

Insurance civil liability architects - engineers any site.

GENERAL TERMS AND CONDITIONS

Insurance Company allowed to practise the branch « General Civil Liability » (branch 13)
Royal Decree of 1990-07-20 – B.S. 1990-09-19

*** Protect NV wishes to point out that the following text is a translation of the general terms and conditions of the civil liability policy ARCH 2010 which was originally drafted in Dutch.
In the event of a dispute, only the original Dutch version of the policy shall be accepted as legally valid.

Chapter 1.

DEFINITIONS

1.1 INSURER

N.V. Protect, Jetsesteenweg 221, 1080 Brussels.

1.2 POLICY HOLDER

The natural or legal person taking out the policy.

1.3 INSURED PARTIES

- a) The natural or legal person authorized to exercise the profession of architect and who is mentioned as insured party in the specific terms and conditions;
- b) The staff, trainees and other co-workers of the person mentioned in a) in the event they act for the account of that person;
- c) The directors, managers, members of the executive committee and all other bodies of the legal person mentioned in a), charged with the management or the administration of the legal person, when they act for the account of the legal person within the framework of the execution of the insured activities.

1.4 THIRD PARTIES

Any natural or legal person other than:

- a) The policy holder, as defined under art. 1.2.;
- b) The insured parties, as defined under art. 1.3.;
- c) The parents, offspring and spouses of the insured parties, except for clauses to different effect in the specific terms and conditions of the policy;
- d) The legal persons in which the persons mentioned under a), b) or c) are director, manager, partner or majority shareholder, except for clauses to different effect in the specific terms and conditions.

1.5 INSURED ARCHITECTURE ASSIGNMENT

The assignment for which the guarantees of the policy are granted and which is referred to in the special conditions.

1.6 LOSS OCCURRENCE

The externalisation of the loss.

1.7 LOSS CLAIM

Any civil claim in writing by third parties filed against the insured party or the insurer, on the basis of a liability cover which is covered under the policy.

1.8 LOSS

Any loss claim which raises the potential liability of the insured party.

All loss claims which are the result of one and the same cause and which relate to the same building or the same series of buildings, shall be considered as a single loss.

1.9 MATERIAL DAMAGE

Any damage, destruction or loss of material goods.

1.10 BODILY INJURY

Any impairment of the physical integrity of a natural person.

1.11 IMMATERIAL DAMAGE

Any harm which can be assessed and valued in money that results from being deprived of the enjoyment of a thing or a right, such as the privation of the use of movable or immovable goods, loss of profit, loss of clientele, production stoppage, etc.

1.12 PURE IMMATERIAL DAMAGE

The immaterial damage which is not the corollary of a material or physical damage.

1.13 ENTRUSTED OBJECTS

Movable goods belonging to third parties which are entrusted to the insured party for a specific assignment within the framework of the insured activities.

1.14 FEES

The sum of the amounts invoiced by the insured party or claimed in some other way (excluding V.A.T.) as compensation for the services rendered within the framework of the insured activities.

1.15 VALUE OF THE WORK

The sum of the value of the work performed (excluding V.A.T.), to which the assignment of the insured party relates.

1.16 TERM OF VALIDITY OF THE POLICY

The period between the starting and the ending date of the policy during which the cover of the policy is in effect.

Chapter 2.

OBJECT AND SCOPE OF THE INSURANCE

2.1 OBJECT

The objective of the policy is to cover the financial consequences of the civil liability of the insured party for any damage to third parties resulting from the normal and legitimate pursuit and performance of the insured activities.

2.2 CLARIFICATIONS

2.2.1 Defence

The insurer shall charge himself with upholding and defending the interests of the insured party in any loss claim filed against the insured party. The insurer shall appoint a solicitor and/or technical expert if it deems this necessary. The fees and costs of the solicitors and technical experts appointed by the insurer shall be borne by the latter, except for the excess.

2.2.2 Salvage costs

These are understood to be:

- the costs resulting from the measures requested by the insurer to be taken in order to prevent or limit the consequences of a covered loss;
- the costs resulting from the urgent and reasonable measures taken by the insured party at his own initiative in order to prevent a covered loss when faced with an impending hazard, or, as soon as the loss occurs, to prevent or limit the consequences thereof.

