



General conditions for combined general and product liability

*) This text is a translation of the original conditions in Danish. In case of dispute, the Danish original shall be considered final and conclusive.

This insurance comes under the rules of the Danish Insurance Contracts Act no. 129 of April 15, 1930 as subsequently amended, insofar as these rules have not been waived by provisions to that effect in the general and special conditions.

The Insured

§ 1. The insurance shall cover the Policyholder as well as any persons in his employment.

Commercial Liability

§ 2.1 The insurance shall cover liability of the insured for claims in respect of 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.

§ 2.2 The insurance shall not cover liability for loss of or 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 which is in his possession,
- c) which the insured has undertaken to make ready, install, repair, mount or in any other way treat or process, where such loss or 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 done by the insured or others,
 - earth work, demolition work or groundwater work, etc., as specified in e) as well as similar work done by others than the insured.

§ 2.3 The insurance shall only cover liability for claims arising out of pollution or contamination to or through air, soil or water from the business of the insured, its waste dumps or its removal of waste production, surplus production or scrap production as well as any other 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 provisions 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 business of the insured falls under the current list of "Particularly Polluting Business" which is established in pursuance of the Danish Environmental Act, cover under this subsection shall be conditional upon the Policy being provided with a special note to that effect.

Any loss of or damage to sewers, pipes and tubes, purification plants and similar installations occasioned by discharge through or to such installations shall be deemed to be occasioned by pollution, and liability for claims arising out of any such loss or damage shall only be covered subject to the limitations stated in this subsection.

§ 2.4 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.

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

Product Liability

§ 3.1 The insurance shall cover liability of the insured for claims arising out of bodily injury or property damage caused by products or services of the insured after the products or services have been put into circulation or provided. Cover shall be granted only where the injury or damage arises from and in the course of the business stated in the Policy and only where such injury or damage is caused by the products or services stated in the Policy.

§ 3.2 The insurance shall not cover liability for

- a) loss of or damage to the product or service itself.
- b) loss or damage caused by products or services which are used in the operation of aircraft and which are a contributory cause either in the average of aircraft or in the creation of danger of average.
- c) loss or damage caused by products or services which are used in offshore installations and which are a contributory cause either in the average of such installation or in the creation of danger of average,
- d) loss of or damage to property owned by the Policyholder,
- e) loss of or damage to property in the care, custody or control of the insured, or in his possession, as specified in paragraph b) of section 2.2,
- f) loss of damage to property which is being treated or processed, etc., by the insured, as specified in paragraph c) of section 2.2,
- g) loss of or damage to property caused by or resulting from earth work, demolition work or groundwater work, etc., provided by the insured as specified in paragraph e) of section 2.2,
- h) loss of or damage to property caused by or resulting from the insured's use of explosives.

§ 3.3 The insurance shall not cover liability for any pecuniary or financial losses not resulting from any such bodily injury or property damage as is covered by the insurance. Furthermore, cover shall not be provided for the following types of pecuniary or financial loss, even if they have been incurred in consequence of such bodily injury or property damage as is covered by the insurance:

- a) loss, expenses, fees or costs connected with the recall, reproduction, replacement, reworking, repair, destruction, removal or similar arrangements made in respect of defective products or services,
- b) working deficits, loss of profit and similar indirect or consequential losses, but cf. section 5.3,
- c) fines or similar payments, whether payable to public authorities or private individuals or organisations, including punitive damages.

§ 3.4 The insurance shall cover liability of the insured for claims arising out of damage to or loss concerning property:

- 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 into 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.

Cover shall be provided for any of the instances mentioned in paragraphs a) to c) whether the claims arise out of a property damage as mentioned in section 3.1 or a pecuniary or financial loss as stated in the first sentence of section 3.3, always subject, however, to the conditions stated in section 3.1, and only up to the limit of indemnity specified separately in the Policy for the above claim.

Cover shall be limited to the insured's liability for any direct loss incurred whenever, as a result of the insured's product or service, a manufactured or processed object has to be discarded, scrapped or repaired, its manufacturing or processing costs increase or its value decreases.

Cover shall only be provided for the decrease in value of the manufactured or processed object, for extra manufacturing or processing costs or for the repair cost itself.

Any further loss, expenses, fees or costs, including those incurred and arising out of the sending out of staff, recall, tracing, examination, analysis or transportation of the manufactured or processed object or the issue of notices relating to the same object shall not be covered.

