

HanseMerkur Reiseversicherung AG's foreign travel insurance terms and conditions for visitors from abroad VB-RS 2008 (AG)
--

<p style="text-align: center;">A: General part (The following regulations of the general part are valid for all insurances mentioned in the special part)</p>
--

§ 1 - Insured persons and insurability

1. Insured are those persons stated on the insurance policy for whom the agreed premium has been paid.
2. Insurable shall be persons up to the age of 65 years (65th birthday), if a group insurance has been taken out and up to the age of 75 years (75th birthday), if an individual insurance has been taken out provided they:
 - are foreign nationals and only temporarily stay in the Federal Republic of Germany, member states of the European Union, Switzerland or Liechtenstein,
 - are German nationals and have had their permanent place of residence abroad for more than 2 years. In these circumstances, abroad shall also mean the territory of the Federal Republic of Germany.A minimum of three persons travelling together can apply for a group insurance.
3. Individuals who are not insurable, despite having paid a premium shall be as follows:
 - persons in need of care as well as the mentally handicapped. A person in need of care is a person who requires assistance for his/her everyday needs.
 - persons working as paid athletes
 - persons holding a limited residence permit for the Federal Republic of Germany and whose total insurance period of any health insurance policies taken out during the stay has exceeded five years on the date of application.

§ 2 Taking out, duration and terminating the insurance contract

1. The application for an insurance contract has to be made within 31 days following entry into the Federal Republic of Germany, member states of the European Union, Switzerland or Liechtenstein. Upon request the date of entry must be proven.
2. The contract is valid, If the insurance application is made on the valid form provided by the insurance company and is received by HanseMerkur. The application is only regarded as duly completed if it contains clear and complete information on all the required issues. if the applicant uses the printed payment form issued by the insurance company the contract becomes valid upon paying the premium provided it includes clear and complete information about the start of the insurance contract, the product selected by the applicant as well as about the persons to be insured.
3. For persons who do not meet the insurability requirements stated under § 1 para 2 of these terms and conditions, no insurance contract shall become valid – even if the premium has been paid. If a premium is paid for a person who is not insurable, the amount shall be at the payer's disposal.
4. If the insured person had already taken out an insurance contract and has completed a temporary stay in the member states of the European Union, Switzerland or Liechtenstein, it is only possible to take out another insurance policy if the person has stayed in his/her native country for a minimum of two months before re-entering the territory of any of the above-mentioned states. Should a premium be paid for a person affected by this regulation, the amount shall be at the payer's disposal.
5. The insurance contract must be taken out for the complete period of stay.
6. The maximum insurance duration is five years.
7. If the stay is extended within the maximum insurance duration, an independent extension contract can be taken out within the framework of the individual insurance provided the following preconditions are met:

a) The maximum insurance duration of five years will not be exceeded by taking out the extension insurance contract – also taking into account existing health insurance contracts.

b) The extension application must be written on a form specifically issued by HanseMerkur for this purpose. It must be submitted to HanseMerkur before the original insurance contract expires.

c) HanseMerkur's explicit consent is required to make the extension contract valid. If a premium is paid for a contract which has not explicitly been accepted, the amount shall be at the payer's disposal.

In the event of contract extension, insurance cover shall only apply to insured events, illnesses, complaints and their consequences which newly occurred following the application for extension (date and time of postmark).

8. If the policy-holder is not the same person as the insured person, the termination of the insurance contract by the policy-holder only becomes effective, if the insured persons affected by the termination have been informed of this and the policy-holder proves that they have been informed. The affected insured persons are entitled to name a new policy-holder and continue the contract provided their declaration regarding this matter is made within two months following receipt of the termination.

9. Statutory rights regarding extraordinary notice remain unaffected by these agreements.

10. The insurance contract expires:

a) on the agreed point in time,

b) upon death of the policy-holder or his / her move from the Federal Republic of Germany. However, the insured persons are entitled to name a new policy-holder and continue the contract provided their declaration regarding this matter is made within two months following the policy-holder's death or move,

c) upon the completion of the insured person's temporary stay in the member states of the EU, Switzerland or Liechtenstein, provided the insured person has decided to remain permanently in the member states of the EU, Switzerland or Liechtenstein or provided the insured person returns home for good,

d) at the point in time that an insured person holding a limited residence permit for the Federal Republic of Germany exceeds the total insurance period of five years. This also takes into account insurance policies which have not been taken out with HanseMerkur.

