

General conditions for
Comprehensive Public and
Product Liability Insurance No. 061-17

October 1999

The table of contents is not part of the general conditions for the Comprehensive Public and Product Liability Insurance

This is a translation of the Danish terms and conditions. In case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

Sections	Contents	Page no.
1	The Insured.....	1
2	Public liability	1
3	Product liability.....	2
4	Prevention of injury or damage	3
5	Agreements on liability and compensation	4
6	Geographical area covered by the insurance	4
7	Delimitation in relation to other liability insurances	5
8	Intent, gross negligence, etc.	5
9	Insurance period.....	5
10	Indemnity limits and deductible	6
11	Indemnity limits for series of injuries, damage or losses	7
12	Notification of changes	7
13	Notification of injury or damage.....	7
14	Other insurances covering the same risk.....	7
15	Payment of premium	8
16	Adjustment of premium.....	8
17	Cancellation, renewal or prolongation of the insurance.....	8
18	Venue and choice of law	8

This insurance comes under the provisions of the Danish Insurance Contracts Act no. 129 of 15 April 1930 as subsequently amended, insofar as they have not been waived by provisions in the general and special conditions. Cover under the general conditions is provided in accordance with the

comments jointly drawn up by SKAFOR (the association of Danish non-life insurers) and INDUSTRIRÅDET (the Confederation of Danish Industries). The parties may agree on other insurance conditions, including an extension of cover in relation to the exclusion provisions stated.

1 The Insured

The insurance shall cover the Policyholder and any persons in his employment.

2 Public liability

Subs. 1

The insurance shall cover the Insured's liability in relation to claims involving bodily injury or property damage arising from and in the course of the business stated in the policy or arising out of his capacity as owner or user of buildings or land used in the operation of the business.

Subs. 2

The insurance shall not cover liability for damage to property

- a) owned by the Policyholder,
- b) which by way of loan, lease or hire, for the purpose of storage, use or transportation or for any other purpose, is in the Insured's care, custody or control, or in his possession,

General Conditions for
Comprehensive Public and
Product Liability Insurance No. 061-17

October 1999

- c) which the Insured has undertaken to make ready, install, repair, mount or in any other way treat or process, where such damage occurs during the performance of the task,
- d) caused by the non-delivery or late delivery of goods or by the non-provision or late provision of services,
- e) caused by the Insured in the provision of earth work, including earth drilling, clearing and grubbing, the driving in and pulling out of sheet piling and similar work, demolition work, groundwater lowering and other groundwater adjustments,
- f) caused by the Insured's use of explosives,
- g) caused by work on buildings or land used in the operation of the business in the form of
 - construction work (erection of new buildings, rebuilding of or additions to existing buildings, etc.) whether performed by the Insured or others,
 - earth work, demolition work or groundwater work, etc., as specified in (e), and similar work performed by others than the Insured.

Subs. 3

The insurance shall only cover liability for claims arising out of environmental impairment to or through air, soil or water from the Insured's business, its waste dumps or its removal of waste production, surplus produc-

tion or scrap production and any bodily injury or property damage occasioned thereby, insofar as any such injury or damage occurs unexpectedly, unintentionally and by sudden accident and not as a result of any deliberate, conscious or grossly negligent breach of current public regulations on the part of the Insured. Cover under this subsection shall not exceed the sum specifically stated in the policy for the above claims.

Where the Insured's business falls under the list of businesses set out in the Danish Act on Compensation for Environmental Impairment for which strict liability applies, cover under this subsection shall be conditional upon the policy carrying a special endorsement thereon.

Any damage to sewers, pipes and tubes, treatment plants and similar installations occasioned by discharge through or to such installations shall be deemed to be a case of environmental impairment for which cover shall be provided subject to the limitations stated in the present subsection.

Subs. 4

The insurance shall not cover liability for claims for pecuniary or financial losses other than those incurred and arising as a consequence of such bodily injury or property damage as is covered by this insurance.

Subs. 5

The insurance shall not cover fines or similar payments whether payable to public authorities or private individuals or organisations, including punitive damages.

3 Product liability

Subs. 1

The insurance shall cover the Insured's liability for claims arising out of bodily injury or property damage caused by the Insured's products or services after they have been put into circulation or provided. Cover shall be provided only if the injury or damage occurs in the course of the business stated in the policy and only if caused by the products or services stated in the policy.

