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Insurance Coverage

I. Insured risks

1. Public liability insurance
Underwriters provide insurance coverage to the insured and the co-insured persons, if these are held liable by a third party because of operational risks of a telecommunication- or IT-company on the grounds of legal liability provisions under private law for personal injury, property damage or financial loss.

This also applies to

1.1 claims for damages due to culpa in contrahendo (fault in contract negotiations);

1.2 claims for damages or compensation for wasted expenses due to non-compliance with a contractual or legal obligation to perform, whereby a damage caused by delay must not be caused by a deliberately or gross negligently erroneous assessment of the existing technical, logistic, financial or personal resources ;

1.3 claims for damages or compensation for wasted expenses due to the poor compliance with a contractual or legal obligation to perform;

1.4 claims for damages or compensation for wasted expenses due to the breach of auxiliary contractual obligations;

1.5 claims for damages, if liability has to be assumed for the failure to comply with the agreed quality (within the framework of e.g. service level agreements) of any property, deliveries or services regardless of fault.

Underwriters will not raise any objection as regards the agreement of liquidated damages between the insured and his principal, provided that underwriters have expressly agreed to the stipulations on the liquidated damages and this is documented in the special contractual agreements.

Included under the coverage are liability claims for damages arising from a subcontractor or party employed in performing a contractual obligation who are assigned by the insured. Excluded from coverage is the personal liability of these subcontractors or parties employed in performing a contractual obligation.

Financial losses are losses and/or damages which are neither personal injuries (killing of, injury to the body or damage to the health of humans) nor property damages (damage to, deterioration, destruction or loss of property, in particular of money and cash and cash equivalents). Financial losses are also deemed to be those losses and/or damages indirectly resulting from personal injuries or property damages as well as the loss, the alteration or blocking of electronic data.

2. Insured main operational risks (delivery- and service risk)
Insurance coverage shall be provided for liability claims arising from operational activities of a telecommunication or IT-company, in particular
 - 2.1 production of and trading with soft- and hardware;
 - 2.2 repair, maintenance, modification, implementation of soft- and hardware;
 - 2.3 consulting, training, analysis;

- 2.4 installation and organisation of networks;
 - 2.5 Internet-providing-services;
 - 2.6 web design and web care;
 - 2.7 operation of computer centres;
 - 2.8 data collection and data processing.
3. Insured allied operational perils (public liability risks)
Insurance coverage is provided for liability claims resulting from the maintenance of a business operation, in particular due to
- 3.1. the participation in or the realisation of business trips;
 - 3.2. the organisation and performance of company events, seminars or training courses and the participation in fairs, exhibitions or events; excluded there-from are events of any kind which are not performed for the own company;
 - 3.3 the use of premises, e.g. as owner, renter, tenant or leaseholder used for the operation of the insured; not included under the cover are airstrips;
 - 3.4 the keeping and the use of motor vehicles of all kinds not liable to registration and compulsory insurance with a maximum speed of 20 km/h; insurance coverage will only be provided, if the driver is in possession of the required driving license;
 - 3.5 the use of security forces, data protection commissioners, company medical officers or persons charged with the care of the business premises;
 - 3.6 the operation of health care facilities or welfare institutions and company sports clubs exclusively intended for the insured business;
 - 3.7 the operation of a plant fire brigade or company fire department;
 - 3.8 the damage, destruction or loss of property (not, however, money, securities, deeds, jewellery, valuables or precious objects) of company staff members and visitors;
 - 3.9 the loss or missing of third party keys or third party code cards to doors or locking systems, if these are lawfully in possession of the insured or any co-insured persons; insurance coverage extends to include the costs for necessary alterations or replacements of the locks, master key systems, keys or code cards as well as the temporary physical protection of business premises for a maximum of 14 days after becoming aware of the loss; further liability claims for the loss of safe keys or cards as well as keys or code cards are not held covered;
 - 3.10 the activity as building contractor as well as the ownership of a building site, if claims are asserted as a result of the violation of the duty to implement safety precautions;
 - 3.11 damage to hired, rented, leased buildings or premises (damages to rented property), insofar as it does not relate to an insured environmental risk; not included under the coverage are damages due to wear, tear, excessive exposure as well as the compensation of furnishings (e.g. kitchen appliances, furniture, heaters or sanitary installations) and glass; within the framework of business trips the damage to furnishings is held covered;
 - 3.12 activities with regard to third-party property;
 - 3.13 the loading and unloading of means of conveyance and containers.

