

A 18 TERRORISM COVER (NHT)

Terrorism cover by the Dutch Terrorism Claims Reinsurance Company [*Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V. (NHT)*]. 2003/1048/150503 1.

Article 1 Definitions

Where they appear in this clause and the provisions based upon it, the following terms are, unless otherwise stipulated, understood to mean:

1.1 Terrorism:

Any violent act and/or conduct - committed outside the scope of one of the six named forms of acts of war as specified in article 3:38 of the Financial Supervision Act [*Wet op het financieel toezicht*] - in the form of an attack or a series of attacks connected together in time and intention as a result whereof injury and/or impairment of health, whether resulting in death or not, and/or loss of or damage to property arises or any economic interest is otherwise impaired, while it is likely that said attack or series, whether or not in any organisational context, has been planned and/or carried out with a view to effecting certain political and/or religious and/or ideological purposes.

1.2 Malevolent contamination:

The spreading (whether active or not) - outside the scope of one of the six named forms of acts of war as specified in article 3:38 of the Financial Supervision Act - of germs of a disease and/or substances which as a result of their (in)direct physical, biological, radioactive or chemical effect may cause injury and/or impairment of health, whether resulting in death or not, to humans or animals and/or may cause loss of or damage to property or may otherwise impair economic interests, while it is likely that the spreading (whether active or not), whether or not in any organisational context, has been planned and/or carried out with a view to effecting certain political and/or religious and/or ideological purposes.

1.3 Precautionary measures:

Measures taken by the authorities and/or insured parties and/or third parties in order to avert the imminent risk of terrorism and/or malevolent contamination or, if such peril has manifested itself, to minimise the consequences thereof.

1.4 Dutch Terrorism Claims Reinsurance Company [*Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V. (NHT)*]:

A reinsurance company incorporated by the Association of Insurers in the Netherlands, to which any liability to pay compensation under any insurance contract that may directly or indirectly arise from the manifestation of the risks specified in articles 1.1, 1.2 and 1.3 for insurers authorised in the Netherlands, may be ceded.

1.5 Insurance contracts:

a) Non-life insurance contracts insofar as they pertain to risks situated in the Netherlands in accordance with the provisions of article 1:1 under “state where the risk is situated” of the Financial Supervision Act.

b) Life insurance contracts insofar as they have been concluded with a policyholder whose regular residence is in the Netherlands, or, if the policyholder is a legal entity, with the Netherlands-based establishment of the legal entity to which the insurance pertains.

c) Funeral in kind insurance contracts insofar as they have been concluded with a policyholder whose regular residence is in the Netherlands, or, if the policyholder is a legal entity, with the Netherlands-based establishment of the legal entity to which the insurance pertains.

1.6 Insurers authorised in the Netherlands:

Life, funeral in kind and non-life insurers authorised to carry on the insurance business in the Netherlands under the Financial Supervision Act.

Article 2 Limitation of cover for the terrorism risk

2.1

If and insofar as, subject to the definitions contained in articles 1.1, 1.2 and 1.3, and within the limits of the applicable policy conditions, cover is provided for the consequences of an occurrence that is (directly or indirectly) related to:

- terrorism, malevolent contamination or precautionary measures,
- any act or conduct in preparation for terrorism, malevolent contamination or precautionary measures,

hereinafter collectively referred to as “the terrorism risk”, it is hereby provided that the insurer’s liability to pay compensation in respect of any submitted claim for compensation and/or benefit, is limited to the amount of the payment the insurer receives in respect of such claim under the reinsurance of the terrorism risk by the NHT, in case of an insurance with wealth creation, increased by the amount of the wealth creation that has been realised under the insurance in question. In case of life insurance, the amount of the realised wealth creation is set at the premium reserve to be held in respect of the insurance in question pursuant to the Financial Supervision Act.

2.2

The NHT provides reinsurance cover for the aforementioned claims up to a limit of 1 billion euros in respect of any one calendar year. The aforementioned sum may be adjusted annually and applies to all insurers associated with the NHT combined. Adjustments will be announced in three national newspapers.

2.3

Contrary to the provisions of articles 2.1 and 2.2 , it is hereby provided with respect to any insurance pertaining to:

- loss of or damage to immovable property and/or its contents;
- consequential loss due to loss of or damage to immovable property and/or its contents,

that payment under this contract will not exceed 75 million euros in respect of any one policyholder and any one insured location per annum, for all participating insurers as referred to in article 1 combined, irrespective of the number of policies issued.

For the application of this article 2.3 insured location is understood to mean: all objects insured by the policyholder at the address of premises to which the insurance applies, as well as all objects insured by the policyholder located outside the address of premises to which the insurance applies whose (intended) use is related to the business activities carried out at the address of premises to which the insurance applies. As such will in any case be considered all objects insured by the policyholder which are located less than 50 metres from each other while at least one of them is located at the address of premises to which the insurance applies.

For the application of this article 2.3 it is hereby provided with respect to legal entities, partnerships and companies which are joined in a group, as referred to in section 2:24b of the Netherlands Civil Code, that all group companies are collectively considered to be a policyholder, regardless which of the group company/companies belonging to the group took out the policy/policies.

Article 3 Payment Protocol NHT

3.1

The reinsurance of the insurer with the NHT is subject to the Claims Settlement Protocol (hereinafter referred to as the Protocol). Based on the provisions laid down in this protocol, the NHT is authorised to postpone payment of compensation or the sum insured until such time as the NHT is able to determine whether and to which extent it has sufficient funds to settle in full all claims for which the NHT provides cover in its capacity as reinsurer.

If it turns out that the NHT does not have sufficient funds, it is authorised according to the provisions in question to make a partial payment to the insurer.

3.2

Subject to provision 7 of the Protocol, the NHT is authorised to decide whether an occurrence in respect whereof a claim for compensation is made, qualifies as a consequence of the manifestation of the terrorism risk. A decision taken to that effect and in accordance with the aforementioned provision by the NHT, is binding upon the insurer, policyholder, insured parties and beneficiaries.

3.3

Not until the NHT has notified the insurer of the amount that will be paid, by way of advance or otherwise, in respect of any one claim for compensation, will the insured or the beneficiary be entitled to claim the relevant payment as referred to in article 3.1 from the insurer.

3.4

Pursuant to provision 16 of the Protocol, the reinsurance cover provided by the NHT only applies to claims for compensation and/or benefit reported within two years after the NHT established that a specific occurrence or circumstance qualifies as a manifestation of the terrorism risk within the meaning of this clause.