§ 3 - Premium

1. Payment of the initial premium

a) The initial premium is due upon commencement of the insurance contract.

The premium is a single premium resulting from the applicable premium chart and has to be paid upon taking out the contract.

b) If the initial premium is not paid on time, HanseMerkur shall be entitled to resign from the contract unless it was not the policy-holder's fault that the premium had not yet been paid.

c) If an insured event occurs and the initial premium has not yet been paid, HanseMerkur shall not be obliged to pay benefits, unless it was not the policy-holder's fault that the premium had not yet been paid.

2. Payment of subsequent premiums:

a) If the subsequent premium is not paid on time, HanseMerkur will send a reminder to the policy-holder stipulating a two months period of payment.

b) If an insured event occurs after the expiration of the period and the policy-holder's payment of the premium, interests or costs is still overdue at that point in time, the insurer shall not be obliged to pay any benefit.

c) Together with stipulating the two months period of payment, the insurer also terminates the contract with effect from the date the period of payment expires. The termination shall be effective if the insurance-holder is still due the payment at this point in time.

d) The termination shall not be effective if the policy-holder pays within one month after the termination has become effective. This shall not affect point 2 b). The same

shall apply if the insured person names a new policy-holder within two months of learning about the termination and if the latter pays the overdue sum. This shall not affect point 2 b).

§ 4 - Area of validity, beginning, duration and end of the insurance cover

1. Area of validity

a) HanseMerkur offers insurance cover within the scope of these conditions for insured persons who are travelling and temporarily staying in the Federal Republic of Germany, member states of the European Union or Switzerland and Liechtenstein.

b) The occurrence of an insured event in the native country of the insured person shall not be covered by insurance. Native country in the sense of these contract conditions is the country where the insured person has his/her permanent place of residence and/or is the insured person's country of nationality.

c) However, departing from b), accident insurance cover shall be granted to the insured person in his/her native country under the following conditions:

- With regard to insurance contracts with a minimum duration of one year, insurance cover shall remain active even in the event of a brief return into the native country of the insured person - this is limited to a maximum of 6 weeks for all stays in the native country per insurance year. Insurance year shall be a period of 12 months counting from the start of insurance.

Upon request of the insurance company, start and end of each journey to the native country are to be proven by the insured person in the event of claims.

2. Start of the insurance cover

Insurance cover shall start with the point in time indicated in the insurance policy (insurance start), however,

a) not before the insurance contract becomes valid,

b) not prior to the entry into the Federal Republic of Germany, member states of the European Union, Switzerland or Liechtenstein,

c) not prior to premium payment,

d) not prior to the completion of possible qualifying periods.

3. No benefit shall be paid for insured events that occur prior to the start of insurance cover.

4. End of insurance cover

Insurance cover shall end:

a) at the agreed point in time,

b) upon expiry of the insurance contract,

c) at the latest upon the end of stay in the Federal Republic of Germany, member states of the European Union, Switzerland or Liechtenstein,

d) if the requirements for a temporary stay in the Federal Republic of Germany, member states of the European Union, Switzerland or Liechtenstein are no longer valid.

§ 5 Subject of the insurance cover and scope of benefits

Please refer to the respective insurance types in part B of these insurance terms and conditions.

§ 6 General limitation of insurance cover, forfeiture and time limitation

1. Insurance cover shall not be granted for damage caused by war, civil war, war-like events, civil unrest, industrial action, nuclear energy, confiscation, dispossession or other interventions by higher authority.

2. HanseMerkur shall be discharged from liability if the policy-holder or the insured person has intentionally caused the insured event.

3. In the case of the policy-holder/insured person causing an insurance event through gross negligence, HanseMerkur shall be entitled to cut the benefit in relation to the seriousness of the violation.

4. HanseMerkur shall be discharged from liability, if the policy-holder or the insured person seeks to deceive HanseMerkur with regard to circumstances stipulating the reason for and /or amount of benefit payment.