Subs. 2

The insurance shall not cover liability for

- a) damage to or loss concerning the product or service itself,
- b) damage or loss caused by products or services which are used in the operation of aircraft and which are a contributory

General Conditions for
Comprehensive Public and
Product Liability Insurance No. 061-17

October 1999

cause either in the average of aircraft or in the creation of danger of average,

- c) damage or loss caused by products or services which are used in off-shore installations and which are a contributory cause either in the average of such installation or in the creation of danger of average,
- d) damage to or loss concerning property owned by the Policyholder,
- e) damage to or loss concerning property in the Insured's care, custody or control or in his possession, etc., as specified in s. 2, subs. 2 (b),
- f) loss of or damage to property which the Insured has undertaken to prepare, install, repair, mount or in any other way treat or process, whether any such damage occurs during the process or after the process as a consequence of the same process,
- g) damage to or loss concerning property caused by or resulting from the Insured's earth work, demolition work or water work, etc., as specified in s. 2, subs. 2 (e),
- h) damage to or loss concerning property caused by or resulting from the Insured's use of explosives.

Subs. 3

The insurance shall cover liability only for those pecuniary or financial losses that result from such bodily injury or property damage

4 Prevention of injury or damage

Subs. 1

The insurance shall not cover liability for injury or damage the occurrence of which is due to the Insured's deliberate, conscious or grossly negligent disregard of the need to take preventive measures.

Subs. 2

Where there is imminent danger that such injury or damage as is covered by the insur-

ance will occur, cover shall be provided at the indemnity level specified in the policy for any costs, expenses and loss connected with the adoption of the measures necessary to avert such imminent risk, whether they are taken by the Insured or by a third party to whom the Insured is liable.

- a) loss, expenses, or costs connected with the recall, reproduction, replacement, reworking, repair, destruction, removal or similar arrangements made in respect of defective products or services,
- b) operating loss, loss of time, loss of profit and similar indirect or consequential losses, however cf. s. 5, subs. 3,
- c) fines or similar payments, whether payable to public authorities or private individuals or organisations, including punitive damages.

Subs. 4

The insurance shall not cover liability of the Insured for claims arising out of damage to or loss concerning property, including buildings

- a) which the Insured's product or service is made a part of, mixed with or incorporated into, joined with, used as packing for, or with which it is otherwise connected,
- b) which the Insured's product or service is processed for or used in the processing of or for which it is used as feedstuff,
- c) where the Insured's product or service is used in the manufacturing, processing or other kinds of treatment of such property.

Subs. 3

General Conditions for
Comprehensive Public and
Product Liability Insurance No. 061-17

October 1999

As regards measures aimed at preventing the danger of occurrence of such injury or damage as is specified in s. 3, however, the insurance shall not cover costs, expenses or loss incurred and arising from such measures as are specified in s. 3, subs. 3 (a), even if the purpose of such measures is to prevent danger. The same shall apply to any costs, expenses or loss in-

curring and arising from examinations aimed at establishing whether a product or service is defective or whether they involve a risk as specified in subs. 2 of this section, as well as to any costs, expenses or loss incurred and arising because a defective product or service cannot be used.

5 Agreements on liability and compensation

Subs. 1

The insurance shall not cover liability which is the result of a promise by the Insured to provide compensation of a type, an amount or on a basis which exceeds or is stricter than general rules of law provide. However, if such promise is contained in the general sales and delivery terms applied in the Policyholder's business, and if the Insurer has approved the promise, cover shall be provided for claims made with reference to this promise and arising out of such injury or damage as is otherwise covered by the insurance policy.

Subs. 2

Where by agreement the Policyholder has waived his right to compensation, cover shall not be provided insofar as this will result in a limitation of the Insurer's right of recourse, unless

- a) the waiver is stated in the general purchase terms applied in the Policyholder's business and the waiver has been approved by the Insurer,
- b) the waiver is stated in the general sales and delivery terms applied by the Policyholder's supplier, and the contents and application of such terms are in keeping with standard practice in similar cases.

Subs. 3

Where in his general sales and delivery terms the Policyholder has waived liability for claims for pecuniary or financial losses as specified in s. 3, subs. 3 (b), and where such waiver has been approved by the Insurer, cover shall be provided for losses incurred and arising from such injury or damage as is covered by s. 3, subs. 1, always provided that the Insured - irrespective of the waiver - is liable for its occurrence.

6 Geographical area covered by the insurance

Subs. 1

The insurance shall cover liability for claims arising out of injury or damage occurring within the geographical area stated in the policy.

Subs. 2

Cover for such injury or damage as falls under s. 3 and which occurs outside the geographical area stated in the policy shall be provided only if occasioned by a product or service which - whether unchanged, processed or incorporated into other products or services - has been taken outside the geographical area stated in the policy

- a) for a non-commercial, private purpose,
- b) for a commercial purpose, but where the Insured neither had nor ought to have any knowledge thereof.