Where the product or service of the insured has caused damage to or loss concerning any such property as is specified in paragraphs a) and b), cover shall be provided with deduction of the value of the insured's product or service without any defect.

Prevention of Injury or Damage

§ 4.1 The insurance shall not cover liability for claims arising out of the deliberate, conscious or grossly negligent disregard by the insured of the need to take all reasonable steps to prevent injury or damage,

§ 4.2 Where the danger of the occurrence of an injury or damage covered by the insurance becomes imminent, cover shall be provided with the amount specified in the Policy for any costs, expenses and loss connected with the adoption of the measures necessary to avert such imminent risk, whether such measures are taken by the insured or by a third party to whom the insured is liable,

§ 4.3 As regards any preventive measures relating to such injury or damage as is specified in section 3, however, the insurance shall not cover costs expenses or loss incurred and arising from such measures as are specified in paragraph a) of section 3.3, notwithstanding that such measures are taken with the purpose of preventing danger. The same shall apply to any costs, expenses or loss incurred and arising from examinations aimed at establishing whether a product or service is defective or whether there exists a risk as specified in section 4.2, as well as to any costs, expenses or loss incurred and arising because a defective product or service cannot be used.

Agreements on Liability and compensation

§ 5.1 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 what the general rules of law provide. However, if any 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 liability for claims made with reference to this promise and arising out of any such injury or damage as is otherwise covered by the insurance.

- § 5.2 Where by agreement the Policyholder has waived his right to compensation, the insurance shall not provide cover insofar as this results 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 conformity with common practice in that particular trade.
- § 5.3 Where in his general sales and delivery terms the Policyholder has waived liability for claims for pecuniary or financial losses as specified in paragraph b) of section 3.3, and where such waiver has been approved by the Insurer, the insurance shall cover any such losses incurred and arising from such injury or damage as is covered by section 3.1, always provided that the insured - irrespective of the waiver - is liable for the injury or damage and consequential loss.

Geographical Area Covered by the Insurance

- § 6.1 The insurance shall cover liability for claims arising out of injury or damage occurring within the geographical area stated in the Policy.
- § 6.2 Cover shall be provided for claims arising out of any injury or damage under section 3 occurring outside the geographical area stated in the Policy only if such injury or damage is 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 any non-commercial, private purpose,
 - b) for any commercial purpose, but where the insured neither had nor ought to have any knowledge thereof.
- § 6.3 Liability for claims arising out of any injury or damage other than those covered by section 3 and occurring outside the geographical area stated in the Policy shall be covered only if such injury or damage has been 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 the injury or damage is not caused by the insured's arranging of or participation in fairs or exhibitions, demonstrations of products or services, operation of machines or mechanical installations or by any other kind of participation on the part of the insured in manufacturing processes.

Delimitation in Relation to Special Liability Insurance

- § 7.1 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, the liability which is outside the scope of such insurance shall be covered by the present insurance in accordance with the general conditions,
 - 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 when hunting, insofar as such liability is covered by the hunting insurance,
 - e) any nuclear injury or damage as defined in section 1 of the Danish Act on Indemnity for Nuclear Injury or Damage.

Intent, Gross Negligence, etc

- § 8.1 The insurance shall not cover liability for claims arising out of injury or damage caused by the insured deliberately or in a state of selfafflicted intoxication.
- § 8.2 The insurance shall not cover liability for claims arising out of such property damage as is specified in section 2 (commercial liability) and caused by the insured's gross disregard of the need to take elementary safeguards.
- § 8.3 The insurance shall not cover liability for claims arising out of injury or damage as specified in section 3 (product liability), insofar as
- a) such injury or damage 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 has brought about such a defect,
 - c) such injury or damage 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.

Insurance Period

- § 9.1 The insurance shall cover liability for claims made against the insured during the insurance period.
- § 9.2 A claim shall be deemed to have been made at the earliest of the following points in time:
- a) the point in time when the insured receives the first written notice relating to any injury, damage or loss and containing a claim for compensation.
 - b) the point in time when the Policyholder or a person in charge of operations on his behalf obtains his first knowledge of
 - 1) the occurrence of an injury, damage or loss, or
 - 2) 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.
- § 9.3 Cover shall not be provided for claims which are made against the insured during the insurance period, but which are notified to the insurer more than 3 months after the expiry of the insurance.
- Cover shall not be provided for claims which are made against the insured during the insurance period under paragraphs b) of subs. 2 and which are notified to the Insurer not later than 3 months after the expiry of the insurance insofar as the insured does not receive a written notice originating from the circumstances notified to the Insurer and containing a claim for compensation as stated in paragraph a) of subs. 2 and notifies the Insurer thereof not later than 2 years after the expiry of the insurance.
- § 9.4 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.