5. Claims from this insurance contract become statute-barred after three years. The statutory limitation period shall start with the end of the year in which the benefit can be claimed. If a claim of the policy-holder or insured person has been presented to HanseMerkur, statutory limitation shall be suspended until the policy-holder or the insured person receives the written decision of the insurance company.

§ 7 General obligations and consequences of breach of obligations

1. Obligations

After occurrence of an insurance event, policy-holder and insured person are obliged

a) to keep the damage as low as possible and to avoid anything that might lead to an unnecessary increase of cost;

to report the insurance event immediately to HanseMerkur, however, at the latest, upon the end of the travel and to submit all the relevant documents;

c) to entitle HanseMerkur to perform any reasonable examination concerning reason and amount of their liability, to give every appropriate information, to present original supporting documents and to present a death certificate in the event of death.

2. Upon request of the insurance company, the insured person shall be obliged to be examined by a physician appointed by HanseMerkur.

3. Knowledge and fault of the insured person are equal to knowledge and fault of the policy-holder.

4. Legal consequences of breach of obligations

Should the policy-holder or the insured person willfully violate one of the contractually agreed obligations, HanseMerkur shall be discharged from liability. In the case of a grossly negligent breach of the obligation, HanseMerkur shall be entitled to cut the benefit in relation to the seriousness of the violation caused by the policy-holder/the insured person. It is up to the policy-holder/insured person to prove that it was not a case of gross negligence.

Note: In addition, please note the particular obligations for the individual insurance types stated in part B of these insurance terms and conditions.

§ 8 Payment of insurance benefits

1. If HanseMerkur has both proof of insurance cover and payment of the respective premium as well as the reason for and also the amount of the compensation payable by HanseMerkur has been established, payment must be made within two weeks.

This period may be extended if processing of the claim is delayed due to the fault of the insured person.

2. One month after making a claim, partial payment of the minimum amount owed according to the current state-of-affairs can be demanded.

3. If the insured person is being investigated by the authorities or if criminal charges have been brought against the insured person in relation to the claim, HanseMerkur can delay settlement of the claim until legal proceedings have been concluded.

4. Within the framework of examining claims, HanseMerkur may be required to recover personal health data within the legally permissible scope. Should the policy-holder or the insured person or the legal representative of the insured person or an at risk person refuse the appropriate permission thereby hampering HanseMerkur to establish the amount and scope of its obligation to pay compensation, the payment period will be delayed. The same applies if authorities or persons are not relieved from their obligation to secrecy towards HanseMerkur.

5. Costs that occurred in a foreign currency shall be converted at the exchange rate of the day when the supporting documents are received by HanseMerkur into the currency being valid at that time in the Federal Republic of Germany. For trade currencies, the exchange rate of the day shall be the official exchange rate Frankfurt/Main, for non-traded currencies the exchange rate as per "Währungen der

Welt", publications of Deutsche Bundesbank Frankfurt/Main, latest version, unless it can be proven that the foreign currency required for paying the invoices had been purchased at a more unfavourable exchange rate.

6. Additional cost incurred by the fact that HanseMerkur has to make transfers abroad or that the insured person selects special forms of transfer can be deducted from the insurance benefits.

7. Benefit claims can neither be assigned nor pledged.

§ 9 Compensation from other insurance contracts and claims against third parties

1. If, in case of an insurance event, compensation can be claimed from another insurance contract, the other contract shall have priority over this contract. This shall also apply if one of the other insurance policies also contains this clause irrespective of when the other insurance policy had been taken out. If the insured event is first reported to HanseMerkur, they will pay first and will directly approach the other insurance company with regard to sharing the costs. However, HanseMerkur will waive sharing the costs with a private health insurance company if this would be to the disadvantage of the insured person (e.g. loss of premium refund).

2. Claims of the policy-holder or the insured person against third parties shall pass over to HanseMerkur within the statutory scope, insofar as HanseMerkur Reiseversicherung AG has compensated for the damage. If necessary, the policy-holder or the insured person shall be obliged to make a declaration of assignment towards HanseMerkur.

§ 10 - Set-off

The policy-holder or the insured person can only set-off against claims of HanseMerkur, if the counterclaim is uncontested or final and absolute.

