

**VNAB MODULAR CONDITIONS
FOR
PROPERTY DAMAGE AND
LOSS OF PROFITS INSURANCE
VMZB 2021**

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GENERAL CONDITIONS

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GENERAL CONDITIONS

1. CONTINGENCY REQUIREMENT

This contract meets the contingency requirement as referred to in Section 7:925 of the Netherlands Civil Code (NCC), insofar as the loss or damage in respect whereof indemnity is claimed, is the result of an occurrence regarding which was uncertain to the parties at the time of concluding the insurance that loss or damage on the part of the **insured** had arisen therefrom or would arise therefrom under normal circumstances. The only consequence of the absence of uncertainty is that the loss or damage in question is not covered, the insurance remains in force.

2. KNOWLEDGE OF LOCATION(S)

The description of the **risk objects** and the business activity stated in the policy is deemed to have been provided by the **insured**.

Insurers have knowledge of the location, construction, layout and use of the **risk objects**, as well as the adjacent premises, upon inception of the contract.

3. CHANGES IN RISKS

With respect to the **risk objects**, the **insured** has the right to carry out annexes, renovations, replacements, extensions, demolitions, internal rearrangements and other alterations, all this within the limits of the description stated in the policy.

If, in relation to what has been stated in the policy:

- the designated use changes, or
- the insured **risk objects** are (or will be) out of use for more than three months, or
- the **building** is (or will be) vacant for more than three months, or
- the **building** is occupied by squatters,

the **insured** has to notify **insurers** thereof as soon as possible, but at the latest within two months after the **insured** became aware of the change in question (as mentioned above).

For two months after receipt of such notification, **insurers** are allowed to cancel the insurance, subject to two months' notice, or to stipulate a change in premium rates and/or conditions. The revised premium rates and/or conditions become effective as of the date of the notification of **insurers**.

In the latter case, the **insured** has the right to cancel the insurance within one month after the revised

premium rates and/or conditions became effective. The insurance then expires as of the date of such notification of the **insured**.

If the **insured** fails to notify **insurers** of the change in risk within the stipulated period, **insurers** are allowed to refuse to continue the insurance or to refuse to continue it on the same conditions if they make a reasonable case for such action if they would have been notified of the change in risk. In that case the following applies:

- if the insurance had not been continued, all right to make a claim is forfeited;
- if the insurance had only been continued at revised premium rates and/or conditions, any loss or damage is indemnified in the proportion of the premium before the change in risk to such higher premium, insofar as cover would have been provided under such revised conditions.

4. NOTIFICATION OF CLAIM AND CLAIM ASSESSMENT

4.1 NOTIFICATION

The **insured** is obliged to notify **insurers** as soon as is reasonably possible of any loss or damage which may give rise to a liability to pay indemnity on the part of **insurers**.

4.2 APPOINTMENT CLAIMS ASSESSORS

- a. The extent of the loss or damage may be assessed by an assessor jointly appointed by **insurers** and the **insured**, or by two assessors, of whom **insurers** and the **insured** each appoint one.

Prior to commencing their duties, the two assessors jointly appoint a third assessor. If the assessor appointed by **insurers** and the assessor appointed by the **insured** fail to reach an agreement, the third assessor will assess the extent of the loss or damage within the limits of both assessments.

The assessors have the right, either jointly or individually, to call in the assistance of experts.

Insurers and the **insured** are entitled to appoint separate assessors to assess loss of or damage to **buildings, machinery/equipment, goods** and **loss of profits**.

- b. Appointment of assessors and acceptance of the assignment must be confirmed by a deed of appointment signed by parties.
- c. Should any appointment fail to be effected due to a failure to act or a failure to reach an agreement, an appointment made at the request of either party by the chairman of the VNAB Disputes Committee will be binding upon both parties.
The party making this request, will notify the other party accordingly.
- d. Appointment of an assessor does not imply an admission of liability to pay indemnity on the part of the **insurers**.

4.3 COOPERATION

The **insured** and **insurers** are obliged to give the assessors their full cooperation to enable them to assess the claim. This includes producing the policy and administrative data, providing information about cause, facts and circumstances and extent of the loss or damage.

5. FEES AND EXPENSES

Assessors' and experts' fees and expenses are for the account of **insurers**, even if the policy has not been placed with **insurers** for 100%. These fees and expenses are not subject to a deductible and/or limit stated in the policy. Fees and expenses of assessors and experts appointed on behalf of the **insured** are reimbursed up to and not exceeding 130% of the fees and expenses of assessors and experts appointed on behalf of **insurers**.

6. CLAIM SETTLEMENT COMMISSION

This insurance covers in excess of the sum insured 1% claim settlement commission on the claim amount payable.

