

Terms and Conditions of Car Rental Insurance

VB-MW 2014 (T-D)

In the present Terms and Conditions of Insurance, the policyholder and insured persons are referred to as "you". The present Terms and Conditions of Insurance apply to you as the policyholder or to you as the insured person. You are the policyholder if you have concluded an insurance contract with HanseMerkur. You are an insured person if, for example, you are travelling with the policyholder and are also insured under the terms of the policy. The policyholder may also be an insured person.

Your Terms and Conditions of Insurance comprise two sections.

Section A contains information on insured persons, insurance deadlines and payment of premiums. This section also outlines the restrictions and codes of conduct (obligations) that apply to all insurance policies. **Section B** includes the scope of cover for the individual insurance policies. In addition to benefits and eligibility for benefits, this section also stipulates exclusions and codes of conduct applying only to the relevant insurance policy.

A: General Section

(valid for all insurance policies specified in Section B)

1. By which date and for which term does the insurance policy need to be concluded?

The contract must be concluded when the rental vehicle is booked or at the latest one day before the start of the rental or before the rental vehicle is received for the duration of the rental. The contract is not effective if you fail to observe these deadlines when concluding the contract, even if a premium has been paid. In such a case, you are entitled to a refund of the premium paid.

2. When does insurance cover start and end?

1. Cover begins when the rental vehicle is received and ends at the agreed time and at the latest when the rental vehicle is returned.
2. Insurance cover is extended beyond the agreed time if the planned return of the vehicle is delayed for reasons that are not your responsibility.
3. In the case of a necessary change of vehicle, cover will transfer to the new rental vehicle within the agreed contractual term without renewed payment of the premium.

3. When does the premium fall due for payment?

1. The premium falls due for payment without delay upon conclusion of contract.
2. If premiums are collected from an account, this is done immediately after authorisation for direct debit is given. A payment is deemed to have been made in a timely manner if the premium can be collected and you do not object to the proper collection of the payment. If the premium due cannot be collected by us for reasons which are not your fault, payment will still be deemed to have taken place in a timely manner if instigated without delay upon receipt of a written demand for payment from HanseMerkur.
3. **If the premium is not paid in a timely manner and payment is made at a later date, cover does not commence until said later date. HanseMerkur is not required to pay benefits if the premium has not been paid when an insured event occurs.**
4. If payment of the premium is not made in a timely manner, HanseMerkur may withdraw from the contract for the duration of the period of non-payment. HanseMerkur may not withdraw from the contract if you are able to demonstrate that you are not responsible for the failure to pay.

4. Who is insured?

The persons named in the policy schedule or the group of people specified in the insurance certificate are covered by the insurance policy. Cover also applies to individuals who are also entitled to drive the vehicle in addition to you in accordance with the rental agreement.

5. Which vehicles are insured and where does cover apply?

The insurance covers a vehicle rented by you from an official and commercial vehicle rental company. Cover exists for trips on public roads within the contractually agreed scope of application.

6. In which cases does HanseMerkur not pay benefits?

HanseMerkur does not pay benefits in the following cases.

1. You maliciously deceive us regarding circumstances which affect the reason for or amount of the benefit.
2. You act with intent in causing the damage.
3. It was evident that the insured event would occur when the contract was agreed.
4. An insured event is caused by war, civil war, incidents similar to war, civil unrest, strike, nuclear power, confiscation, impoundment or other higher authority interventions or active participation in violent acts during public meetings or proclamations.

7. What do I need to do in the case of an insured event (obligations)?

1. Keep the damage to a minimum and avoid everything that might result in an unnecessary increase in cost.
2. You must provide all information regarding the insured event truthfully and in full. You must fully complete and return the claim form sent to you. Any receipts and relevant information additionally requested by HanseMerkur must be provided in the same way.
3. Compensation claims against third parties are covered by HanseMerkur to the amount of the payment made according to the legal provisions. HanseMerkur is required to ensure that you do not suffer any disadvantage in this regard. If necessary, you are required to assist with the assertion of the compensation claim.
4. HanseMerkur is no longer required to pay benefits if you act with intent in breaching one of the above obligations. In the case of grossly negligent breach of an obligation, HanseMerkur is entitled to reduce benefits in accordance with severity of fault. Cover will remain in place if you are able to demonstrate that you did not act in a grossly negligent manner in breaching the obligation.

8. When does HanseMerkur pay compensation?

1. Payment will be effected within 2 weeks in circumstances where HanseMerkur has determined its duty to pay and identified the amount payable.
2. HanseMerkur converts costs incurred in a foreign currency into euros using the exchange rate on the day when it received the relevant receipts. The official currency exchange rate will apply insofar as you have not acquired the foreign currency to pay the invoices at a less favourable rate. HanseMerkur may deduct from the benefits any additional costs incurred by making transfers abroad or by using certain particular forms of transfer requested by you.
3. Obligations to pay benefits from other insurance contracts take precedence over HanseMerkur's duty to provide insurance cover.