The measures must be acute and pressing, i.e. the insured party must be under an obligation to take them immediately without being in a position to notify the insurer and obtain his prior consent.

The danger must be imminent, i.e. a covered loss would inevitably have ensued in the very short term had the measures not been taken.

These salvage costs, provided they have been incurred with due diligence in a prudent manner, are reimbursed in full by the insurer within the restrictions set out under 2.3.2.

The following remain at the charge of the insured party:

- the costs resulting from measures aimed at preventing a covered loss in the absence of imminent danger or when the imminent danger is waning;
- the costs resulting from the tardiness or negligence on the part of the insured party to take preventive measures which should have been taken previously.

2.2.3 Joint and several liability and conviction in solidum

When participating in a temporary association, the cover is restricted to the proportionate share of the insured party in the joint assignment. The share of the other participants is not included in the cover, except for clauses to different effect in the specific terms and conditions.

On the other hand, the cover awarded by the policy is extended to include the financial consequences of the joint and several liability placed at the charge of the insured party as a result of a conviction in solidum with one or several contractors.

2.2.4 Subcontractors

The personal liability of subcontractors of the insured party is not included in the guarantee, except if these subcontractors are mentioned as insured party in the special conditions.

2.3 INSURED AMOUNTS

2.3.1 General

The insured amounts per loss are detailed in the specific terms and conditions.

2.3.2 Salvage costs

The salvage costs as provided for under article 52 of the Belgian Insurance Act of June 25, 1992, as amended by the Act dated March 16, 1994, are included in the cover.

In addition to the insured total amount, salvage costs are covered for an amount of 495,787.05 EUR. This amount is index-adjusted in line with the consumer price index, with the basic index, i.e. the index figure for November 1992, standing at 113.77 (1988 basis = 100).

2.3.3 Interests and costs

The interests and costs as provided for under article 82 of the Belgian Insurance Act of June 25, 1992, as amended by the Act dated March 16, 1994, are included in the cover.

In addition to the insured total amount, the interests and costs are covered for an amount of 495,787.05 EUR. This amount is index-adjusted in line with the consumer price index, with the basic index, i.e. the index figure for November 1992, standing at 113.77 (1988 basis = 100).

2.4 SCOPE OF THE COVER IN TIME

2.4.1 General

The cover of the policy applies to loss claims filed during the term of validity of the policy and which relate to damage that occurred during said time period.

2.4.2 Cover of after-risk

The following claims are covered on condition that they are filed within 36 months as of the termination date of the policy. These loss claims relate to:

- damage which occurred during the term of validity of the policy if, on the termination date of the policy in hand, said risk is not covered by a different insurer;
- acts and events which may result in damage and which have occurred and have been declared to the insurer during the term of validity of the policy.

2.4.3 Posteriority

In the event that the registration on the Table of the Order of Architects of the insured party mentioned in the specific terms and conditions is cancelled (hereafter called the cancellation), the policy will be cancelled on the date of the cancellation, on condition that the insurer is informed of this fact by written notice within two months after the cancellation. If the insurer is not informed by written notice within this term, then the policy will be cancelled at the moment the insurer is informed by written notice of the date of the cancellation. The premiums falling due until the day of the cancellation will be owed. At the moment of the cancellation of the policy, a one-off premium will be due, calculated as mentioned below. After payment of all of the remaining premiums, including this one-off premium, the covers of the policy will be acquired for loss claims brought within a term of 10 years, counting from the date of the cancellation, and regarding damages which are the consequence of faults committed by the insured parties prior to the cancellation.

The mentioned one-off premium is 3 times the average definitive premium of the last 5 full insurance years prior to the cancellation.

In the event that less than 5 full years have passed between the starting date of the policy and the cancellation, this one-off premium will be 3 times the average definitive premium of the full insurance years passed between the starting date of the policy and the cancellation.

In the event that not a single full insurance year has passed between the starting date of the policy and the cancellation, this one-off premium will be 3 times the yearly provisional premium applicable at the moment of the cancellation.

Nevertheless, if the calculation of the one-off premium, as stated above, produces an amount lower than 700 EUR, then the one-off premium will be set at 700 EUR. The amount of 700 EUR is linked to the ABEX index, the base index being the figure for November 2006, namely 648. The one-off premium will be raised with the costs and the insurance taxes as established by law.