Indemnity Limits

- § 10.1 The indemnity limits specified in the Policy are the maximum limits for the Insurer's commitment to pay compensation for claims made against the insured under section 9 within the individual insurance years.
- § 10.2 Any cost or expenses incurred and arising from the settlement of claims shall be covered, insofar as such costs or expenses have been defrayed with prior consent from the Insurer. 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 covered.
- a) in respect of claims arising from injury or damage occurring outside the Nordic countries:
only insofar as the indemnity limits are not thereby exceeded.
- b) in respect of claims arising from injury or damage occurring in the Nordic countries:
in full, even though indemnity limits are thereby exceeded. Where the indemnity limits are inferior to the amount awarded against the insured, cover shall be provided only for that part of such costs, expenses and interest payments which is proportional to the amount payable by the Insurer.

Indemnity Limits for Series of Injuries, Damage or Losses

- § 11. In the case of claims made against the insured under section 9 in consequence of more than one case of injury, damage or loss occasioned by the same liability-entailing conduct, cover for each individual claim shall be provided subject to the maximum limit as specified in section 10. Whether made in one or several insurance years, cover for the entire series of claims shall be provided subject to a maximum limit which equals the indemnity limits of the Policy for the year in which the first of these claims is made and with deduction of any amounts which may be paid out in respect of other claims made in same year.

Notification of Changes

- § 12.1 If at any time a change occurs which affects the risk specified in the 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.
- § 12.2 In case of non-notification of any such change, the Insurer shall be liable for claims arising under this insurance only on such terms and conditions as and to the extent that cover would have been provided against payment of the agreed premium had the change been known by the Insurer.
- However, the Insurer shall not be liable for claims arising under section 3 of this Policy where the injury or damage giving rise to such claim is occasioned by products or services other than those stated in the Police cf. the second sentence of section 3.1, or where any such injury or damage occurs outside the geographical area for which cover is provided under this Policy, cf. section 6.

Notification of Injury or Damage

- § 13.1 When a claim for compensation is put forward or is likely to be put forward, notice thereof shall immediately be given to the Insurer.
- § 13.2 No admission or acceptance of liability and no settlement of claim shall be made without prior consent from the Insurer, and the Insurer shall have full discretion in the settlement of any claim.
- § 13.3 To the extent that indemnity has been provided by the Insurer, the Insurer shall in every respect be entitled to take over and conduct for the Insurer's own benefit any claims which the insured may have against a third party.

Other Insurances covering the same Risk

- § 14.1 Insofar as an interest which falls under the scope of the present insurance forms the subject of insurance under a special policy, the cover provided under the present insurance for that particular interest shall cease.
- § 14.2 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 with the same reservations.

Payment of Premium

- § 15.1 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.
- § 15.2 Notice requiring payment shall be forwarded to the address indicated by the Policyholder for that purpose.
- § 15.3 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 non-payment of the premium within the period of grace stated in the reminder.
- § 15.4 Any 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.
- § 15.5 If the Insurer has issued such a reminder he shall be entitled to claim an administration fee.

Adjustment of Premium

- § 16.1 The insurance premium is adjustable, and the premium stated in the Policy shall be considered an advance premium adjustable on every principal payment day.
- § 16.2 Adjustment of the premium shall be made annually on the principal payment day, and the Policyholder shall submit to the Insurer within a specified period an adjustment form provided with the necessary information.
- § 16.3 If the Policyholder does not comply with a request to submit the above information, the Insurer shall be entitled to make an estimated adjustment of the premium.
- § 16.4 Upon request of the Insurer the Policyholder shall substantiate the information furnished for the purpose of premium adjustment.

Cancellation or Renewal of the Insurance

- § 17.1 The insurance may be cancelled by either party giving the agreed notice in writing to a principal payment day.
- § 17.2 If the insurance is not cancelled it shall be renewed automatically for one year at a time.

Venue and Choice of Law

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