4. Insured environmental risks
Insurance coverage is provided in particular for liability claims due to damages caused by environmental impacts; these are deemed to be damages where substances, shocks/shakes, noises, pressure, rays, gases, vapours or heat in soil, air or water spread with different velocity, including on a gradual level.

Even without the occurrence of an event insured, underwriters shall reimburse the insured after the disruption of operations or due to an official order, expenses incurred for measures to avert or minimise any loss otherwise inevitably occurring. The ascertainment of the disruption of operations or the official order must fall within the period of the forward insurance. The underwriters' duty to perform with regard to these expenses is limited to the agreed insurance sum for each insurance year.
5. First-party insurance
In addition, underwriters grant insurance coverage to the insured – but not to the co-insured persons - for financial losses or property damages, which he incurs himself (first-party losses)

5.1 through embezzlement/misappropriation, infidelity or fraud by any co-insured person at the occasion of a business activity;

5.2 through damage or destruction of his website as a consequence of unauthorised tampering by third parties not being part of the co-insured persons; insurance coverage shall only be provided for the costs of the restoration of the own website.

For the above items I.5.1 and I. 5.2, insurance coverage will only be granted against assignment of the rights of recourse to which the insured is entitled.

Underwriters' limit of indemnity for the first-party insurance pursuant to item I.5.1 and item I.5.2. of these insurance conditions is limited to € 250,000 for each event insured.
6. First-party insurance in the case of the principal's withdrawal

Underwriters will reimburse the insured for the wasted expenses (staff and material costs, but not, however, any loss of profit) in the case of a justified withdrawal by his principal, provided the withdrawal is not based on a deliberately or gross negligently erroneous assessment of the existing technical, logistic, financial or personal resources on the part of the insured.

Underwriters' limit of indemnity for the first-party insurance pursuant to item I. 6. of these insurance conditions is limited to € 250,000 for each event insured.

In connection herewith, a deductible of 10 % of the wasted expenses, but at least however the deductible amount stipulated in the insurance policy, shall be applicable.
7. Co-insured persons
Co-insured persons are deemed to be

7.1 the members of the management of the insured;

7.2 the employed staff members of the insured;

7.3 the members of temporary employment companies integrated into the insured's business operations;

7.4 the freelance members (natural persons) integrated into the insured's business operations, insofar as they work in the name and on behalf of the insured;

7.5 any legally independent national subsidiaries as well as

7.6 any legally dependent establishments at home or abroad, but not in the USA or Canada.

Claims against legally independent subsidiaries abroad are included under the insurance coverage, provided these are expressly named as co-insureds in the insurance policy.

II. Risk exclusions

No insurance coverage will be provided for:

1. claims
 - 1.1 for rendering the service due;
 - 1.2 for supplementary performance or rectification of defects;
 - 1.3 due to contractual penalties;
 - 1.4 due to guarantee promises; this shall not apply to claims for damages, if liability for the failure to comply with the agreed quality of property, deliveries or services attaches, irrespective of the party at fault;
 - 1.5 for reduction;
 - 1.6 due to self-remedy of defects by the claimant or other third parties within the framework of the warranty liability;
 - 1.7 arising from withdrawal or unwinding of the contract;
 - 1.8 for damages caused by the delay of the service, insofar as the same is based on a deliberately or gross negligently erroneous assessment of the existing technical, logistic, financial or personal resources;
2. claims by reason of deliberate causing of the damage or due to intentional non-compliance with any law, regulation or order of the principal; however, underwriters will take over the defence of liability claims until the deliberate causing of the damage or the intentional breach of duty is determined by judgement or other fact-finding of a court, by decision of a mediator or acknowledgement of the insured persons; in this case the insured is obligated to reimburse all benefits paid by the underwriters with regard to this insured event;
3. claims due to product defects (e.g. hardware, software), which fall exclusively within the responsibility of a third party (e.g. manufacturer or supplier), insofar as the insured has waived his right of recourse against said third party on the grounds of any contractual agreements;
4. claims due to the failure or the faulty provision of internet-providing- or telecommunication services by third parties as well as the provision of buildings, premises or technical infrastructure (e.g. water- and electricity suppliers) through third parties, insofar as the insured has waived his right of recourse against said third party on the grounds of any contractual agreements;
5. claims due to self-reproducing defective codes (e.g. viruses, worms, Trojan Horses), the insertion of which is not targeted towards the EDP-systems of the insured or any co-insured persons;

Insurance coverage will however be provided for claims arising from the negligent transmission of self-reproducing defective codes by the insured or co-insured persons to third parties;
6. claims arising from
 - 6.1 the purchase of, sale of or trading with any kind of securities, including the use of confidential information (e.g. insider information) or the violation of laws or regulations to be applied thereto (e.g. U.S.

- Securities Act of 1933, Securities and Exchange Act of 1934);
- 6.2 the violation of the Racketeer Influenced and Corrupt Organizations Act 18 USC Sections 1961 ff., including the amending provisions thereto;
- 6.3 the violation of the Employee Retirement Income Security Act of 1974, including the amending provisions thereto as well as any corresponding provisions of other legislative organs (e.g. of the federal states, communities, municipalities);
- 6.4 acts by the state, administrative decisions or investigations by authorities in the USA or Canada;
- 6.5 fines, penalties or penalties of a punitive nature (e.g. punitive or exemplary damages);
7. claims arising from the recall of products and the costs associated therewith;
8. claims arising from the violation of regulations of the antitrust or competition laws;
9. claims arising from the violation of patent rights;
10. claims arising from deliveries and services in connection with the planning, construction, manufacturing or delivery of aircraft or spacecraft, including the controlling and monitoring of the air or space traffic; however, this applies exclusively to personal injuries and property damages; for pure financial losses insurance coverage is provided within the scope of the policy;
11. claims arising from deliveries and services in connection with the planning, construction, manufacturing, monitoring, controlling or delivery of nuclear or atomic installations;
12. claims arising from deliveries and services for weapon systems; however, this applies exclusively to personal injuries and property damages; for pure financial losses insurance coverage is provided within the scope of the policy;
13. claims
- 13.1 by the insured and the co-insured persons against each other, unless agreed otherwise;
- 13.2 by partners of the insured with unlimited personal liability, provided the same is a general partnership, a limited partnership or a partnership under the Civil Code;
- 13.3 by liquidators, administrative receivers, insolvency administrators of the insured;
- 13.4 by companies associated with the insured or his partners/ shareholders through majority interest or which are under a uniform entrepreneurial control;
- This does not apply to personal injuries or property damages within the framework of the public liability risk, unless they relate to damages to rented property;
14. claims for damages to third-party movable objects and all financial losses resulting therefrom, if the insured has hired, leased, rented, borrowed these objects, or obtained them through unlawful interference with the possession of another, or if these objects are the subject-matter or a custody agreement;
15. claims for damages arising from high-energy ionising radiation (e.g. radiation of radioactive substances) as well as electro-magnetic fields;