2.4.4 Insured assignments

Within the restrictions set out by art. 2.4.1., 2.4.2. and 2.4.3., cover is awarded for damage issuing from the following assignments:

1. Assignments which have been executed after the date on which the policy took effect and which were declared in accordance with art. 4.1.
2. Assignments which have been executed after the date on which the policy took effect and which, as yet, were not required to be declared in accordance with art. 4.1.
3. Assignments which have been executed prior to the date on which the policy took effect, as far as the insured party wasn't aware of a causal fault or fact which could cause damage.

2.5 TERRITORIAL SCOPE

Cover is awarded for loss claims occurring in any of the following countries: Belgium, The Netherlands, Luxemburg, Germany, Italy, Denmark, Ireland, United Kingdom, Greece, Spain, Portugal, Austria, Finland, Sweden, Switzerland and Norway.

At the request of the policy holder, the insurer may however consent to an extension of the cover to include other countries, with the exclusion of the United States of America and Canada.

However, the cover to be provided by the insurer, regardless of foreign legislation and/or jurisdiction, shall never be more comprehensive than the cover which it would be required to award under Belgian legislation and/or case-law.

2.6 RESTRICTIONS OF THE COVER

Fall outside of the scope of the cover:

2.6.1 Criminal, administrative and contractual fines.

2.6.2 The damage to or the loss of goods owned or rented by the insured party, or which he possesses for whatever reason, apart from damage to or the loss of entrusted objects.

2.6.3 The damage which is the consequence of purely financial operations, of the financial management of the office, of depositing money or securities, or the insolvency of the insured party or the policy holder or of the embezzlement of or the failure to pay out fees or sums made available by the owner.

2.6.4 The damage which is the consequence of war, civil war, civil commotion, rioting, strike, terrorism or computer viruses.

2.6.5 The damage which is insurable as part of the statutorily required motor vehicle civil liability insurance.

2.6.6 The liability of the corporate mandatories of the insured legal persons for faults and errors committed in their official capacity as a director or manager.

2.6.7 The claims serving to dispute or file for the restitution of fees.

2.6.8 The damage which is the consequence of force majeure and/or natural disasters, such as whirlwinds, hurricanes, floods and earthquakes.

2.6.9 Liability for other assignments than the insured architecture assignment.

2.7 EXCLUSIONS

Are excluded from the cover awarded by this policy:

2.7.1 The damage which results from radioactivity.

2.7.2 The damage which is the consequence of bodily injuries due to exposure to legally prohibited products.

2.8 LOSS OF RIGHT OF INSURANCE COVER

The right of insurance cover will be lost for the following damages:

2.8.1 The damage which has been caused deliberately or which was the result of a deliberate fault.

2.8.2 The damage which is the result of the types of gross negligence or fault defined below:

- The non-observance with foreknowledge of legal provisions of a compelling nature, including safety regulations, town planning regulations, planning permission requirements and environmental regulations.
- The building of structures without prior soil testing on these places and for those structures for which the normal rules of good practice clearly require a soil test; and in the event a soil test and/or a stability study occurred, failure to comply with the advice given by the advisory firm.
- The failure to perform adequate construction site checks and inspections, as specified by the Act dated February 20, 1939, when the insured party was duly required to conduct such checks and inspections in compliance with the applicable legislation and case-law. Actual performance of the site checks and inspections as required is to be confirmed by written job site reports.
- Decisions which obviously run contrary to the normal rules of good practice, whilst other parties involved in the construction activities had pointed out the risks entailed by the decision.
- The non-observance of the contractual or statutory requirement to conclude or maintain any insurance contract.
- The tardy execution or non-execution of the contract.
- Plagiarism, infringement of patents and/or copyrights or imitation.

- Acts performed in a state of inebriation or alcohol intoxication or under the influence of narcotic drugs, unless the insured party is able to demonstrate that no causal relation exists between the state he was in and the damage that occurred.
- Any illegitimate execution of the insured activities.

