

**Terms and Conditions of Foreign Travel Health Insurance, as Provided by HanseMerkur
Reiseversicherung AG for Foreign Guests VB-KV 2008 (AG 365)**

§ 1 - Insured Persons and Eligibility for Insurance

1. Insured persons are those identified by name in the insurance policy, for whom the agreed premium has been paid.
2. Persons eligible for insurance are: in the context of insurance for groups, persons up to the end of their 65th year (65th birthday), and, in context of insurance for individuals, persons up to the end of their 75th year (75th birthday), provided they
 - a) are of foreign nationality and are in the Federal Republic of Germany, the member countries of the European Union, Switzerland or Liechtenstein for a temporarily stay only;
 - b) are of German nationality and have had their permanent residence abroad for more than two years. The term "abroad" is also used in this context to refer to the national territory of the Federal Republic of Germany.
A group insurance can be applied for when three or more persons are travelling together.
3. Persons non-eligible for insurance and not insured, despite having paid the premiums, are those who
 - a) are in need of permanent care, and/or are mentally ill. Persons in need of care are persons who generally require the help and assistance of others to master the daily routines;
 - b) engage in sporting activities in return for payment;
 - c) have a limited residence permit for the Federal Republic of Germany and for whom, at the time of application, the overall period of insurance for all health insurance contracts concluded during the period of the stay has exceeded five years.

§ 2 - Taking-Out and Ending 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, the member states of the European Union, Switzerland or Liechtenstein. Upon request, proof of the date of entry must be provided.
2. The contract comes into effect upon receipt, by the insurance company, of the application for insurance made using the form foreseen by the insurance company for this purpose. The application has only been properly completed if it contains all of the details requested and these have been provided clearly and completely. If the applicant uses the printed payment form issued by the insurance company the contract becomes valid upon payment of the premium, provided it includes clear and complete information about the start of the insurance contract, about the product selected by the applicant and about the persons to be insured.
3. In cases of persons for whom the prerequisites for eligibility for insurance cover, as specified in section § 1, point 2 of these terms and conditions, have not been satisfied, no insurance contract shall come into effect, even if payment of the premiums is made. If premiums are paid for a person not eligible for insurance cover, the sum paid is available to the sender.
4. If the insured person had already taken out an insurance contract based on this tariff (Tariff VB-AG 365) 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 spent a minimum of two months in his or her native country before re-entering the territory of any of the above-mentioned states. If premiums are nevertheless paid for a person affected by this regulation, the sum paid is available to the sender.
5. The insurance contract must be concluded for the entire period of the stay.
6. The maximum period of insurance cover amounts to 365 days. An extension within the framework of a contractually independent single insurance is only possible with the

consent of the insurance company, and only for a maximum total insurance period of five years.

7. In the event of an extension of the period of stay, an independent extension contract can be concluded under the following preconditions:
 - a) The application for extension must be made on a form issued by HanseMerkur specifically for this purpose, and this form must be submitted to HanseMerkur before the original insurance contract expires.
 - b) HanseMerkur must give its explicit consent to the extension contract. If a premium is paid for a contract which has not explicitly been accepted, the paid amount shall be placed at the payer's disposal.
 - c) As regards persons holding a limited residence permit for the Federal Republic of Germany, an extension is only possible if the total insurance period of health insurance policies valid in the Federal Republic of Germany would not exceed five years. The policy-holder is obliged to inform HanseMerkur of all health insurance contracts previously valid during the temporary period of stay.
In the event of such an extension, insurance cover is only provided for claims, illnesses, complaints and the consequences of such, that have newly occurred after the application for extension (date and time of postmark).
8. If the policyholder and the insured person are not identical, cancellation by the policyholder will only be valid if the insured person(s) affected by the cancellation has/have been informed of the cancellation accordingly and the policyholder provides proof of this. The insured persons affected have the right to continue the insurance contract, provided a future policyholder is named. The statement relating to this must have been received within two months of receipt of the notice of cancellation.
9. The statutory regulations relating to rights of cancellation for exceptional reasons remain unaffected by the agreements reached here.
10. The insurance contract ends
 - a) on the agreed date;
 - b) upon the death of the policyholder or upon his or her departure from (i.e. leaving) the Federal Republic of Germany; the insured persons nevertheless have the right to continue the insurance contract by naming a future policyholder. This declaration must be made within a period of two months following the death or departure of the policyholder.
 - c) at the end of the insured person's temporary period of stay in the member states of the EU, Switzerland or Liechtenstein,
 - if the insured person decides to remain permanently in any of the countries of the EU, Switzerland or Liechtenstein, or
 - if the insured person returns to his or her home country for good;
 - d) at that point in time at which an insured person holding a limited residence permit for the Federal Republic of Germany exceeds a total insurance period of five years. This also holds for previous insurance policies that were not taken out with HanseMerkur.