§ 11 Declarations of intent and notices

Declarations of intent and notices towards HanseMerkur shall be made in writing.

§ 12 Applicable law/ contractual language

German law shall apply provided it is not contrary to international law. German shall be the contractual language. Any stipulations shall apply to the insured persons.

§ 13 Capital bonus

This insurance does not entail any capital bonus entitlement.

**B: Particular part of HanseMerkur Reiseversicherung AG's foreign travel insurances
for visitors from abroad
VB RS 2008 (AG RS)**

The following insurances shall apply, provided they have been taken out.

I. Travel accident insurance

**§ 1 - Description of insurance
cover**

1. HanseMerkur shall pay benefits for accidents during travel that lead to the death or a permanent invalidity of the insured person.
2. An accident exists, if the insured person involuntarily suffers from an impairment of health caused by a sudden event (accident) acting on the person's body. In addition, the insurance will also cover damage to health typically caused by diving accidents such as Caisson illness or eardrum injuries without an accident occurring i.e. without a sudden external event affecting the body of the insured person.
3. Dislocation of joints or pulling or tearing of muscles, tendons, ligaments or capsules due to increased exertion by the limbs or vertebral column is also counted as an accident.
4. Drowning or suffocating to death while diving are also counted as accidents pursuant to Point 2.
5. Provided that the selected policy includes benefits in the event of invalidity and/or death and/or recovery costs and/or costs of cosmetic surgery, the amounts assured result from the respective type of benefit agreement stipulated in the policy. The following stipulations shall apply for claims and the determination of benefits.

§ 2 - Invalidity benefit

1. If the accident leads to a permanent impairment of physical or mental capacity (invalidity) of the insured person, a claim for capital payment from the amount assured for the case of invalidity exists. Invalidity must have occurred within one year after the accident and be medically established and asserted and the claim must be submitted to HanseMerkur Reiseversicherung AG in writing before the expiry of a further period of three months. If more than 15 months have elapsed since the date of the accident, without the insured person or the policy-holder having claimed benefit in accordance with contractual stipulations, any claim for possible insurance benefits have lapsed due to the period of time that has passed. Invalidity benefit cannot be claimed after a 15 month period has elapsed.
2. The amount of benefit depends upon the degree of invalidity.

- a) Fixed degrees of invalidity (to the exclusion of the evidence of a higher or lesser invalidity) in case of loss or inability to function are

one arm in shoulder joint	70 %
one arm up to above the elbow joint	65 %

one arm below the elbow joint	60 %
one hand in wrist joint	55 %
one thumb	20 %
one index finger	10 %
another finger	5 %
one leg above the middle of the thigh	70 %
one leg up to the middle of the thigh	60 %
one leg up to below the knee	50 %
one leg up to the middle of the lower leg	45 %
one foot in ankle joint	40 %
one big toe	5 %
any other toe	2 %
one eye	50 %
loss of hearing in one ear	30 %
sense of smell	10 %
sense of taste	5 %

- b) In case of a partial loss or function impairment of one of these parts of the body or sense organs the appropriate portion of the percentage as per a) is taken as the basis.
- c) If parts of the body or sense organs are affected by the accident the loss or impaired function of which is not stipulated as per a) or b), the deciding factor shall be to which extent the normal physical or mental capacity is impaired strictly in accordance with the exclusive consideration of medical aspects.
- d) If several physical or mental functions are impaired by the accident, the invalidity degrees as per § 2, item 2 will be added up. More than 100 percent, however, shall not be assumed.
3. If a physical or mental function that had already been permanently impaired is affected by the accident, there will be a deduction amounting to the degree of this previous invalidity which is to be assessed as per § 2, item 2.
4. If death occurs within one year of the accident as a result thereof, there will be no claim for invalidity benefit.
5. If the insured person dies for reasons unconnected with the accident within one year after the accident (irrespective of the cause) or later than one year after the accident and a claim for invalidity benefit as per § 2, item 1 existed, benefits have to be paid according to the degree of invalidity which would have to be calculated on the basis of the most recent medical findings.