In the event the damage is caused by non-covered gross negligence of an insured party mentioned in art. 1.3.b) , without the knowledge of the insured parties mentioned in art. 1.3.a) and 1.3.c) , cover remains intact vis-à-vis the insured parties mentioned in art. 1.3.a) and 1.3.c) , without prejudice to the insurer's right to full recourse from the insured party mentioned in art. 1.3.b) who was responsible for the fault or negligence.

2.8.3 The damage which is the consequence of the non-observation of one of the obligations imposed by art. 2.9.

2.9 OBLIGATIONS OF THE INSURED

2.9.1 The insured party undertakes not to enter into any contractual obligations which exceed the level of liability which is customary under statutory law.

2.9.2 The insured party undertakes not to enter into any contractual obligations that impose an obligation of result on the insured.

2.9.3 The insured party undertakes to include in his contracts the required stipulations to oblige the contracting party to only work with registered building contractors.

2.9.4 The insured party undertakes to include in his contracts the necessary provisions to prevent claims being filed against him before the courts of or on the territory of the United States of America or Canada as well as claims filed against him under the laws applicable in the United States of America or Canada.

2.9.5 The insured party undertakes, within the framework of public tenders, not to give any advice that goes beyond the notification of the results of his purely arithmetical and material review of the tenders, unless this advice is given with the written consent of the insurer.

Chapter 3.

AWARENESS OF THE RISK AND RISK INCREASE

3.1 DESCRIPTION OF THE RISK

3.1.1 It is incumbent on the policy holder upon taking out the policy and at his own initiative to accurately communicate all the circumstances that he is aware of which he must reasonably regard as information which might have an impact on the assessment of the risk by the insurer.

3.1.2 Deliberately withholding or wilfully providing inaccurate information about the risk causing the insurer to be misled in his assessment of the risk, will result in the nullity of the policy.

The premiums which had already been paid up to the point in time where the insurer became aware of the deliberate withholding or wilfully inaccurate information reported, rightfully accrue to the insurer.

3.1.3 The unintentional withholding or unwittingly inaccurate communication of information concerning the risk entitles the insurer to propose - within a period of one month, starting from the day that it became aware thereof - a modification of the policy, taking effect on the date that it became aware of this withheld or inaccurately communicated information.

If the insurer provides proof that it would never have undertaken to insure the risk, it shall be entitled to cancel the policy within the same time period.

If the proposed modification of the policy is not duly accepted by the policy holder within a period of one month following receipt thereof, or if the latter chooses to reject this, the insurer shall be entitled to cancel the policy within fifteen days.

If the insurer neither cancelled the policy nor proposed any modification within the terms described above, it forfeits the right at any later stage to invoke facts which were known to it.

3.1.4 In the event a loss occurs prior to the modification or cancellation of the policy taking effect and if the withholding or inaccurate communication of information:

- cannot be blamed on the policy holder, the insurer will honour the commitments incumbent upon it issuing from the policy;
- can be blamed on the insured, the insurer shall only be under obligation to honour commitments on the basis of the proportion that exists between the premium paid and the premium which the policy holder would have been asked to pay had he properly advised the insurer of the true nature of the risk.

If the insurer, with reference to the loss, provides proof that under no circumstances would it have undertaken to ensure the risk, whose true nature was only brought to light due to the loss occurring, the extent of the obligations incumbent on the insurer shall be limited to the refunding of all premiums paid in.

3.2 REPORTING OF CHANGES TO THE RISK

3.2.1 The policy holder is obliged to report to the insurer, at his own initiative, any new circumstances or changes of the circumstances which he must reasonably expect to affect the insurer's assessment of the risk.

If the insurer provides proof that under no circumstances would it have undertaken to ensure the increased risk, it is entitled to cancel the policy within a period of one month after it became aware of the increased nature of the risk.

If the insurer fails to provide such proof, it may, within a period of one month after it became aware of the increased nature of the risk, propose a modification of the policy, with retroactive effect to the day of the increase.

In the event the proposed modification of the policy is not duly accepted by the policy holder within a period of one month following receipt thereof or in the event the latter chooses to reject this, the insurer shall be entitled to cancel the policy within fifteen days.

In the event the insurer neither cancelled the policy nor proposed any modification within the periods described above, it forfeits the right at any later stage to invoke the increased nature of the risk.