§ 3 - The Premium

1. Payment of the Initial Premium
 - a) The initial premium is due upon commencement of the insurance contract.
 - b) If the initial premium is not paid on time, the insurer is entitled to withdraw from the contract for as long as the payment remains unpaid, unless the policyholder cannot be held answerable for the non-payment.
 - c) If the initial premium has not been paid at the time of occurrence of an event covered by the insurance, the insurer is not compelled to pay benefits, unless the

policyholder cannot be held answerable for the non-payment.

2. Payment of Subsequent Premiums
 - a) If the subsequent premium is not paid on time, the insurer will send the policyholder a reminder and will set a deadline of two months within which the payment must be made.
 - b) If an event covered by the insurance occurs after this deadline and the policyholder has still not paid the premium at the time of occurrence of this event, or is in default as regards payment of associated interest and/or costs, the insurer is not compelled to pay benefits.
 - c) The insurer combines this two-month payment deadline with notice of termination of the contract as per expiry of this date. Termination will become effective with the expiry of the set deadline, if the policyholder is still in default of payment at this point in time.
 - d) The termination will become ineffective if the policyholder makes payment within a month of its having become (initially) effective. The contents of letter b, above, shall remain unaffected by this. The same applies in the event that the insured person names a new policyholder within two months of having been informed of the notice of termination and this named person pays the premium demanded. The contents of letter b, above, shall remain unaffected by this.

§ 4 - Area of Application, Commencement, Period and End of the Insurance Cover

1. Area of Application
 - a) HanseMerkur offers insurance cover for insured persons who, while travelling, are only temporarily in the Federal Republic of Germany, the member countries of the European Union, Switzerland or Liechtenstein.
 - b) An event for which insurance cover is normally provided is not insured if this occurs in the home country of the insured person. The home country in the sense of these contract provisions is the country in which the insured person has his or her permanent place of residence and/or the country of his or her nationality.
 - c) However, departing from "b)", insurance cover will be granted to the insured person in his/her home country under the following conditions:
 - With respect to insurance contracts with a minimum period of a year, insurance cover will be provided even in the event of a brief return to the insured person's home country. The insurance cover provided in the home country is limited, however, to a maximum of 6 weeks for all stays in the native country per insurance year. The insurance year shall be a period of 12 months as from the commencement of the insurance.
 - In the event of a claim the insured person is required to provide dates and proof of the start and end of each trip to the home country, if requested by the insurance company to do so. In this connection, please refer in particular to section § 8, item 1 e).
2. Commencement of Insurance Cover

The insurance cover begins at the point in time indicated in the insurance policy (Commencement of Insurance), though

 - a) not before the insurance contract has come into effect,
 - b) not prior to entering the Federal Republic of Germany, the member states of the European Union, Switzerland or Liechtenstein,
 - c) not before payment of the premium;
 - d) not until expiry of any waiting period.
3. For events covered by the insurance, illnesses, complaints, and the consequences of such, occurring before commencement of the insurance cover or existing at the time of commencement of the insurance cover, no benefit will be paid.
4. End of Insurance Cover

Insurance cover shall end, even in cases of pending events covered by the insurance

 - a) at the agreed point in time;
 - b) with the ending of the insurance contract;
 - c) at the end of the insured person's visit – to the Federal Republic of Germany, the member states of the European Union, Switzerland or Liechtenstein – at the latest;

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 satisfied.