16. claims for damages resulting from
 - 17.1 genetic engineering works;
 - 17.2 genetically modified organisms (GMO);
 - 17.3 products containing components consisting of GMO or which are manufactured by means of GMO;
17. claims due to activities, for which there is an obligation to take out insurance or which are subject to a compulsory liability insurance;
18. claims for personal injuries caused by occupational accidents or occupational diseases within the meaning of the Social Code Volume VII or caused by accidents during official service within the meaning of the provisions contained in the Civil Service Law, which are inflicted upon the members of the same department as well as claims caused by occupational accidents, occupational diseases or accidents during official service pursuant to the provisions of foreign legal systems; notwithstanding anything contained therein, insurance coverage is provided for claims against the insured or co-insured persons, which are asserted by way of recourse;
19. claims due to the use, keeping or possession of an aircraft, watercraft or motor vehicle, unless they are expressly included under the insurance coverage;
20. claims for damages resulting from asbestos, asbestos-containing substances or asbestos-containing products;
21. claims for damages which are caused or increased by the use of violence or the threat thereof, in particular war, civil war, terrorism.

No insurance coverage shall be provided for:

**III. Additional risk
exclusions in the
Environmental
Liability Insurance**

1. damages caused by environmental impacts from installation risks arising from the storage of substances hazardous to waters in small packing units (e.g. barrels, canisters, cans, bottles) with a total capacity of more than 1,000 l/kg and an individual capacity of more than 100 l/kg per each container as well as heating oil tanks of more than 5,000 l/kg.
2. claims caused by environmental impacts arising from installations of the insured, designed for the production, processing, storage, landfill/deposit, transportation or draining of substances hazardous to waters (WHG-Anlagen/installations subject to the Water Management Act), insofar as the installation risk is not expressly included under the insurance coverage;
3. claims caused by environmental impacts arising from installations within the meaning of the Environmental Liability Act (installations pursuant to annex 1 and annex 2 of the UHG/Environmental Liability Act);
4. claims caused by environmental impacts arising from installations of the insured, which - pursuant to provisions for the purpose of environmental protection - are subject to an obligation to obtain a permit and to a duty of disclosure (other installations which require declaration);
5. claims caused by environmental impacts arising from sewage works – excluding house sewage works – of the insured or the dumping or discharging of substances into a body of water or the detrimental effect on a body of water in such way that the physical, chemical or biological properties of the water are changed (sewage treatment works risk and risk of detrimental effects on water);
6. claims caused by environmental impacts arising from the planning,

manufacturing, delivery, assembly, disassembly, maintenance or servicing of installations pursuant to items III. 1 to III. 4 of these insurance conditions, which are visibly designed for such installations (environmental recourse risk), unless these are expressly included under the insurance coverage;

7. claims for damages which are or have been caused by the fact that during the handling of substances hazardous to waters, the same are spilled, they drip down, drain off, vaporize, evaporate or seep in a similar way into the soil or any body of the water; this shall not apply insofar as such processes result from an operational failure;
8. claims for damages caused by operational, inevitable, necessary or accepted environmental impacts; this shall not apply, where the insured furnishes proof that according to the state of technology at the time of the environmental impacts causing the damage, he could not be expected to notice the possibility of such damages under the given circumstances of the individual case;
9. claims for
 - 9.1 damages already occurred prior to the inception of the contract;
 - 9.2 damages, for which subject to previous insurance contracts insurance coverage attaches or could have been applied for;
 - 9.3 damages resulting from the fact that the insured purchases or takes possession of real estate property after the inception of the insurance policy, which at that time had already been affected by an environmental impact;
10. claims for damages arising from the ownership, possession or operation of installations or facilities for final disposal of waste;
11. claims for damages arising from waste produced or delivered by the insured after the delivery;
12. claims for damages as a consequence of the modification of the genetic heritage (genome), which occur with effect from the second generation;
13. claims for damages as a consequence of the change of the deposit of ground water or its flow behaviour.