3.2.2 If a loss occurs prior to the modification or cancellation of the policy taking effect and if the policy holder:

- had duly reported the increase of the risk, the insurer shall honour the commitments incumbent upon it as issuing from the policy;
- had failed to duly report the increase of the risk and cannot be blamed for this, the insurer shall honour the commitments incumbent upon it as issuing from the policy;
- had failed to duly report the increase of the risk and can effectively be blamed for this, the insurer shall only be under an obligation to honour commitments on the basis of the proportion that exists between the premium paid and the premium which the policy holder would have been asked to pay had the increase of the risk been duly taken into account by the insurer.

In the event the insurer provides proof that under no circumstances would it have undertaken to ensure the risk, in the event of a loss it shall only be under an obligation to refund all premiums paid in by the policy holder.

The insurer is entitled to refuse to award cover to the policy holder if the latter acted with fraudulent intent. The premiums which had already been paid up to the point in time where the insurer became aware of the fraudulent intent, rightfully accrue to the insurer in compensation.

3.3 CLARIFICATION

Every new assignment of the insured party which falls within the scope of the definition of the insured activities is considered to be a risk increase. The policy holder doesn't need to declare these risk increases immediately, but instead on the yearly declaration as stated in art. 4.1. If the policy holder doesn't meet this obligation, he will be considered to have acted with fraudulent intent.

Chapter 4.

FINAL DETAILS STATEMENT OF THE INSURED ASSIGNMENT

4.1 GENERAL

The policyholder undertakes to pass on to the insurer the final details of the insured architecture assignment within four months after the end of the works.

Final details of the insured architecture assignment means:

- the date of the provisional acceptance of the building or, in the absence of any provisional acceptance, the date of occupation of the building;
- the full fees of the insured architecture assignment, if the special conditions contain a premium rate on the fees;
- the full value of the works of the insured architecture assignment, if the special conditions contain a premium rate on the value of the works;
- all other details required for determining the final premium or the end date of the policy, requested by the insurer.

4.2 CLARIFICATIONS

4.2.1 Estimation of the value of the work

If the policy holder is unable to determine the exact value of the work, he shall indicate an amount which is an estimation in accordance with the commonly accepted methods.

4.2.2 Assignments with limited scope

If the insured party has been awarded an assignment with a limited scope and the premium for the relevant assignment is determined on the basis of the value of the work, he shall only be required to declare the value of the works to which his assignment relates, provided that his assignment is effectively detailed and outlined by a contract in writing.

4.2.3 Assignments without fees

If the premium for a given assignment would need to be determined on the basis of the fees and the insured party has not requested a fee or is not intending to request a fee for said assignment, he is obliged to report this to the insurer. In that case, the insurer will propose a different method for determining the premium for the relevant assignment. Should the policy holder fail to agree to the proposal of the insurer, the relevant assignment shall be excluded from cover.

4.2.4 Sub-contractors

If the premium for any given assignment is calculated on the basis of the fees and the insured party transferred a part of the full fee to a sub-contractor, the fees transferred to the sub-contractor may be deducted from the full fees in order to determine the premium settlement, provided the policy holder provides proof that the professional liability of the sub-contractor has been duly insured under an appropriate insurance contract which offers covered capital sums which are of the same amount at a minimum as the covered capital sums of the policy of the policy holder. To this end, the policy holder shall provide full details of the relevant assignment, the sub-contractor's identity and the amount of the fee transferred to the latter in a separate section of the declaration form and append a recent insurance certificate issued by the insurer of the sub-contractor concerned. In any case, the policy holder is required to provide the full fees for the relevant assignment on the regular declaration form listing.

4.3 DOCUMENTARY PROOF

The insurer is entitled to access and inspect all documents relating to the assignments insured, the fees paid out to the insured party and the value of the assignments undertaken. Said documents must be made available to the insurer at its simple request, up to three years following termination of the policy or following the declaration of the last loss.

4.4 CONDITION OF AVERAGE

If the premium for a given assignment is calculated on the basis of the fees and a loss serves to establish that the policy holder failed to declare the full fee for the relevant assignment, any reimbursement forthcoming from the insurer shall be restricted to the proportion that exists between the fees declared and the full and actual fees of the insured.

If the premium for a given assignment is calculated on the basis of the value of the works and a loss serves to establish that the policy holder failed to declare the full value of the works for the relevant assignment, any reimbursement forthcoming from the insurer shall be restricted to the proportion that exists between the value of the work as declared and the full and actual value of the work.