5. Subsequent Liability

If an illness needs medical treatment beyond the end of the period of insurance cover, because a return journey is impossible due to the patient's proven inability to be transported, the insurance company is obliged to provide cover within the bounds of this tariff.

 - a) with contract terms of up to six months, including all contract extensions required until recovery of ability to be transported, for a maximum period of one further month;
 - b) with contract terms of more than six months, including all contract extensions required until recovery of the ability to be transported, though for a maximum period of three further months only;

5 - Subject Matter of the Insurance Cover Provided and the Extent of Liability in Respect of Benefits

1. In General

1. HanseMerkur provides compensation for insured events that occur acutely during a period of travel.
2. An event covered by the insurance is medical treatment required by an insured person due to illness or consequences of an accident. The insured event begins with the required medical treatment and ends at that point in time at which no further medical treatment is required, as medically confirmed. If the medical treatment has to be extended to an illness or to accident consequences not causally related to the previously administered treatment, this constitutes the existence of a new event covered by the insurance. Other events covered by the insurance include
 - a) examination and required medical treatment due to pregnancy, unless the patient was already pregnant prior to the commencement of insurance cover;
 - b) death.
3. The extent of the insurance cover provided is specified in the insurance policy, in any separate agreements concluded in writing, in these general terms and conditions of insurance, and in the statutory regulations of the Federal Republic of Germany.
4. In the Federal Republic of Germany, the insured person may be treated by the licenced doctors and dentists of his/her choice. In the countries of the European Union, as well as in Switzerland and in Liechtenstein, the insured person may choose from among state-recognized and licenced doctors and dentists in the given country, provided these charge for their services in accordance with the official scale of medical fees for doctors and dentists – if existing – or their fees are in keeping with those normally charged locally.
5. Medicine, dressings, medical supplies and adjuvants must be prescribed by the attending medical professionals referred to under item 4, and the medicine must be obtained from a pharmacist's. Foodstuff and restoratives, mineral water, disinfectants and cosmetics, dietary and baby food, etc. do not qualify as medicine – even if prescribed as such.
6. Should in-patient hospital treatment be medically required, the insured person may freely choose from among public and private hospitals that provide permanent medical supervision, have adequate diagnostic and therapeutic facilities, keep records of clinical histories, and neither offer cures and sanatorium therapy, nor accept convalescents.
7. Within the scope of the contract, the insurance company pays for examination, treatment and medicaments that are widely approved by classical medicine. It also pays for treatment and medicaments that have proven to be just as successful in practice, or are used when no classical methods of treatment or medicaments are available. In such cases, however, the insurance company is entitled to reduce the benefits paid to the level that would have been due had such methods and medicine been available.
8. Within the limits of the contract, the insurance company pays for transportation and funeral costs in the event that an insured person dies as a result of an event covered by this contract.

II. Waiting Periods

1. Waiting periods are calculated as from the time of commencement of the insurance and, in the case of a follow-up contract, as from the time of commencement of the follow-up contract.
2. The waiting period for childbirth deliveries is eight months.