IV. Event insured

1. Event insured in the liability insurance as well as the first-party insurance
An event insured is deemed to be the loss occurrence which directly causes the impairment of the third party or the insured through personal injury, property damage or financial loss. The point in time when the loss and/or damage is caused shall not be relevant.
2. Event insured in the first-party insurance in the case of withdrawal of the principal
An event insured in the first-party insurance pursuant to item I.6. is deemed to be the first declaration of the withdrawal by the principal in text form.
3. Event insured in the Environmental Liability Insurance
An event insured is deemed to be the verifiable first ascertainment of the personal injury, property damage or the financial loss resulting there-from through the injured party, any other third party or the insured. It is not relevant whether at that time the cause or scope of the loss or damage or the possibility to assert liability claims were already noticeable.
4. Serial loss
Several events insured occurring during the period of insurance and

arising from the same causal connection linked internally, factually and temporally, irrespective of their actual occurrence, are deemed to be one event insured and occurred at the point in time in which the first of these events insured has occurred.

5. Accumulation clause
Underwriters' duty to indemnify is limited to the highest of the agreed insurance sums,
- if a serial loss has occurred;
 - or if several types of losses (personal injury, property damage or financial loss) are caused by one loss occurrence;
 - or if for several events insured arising from the same cause, insurance coverage for the insured is also provided within the framework of other contracts with the underwriters of this contract.

The insurance sums will not be accumulated.

V. Period of insurance

1. Forward insurance
The insurance coverage extends to include all events insured occurring during the currency of the insurance contract.
This shall not be applicable to events insured,
1.1 for which insurance coverage is valid arising from another insurance contract, or
1.2 which are based upon circumstances that were known to the insured or any co-insured person prior to the submission of the contract declaration.
Pursuant to item I. 6 FIRST-PARTY INSURANCE IN THE CASE OF WITHDRAWAL OF THE PRINCIPAL, insurance coverage will be exclusively provided for projects of the insured concluded after the inception of the insurance. There will be no retroactive insurance cover for project contracts of the insured already signed/concluded prior to the inception of the insurance.
2. Extended reporting period
Insurance coverage will only be provided for events insured which are notified to the underwriters no later than three years following the termination of the insurance contract.
3. Retroactive insurance
Retroactive insurance coverage for events insured occurring prior to the conclusion of the insurance contract will only be granted upon express agreement.
Where retroactive insurance coverage is agreed, no insurance cover will be granted for events insured,
3.1 for which insurance cover is valid arising from another insurance contract or
3.2 which were known to the insured or any co-insured person prior to the submission of the contract declaration.

VI. Territorial limits

Insurance coverage is effective worldwide.
For claims asserted before the courts of the USA or Canada or based upon the infringement of the law of these states, insurance coverage will only extend to include financial losses. This limitation shall not be

applicable to liability claims arising from

1. the participation in or the realisation of business trips;
2. the participation in fairs, exhibitions or events;
3. indirect exports of products or services to the USA or Canada; an indirect export is deemed to have occurred, where products or services have ended up in the USA or Canada without the insured or any co-insured persons having arranged there-for.

VII. Benefits of the underwriters

1. Insurance coverage

Insurance coverage of the liability insurance extends to include the settlement of justified and the defence of unjustified claims in proceedings of a legal as well as out-of-court and arbitrary nature.

Within the framework of an arbitration procedure, this shall however only be applicable insofar as underwriters will be allowed to conduct the proceedings and in particular to select the arbitrator and the arbitration code.

Coverage of the first-party insurance extends to include the reimbursement of first-party losses.

Both shall only be applicable insofar as the liability claim or the first-party loss exceeds the agreed deductible amount. Where this is the case, the deductible is subtracted from the liability sum or the first-party loss.

No deductible applies where an event insured relates to a personal injury.

For claims asserted before the courts of the USA or Canada, a minimum deductible amount of €15,000 shall be applicable.

2. Compliance with a liability claim

The amount to be paid is passed for payment by the underwriters latest within one week following its due date, bonds and debentures, if any, are passed for payment on their due dates. Payment is effected in Euro at the reference rate of the European Central Bank applicable on the due date.

3. Defence of a liability claim

In the defence of a liability claim underwriters will reimburse the necessary out-of-court and legal costs. Included therein are also the costs of any negative action for declaratory judgement or intervention instigated by the insured or any co-insured person with the underwriters' approval.