§ 3 Benefit in the event of death

If the accident leads to the death of the insured person within one year, the beneficiaries shall be entitled to receive benefits according to the amount insured for the event of death. For the assertion of claims refer to § 10, item 5.

§ 4 Benefit in the event of recovery costs

If the insured person met with an accident that is covered by the insurance policy, HanseMerkur shall reimburse - up to the contractually stipulated amount - the accrued necessary cost for:

1. search, rescue or recovery measures of public or private rescue services, provided that customary fees are invoiced,
2. transport of the injured person to the nearest hospital or to a special clinic, if medically required and prescribed,
3. additional cost for the return of the injured person to the person's permanent place of residence, if the additional costs result from medical prescriptions or are unavoidable because of the type of injuries,
4. in the event of death, repatriation to the last place of permanent residence.
5. If the insured person has to satisfy costs as per point 1, although no accident occurred, but had been imminent or had to be reckoned with according to the concrete circumstances, HanseMerkur shall also be liable for damages.
6. If another person being liable for damages pays, the claim for reimbursement towards HanseMerkur can only be asserted with regard to the remaining cost. If another person being liable for damages denies his/her liability, the insured person may directly have recourse to HanseMerkur.
7. If the insured person has several accident insurance covers with HanseMerkur, insured recovery cost can only be claimed from one of these contracts.

§ 5 Benefits for cosmetic surgery costs

1. If, due to an insured event (accident) the body surface of the insured person is damaged or deformed to such an extent that the outer appearance of the insured person is permanently impaired after completion of medical treatment, and the insured person decides to undergo cosmetic surgery in order to remove this defect, HanseMerkur will pay compensation once for the costs of clinical treatment including doctors' fees, medicines, bandages and dressings, and other prescribed medicines as well as the costs for food and accommodation in the hospital up to the agreed amount insured. Front teeth and incisors visible when the mouth is open, are not considered part of the body surface.
2. The surgery and clinical treatment of the insured person must be carried out and completed within three years after the accident. If the insured person has not reached the age of 18 years at the time of the accident, compensation will be paid even if clinical treatment is not performed within this period. However, treatment must be performed before the insured person reaches the age of 21 years.
3. Compensation will not be paid for food, beverages, and tobacco, bathing and recreation holidays including professional nursing unless additional nursing personnel is prescribed by a doctor.

§ 6- Due date of benefits

1. As soon as HanseMerkur has received documents that the insured person has to present with regard to the circumstances and the consequences of the accident as well as to the completion of the therapeutic treatment required for assessing the invalidity, HanseMerkur shall be obliged to declare within one month (in case of an invalidity claim within three months) whether and to what extent they accept a claim. Medical fees incurred by the insured person for justifying the claim assertion

shall be accepted by HanseMerkur up to a maximum of 1 thousandth of the insured amount.

2. If HanseMerkur accepts the claim or if the insured person and HanseMerkur come to an agreement regarding reason and amount, HanseMerkur shall pay the benefit within two weeks. Prior to the completion of the therapeutic treatment an invalidity benefit cannot be claimed within one year after occurrence of the accident.

3 If in the beginning liability to pay benefit is only established with regard to the reason, HanseMerkur upon request of the insured person shall pay appropriate advances.

4. The insured person and HanseMerkur are entitled to have the degree of invalidity medically certified annually, up to a maximum of three years after occurrence of the accident. HanseMerkur will have to exercise this right with its declaration according to § 3, item 1 on the part of the insured person within one month from receipt of said declaration. If the final assessment results in a higher invalidity benefit than that already paid by HanseMerkur, the additional amount shall bear 5 percent interest per annum.

§ 7 - Limitation of insurance cover

Not included in the insurance cover are:

1. accidents because of mental disorders or disturbances of consciousness even if caused by intoxication, because of strokes, epileptic seizures or other convulsions affecting the whole body of the insured person, unless such complaints have been caused by an accident covered by this insurance policy.
2. accidents met by the insured because the insured person intentionally performed or tried to perform a criminal offence;
3. accidents directly or indirectly caused by war or civil war or in connection with acts of terrorism unless the insured person is caught by such events while travelling abroad. However, this extension of the insurance cover does not affect travel to or through states where war or civil war was already raging at the point in time of travel. The same applies to an active involvement in war or civil war and accidents caused by NBC (nuclear, biological or chemical) weapons;
4. accidents of the insured person which occur in direct relation to operating an aircraft (also aviation sports equipment operator) if he/she requires a licence according to German law or if the insured person is another crew member of an aircraft which is connected to the operation of an aircraft;
5. accidents of the insured person which occur while performing activities with the help of an aircraft;
6. accidents of the insured person using a spacecraft, however, insurance cover is granted if the insured person is a passenger of an airline.