7. FIRST LOSS PROVISION

With respect to any cover provided under this insurance on a **first-loss** basis, the underinsurance provision set out in art. 9 Module I and art. 6 Module II is not applicable.

If a deductible is applicable, the claim amount that remains after deduction of the applicable deductible, is paid up to and not exceeding the **first-loss** limit.

8. PERIOD OF INDEMNITY

Any indemnity due will be paid by **insurers** within 4 weeks of receipt of all necessary information. **Insurers** will not be in default until 4 weeks have passed since receipt thereof.

9. NON COMPLIANCE WITH OBLIGATIONS OF THE INSURED

If any **insured** failed to comply in whole or in part with any obligation incorporated in the policy, **insurers** are entitled to reduce the payment of indemnity by the loss they incur as a result thereof, unless otherwise provided in these policy conditions.

10. LIMITATION OF LEGAL CLAIM

Limitation period

Any legal claim against **insurers** to make a payment becomes prescribed by the lapse of three years after the start of the day following the one on which the **insured** became aware of its claimability.

Limitation period after refusal of a claim by insurers

If (part of) a claim is refused in writing, the insured's legal claim against insurers becomes prescribed by the lapse of three years, counting from the day following the date of the refusal.

11. RECOURSE – SUBROGATION

Where insurers have the right, based on subrogation, to recover indemnity paid under this insurance from third parties, they will do so in accordance with the Fire Insurance (Right of Recourse) Sectoral Regulations published by the Dutch Association of Insurers as applicable on the date of loss or damage.

12. NO RECOURSE AGAINST THE POLICYHOLDER AND/OR INSURED

Contrary to Section 7:962, subsection 3, second sentence of the NCC, insurers will not seek recourse against the policyholder and/or insured, unless the policyholder and/or insured caused the loss or damage by a wilful act within the meaning of this insurance.

13. RE-ALLOCATION OF SUMS INSURED

1. If insured risk objects, whether or not preliminary valuated, but with the exception of risk objects insured on a declaration basis, are no longer present, the released sums insured are allocated to the replacement risk objects. If they are not or only partially replaced, then the released sums insured are included in the recalculation referred to in this article.
2. The premium is then recalculated on the basis of the pre-loss values at the various premium rates.
3. If the recalculation shows that the total of the original premiums is equal to or higher than the total of the recalculated premiums, the underinsurance provision of art. 9 Module I and art. 6 Module II will not be applied, and indemnity will be paid on the basis of the pre-loss value.
4. If the recalculation shows that the total of the original premiums is less than the total of the recalculated premiums, the sums insured will be reduced in the proportion of the payable premium deficits to the total premium surplus, so that the total amount of the then recalculated premiums equals the total amount of the original premiums, following which indemnity will be paid in accordance with the underinsurance provision of art. 9 Module I and art. 6 Module II.

If more than one location is insured, the re-allocation of sums insured for other locations to the location where the loss or damage occurred (hereinafter: loss location) is only permitted up to and not exceeding a maximum stated elsewhere in the policy of the sums insured last known to insurers in respect of the loss location.

14. THIRD-PARTY MOVABLE PROPERTY

Where the sums insured for machinery/equipment and goods allow it, third-party movable property is included under the policy, if said property is not or not sufficiently insured elsewhere.

15. OTHER POLICIES

- a. The insured is obliged to provide a statement of all other policies known to the insured which provided cover against loss of or damage to the insured risk objects and/or (any element of the) loss of profits at the time of the event.
- b. If the insured risk object or loss of profits is also covered under an insurance specifically taken out for that purpose, such specific insurance takes precedence at all times. An 'insurance specifically taken out' is understood to mean: glass insurance, valuables insurance, electronics insurance, machinery breakdown insurance, construction all risks insurance, advanced loss of profits insurance, reconstruction costs insurance, loss of rent insurance.

16. TRANSFER OF REAL INTEREST

- 16.1 With respect to the insured risk objects, the policy follows the real interest if it is transferred to another party. The following applies, except where goods are concerned.
 - a. Upon transfer of the real interest due to death, both the new insured and insurers are allowed to cancel the contract within three months after they were informed of such transfer, subject to two months' notice.
 - b. Upon transfer of the real interest other than due to death, the contract expires after 30 days, unless the new insured has advised insurers within said period of their wish to take over the insurance. In that case insurers are allowed to cancel the contract within 30 days of receipt of such advice, subject to at least 8 days' notice.
- 16.2 The provisions of this article do not provide grounds for renewal of the contract or for any restriction of the right to cancellation on any other account.
- 16.3 A change in business name or legal form, the participation in, the resignation from or the transfer of shares in a company, partnership or joint ownership is not deemed to be a transfer of real interest.

17. PAYMENT OF PREMIUM AND CLAIMS

DEFINITIONS

Premium

For the application of this article 'premium' is deemed to include any other amount payable in connection with this insurance.