Underwriters further reimburse the necessary costs for the defence of any court proceedings, with which the order of a preliminary injunction against the insured or any co-insured person is requested, even if the injunction refers to an injunctive relief or entitlement to revocation. Moreover, underwriters will reimburse the necessary costs for the defence of an injunction and revocation suit filed against the insured or any co-insured person as well as any necessary out-of-court costs incurred by the insured or any co-insured person, if a revocation demand or a claim for injunctive relief is asserted.

Furthermore, underwriters will reimburse the necessary costs for legal proceedings, instigated to proceed against a judicial summons of the insured or any co-insured person, provided the summons is related to an insured liability claim.

Costs are deemed to be lawyer's and expert's fees, witness'-, court'

and travel costs, sue and labour costs, claims settlement costs.

Expenses not incurred on instruction or at the instigation of the underwriters, in particular costs for a lawyer assigned without the approval of the underwriters, will not be reimbursed. Neither reimbursed will be the costs for any third party notice against the underwriters and costs incurred by the insured or any co-insured person for the correspondence required on the occasion of an event insured.

4. Limits of indemnity

4.1 per event insured

Underwriters' duty to perform per event insured is limited to the agreed sum insured for the liability insurance.

This limitation does not apply to costs, unless claims are asserted before any courts in the USA or Canada.

For the first-party insurance pursuant to item I. 5 and item I. 6. of these insurance conditions, underwriters' duty to perform is limited to respectively € 250,000.

4.2 per insurance year

Underwriters' duty to perform per insurance year is limited to the agreed aggregate annual limit.

This limitation also applies to costs or other insured expenses of the underwriters.

5. Reimbursement of costs where a limit of indemnity is exceeded
If the liability claim exceeds one of the afore-mentioned limits of indemnity, underwriters will bear the costs only insofar as they would have been incurred for a liability claim in the amount of the limit of indemnity.

General Regulations

VIII. Premium payment

1. First or single premium
The single or first premium is to be paid immediately upon receipt of the insurance policy. Where the payment of the single or the first premium has not been paid upon occurrence of the event insured, underwriters will not be liable to indemnify, unless the insured is not responsible for the failure to pay. However, underwriters will only be released from their duty to indemnify, if the underwriters have indicated the legal consequences of non-payment of the premium to the insured through separate notification in text form or through a demonstrative reference note in the insurance policy.

For as long as the single or first premium is not paid in time, underwriters shall be entitled to withdraw from the contract, unless the insured is not responsible for the failure to pay.
2. Subsequent premiums
The subsequent premiums are to be paid immediately after receipt of the premium invoice. If a subsequent premium is not paid in time, underwriters may in text form and at the insured's expense set a term of payment of at least two weeks. The provision will only be effective, if the outstanding amounts of premium, interests and costs are to be numbered individually and those legal consequences to be stated, which are associated with the expiry of the time-term. For combined contracts underwriters will state the amounts separately. If the event insured occurs after the expiry of the time-term and if upon occurrence the insured is in default with the payment of the premium or the interest or costs, underwriters shall not be liable to indemnify.

After expiry of the time term, underwriters may cancel the insurance contract without observance of a notice period, if the insured is in default with the payment of the amounts due. The underwriters are entitled to connect the cancellation with the determination of the term of payment in such way, that it becomes effective upon expiry of the time term, provided the insured is in default with the payment at that time. The Underwriters will make express reference thereto in the cancellation notice to the insured. Cancellation shall become ineffective, if the insured renders payment within one month following the cancellation or the expiry of the time term, unless the loss event has already occurred.
3. Direct debiting
Where it is agreed that underwriters debit the premiums directly from an account, the following shall apply:

If the direct debiting of a premium cannot be effected in due time for reasons for which the insured is responsible, or should the insured object to a justified direct debit, the premium is deemed to be not paid in due time.