7. accidents which the insured person has due to being a driver, front-seat passenger or passenger of a motorized vehicle which participates in motor shows including test drives which are conducted in order to achieve maximum speeds;
8. accidents directly or indirectly caused by nuclear power;
9. accidents which the insured person suffers at work;
10. damage to the insured person's health caused by radiation, treatments or operations. However, insurance cover is granted if such treatment or surgery and also radiology diagnosis or treatment is carried out due to an accident covered by these insurance terms;
11. health defects caused by infection are also not covered by insurance if they were caused by insect stings or bites or by other minor skin or mucous membrane injuries through which pathogens enter the body immediately or later. Insurance cover is, however, granted for rabies and tetanus as well as for infections which are caused by pathogens entering the body due to accident injuries that are not excluded under Point 1. Insurance cover is also granted for infections caused by medical treatment or surgery, provided the treatment or surgery and also radiology diagnosis or therapy has been prescribed following an accident covered by this policy;
12. an abdominal hernia. Insurance cover however is granted if the aforementioned condition is caused by violent external influence covered by the terms and conditions of this policy;
13. damage to inter-vertebral discs as well as inner bleeding and cerebral haemorrhage. Insurance however is granted if the main cause for the aforementioned conditions is due to an accident pursuant to § 1, Point 4;
14. pathological conditions due to mental reactions regardless of their cause;
15. poisoning following swallowing solid or liquid substances.

§ 8 Limited insurance cover in case of the influence of illnesses or afflictions

1. If illnesses or afflictions have contributed to the damage to health or the consequences thereof, the benefit will be reduced for the illness or affliction pro rata if this constitutes at least 25%.
2. If illnesses or afflictions have contributed to the damage to health or the consequences thereof, no benefit can be claimed if their share exceeds 50%.

§ 9 – Special obligations in the case of an accident occurring

(Amendment to the general obligations listed in § 7 of the General Section)

1. The insured person must consult a physician immediately after having an accident for which compensation may be claimed. The insured person must observe the physician's advice and must generally keep the consequences of the accident to a minimum.

2. The accident report form supplied by HanseMerkur must be filled in truthfully, signed by the insured person and returned immediately to HanseMerkur.
3. The insured person must permit examination by physicians working on behalf of HanseMerkur. The necessary costs incurred, including loss of earnings, are assumed by HanseMerkur.
4. If the accident results in the insured person's death, the beneficiaries or other assigns must inform HanseMerkur within 48 hours, even if HanseMerkur has already been informed about the accident itself. HanseMerkur must be permitted to have an autopsy performed by a pathologist acting on behalf of HanseMerkur.
5. The legal consequences of breaching these obligations are outlined in § 7, Point 5 of the General Section.

VI. Travel private liability insurance

§ 1 – Description of the insurance cover

1. HanseMerkur offers the insured person travel private liability insurance cover for insured events which involve the death of persons or the injury or damage to the health of persons (personal injury) or the damage to or destruction of objects (material damage) caused by the insured person and for which he or she can be held responsible by third parties **due to legislation concerning personal liability**.
2. The insurance cover applies to personal liability for the insured person acting in a private capacity as defined by law with regard to the dangers of daily life occurring while travelling, particularly:
 - a) in the role as the head of the family or household (e.g. the legal obligation to supervise minors properly);
 - b) while temporarily and privately using rented accommodation in buildings on holiday (e.g. hotel rooms and B&B accommodation, holiday apartments, bungalows) as well as rooms whose use has been permitted and intended in connection with the accommodation (e.g. dining rooms, shared baths);
- 3. Excluded** are personal liability claims which involve
 - a) damage to moveable objects such as pictures, furniture, TV sets, crockery, etc.;
 - b) damage due to wear and tear or excessive use;
 - c) damage to heating, machines, boiler and hot-water systems, machines, and electrical and gas devices;

d) claims for damaging events detailed in the agreement made between fire insurers which fall under the waiver *of recourse* article.