This condition of average shall not be applied if the policy holder was not yet under an obligation to declare the full fees and/or value of the works in accordance with art. 4.1.

Chapter 5.

PREMIUM, EXCESS AND ADJUSTMENT OF TERMS AND CONDITIONS

5.1 THE PROVISIONAL PREMIUM, THE MINIMUM PREMIUM AND THE DEFINITIVE PREMIUM

When the policy is taken out, both a provision premium and a minimum premium are established.

The provisional premium is payable at the start of the policy and serves as an advance payment on the definitive premium.

The minimum premium is the premium which must be paid at a minimum.

The definitive premium is the premium which ultimately is to be paid, determined by drawing up the premium settlement. The definitive premium cannot be less than the minimum premium.

5.2 PREMIUM ADJUSTMENTS

Unless the special conditions contain a fixed premium, a premium settlement will be drawn up after the end of the works. This premium settlement is based on the premium rate determined in the special conditions and the fees and/or value of the works specified pursuant to article 4.1. By drawing up the premium settlement, the final premium is determined. Should the final premium be higher than the provisional premium, an extra premium must be paid amounting to the difference. Should the premium be less than the provisional premium, a premium refund will be made amounting to the difference.

5.3 THE PREMIUM SETTLEMENT

Each year, a premium settlement is drawn up on the basis of the premium rate which is defined in the specific terms and conditions and the fees and/or the value of the works declared in compliance with art. 4.1. The definitive premium is established by drawing up the premium settlement. If the definitive premium exceeds the provisional premium, a supplementary premium must be paid in the amount of the difference. If the definitive premium is less than the provisional premium, a premium restitution will be done in the amount of the difference.

5.4 FLAT-RATE PREMIUM SETTLEMENT

If the policy holder fails to submit an annual declaration in accordance with art. 4.1., the insurer is entitled, after the cover of the policy has been suspended for this reason in accordance with art. 6.4., to draw up and collect a flat-rate premium settlement equal to 125% of the definitive premium of the last year for which a premium settlement has been drawn up.

As of the day after receipt by the insurer of payment in full of the flat-rate premium settlement, the cover shall be resumed for the assignments for which declaration was duly filed in accordance with art. 4.1., insofar as the cover has not been suspended for reasons other than the failure to file the declaration for the relevant insurance year or the non-payment of the flat-rate premium settlement for the relevant insurance year.

5.5 COSTS AND TAXES

The premiums shall be increased by the costs and the statutorily required insurance taxes.

5.6 COLLECTION OF THE PREMIUM

All premiums are payable into the hands of the broker or the insurer. The cover shall only take effect following payment of the first premium.

5.7 EXCESS

The excess is the amount per loss which remains at the charge of the insured.

The amount of the excess is established in the specific terms and conditions.

The excess applies to the total of the outlays made by the insurer. However, if the insured bears no liability, the excess shall not be applied to the costs incurred by the insurer.

5.8 ADJUSTMENT OF THE TERMS AND CONDITIONS

Except for the adjustments as provided for in chapter 3, the insurer, if it wishes to adjust the terms and conditions of the policy, shall notify the policy holder thereof by registered letter.

Any such adjustments shall take effect as of the next expiry date if the registered letter was deposited with the postal service at least three months prior to the expiry date.

If this is not the case, any such adjustments shall take effect following expiry of a three-month period after the date on which the registered letter was deposited with the postal service.

The policy holder is entitled to cancel the policy provided he does so by registered letter addressed to the insurer within one month after notification of the adjustments.

Chapter 6.

TERM, SUSPENSION AND CANCELLATION OF THE POLICY

6.1 TERM

The policy starts on the date stipulated in the special conditions and ends 10 years after the date of the provisional acceptance of the building or, in the absence of any provisional acceptance, 10 years after the date of the occupation of the building, unless another end date was stipulated in the special conditions.

6.2 ANNUAL EXPIRY DATE

The annual expiry date for the policy agreement is January 1.

6.3 INSURANCE YEAR

The insurance year is period between two successive annual expiry dates.