9. Which law applies?

The present Terms and Conditions of Insurance are further governed by the German Insurance Act and by the Law of the Federal Republic of Germany.

10. What is the limitation period for my claims?

Claims under this insurance contract have a limitation period of 3 years. The period of limitation begins at the end of the year in which the benefit can be requested. If you have reported a

claim, limitation is postponed until such time as you receive a decision from HanseMerkur in writing.

11. Which court is responsible?

Claims against HanseMerkur may be asserted in Hamburg or at the relevant court at your permanent place of residence or, in the absence of any permanent place of residence, at your usual place of residence at the time when you bring a claim.

B: Special Section

(conditioned to the chosen insurance cover)

Collision damage waiver insurance for vehicles

1. When is an insured event deemed to have occurred?

HanseMerkur will pay benefits if the rental vehicle is stolen or damaged or destroyed during a road accident and if you are charged an excess by the rental agent or directly by the rental agent's (principle) vehicle insurance.

2. Which benefits are covered by my collision damage waiver insurance?

Collision damage waiver insurance is additional vehicle insurance for rental vehicles which is only granted as an addition to existing (principle) vehicle insurance for the rental vehicle. In the case of an insured event, HanseMerkur will reimburse you for the excess charged to you up to the insured amount.

To the extent that the insurance certificate does not specify an insured amount, the maximum insured amount is EUR 2,500.

3. Which cover restrictions do I need to consider?

1. Non-insured damage

HanseMerkur does not pay for damage:

- where the existing (principle) vehicle insurance of the vehicle rental company does not provide cover;
- which results from participation in legal or illegal races including any practice runs made in this regard;
- which occurs on roads and routes not permitted for use by the relevant renter or not designed for vehicular use;
- if a driver was not in a position to drive the vehicle safely due to alcohol, drugs, medication or other intoxicating substances;
- if a driver was not authorised to drive the rental vehicle;
- which results from use of the rental vehicle that is in breach of contract;
- which results from improper use or wear and tear.

2. Non-insured items

The insurance policy does not cover the vehicle and accessory parts listed below, even if such parts are fixed to the rented vehicle:

bar and kitchen equipment, roof boxes, radio receivers, hydraulic tail lifts, awnings, multi-functional devices (audio, video and/or telecommunication devices including accessories), navigation and similar traffic control systems, including when combined, for example, with radio, as well as special extensions and canopies.

4. What do I need to do in the case of an insured event (obligations)?

1. Reporting of the damage to the vehicle rental company

You must report any damage incurred to the vehicle rental company without delay according due consideration to the rental conditions. Please request that the vehicle rental company provide written confirmation of the type and scope of damage. This should be attached to the claim notification sent to HanseMerkur.

2. Notification to the police

Damage caused by criminal acts committed by third parties and fire damage must be reported to the police station responsible **without delay**. A complete list of all items affected by the loss event must be submitted and confirmed in writing. The complete police log must be submitted to HanseMerkur.

12. What are the formal requirements and language of declarations of intent?

Declarations of intent and notifications made to the insurance company must be in writing (letter, fax, e-mail, electronic data media, etc.). The contract language is German.

3. Consequences in the case of non-compliance with obligations

The legal consequences of breaching one of the above obligations are set out in Clause 7.4 of the General Section.

Liability insurance for rental cars

1. When is an insured event deemed to have occurred?

During use of the rental car, you are covered for damages if persons are injured or killed, if property is damaged destroyed or lost or if pecuniary damage is caused that is not directly or indirectly associated with damage to persons or property (pure pecuniary damage). Use of the vehicle includes actual driving as well as aspects such as entering and exiting the vehicle and loading and unloading. Cover exists if a claim is asserted against you by a third party on the basis of statutory liability provisions under private law due to one of the aforementioned incidents.

2. What benefits are covered by my liability insurance for a rental car?

HanseMerkur will pay benefits if cover for vehicle liability insurance for the driver of the rental car has been concluded via the car rental company or tour operator, if such cover at least fulfils the statutory requirements of the country in which the accident occurs and if such cover is not sufficient to cover the damage to persons or property. Any excess payable under the vehicle liability insurance for the rental car is not insured. Our obligation to pay benefits begins following exhaustion of the cover sum of the vehicle liability insurance policy. Scope of benefits encompasses the following.

1. Examination of whether liability exists

HanseMerkur will examine liability claims arising. It will defend unjustified claims. If a claim is justified, HanseMerkur will pay the compensation payable by you. A justified claim arises on the basis of an acknowledgement issued or approved by HanseMerkur, a settlement concluded or approved by HanseMerkur or a judgement in court.

If HanseMerkur requests or approves the provision of a defence lawyer for you during criminal proceedings associated with a loss event which may lead to a liability claim falling under the cover, HanseMerkur will bear the lawyer's fees according to the fee schedule or specific higher defence costs agreed with us in advance.