4. The amount assured for each insured event is EUR 25,000. Total compensation by HanseMerkur for all insured events within the insured period is limited to twice the aforementioned amount.

The insured person has to pay 20 %, but at least EUR 50.00 of the damages for each insured event.

a) as a cyclist (bicycle without motor);

b) when engaged in sports (except the sports listed under § 3, Point 3);

c) as a rider when using horses and carts for private purposes (personal liability claims lodged against the insured person and / or the policy-holder by those caring for or owning animals are not insured);

d) resulting from the possession or use of aeroplane models, unmanned balloons and kites which are neither propelled by motors or jet engines, are not heavier than 5 kg and for which no insurance is required by law;

e) resulting from the possession or use of one's own or other people's rowing, pedal or sailing boats which are neither propelled with motors (including outboard motors) or turbines and for which no insurance is required by law;

f) resulting from the possession, storage or use of one's own or other people's surfboards for sports activities.

With the exception of personal liability claims of the insured person in connection with hiring or lending out such items to third parties.

§ 2 - Benefits

1. The process of settling claims requires HanseMerkur to check who is liable, to decline incorrect claims, and to pay compensation which the insured person is obliged to pay due to an accepted or authorized acknowledgement by HanseMerkur, or an agreed or authorized settlement or decision made by a court judge. If HanseMerkur appoints or authorises the appointment of a solicitor to represent the insured person in criminal proceedings which may result in the insured person being made liable for something covered by the insurance, HanseMerkur will assume the usual costs for the solicitor or additional costs if these are agreed upon in advance with HanseMerkur.

If the insured person is legally obliged to pay a deposit for a pension which must be paid due to an insured event occurring or if enforcement of the court order is avoided by paying a deposit or providing securities, HanseMerkur must pay the deposit or provide the securities on behalf of the insured person.

2. The amounts assured by the policy limit the compensation payable by HanseMerkur for each insured event. Damages that are due to the same cause count as **o n e** insured event.

3. If the insured person and the injured party or his/her assigns enter into legal proceedings about liability, HanseMerkur will engage in a lawsuit in the name of the insured person. The costs incurred will be assumed by HanseMerkur.
4. HanseMerkur's expenditure for costs are not counted as benefits with respect to the amount insured.
(cf. Point 5).
5. If the claim exceeds the amount assured, HanseMerkur is only liable to pay the legal costs in proportion to the amount assured (with respect to the total amount of the claim). This also applies in the case of several lawsuits resulting from one insured event. In such cases, HanseMerkur is permitted to relieve itself of further obligations by paying the amount assured and its share of the costs (depending on the amount assured) incurred up to that point.
6. If the insured person has to pay a pension to the claimant and the capital value of the pension exceeds the amount assured or the sum remaining from the amount assured after all other benefits paid for the insured event have been subtracted, HanseMerkur will only pay compensation for the pension payable in proportion to the amount assured (with respect to the remaining sum or the capital value of the pension). The pension is calculated on the basis of the general mortality tables for Germany in case of survival (1987 R men and women) and takes into account actual capital market interest developments in Germany. For this purpose, the arithmetic mean value for the last ten years of the actual returns offered by public institutions as published by the German Federal Bank are used as a frame of reference. Subsequent increases or decreases of the pension are calculated at the time of initial payment based on the actual cash value of a deferred annuity according to the calculation method mentioned above.
 - a) The calculation assumes the earliest age of expiry for an orphan's pension to be at 18.
 - b) The calculation of invalidity benefit for employed persons is based on a termination date on reaching 65 years of age as long as no other agreement has been reached due to a court judgement, settlement or other arrangement or the circumstances on which the calculation of the pension was based change.
 - c) The total of all other benefits is subtracted from the amount assured when determining the amount which the insured person has to contribute towards regular pension payments if the capital value of the pension exceeds the amount insured or the sum remaining after all other benefits have been deducted.
7. If the settlement of a claim for damages demanded by HanseMerkur fails as a result of resistance on the part of the insured person, HanseMerkur shall not bear responsibility for the additional expenditure incurred following the said declaration resulting from the claim, accrued interest and costs.