III. Costs of Medical Treatment

1. The insurance company reimburses the insured person
 - a) subject to a deductible contribution of EUR 25 per event covered by the individual insurance, for the necessary costs of medical treatment incurred. The deductible contribution does not apply to the group insurance;
 - b) during the insured person's stay in Germany, for the necessary costs of medical treatment incurred up to the so-called threshold value of the scale of fees valid in Germany for doctors "Gebührenordnung für Ärzte (GOÄ)" and dentists "Gebührenordnung für Zahnärzte (GOZ)". These threshold values for benefits are
 - for GOZ, a factor of 2.3 times the listed rate,
 - for GOÄ, according to no. 437 and section M (laboratory costs), a factor of 1.15 times the listed rate,
 - according to sections A, E and O (technical performance), a factor of 1.8 times the listed rate,
 - for all other GOÄ charges, 2.3 times the listed rate.
2. Medical treatment in the sense of these terms and conditions includes:
 - a) doctors' attention including pregnancy examinations, pregnancy treatment, provided the pregnancy did not exist at the start of the insurance or extension contract, and treatment due to miscarriage;
 - b) medical treatment as a result of acute complaints, necessary medical treatment due to pregnancy and treatment due to miscarriage, as well as medically required abortions and child delivery up until the end of the 36th week of pregnancy (premature birth), even if the insured person was already pregnant at the beginning of the insurance or extension contract, provided no need for such treatment had been established at this point in time;
 - c) prescribed medicaments and dressing materials;
 - d) prescribed radiation treatment, light therapy and other physical forms of treatment;
 - e) prescribed massages, medical packs and inhalation treatment up to a maximum value of EUR 300 per insurance year;
 - f) prescribed medical supplies necessary for the first time solely as the result of an accident and directly serving to treat the consequences of the accident;
 - g) X-ray diagnosis;
 - h) urgent in-patient treatment under general nursing care (multiple-bed room) without selective treatment (private medical care);
 - i) transport by ambulance to the nearest suitable hospital for in-patient treatment, and to the nearest appropriate treatment point for primary medical care following an accident, and transport back again;
 - j) urgent operations which cannot be postponed;
 - k) child delivery – after expiry of waiting period.

3. Costs of Dental Treatment

Taking section III, item 1 into account, the insurance company also reimburses costs incurred during the journey for:

- a) painkilling and preservative dental treatment including simple fillings,
- b) measures to restore the functioning of dental prostheses (repairs).

Altogether, the insurance company will refund the costs of the dental treatment referred to, in the case of a period of contract

- a) of up to six months, including all contract extensions, a maximum of EUR 300,
 - b) of more than six months, including all contract extensions, a maximum of EUR 600
- per insurance year and insured person. An insurance year, in this context, is a period of twelve months.

IV. Transportation Costs / Funeral Expenses

Except for periods of stay in the home country, HanseMerkur reimburses

1. in the event of the death of an insured person, the additional costs incurred in returning the deceased person to his or her permanent place of residence, up to a maximum of EUR 10,000;
2. the costs of a funeral abroad up to the amount that would have been incurred for transportation, though no higher than a maximum of EUR 10,000.

