded the contract with the knowledge of the circumstances which were not reported, however at other conditions, the other conditions will become part of the

contract retrospectively at the request of the insurer. If the insurance policy holder was not responsible for the breach of duty, the other conditions will become part of the contract from the current insurance period.

If the premium increases by more than 10% through the adjustment to the contract or if the insurer excludes the cover for the risk for the circumstance which was not reported, the insurance policy holder can terminate the contract without notice within one month after receipt of the notification from the insurer.

The insurer must assert the rights to which it is entitled according to Subclause 23.2 and 23.3 within one month in writing. The deadline shall begin at the time, at which it gains knowledge of the breach of the reporting duty, which substantiates the rights asserted by it. It must state the circumstances upon which it supports its declaration; it may subsequently submit further circumstances for justifying its declaration if the monthly deadline has not expired for this declaration.

The insurer is only entitled to the rights according to Subclause 23.2 and 23.3 if it has informed the insurance policy holder through a separate notification in a text form about the consequences of a breach of a reporting duty.

The insurer cannot refer to the rights stated in Subclause 23.2 and 23.3 if it was aware of the dangerous circumstance which was not reported or the inaccuracy of the notification.

23.4 Contestation

The insurer's right to contest the contract owing to malicious deceit remains unaffected. In the event of the contestation the insurer is entitled to the part of the premium which corresponds with the contractual term which expired until the contestation declaration becomes effective.

24 Responsibilities before occurrence of the insured event

The insurance policy holder must remedy circumstances which pose a particular threat of danger upon request of the insurer within a reasonable period of time. This shall not apply insofar as the remedy of the circumstances is deemed unreasonable when weighing up the interests of both parties. A circumstance, which led to damages, is automatically deemed as with a particular threat of danger.

25 Responsibilities after occurrence of the insured event

25.1 Each insured event is to be reported to the insurer immediately even if no claims for damages have been asserted yet.

25.2 The insurance policy holder must ensure that damages are prevented and minimised as far as possible. Instructions of the insurer are to be followed insofar as this is deemed reasonable for the insurance policy holder. He must provide the insurer detailed and true damage reports and support it in determining and settling the damages. All circumstances which in the opinion of the insurer are important for processing the damages must be reported and all written documents which are requested in this respect must be submitted.

25.3 He must also report immediately if a liability claim is asserted against the insurance policy holder, if proceedings are initiated by the public prosecutors office, official authorities or judicial proceedings, a court order issued or a dispute in court announced to him.

25.4 The insurance policy holder must file an objection against a court order or a disposition of authorities for damages in time or file the other necessary legal remedies. No instructions are required from the insurer.

25.5 If a liability claim is asserted against the insurance policy holder in court he must leave the conducting of the proceedings to the insurer. The insurer shall commission a lawyer on behalf of the insurance policy holder. The insurance policy holder must grant the lawyer power of attorney as well as provide all necessary information and make the requested documents available.

26 Legal consequences in case of breach of responsibilities

26.1 If the insurance policy holder breaches a responsibility from this contract, which he has to satisfy before occurrence of the insured event the insurer can terminate the contract without notice within one month from knowledge of the breach of the responsibility. The insurer has no right of termination if the insurance policy holder proves that the breach of the responsibility was not due to either wilful intent or gross negligence.

26.2 The insurance policy holder shall lose his insurance cover if a responsibility from this contract is breached due to wilful intent. In case of grossly negligent breach of a responsibility the insurer is entitled to reduce its payments in a ratio which corresponds with the seriousness of the fault of the insurance policy holder.

The full or partial lapse of the insurance cover presumes with the breach of a responsibility to provide information or clarification, which exists after occurrence of the insured event, that the insurer informed the insurance policy holder about this legal consequence through a separate notification in a text form.

The insurance cover shall continue to exist if the insurance policy holder proves that he did not breach the responsibility due to gross negligence.

The insurance cover shall also continue to exist if the insurance policy holder proves that the breach of the responsibility was not the cause either of the occurrence or the determination of the insured event or for the determination or the scope of the payment which the insurer has to pay. This shall not apply if the insurance policy holder maliciously breached the responsibility.

The afore-mentioned provisions shall apply irrespective of whether the insurer exercises a right of termination to which it is entitled according to Subclause 26.1.

Further provisions

27 Co-insured persons

27.1 If the insurance also extends to liability claims against other persons than the insurance policy holder himself then all provisions which apply to him are to be applied accordingly to the co-insured persons. The provisions concerning the contingency insurance (Subclause 4.) shall not apply if the new risk only occurs with regard to a co-insured person.

27.2 The insurance policy holder is exclusively entitled to exercise the rights from the insurance contract. He is responsible for satisfying the responsibilities in addition to the co-insured persons.

28 Ban on assignment

The indemnification claim may neither be assigned nor pledged before its final determination without the insurer's consent. An assignment to the damaged third party is permitted.

29 Notifications, declarations of intent, change in address

29.1 All notifications and declarations which are determined for the insurer are to be directed to the head office of the insurer or to the branch which is described as responsible in the insurance policy or in its addendums.

29.2 If the insurance policy holder has not informed the insurer of a change in his address it is sufficient for a declaration of intent, which is to be submitted to the insurance policy holder, if a registered letter is sent to the address which was last known to the insurer. The declaration shall be deemed as received three days after the letter has been sent. This shall apply accordingly to the event of a change in name of the insurance policy holder.

29.3 If the insurance policy holder has taken out the insurance for his trade enterprise the provisions of Subclause 29.2 shall apply accordingly in case of a relocation of the trade branch.

30 Statute-of-limitations

30.1 The claims from the insurance contract shall become statute-barred in three years. The calculation of the deadline shall be oriented to the general regulations of the BGB.

30.2 If a claim from the insurance contract has been registered with the insurer the statute-of-limitations shall be inhibited from the registration to the time at which the claimant receives the decision of the insurer in a text form.

31 Court of jurisdiction

31.1 For actions from the insurance contract against the insurer the court of jurisdiction shall be determined according to the registered seat of the insurer or its branch which is responsible for the insurance contract. If the insurance policy holder is a natural person the court shall also have local jurisdiction in the district of which the insurance policy holder had his domicile at the time when the action was filed or, in the absence thereof, his customary place of stay.

31.2 If the insurance policy holder is a natural person actions from the insurance contract against him must be filed at the court that has jurisdiction for his domicile or, in the absence thereof, the location of his customary place of stay. If the insurance policy holder is a legal entity the court of jurisdiction shall also be determined according to the registered seat or the branch of the insurance policy holder. The same shall apply if the insurance policy holder is a general partnership, limited partnership, GbR or a registered partnership.

31.3 If the domicile or customary place of stay are not known at the time when the action is filed the court of jurisdiction for actions from the insurance contract against the insurance policy holder shall be determined according to the registered seat of the insurer or its branch which is responsible for the insurance contract.

32 Applicable law

German law shall apply to this contract.