6.4 SUSPENSION

The cover afforded by the policy shall be suspended taking effect from the sixteenth day following the tendering of a notice of default by registered letter with the postal service addressed to the policy holder, in the event the policy holder fails to:

- pay a premium;
- file an annual declaration in accordance with art. 4.1.

The cover shall be resumed on the day following receipt by the insurer of payment in full of any outstanding premiums, to be increased by any interest, or on the day following the receipt by the insurer of the outstanding declaration, insofar as the cover has not been suspended for some other reason.

The insurer is entitled to keep the premiums which have become claimable during the suspension period by way of compensation.

6.5 ADMINISTRATIVE COST

The insurer reserves the right to charge a EUR 10 administrative fee to be paid by the policy holder for every notice of default served by registered letter for non-payment of a premium or the failure to file an annual declaration as required under art. 4.1.

6.6 CANCELLATION

If the cover of the policy has been suspended in accordance with article 6.4., the insurer can cancel the policy provided it has reserved such right in the notice of default served by registered letter. In that case, the cancellation shall take effect at the earliest from the fifteenth day following the first day of the suspension.

If the insurer has not expressly reserved the right to cancel the policy agreement in his notice of default served by registered letter, the insurer can only cancel the policy by sending the policy holder a fresh notice of default served by registered letter. In that case, the cancellation shall take effect as of the sixteenth day following the date on which the fresh notice of default served by registered letter was deposited with the postal service.

6.7 CANCELLATION FOLLOWING A LOSS

After each filing of a loss claim which is of such a nature as to disrupt the balance of duties incumbent on the parties, the insurer shall be entitled to cancel the policy by registered letter addressed to the policy holder at the latest one month following the payment of or the refusal to pay out damages.

The cancellation shall take effect following expiry of a three-month period after the date on which the registered letter was deposited with the postal service.

6.8 OBLIGATION TO REPORT THE CANCELLATION TO THE ORDER OF ARCHITECTS

For all cases of cancellation of the policy it applies that the insurer or the policy holder cannot cancel the policy without having notified the Order of Architects of this by registered letter or by similar digital manner, and this within at most 15 days before the taking effect of the cancellation of which it simultaneously announces the starting date.

Chapter 7.

THE CLAIM SETTLEMENT

7.1 THE DECLARATION

The policy holder or the insured party must notify the insurer as soon as possible and at the latest within eight days in writing of any loss claim which they find themselves faced with or of any facts or events which may lead to a loss claim, regardless of whether his liability has already been invoked or not.

The policy holder or the insured party shall without delay provide the insurer with all relevant details and provide answers to the questions put to him in order to establish the circumstances and the scope of the loss. Each loss claim, each notification, each summons, each notice of default and in general each legal or extrajudicial instrument or deed is to be made available to the insurer as soon as possible.

7.2 SANCTIONS

If the policy holder or the insured party fails to observe any of the obligations imposed under art. 7.1. which in turn harms the insurer, the insurer may claim a reduction of its obligation in the amount of the value of the harm suffered by it. The insurer may refuse cover if the policy holder or the insured party have fraudulently failed to fulfil one of the duties incumbent upon them in accordance with art. 7.1.

7.3 SETTLEMENT OF DAMAGES

7.3.1 The loss filed with the insurer by the policy holder or the insured party is administered by the insurer. As a result, the insurer enters into the rights of the policy holder for the processing and settlement of the dossier. By signing the policy, the policy holder agrees that the insurer assumes the rights, claims and the recourse against third parties which originate in the loss in the amount of the insured amounts.

7.3.2 The insurer shall appoint the solicitor and any experts required, conduct negotiations with the parties affected by the damage or loss or their rightful claimants, reach and transact the settlements and perform all acts aimed at settling and rounding off the loss claim. It shall keep the policy holder informed of the developments.

7.3.3 Any damage settlement reached by the insurer shall however remain subordinate to the written consent of the insured. Nevertheless, should the latter refuse to give such consent, and the amount of the damages were to subsequently run up to more than that for which the insurer had obtained agreement from the injured third party, the commitment of the insurer, with the inclusion of the defence outlays, shall be limited to the amount for which the loss claim could have been settled.