§ 6 - Limitations on Insurance Cover

1. No insurance cover exists
 - a) for treatment abroad constituting the sole reason, or one of the reasons, for embarking on the journey in the first place and for treatment for which it was clear, at the outset of the journey, that, assuming the trip was carried out as planned, it (the treatment) would be necessary. Or unless the journey had been undertaken due to the death of the spouse or a first-degree relative;
 - b) for illnesses and complaints known to the insured person at the time of conclusion of contract, or of conclusion of a follow-up contract, and their foreseeable consequences, or for the foreseeable consequences of illnesses and accidents of the insured person treated within a period of six months prior to the conclusion of contract;
 - c) for diseases, accidents or death, including the consequences of such, caused by strike action, war, warlike occurrences, nuclear energy or active participation in civil disturbances and not expressly included in the insurance cover;
 - d) for illnesses, accidents and their consequences resulting from wilful intent;
 - e) for treatment given in a health resort or sanatorium, and for rehabilitation therapy;
 - f) for withdrawal treatment including withdrawal cures;
 - g) for out-patient therapy in a spa or health resort. This limitation does not apply, if the therapy becomes necessary as the result of an accident that happened there. In the event of illness, this limitation does not apply if the insured person's stay in the spa or health resort was for a short period only and was not for curative purposes;
 - h) for treatment by the insured party's spouse, parents or children. Proven material cost will be reimbursed in accordance with the insurance tariff;
 - i) for treatment of persons with whom the insured person lives together within his or her own family or the host family. Proven material cost will be reimbursed in accordance with the insurance tariff;
 - j) for treatment or accommodation due to infirmity, need of care or safe custody;
 - k) for psychoanalytic and psychotherapeutic treatment;
 - l) for immunization measures;
 - m) for medical supplies;
 - n) for treatment required because of disorders and damage of the reproductive organs; including sterility, artificial insemination or associated precautionary medical examinations and follow-up treatment;
 - o) for treatment of HIV infections and their consequences;
 - p) for dental prostheses, post crowns, inlays, caps and crowns, orthodontic treatment, implants, occlusal overlays and gnathological measures;
 - q) for suicide, attempted suicide and the consequences;
 - r) for organ donations and the consequences.
2. HanseMerkur is discharged from the obligation to compensate, if:
 - a) the policy-holder or the insured person has wilfully caused the event covered by the insurance;
 - b) the policyholder or the insured person has wilfully attempted to deceive HanseMerkur as to circumstances of importance relating to the reason for, or the amount of, benefits presumably due.
3. If the cost of medical treatment exceeds that of essential medical treatment, the insurance company may reduce its benefits to an appropriate amount.
4. If a claim for benefits from statutory accident or pension insurance, or from statutory medical or accident care exists, the insurance company may deduct the level of statutory benefits due from the insurance benefits due.

§ 7 - Obligations and the Consequences of Violation of Such Obligations

1. The policyholder and the insured person are obliged, upon the occurrence of an event covered by the insurance
 - a) to keep the level of damage as low as possible and to avoid any action that could lead to an unnecessary increase in costs;
 - b) to report the damage to HanseMerkur without delay, and upon conclusion of the journey at the latest;
 - c) to permit HanseMerkur to undertake all reasonable investigations as to the cause of the occurrence and the level of benefits due, to provide all useful information in this connection, to submit original receipts, etc. and, in the event of death, to submit the death certificate;
 - d) to contact HanseMerkur, in the event that in-patient treatment is required, before commencement of extensive diagnostic and therapeutic measures.
2. At the request of the insurance company, the insured person shall be obliged to permit examination by a doctor appointed by HanseMerkur.
3. **Consequences of Breach of Obligations**

If the policyholder or the insured person wilfully violates a contractually agreed obligation, HanseMerkur is not obliged to pay benefits. In the case of gross negligence leading to violation of the obligation, HanseMerkur is entitled to reduce the insurance benefits by an amount corresponding to the seriousness of the fault attributable to such behaviour by the policyholder or the insured person. The onus of proof that gross negligence did not play a role lies with the policyholder.

§ 8 - Payment of Insurance Benefits

1. The insurance company is only obliged to pay benefits if the following evidence – which will become the insurer's property – has been submitted:
 - a) original receipts bearing the name of the person treated, identification of the illness and details as to the type of treatment provided by the attending doctor, as well as to the location and the period of treatment. If other insurance protection exists and claims for the medical costs have first been made to this, copies of the invoices indicating the compensation payments made are adequate;
 - b) prescriptions must be submitted together with invoices for treatment, invoices for medicaments and those for adjuvants;
 - c) an official death certificate and a medical certificate stating the cause of death, if claims for transportation or funeral costs are to be met;
 - d) proof of the first and last days of any visit to a member country of the European Union, Switzerland or Liechtenstein, if the insurer requests this;
 - e) proof of the first and last days of any visit to the home country, if the insurer requests this;
 - f) proof of all health insurance taken out during the visit to the Federal Republic of Germany and providing insurance cover within the Federal Republic of Germany, if the insurer requests this.
2. One month after notification of the insurer as to the damage incurred, part-payment of the claim amount may be requested for the minimum sum due, on the basis of the facts on hand. This period may be extended if the processing of the claim by HanseMerkur is delayed for reasons for which the policyholder or the insured person can be held responsible.
3. Within the context of examining entitlement to benefits, HanseMerkur may be required to obtain personal health data available within the legally permissible boundaries. If the policyholder or the insured person culpably refuses consent to such procedure thereby effectively preventing HanseMerkur from completing its assessment of the amount and extent of benefit entitlements due, this will result in a postponement of the due date of payment. The same applies if institutions and individuals questioned have – culpably – not been released from their obligation to confidentiality with respect to HanseMerkur.
4. Costs incurred in a foreign currency are converted to the currency valid in the Federal Republic of Germany at the rate of exchange applicable on the day on which the receipts were received by the insurer. For traded currencies, the