Subs. 3

Injury or damage other than such as is specified in s. 3 and occurring outside the geographical area stated in the policy shall be covered only if caused by the Insured during a trip to or a temporary stay in the area where the injury or damage occurs, and only insofar as it is not caused by the Insured's organisation of or participation in

General Conditions for
Comprehensive Public and
Product Liability Insurance No. 061-17

October 1999

fairs or exhibitions, demonstrations of products or services, operation of machines or

mechanical installations or other participation in manufacturing processes.

7 Delimitation in relation to other liability insurances

The insurance shall not cover liability for claims arising out of

- a) any injury or damage caused by the Insured using a motor vehicle. Where a motor third-party liability insurance has been taken out for the vehicle, cover shall be provided under the present insurance on these insurance conditions for such liability as is outside the scope of the motor third-party liability insurance, provided that the vehicle is used as a working tool,
- b) any injury or damage caused by the Insured using an aircraft or a boat,

- c) any injury or damage caused by the Insured's dog,
- d) any injury or damage caused by the Insured while hunting, insofar as such liability is covered by the hunting insurance,
- e) any nuclear injury or damage as defined in s.1 of the Danish Act on Indemnity for Nuclear Injury or Damage.

8 Intent, gross negligence, etc.

Subs. 1

The insurance shall not provide cover for injury, damage or loss caused by the Insured deliberately or in a state of self-afflicted intoxication.

Subs. 2

The insurance shall not provide cover for such damage to property as is specified in s. 2 (public liability) and caused by the Insured's gross disregard of the need to take elementary precautionary measures.

Subs. 3

The insurance shall not cover such injury, damage or loss as is specified in s. 3 (product liability), insofar as

- a) it is caused by gross negligence in connection with the management of the Insured business,
- b) the Policyholder or a person in charge of operations on his behalf was aware of, or solely because of gross negligence was unaware of, the fact that the product or service in question was defective, or deliberately or consciously brought about such a defect,
- c) it is caused by the deliberate or conscious or grossly negligent furnishing of incorrect information on the use of the product or service in question, irrespective of the form in which such information is furnished.

9 Insurance period

Subs. 1

The insurance shall cover liability for claims made against the Insured during the insurance period.

Subs. 2

A claim shall be deemed to be have been made at the earliest of the following points in time:

- a) the time when the Insured receives the first written notice relating to an injury, damage or loss and containing a claim for compensation,
- b) the time when the Policyholder or a person in charge of operations on his behalf obtains his first knowledge of

General Conditions for
Comprehensive Public and
Product Liability Insurance No. 061-17

October 1999

- the occurrence of an injury, damage or loss, or
- the existence of an imminent danger of an injury, damage or loss,

which may have been occasioned by an action or omission on the part of the Insured or by the Insured's products or services.

Subs. 3

Cover shall not be provided for claims made against the Insured during the insurance period but notified to the Insurer more than 2 years after the expiry of the insurance.

Even if a claim made under subs. 2 (b) against the Insured during the insurance period is notified to the Insurer not later than 2 years after the expiry of the insurance, cover shall be provided only if the Insured receives a written notice originating from the circumstances notified to the Insurer and containing a claim for compensation as stated in s. 9, subs. 2 (a) and notifies the Insurer thereof not later than 5 years after the expiry of the insurance.

Subs. 4

The insurance shall not cover liability for claims arising out of any injury, damage or loss established prior to the date specified hereon in the policy.

10 Indemnity limits and deductible

Subs. 1

The indemnity limits specified in the policy are the maximum limits of the Insurer's commitment to pay compensation for claims made against the Insured under s. 9 within each individual insurance year.

Subs. 2

Cover shall be provided for any costs or expenses incurred and arising from the settlement of claims provided that they were defrayed with the prior consent of the Insurer. Cover for such costs or expenses, as well as payment of interest on compensation amounts awarded against the Insured in an action for damages in respect of claims falling under the scope of this insurance, shall be provided

- a) in respect of claims arising from injury, damage or loss occurring outside the Nordic countries:

only insofar as the indemnity limits are not thereby exceeded

- b) in respect of claims arising from injury, damage or loss occurring in the Nordic countries:

in full, even though indemnity limits are thereby exceeded. Where the indemnity limits are lower than the amount awarded against the Insured, cover shall be provided only for such proportional share of costs, expenses and interest payments as corresponds to the amount in compensation payable by the Insurer.

Cover shall not be provided for costs, expenses and interest relating to claims not exceeding the deductible.