§ 3 - Exclusions

Insurance cover is not granted for

1. personal liability claims which exceed the personal liability limits stipulated by law;
2. claims involving salaries, pensions, wages, and other fixed income, food, medical treatment in the case of handicaps affecting work, welfare payments or claims resulting from legislation relating to civil unrest;
3. personal liability claims resulting from participation in horse, bicycle, and motor vehicle races, boxing or wrestling matches or any martial arts or training or preparing for such activities;
4. personal liability claims resulting from damage to property which the insured person has rented, leased, borrowed or acquired unlawfully or which is subject to a special safekeeping agreement (with the exception of the situations listed under § 1, Point 2 b);
5. personal liability claims resulting from damage to earth, air or water (including water bodies) and all other damage resulting therefrom;
6. personal liability claims
 - a) for damage suffered by relatives of the insured person who live in the same household. Relatives of the insured person are the spouse, parents, children, adoptive parents and adopted children, parents-in-law and sons and daughters in-law, step-parents and step-children, grandparents and grandchildren, siblings as well as foster parents and children (persons which have become like parents and children due to a long-term relationship resembling a family);
 - b) between several insured persons covered by the same insurance policy as well as between the policy-holder and the insured person of a policy;
 - c) between several persons who jointly booked the journey and travel together.
7. personal liability claims for damage which results from the transmission of an illness contracted by the insured person;
8. personal liability of an owner, holder or driver of a motor vehicle, airplane or watercraft (excepting the watercraft listed under § 1, Point 2 g and h) because of damage caused through the use of the vehicle, airplane or craft;
9. personal liability as owner, holder or keeper of animals as well as personal liability when hunting. However, the insurance cover for animal keepers as stipulated by § 1 point 2 e) shall remain unaffected by this exclusion;
10. personal liability when performing a job, service or post (including an honorary position) or activities for all kinds of organizations;
11. personal liability of the insured person arising from hiring or lending out items to third parties;
12. personal liability claims for damage caused by the use of all kinds of weapons.

§ 4 – Special obligations and procedures in the case of an insured event occurring

(Amendment to § 7 of the general obligations listed in the General Section)

1. An event covered by the insurance in the context of this contract is a damage event which results in personal liability claims being made against the insured person.
2. If a preliminary inquiry is launched or a court order or writ is issued, the insured person must immediately notify HanseMerkur of this even if HanseMerkur has already been informed of the insured event. If proceedings are taken against the insured person or if legal aid is applied for or notice of legal action is given by a court, the insured person must immediately inform HanseMerkur of this. The same applies if the insured person is arrested or a temporary injunction is issued or proceedings to secure evidence are instigated.
3. The insured person is obliged to do everything within his or her power to avert or reduce the damage while acting in accordance with the advice given by HanseMerkur and to do whatever possible to clarify the damage event to the extent which can be reasonably expected. The insured person must assist HanseMerkur to avert the damage and must support HanseMerkur in determining the damage and settling the claim, to submit comprehensive and accurate damage reports, to inform HanseMerkur of all circumstances which are relevant to the damage event, and to submit all written documents which HanseMerkur deems important with respect to evaluating the damage event.
4. If the insured person is taken to court as a result of the claim, the insured person must permit HanseMerkur to lead the proceedings and to grant the solicitor appointed by HanseMerkur the power of attorney and to supply him or her with all the information required. The insured person must lodge appeals against writs or orders for compensation issued by administrative authorities within the given deadline and to obtain the necessary legal advice without waiting for instructions from HanseMerkur..
5. If the insured person is permitted to demand the revocation or reduction of the pension which must be paid due to changed circumstances, the insured person must permit HanseMerkur to exercise this right in the insured person's name. In this case, the regulations pursuant to Point 3 and 4 apply.
6. HanseMerkur is authorised to make any statements in the name of the insured person which it regards necessary to settle or avert a claim.
7. The legal consequences of breaching these duties are outlined in § 7, Point 5 of the General Section.