

DUTCH BOURSE POLICY FOR CONSTRUCTION AND ASSEMBLY WORKS - ADDITIONAL
CONDITIONS RENEWABLE INSURANCE (VERSION 01-07-2009)

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R.1.1 GENERAL PROVISION

In case of any difference or contradiction between the wording of the Dutch Bourse Policy for Construction and Assembly Works and the articles below, the latter take precedence.

R.1.2 ADDITIONAL DEFINITIONS

R.1.2.1. TURNOVER

The total of amounts invoiced by the policyholder in respect of insured contract works in the relevant policy year or, if the policyholder is a principal, the total of amounts payable by the policyholder in respect of insured contract works in the relevant policy year.

R.1.2.2 INSURED CONTRACT WORKS

R.1.2.2.1 Supplementary to article G.C.1.6. it is hereby provided that this renewable insurance applies per contract, as if a separate insurance per contract were effected.

R.1.2.2.2 This insurance applies to all contract works to be executed by or by order of the policyholder, as described in the policy, provided that:

- a. the execution of such contract works commences on or after the inception date and before the expiry date of the policy period as stated in the policy;
- b. the construction/assembly period, extending from the start of the execution of a contract until its completion, does not exceed the maximum construction/assembly period as stated in the policy. Start of the execution is deemed to be the time the first building materials are shipped to the final construction/assembly site;
- c. the estimated contract price of a contract does not exceed the limit of indemnity as stated in the policy.

R.1.2.3 CONTRACT WORKS NOT INSURED

Contract works that do not meet the nature and extent described on the schedule are not automatically included under the policy, nor are the contract works expressly excluded in the policy.

R.1.2.4 CONTRACT WORKS IN PROGRESS

Unless explicitly agreed otherwise, this policy only provides cover for contract works commencing after inception date of the policy.

R.1.2.5 REPORTING CONTRACT WORKS INSURED ELSEWHERE

Contract works in respect whereof a party other than the policyholder has taken on the obligation to take out insurance and the policyholder does not wish to be covered, must be reported to be excluded by the policyholder in

writing to insurers prior to commencement of the work, stating a description of the contract works, including the location and contract price.

R.I.2.6 REPORTING CONTRACT WORKS NOT (AUTOMATICALLY) INSURED

Contract works that do not meet the criteria stated in the policy and the policyholder nevertheless wishes to be covered, must be reported to insurers not later than 14 days prior to commencement of the work on submission of the specifications, building contract and/or drawings.

Insurers will advise within 14 days whether, and if so on which conditions, the reported contract works can be included under the policy. Without explicit cover note by insurers, no cover exists for the reported contract works.

R.I.2.7 INCLUSION UNDER THE POLICY OF THIRD-PARTY CONTRACT WORKS

If the policyholder wishes to include third-party contract works under the policy, they must be reported to insurers in advance. All this at premium rates and on conditions to be agreed. The premium for said contract works will be charged separately in advance.

R.I.2.8 INCLUSION UNDER THE POLICY OF MATERIALS MADE AVAILABLE BY THE PRINCIPAL

If the policyholder wishes to include materials made available by the principal under the policy, they must be reported to insurers in advance. All this at premium rates and on conditions to be agreed. The premium for said materials will be charged separately in advance.

R.I.3 PERIOD OF THE INSURANCE CONTRACT

R.I.3.1 PERIOD OF THE INSURANCE CONTRACT

This insurance contract has been concluded for the policy period stated in the policy, whereupon it is deemed to be tacitly renewed as of each policy renewal date for a period as stated in the policy.

R.I.3.2 TERMINATION OF THE INSURANCE CONTRACT

The insurance contract terminates:

- a. on the policy renewal date, if the insurance contract has been cancelled in writing by insurers or the policyholder at least 2 months before said date;
- b. on the policy renewal date, if the policyholder does not accept a change in premium rates and/or conditions;
- c. on the date of written cancellation by insurers, if the policyholder defaults on payment of premium, policy fee and premium tax for more than 30 days;
- d. in case of bankruptcy and/or a moratorium, on the date as referred to in the provisions of article G.C. 5.1. With reference to article G.C. 10.1, insurers have the right to cancel the insurance contract within 2 months after they first had knowledge of the policyholder's bankruptcy or moratorium petition being filed, subject to 2 months' notice. During this notice period the insurance remains in full force and effect

for all insured parties involved in the separate contract works under this insurance contract. During this period consultations take place with the policyholder and any other party involved in the insured contract works about continuation of the insurance for the remaining insured periods in respect of said separate contract works. If parties fail to reach an agreement within the notice period on continuation for each separate contract insured under this policy, the insurance per contract will be terminated as of the cancellation date and the unearned premium for said contract will be refunded.