Where the collection of an amount fails for reasons, for which the insured is not responsible, the premium shall only be deemed to be not paid in due time, if the insured fails to pay within a period of two weeks after a payment request in text form. Underwriters shall not be liable to effect further attempts at direct debiting.
4. Premium adjustment
Upon the underwriters' request the insured is obliged to notify in text form of any changes in the insured risks and the annual turnover less any turnover tax (amendment notification). For the purpose thereof, underwriters will send a questionnaire to the insured each

year to be replied to within three months. Upon the underwriters' request, statements must be evidenced by the account books or any other bills and supporting documents.

The premium calculation of the entire current period of insurance is based upon the amendment notification. Should the insured risks or the annual turnover change, the premium will be adjusted. There will be no premium adjustment for earlier periods of insurance.

If the insured fails to submit the amendment notification in time, underwriters shall - instead of adjusting the premium - be entitled to again demand payment of the premium agreed for the current period. If the amendment notification is not resend within one month after receipt of the underwriters' request for subsequent payment, the duty of the insured to pay the premium again shall lapse and underwriters will adjust the premium.

IX. Pre-contractual duties to disclose

1. Disclosure of circumstances relevant to the risk
Until submission of the contract declaration by the insured the insured must disclose to the underwriters all risk circumstances known to him, which are relevant for the underwriters' decision to conclude this contract. Those risk circumstances are deemed to be relevant, for which the underwriters have asked in text form.
2. Legal consequences of a breach of a duty to disclose
Where the insured breaches his duty to correctly and fully disclose circumstances relevant to the risk, the insurer is entitled to withdraw. This shall not apply, where the insured has violated this duty to disclose neither deliberately nor gross negligently. In this case, underwriters are however entitled to cancel the contract subject to a notice period of one month.
3. Right to withdraw following the occurrence of the event insured
In the case of withdrawal following the occurrence of the event insured underwriters are not liable to indemnify, unless the violation of the duty to disclose relates to a circumstance, which is neither the cause for the occurrence or the ascertainment of the loss event, nor for the ascertainment or the underwriters' duty to perform. If the insured has fraudulently violated his duty to disclose, the insurer shall not be liable to indemnify.
4. Duties to disclose of co-insured persons
For co-insured persons the duties to disclose of the insured and the legal consequences of their violation shall apply accordingly.

X. Obligations following occurrence of the event insured

1. Notification of certain circumstances
The insured must notify the underwriters immediately of the following after becoming aware thereof:
 - 1.1 the occurrence of an event insured,
 - 1.2 the assertion of a liability claim directed against him or any co-insured persons,
 - 1.3 legal or preliminary proceedings, payment orders, arrests, fixed penalty orders, third-party notice services, preliminary injunctions, independent procedures of taking evidence and applications for legal aid by the claimant, directed against him or any co-insured person.
2. Taking certain legal remedies
Against orders to pay or decisions by administrative authorities as to indemnity payments, the insured must file an objection within the time limit without waiting for underwriters' orders or take the

otherwise required legal remedies

3. Compliance with the underwriters' orders
The insured is obligated to arrange for the avoidance and minimisation of the loss and/or damage taking into account all orders given by the underwriters and to do everything that serves to clarify the loss event, provided he is not expected to do something unreasonable. He is to support the underwriters in the defence of the claim as well as with regard to the ascertainment and settlement of the loss and/or damage, to give full and true accounts of the loss and/or damage, to disclose all circumstances relating to the loss event, and to submit all documents which in the underwriters' opinion are relevant for the assessment of the claim.
4. Transfer of the conduct of the lawsuit to underwriters
If an out-of-court or legal suit or arbitration procedure ensues with regard to a liability claim, the insured must leave the conduct of the lawsuit to the underwriters, authorise the lawyer appointed or named by the underwriters and give all possible information.
5. Compliance with the settlement authority of the underwriters
Underwriters are deemed to be authorised to give all the out-of-court and legal declarations in the name of the insured which they deem appropriate in order to settle or defend a liability claim.
6. Legal consequences of a breach of obligation
If the insured breaches any of the above obligations, underwriters shall be released from their duty to indemnify, if the insured has deliberately violated his obligation. In the case of a gross negligent breach of the obligation underwriters shall be entitled to curtail their indemnity payment in the proportion corresponding to the degree of the insured's culpability. The onus of proof that no gross negligence has occurred shall be borne by the insured.