exchange rate of the day is the official exchange rate as stipulated in Frankfurt/Main, whereas for non-traded currencies the rate is as stipulated in "Währungen der Welt", publications of the German Central Bank Deutsche Bundesbank in Frankfurt/Main (latest version in each case), unless it can be proven that the foreign currency required for the payment of invoices was purchased at a less favourable exchange rate.

5. Additional costs incurred by the insurer in making necessary transfers abroad or in complying with the request of the policyholder that special forms of transfer be used, can be deducted from the benefits due.
6. Insurance claims may neither be assigned nor pledged.
7. Claims based on this insurance contract fall under the statute of limitations after three years. The period of limitation begins at the end of the year in which the claim for benefit was first raised.

§ 9 - Indemnification from Other Insurance Contracts and Claims Against Third Parties

1. If, in the case of an event covered by the insurance, indemnification can be claimed from another insurance contract, this other contract shall have priority over the current contract. This also applies if, in one of the other insurance contracts, such a subordinate-contract clause has also been agreed, regardless of when the other insurance contract was concluded. If the event covered by the insurance is first reported to HanseMerkur, it will initially undertake payment and will then contact the other insurer directly for purposes of sharing the costs. HanseMerkur will, however, 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 policyholder, or of the insured person, against third parties shall pass to HanseMerkur Reiseversicherung AG inasmuch as this is legally permissible, and to the extent that the latter has paid indemnity for the damage incurred. If necessary, the policyholder, or the insured person, must sign a transfer declaration to the benefit of the insurer. The insurer's obligation to pay benefits shall be dormant until such a declaration of assignment has been received.
3. Claims of the policyholder, or of the insured person, against attending medical personnel or organizations on the basis of excessive fees shall pass to HanseMerkur, inasmuch as this is legally permissible, to the extent that the latter has settled the relevant invoices. If necessary, the policyholder or insured person must provide assistance in enforcing such claims. In addition, the policyholder or the insured person is obliged, if necessary, to make a declaration of assignment towards HanseMerkur. The insurer's obligation to pay benefits shall be dormant until such a declaration of assignment has been received.

§ 10 - Offsetting

The policyholder can only offset claims of the insurer to the extent that the counterclaim is uncontested, or has been legally established.

§ 11 - Declarations of Intent and Notifications

Declarations of intent and notifications intended for the insurer must be submitted in writing.

§ 12 - Applicable Law, Contract Language

German law is applicable, provided this is not prohibited by international law. The contract language is German.

§ 13 - Participatory Bonus

This insurance does not entail any participatory bonus.

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

A: General part

(The following regulations of the general part are valid for all insurances mentioned in the special part)

§ 1 – Insured persons and insurability

- Insured are those persons stated on the insurance policy for whom the agreed premium has been paid.
- 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.
- 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

- 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.
- 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.
- 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.
- 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.
- The insurance contract must be taken out for the complete period of stay.
- The maximum insurance duration is five years.
- 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:
 - 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.
 - 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.
 - 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).
- 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.
- Statutory rights regarding extraordinary notice remain unaffected by these agreements.
- The insurance contract expires:
 - on the agreed point in time,
 - 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,
 - 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,
 - 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

- Payment of the initial premium
 - 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.
 - 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.
 - 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.
- Payment of subsequent premiums:
 - 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.
 - 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.
 - 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.
 - 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