2. Surety benefit for pension income due

If you are required to stand surety for an annuity due as a result of an insured event by law or you are permitted to avoid enforcement of a judgement by standing surety or depositing a security, HanseMerkur will undertake to stand surety or deposit the security on your behalf.

3. Costs of a legal dispute

If, in the case of an insured event, a legal dispute arises regarding the claim between you and the injured party or their legal successor, HanseMerkur will manage such a legal dispute on your behalf. Costs incurred are assumed by HanseMerkur and not offset as benefits against the insured sum.

3. What is the maximum compensation amount that HanseMerkur will pay?

- With regard to the scope of the benefits provided by HanseMerkur, the insured sum of EUR 1,000,000 represents the maximum limit for each loss event. More

than one insured events occurring during the validity of the insurance will constitute one insured event occurring at the time of the first of these insured events if they are based on the same cause or causes and exhibit an internal and in particular a physical and chronological relationship.

2. Should the liability claims exceed the sum insured, you will be responsible for a claim for compensation for damages that is not settled or not settled in full. HanseMerkur will bear the costs of proceedings only in the ratio of the insured sum to the total amount of the claims, including in the case of several sets of proceedings arising from one loss event. In such cases, HanseMerkur is entitled to gain exemption from the duty to pay further benefits by paying the insured sum and its portion of the costs thus far incurred corresponding to the insured sum.
3. In circumstances where the insured person is required to make annuity payments to an injured party and the capital value of the annuity exceeds the insured sum or the remainder of the insured sum left after deduction of any benefits from the same insured event, the annuity to be paid will only be reimbursed by HanseMerkur in a ratio of the insured sum or its residual amount to the capital value of the annuity.
The annuity value will be calculated on the basis of the relevant provisions of the German Ordinance on Vehicle Liability Insurance Cover as amended at the time of the insured event. If the capital value of the annuity exceeds the insured sum or the residual insured sum remaining after deduction of any benefits, other benefits will be offset in full against the insured sum when calculating the amount that the policyholder is required to contribute to ongoing annuity payments.
4. In the event that handling of a liability claim requested by HanseMerkur by means of acknowledgement, payment or settlement fails as a result of your conduct, HanseMerkur will not be required pay for additional expenses in the form of compensation, interest and costs arising from the point of refusal onwards.

4. Which cover restrictions do I need to consider?

1. Non-insured accidental incidents

HanseMerkur will not pay benefits for accidents if, at the time when the accident occurred, the driver of the rental vehicle:

- a) did not have the authority to drive the rental car as agreed with or granted by the car rental company by means of a rental contract;
- b) was not in possession of the driving licence required to drive the rental car;
- c) was suffering impairment of consciousness as a result of being under the influence of alcohol, medication or drugs.

2. Non-insured liability claims

- a) Liability claims that assume a contractual or specific commitment going beyond the scope of statutory liability of the insured person
- b) Liability claims for damage that results from participation in vehicle races, including preparation for such races
- c) Liability claims between the insured persons inter se and their travelling relatives
- d) Liability claims for damage to third-party property that the insured person has rented or leased or that is the subject of a special custody agreement
- e) Claims for compensation of a punitive nature, in particular "punitive and exemplary damages"
- f) Liability claims resulting from insured events that the insured person has caused deliberately or as a result of committing a crime

5. What do I need to do in the case of an insured event (obligations)?

1. Immediate notification in the event of a legal dispute

If a criminal investigation is launched or a penalty order or default summons is issued, you must notify HanseMerkur of such a circumstance without delay, even if you have already notified HanseMerkur of the insured event itself. If a claim is asserted against you in court or by means of a default summons, if legal aid is applied for or if a dispute is declared against you in court, you must also notify HanseMerkur of such a circumstance without delay. The same applies in the event of arrest, an injunction or proceedings for the preservation of evidence.

2. Handover of conduct of proceedings

If proceedings arise regarding a liability claim, you are required to hand over control of such proceedings to HanseMerkur, assign power of attorney to the lawyer commissioned or designated by HanseMerkur and provide all statements deemed to be necessary by said lawyer or by HanseMerkur. You are required to act in a timely manner and without waiting for instructions from HanseMerkur in filing an objection or taking the necessary legal remedies against default summons or demands for compensation from administrative authorities.

3. Handover of exercise of rights in annuity events

If, as the result of changed circumstances, you gain the right to require the cancellation or reduction of an annuity to be paid, you undertake to allow HanseMerkur to exercise such a right on your behalf.

4. Power of attorney

HanseMerkur is authorised to submit all declarations that seem necessary to settle or defend a claim on your behalf.

5. Consequences in the case of non-compliance with obligations

The legal consequences of breaching one of the above obligations are set out in Clause 7.4 of the General Section.