7.3.4 Any acknowledgement of liability, any settlement and any payout of damages by the policy holder or the insured party without the written consent of the insurer shall not be opposable against the insurer. This clause does not apply to the simple acknowledgement of the facts and events themselves or to the furnishing of initial financial or medical assistance.

7.3.5 The insurer shall pay out the amount of the damages to the injured third party or the policy holder with the deduction of the excess which remains at the charge of the policy holder. The payment to the policy holder can only be made with the consent of the injured third party.

7.3.6 Considering that the costs of the defence of the insured party are at the charge of the insurer in accordance with art. 2.2.1., the legal expenses and any litigation costs which are allocated to the insured party will fall to the insurer. The policy holder authorises the insurer to recover these directly from third parties. In the event that they should be paid out to the insured party, the policy holder will deposit them within at most 14 days with the insurer.

7.4 RECOVERY OF THE EXCESS

When the details from the dossier duly show that a compensation will be owed, the insurer is entitled to recover the relevant excess amount. Should it emerge in due course that this amount was wrongly recovered either in part or in full, the insurer shall repay the unowed amount, increased by the legal interest counting from the day on which the amount was paid. If the policy holder refuses to pay the excess, it shall be increased by the legal interest counting from the day of the notice of default served by registered letter by the insurer.

7.5 INSURER'S RIGHT OF REDRESS

If the insurer is bound to pay damages as a result of a direct claim by a third party, in a loss claim which is not covered under the terms and conditions of the policy, but in which the non-coverage is not opposable to the third party, the insurer has full right of redress vis-à-vis the policy holder and/or the insured party.

Chapter 8.

MISCELLANEOUS CLAUSES

8.1 EXCESS LOSS INSURANCE COVER

It is explicitly provided that the cover of the present policy shall only be granted in excess of the amounts owed by the insurer of any other policy, even if this other policy was concluded at a later date and serves to cover all or part of the risks insured by the present policy. These other policies shall always be considered as excess for the covers afforded by the present policy, to the effect that the present policy serves as a second line policy. This applies inter alia to the ten-year liability policies for contractors and architects for which a special reduction is granted parting the framework of the present policy, as detailed in the specific terms and conditions.

8.2 WAIVER OF REDRESS

If the policy holder wishes to waive his right of redress vis-à-vis a third party, he is required to notify the insurer thereof beforehand. The insurer may accept the waiver of redress on condition of payment of a supplementary premium or may decline to accept it.

If the policy holder waives his right of redress vis-à-vis a third party without duly notifying the insurer thereof beforehand or after the insurer has declined to accept the waiver of redress and the insurer is requested to intervene without any options of redress open to him against the liable third party, the insurer is entitled to claim repayment from the policy holder of the sum paid out in damages in the amount of the harm suffered by it.

The customary waivers of redress for public utilities and administrations, however, do not have to be reported to the insurer and are duly accepted as a matter of course by the insurer without supplementary premium insofar as these institutions are not the owner of the construction activities concerned.

8.3 JOINT AND SEVERAL LIABILITY OF THE POLICY HOLDERS/INSURED PARTY

The insured party, as mentioned in the specific terms and conditions, is jointly and severally obliged to honour and meet the duties and obligations issuing from the general and specific terms and conditions of the policy, along with the policy holder(s). If the insured party, as mentioned in the specific terms and conditions, is a legal person, then the managers, directors, members of the executive committee and more generally all independent mandatories acting in the name and for the account of the legal person will also be jointly and severally obliged to honour and meet the obligations issuing from the general and specific terms and conditions of the policy along with the policy holder(s).

8.4 INFORMATION

All messages and notifications pertaining to the policy and/or the settlement of loss claims may be validly made through the broker of the policy or directly to the insurer.

8.5 CHANGE OF ADDRESS

The policy holder undertakes to notify the insurer of any changes in address of his office or domicile. All messages to the last known address of the policy holder shall be deemed to be validly sent.

8.6 APPLICABLE LAW AND DISPUTES

The policy is governed by Belgian law.

For all disputes relating to the policy, the Belgian law courts alone shall be deemed competent.

8.7 BELGIAN INSURANCE ACT

For all matters and issues which have not been expressly addressed in the present policy, reference is made to the Belgian Insurance Act dated June 25, 1992. All and any amendments to said Act shall automatically apply as soon as the legislator decrees or allows it.