- Area of validity
 - 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.
 - 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.
 - 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.
- Start of the insurance cover
Insurance cover shall start with the point in time indicated in the insurance policy (insurance start), however,
 - not before the insurance contract becomes valid,
 - not prior to the entry into the Federal Republic of Germany, member states of the European Union, Switzerland or Liechtenstein,
 - not prior to premium payment,
 - not prior to the completion of possible qualifying periods.
- No benefit shall be paid for insured events that occur prior to the start of insurance cover.
- End of insurance cover
Insurance cover shall end:
 - at the agreed point in time,
 - upon expiry of the insurance contract,
 - at the latest upon the end of stay in the Federal Republic of Germany, member states of the European Union, Switzerland or Liechtenstein,
 - 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

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

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

- 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;
 - 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.
- Upon request of the insurance company, the insured person shall be obliged to be examined by a physician appointed by HanseMerkur.
 - Knowledge and fault of the insured person are equal to knowledge and fault of the policy-holder.
 - 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

- 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.
- One month after making a claim, partial payment of the minimum amount owed according to the current state-of-affairs can be demanded.
- 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.
- 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.
- 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 official currencies, the exchange rate of the day shall be the trade 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.
- 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.
- Benefit claims can neither be assigned nor pledged.

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

- 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).
- 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

- HanseMerkur shall pay benefits for accidents during travel that lead to the death or a permanent invalidity of the insured person.
- An accident exists, if the insured person involuntarily suffers from an impairment of health typically 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.
- 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.
- Drowning or suffocating to death while diving are also counted as accidents pursuant to Point 2.
- 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

- 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.
- The amount of benefit depends upon the degree of invalidity.
 - 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 %

- 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.
 - 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.
 - 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.
- 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.
 - If death occurs within one year of the accident as a result thereof, there will be no claim for invalidity benefit.
 - 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.

- 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.
- 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

- 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.
- 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.
- 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

- 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.
- 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.
- 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.
- 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 coverage extends to the statutory liability of the insured as a private citizen with regard to liability risks of daily life occurring when traveling, particularly
 - a) from being the head of household (e.g., resulting from the obligation to supervise minors);
 - b) from bicycling (bicycle without motorized drive);
 - c) from sports activities (except the sports activities mentioned in § 3 item 3);
 - d) as a rider or driver using horses or carriages owned by third parties for private purposes (liabilities claims of the owner of the animal against the insured person and/or the owner of the policy are not covered);
 - e) from owning and operating aircraft models, unmanned balloons, and kites operated without motors or engines, with their gross weight not exceeding 5 kg and not being subject to statutory insurance coverage;
 - f) from owning and operating owned or third-party owned row boats or paddleboats as well as third-party owned sail boats, which are neither operated by motors (including outboard motors) nor engines and which are not subject to statutory insurance coverage;
 - g) from owning, holding, or riding owned or third-party surf boards for recreational purposes; **excluded** are, however, the statutory liability of the insured person from leasing, letting, or ceding the right to use to third parties.
 - h) for **damages of leased objects** of rooms in buildings temporarily used privately as lodging when traveling (e.g., hotel and bed-and-breakfast rooms, apartments, bungalows) as well as rooms provided and permitted for use in the context of said lodging (e.g., dining halls, common swimming pools). The coverage per rental object and insured event amounts to 25,000.00 EUR. The overall benefit of HanseMerkur for all damaging events of rental objects within the insured term is limited to twice the above-mentioned coverage amount. The insured person is to pay 20 % of the damage compensation, at least 50.00 EUR. However, **excluded** are liability claims due to
 - damages to mobile objects, such as pictures, furniture, television sets, china etc., damages due to wear and tear, and excessive use
 - damages to heating, machinery, boiler, and hot water preparation devices, as well as electric and gas-powered devices;
 - recourse claims subject to the recourse waiver according to the agreement of the fire insurance companies for overlapping damaging events.

§ 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 authorizes 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 one 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 water-craft (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.