In any case, underwriters remain obliged to indemnify, if the breach of the obligation is neither the cause for the occurrence or the ascertainment of the loss event, nor for the ascertainment or the scope of the underwriters' duty to perform. This shall not be applicable if the insured has fraudulently violated the obligation.

If the insured's duties to disclose or inform are violated, underwriters will advise the insured in text form of the legal consequences of the complete or partial release from obligation to perform.
7. Obligations of co-insured persons
For co-insured persons the obligations of the insured and the legal consequences of their non-compliance shall apply accordingly.

XI. Period of the insurance contract

1. Commencement and expiry of the insurance coverage
Insurance coverage commences at 12:00 hrs on the day the contract is concluded. It shall expire at 12:00 hrs of the last day of the contract.
2. Renewal of the contract
The insurance contract is concluded for the period specified in the insurance policy.

The contract shall be renewed for a further year respectively, if it is not cancelled by either party with a notice period of one month effective as of the expiry of the current period of insurance.
3. Cancellation after occurrence of the loss
If after the occurrence of the loss the underwriters have accepted or wrongly refused the insured's claim for indemnification, each party to the contract may cancel the insurance contract. This applies also

where the underwriters instruct the insured to allow a lawsuit on the third-party claim to happen.

Cancellation is only admissible within one month following the acceptance or refusal of the indemnity claim or following the date when the judgement made in the lawsuit with the third party obtained legal force.

Underwriters must observe a cancellation period of one month. The insured may cancel with effect of the end of the current period of insurance

XII. Applicable law and places of jurisdiction

1. Applicable law
This contract is subject to German law.
2. Place of jurisdiction for actions against the underwriters
Legal actions against the underwriters arising from the insurance contract may be brought at the competent local court of their place of business or the place of business of their contractually authorised branch office.

If the contract has been arranged or concluded by an insurance intermediary, the court, where the representative's place of business or - in the absence of a place of business - his domicile was located at the time of the arrangement or conclusion will also be responsible for actions taken against the underwriters and arising from the insurance contract.

For legal actions arising from the insurance contract or the insurance agency, the German competent local court of the district, in which the insured maintains his domicile or, failing which, his usual residence, when the action is taken, will also be responsible.
3. Place of jurisdiction for actions of the underwriters
For legal actions against the insured the local court of the district, in which the insured maintains his domicile or, failing which, his usual residence, when the action is taken, will be exclusively responsible

XIII. Contact Persons

1. Insured
The insured is obliged to immediately notify underwriters of any changes of his name or address. Notifications directed to the address last known to underwriters, in particular declarations of intent, shall be deemed to be received by the time they would have been received by the insured in the course of a regular transport without change of name or address.
2. Broker
The broker in charge of the insurance contract is authorised to accept all notifications and declarations of intent by the insured, any co-insured persons and the underwriters.
3. Underwriter
Hiscox Insurance Company Ltd.
Niederlassung für die Bundesrepublik Deutschland
(Establishment for the Federal Republic of Germany)
Representative for Germany: Robert Dietrich
Oberanger 28
D-80331 München
Germany
4. Contract management
Hiscox AG

Oberanger 28
D-80331 München
E-Mail: info@hiscox.de

5. Complaints

Complaints may be directed to the underwriters, their contract management, the Bundesanstalt for Finanzdienstleistungsaufsicht (BaFin, Graurheindorfer Str. 108, D-53117 Bonn, Germany), and the Financial Services Authority (FSA, 25 The North Colonnade, Canary Wharf, GB-London E 14 5HS, United Kingdom).