R.I.3.3 TERMINATION OF INSURANCE COVER FOR SEPARATE CONTRACT WORKS

Cover for separate contract works terminates:

- a. in respect of the construction/assembly period, including testing and/or trial running (of parts), upon completion or expiry of the maximum construction/assembly period stated in the policy, whichever occurs first. If parts of the contract works are completed earlier, the maintenance period (if applicable) for those parts becomes effective as of the date of said partial completion;
- b. in respect of the maintenance period (if applicable), on the day after expiry of the number of months stated in the specifications or the building contract to apply as such period following (partial) completion, limited to the period stated in the policy;
- c. in case of bankruptcy and/or a moratorium, on the date of termination in accordance with the provisions of article R.I. 3.2.

R.I.3.4 CONTRACT WORKS IN PROGRESS UPON TERMINATION

- In case of cancellation, the insurance cover will remain effective in respect of contract works already in progress until expiry of the construction/assembly period, including testing and/or trial running, or, if included under the policy, until expiry of the maintenance period. The policyholder hereby undertakes - on penalty of forfeiture of cover - to provide a statement of the contract works that are still in progress within 30 days after the date of cancellation of the insurance contract, stating per contract:
 - a description of the contract works plus location;
 - the amounts still to be processed;
 - the expected date of completion and;
 - the construction/assembly period and, if applicable, the testing period.

R.I.3.5 EXTENSION INSURED CONSTRUCTION/ASSEMBLY AND/OR TESTING PERIOD

Contrary to the provisions of article G.C. 3.2, the following applies:

- a. if the maximum construction/assembly period stated in the policy is exceeded, the policyholder has the right to extend the insurance cover for the contract works concerned at a premium and on conditions to be agreed.

In case of the maximum period stated in the policy being exceeded, the policyholder is obliged to notify insurers thereof in advance. Should parties fail to reach an agreement on the aforementioned extension of the construction/assembly period, then cover for the maintenance period (if included under the policy) is cancelled in respect of the contract works concerned;

- b. if the maximum separate testing period stated in the policy is exceeded, insurance cover for the testing period of the contract works concerned may be extended at a premium and on conditions to be agreed. In case of the maximum period stated in the policy being exceeded, the policyholder is obliged to notify insurers thereof in advance. Should parties fail to reach an agreement on the aforementioned extension, then any loss or damage as a result of tests arising after the testing period stated in the policy will be excluded from cover.

R.I.3.6 DISCOVERY PERIOD

Contrary to the provisions of article G.C.3.5, during a period of 12 months after expiry of the policy period applying to the contract works concerned claims may be reported for loss or damage that is first discovered within said 12 months' period, provided that it can be demonstrated that such loss or damage arose within the policy period applying to said contract works.

R.I.4 PREMIUM

R.I.4.1 FINAL PREMIUM SETTLEMENT / FINAL PREMIUM

Contrary to the provisions of article G.C.16, it is hereby provided that:

- a. the premium stated in the policy is a deposit premium. Contrary to the provisions of article G.C.6, the final premium is calculated on the turnover of the insured contract works in the year over which the premium is payable, where applicable, subject to a minimum premium as stated on the schedule.
- b. the policyholder is obliged within 6 months after expiry of any one policy year, or in case of termination of the policy, within 6 months after the date of termination of the policy, to provide insurers with a statement of the turnover in the relevant year or otherwise the turnover in the period from the most recent premium due date until the date of termination and to give insurers the opportunity to verify this statement by supplying an audit certificate.
If the policyholder fails to comply with this obligation, insurers have the right to determine the final premium based on the information known to or assessed by them, which determination will be binding upon the policyholder.

R.I.4.2 PREMIUM FOR CONTRACT WORKS IN PROGRESS UPON TERMINATION OF THE INSURANCE

If this insurance terminates as of the policy renewal date, a deposit premium will be charged, calculated on the contract works still in progress according to the statement as referred to in article R.I.3.4.

The premium and conditions applying to contract works in progress are the ones that applied at the time of termination.

Premium settlement will take place after completion of the contract works last finished, based on a final statement.

R.I.5 COMPENSATION

Compensation in respect of any one contract is limited to the agreed contract price of the contract works in question, including compensation of fees and costs of supervision as referred to in article G.C.1.5. under g and h, however up

to and not exceeding the maximum sum insured stated in the policy under section 1, without prejudice to the cover for debris removal costs as referred to in article 1.3.1.

In the event of any discrepancy between the Dutch original wording and this free and non-binding English translation, the Dutch original will prevail.

The VNAB policy conditions and clauses are NOT BINDING. They merely serve as specimen which may be customised by alterations, additional provisions and/or clauses. VNAB market players are free to offer other policy conditions to their customers.

As market players are free to use them at their own discretion, the VNAB cannot assume any liability for the application or contents of the model conditions and clauses.

For previously published (older) conditions, please contact the VNAB.

The official title of these conditions is: 'Dutch Bourse Policy for Construction and Assembly Works – additional conditions renewable insurance, (2009)'. The wording is available via the website of the Coöperatieve Vereniging Nederlandse Assurantie Beurs B.A., www.vnab.nl.