Subs. 3

The deductible stipulated in the policy shall be calculated on the basis of

- a) compensation to the person sustaining the injury or damage, including interest and costs,
- b) costs towards prevention of danger, cf. s. 4, subs. 2,
- c) costs arising out of the Insured's defence against claims raised by third parties.

General Conditions for
Comprehensive Public and
Product Liability Insurance No. 061-17

October 1999

11 Indemnity limits for series of injuries, damage or losses

Claims made against the Insured under s. 9 in relation to injury, damage or loss arising out of the same liability-entailing conduct shall be considered as one single insurance event (claim series).

A claim in a claim series shall be deemed to have been made at the time the first of such claims is made, cf. s. 9 above. Where the first claim in a claim series was made prior to the inception of this the present insurance policy or after its expiry, no cover shall be

provided under the present policy for any of the claims in the series.

Where the individual claims in a claim series relate to injury, damage or loss the occurrence of which was established prior to the date specified thereon in the policy (cf. s. 9, subs. 4 above), no cover shall be provided under the present policy for such injury, damage or loss.

12 Notification of changes

Subs. 1

If changes occur which affect the risk specified in this policy, notice thereof shall be given to the Insurer immediately. The Insurer will then decide whether and on what terms and conditions cover will be provided from then on.

Subs 2

Failure to notify such change will result in the Insurer being liable for claims arising under the insurance only on such terms and conditions as, and to the extent that, it would have

provided cover against payment of the agreed premium, had it been notified of the change. However, the Insurer shall not be liable for injury, damage or loss arising under s. 3 of this policy where the injury, damage or loss giving rise to such claim is occasioned by products or services other than those stated in the policy, cf. the second sentence of s. 3, subs. 1, or where such injury, damage or loss occurs outside the geographical area for which cover is provided under this policy, cf. s. 6.

13 Notification of injury or damage

Subs. 1

When a claim for compensation is made or is likely to be made, notice thereof shall immediately be given to the Insurer.

Subs. 2

No admission or acceptance of liability and no settlement of claim shall be made without the prior consent of the Insurer, and the In-

surer shall have full discretion in the settlement of any claim.

Subs. 3

To the extent that indemnity has been provided by the Insurer, the Insurer shall in every respect be entitled to succeed to any claims which the Insured may have against a third party.

14 Other insurances covering the same risk

Subs. 1

Insofar as an interest which falls under the scope of the present insurance is the subject of insurance under a special policy, the cover provided under the present insurance for that particular interest shall cease.

Subs. 2

If any other insurance covering the same interest as the present insurance stipulates that liability shall cease or be limited if an insurance is taken out or will be taken out with another Insurer, the present insurance shall provide cover subject to the same reservations.

General conditions for
Comprehensive Public and
Product Liability Insurance No. 061-17

October 1999

15 Payment of premium

Subs. 1

The first premium shall be due and payable at the commencement of the insurance period. Subsequent premiums shall be due and payable on the payment days stipulated in the policy.

Subs. 2

Notice requiring payment shall be forwarded to the address indicated by the Policyholder for that purpose.

Subs. 3

If payment of the premium is not effected upon receipt of the first notice requiring payment, the Insurer shall forward another reminder of payment in writing to the Policyholder at the address indicated for payment.

This reminder shall contain information on the legal consequences of failure to pay the premium by the deadline stated in the reminder.

Subs. 4

Such reminder shall be forwarded not earlier than 14 days after the first notice requiring payment. If payment is not effected within 14 days after such a reminder, the liability of the Insurer to provide cover under the insurance shall cease.

Subs. 5

If the Insurer has issued such a reminder it shall be entitled to claim an administration fee.

16 Adjustment of premium

Subs. 1

The insurance premium is adjustable, and the premium stated in the policy shall be considered an advance premium adjustable on every principal payment day.

Subs. 2

Adjustment of the premium shall be made annually effective from the principal payment day, and the Policyholder shall submit to the Insurer within a specified period an adjustment form provided with the necessary information.

Subs. 3

Failure to comply with a request to submit the above information shall result in the Insurer being entitled to make an estimated adjustment of the premium.

Subs. 4

Upon request of the Insurer the Policyholder shall furnish proof of the correctness of the information furnished for the purpose of premium adjustment.

17 Cancellation, renewal or prolongation of the insurance

Subs. 1

The insurance may be cancelled by either party within a written notice of one month before the principal payment day.

Subs. 2

If the insurance is not cancelled it shall be renewed automatically for one year at a time.

18 Venue and choice of law

Any dispute concerning this insurance contract shall be settled according to Danish law and by Danish courts.