Insured

For the application of this article 'insured' is deemed to include the policyholder and any other party who owes the premium.

17.1 PAYMENT OF PREMIUM AND INDEMNITY

- a. The broker undertakes to pay the premium to insurers as if the broker were indebted at the moment the premium becomes payable by the insured under the insurance contract. Unless expressly agreed otherwise, the broker will pay the premium by crediting the current account of insurers for the premium payable by the insured under the insurance contract. At which point the insured will be discharged towards insurers.
- b. The insured is obliged to pay the premium to the broker. If the insurance contract has been concluded through a second intermediary and the insured has paid the premium to said second intermediary, the insured will not be discharged towards the broker by said payment until the second intermediary has paid the premium to the broker.
- c. Without prejudice to the insured's liability to pay the premium due to the broker, the insurance will only be effective for the period for which the premium has been paid to the broker, as well as for the period for which the broker has granted the insured credit. This will be interpreted to mean that the insured is deemed to have been granted credit, unless this has been revoked in writing.
- d. Upon conclusion of the insurance contract the broker has been irrevocably authorised by the insured to release insurers from their obligations under the insurance contract prematurely if the insured or, in case the insurance contract has been concluded through a second intermediary, said second intermediary fails to pay the premium to the broker. The broker will not release insurers from their obligations without prior written notice of such intention to the insured.

17.2 PAYMENT OF INDEMNITY AND RETURN OF PREMIUM

- a. Unless the party entitled prefers a different manner and has given prior written notice thereof to insurers, the broker will debit the current account of insurers for any payable amount of indemnity and return of premium.

Insurers will thereby be discharged as soon as the payment of indemnity has been received by the party entitled or otherwise has been settled with said party in accordance with the law or any existing arrangement between said party and the broker.

If insurers have paid the damages to the broker and the latter defaults on payment thereof to the party entitled, insurers have the right to reclaim the damages from the broker if they are called upon by the party entitled to make a renewed payment.

If the broker has paid the damages received from insurers to the second intermediary, but the latter defaults on payment thereof to the party entitled, the broker will have the right to reclaim the damages from said second intermediary if he is either called upon by the party entitled to make a direct payment or insurers reclaim said damages from the broker as provided for in this paragraph.

- b. The broker will pay any amount of indemnity and return of premium to the party entitled. However, the broker is only liable to pay the balance that remains after said amount of indemnity and refund of premium have been set off against any receivables from the insured under any other insurance, whether due and payable or not, yet undisputed at the time the liability to pay arises.

This setoff will not take place in case of insurances which have been made out to bearer or order, unless the policyholder is entitled to the payment and in case of compulsory liability insurance. If the entitlement to payment is subject to a pledge as referred to in Section 3:229 NCC, or a benefit as referred to in Section 3:283 NCC, as well as in case of a non-compulsory liability insurance, the settlement will not extend beyond that which is payable by the policyholder in respect of the insurance under which the payment is made.

18. ACTS BY INSURERS

- a. All acts to which insurers are authorised or bound may be performed by them either collectively or individually.
- b. The manner in which an insurer uses his powers or meets his obligations does not affect the legal status of co-insurers.
- c. The insurers indicated by an * in the policy hereby authorise the insurers indicated by a number to sign the documents referred to in the VNAB regulation on Administrative Signing of Policy Documents [*regeling Administratieve Ondertekening Polisdocumenten*] also on their behalf.

19. NOTICES AND COMMUNICATIONS

- a. All notices and communications from insurers and the insured intended for each other are deemed to have been duly made when directed to the broker.
- b. All notices and communications from the broker directed to the insured named in the policy at their last known address are deemed to have been duly made.

20. INCEPTION AND EXPIRY OF THE CONTRACT

- a. Inception and expiry of the contract are both at 12.00 hrs. local time at the location of the insured **risk objects**.
- b. If the contract has not been cancelled in writing by the **insured** at least two months prior to the contract expiry date, or three months prior to the contract expiry date by (any of the) **insurers**, it will be tacitly renewed for the period most recently agreed on, but for twelve months at most.

21. DISCLOSURE OBLIGATION

- a. The provisions of Section 7:928, subsection 2 NCC do not apply to the disclosure obligation of the **policyholder** upon taking out the insurance under consideration.
- b. Re-placement of a share, in whole or in part, of any **insurer** does not result in any new right of the underwriting **insurer** with respect to the disclosure obligation of the **insured**. The rights of the original **insurer** are transferred to the underwriting **insurer**.

22. PRIVACY

The personal data provided with the proposal for this insurance and any further personal data to be provided, are processed by both the **broker** and **insurers**. This data processing by the **broker** and/or **insurers** is subject to their respective privacy policies, setting out the rights of the **insured** and how the **insured** can exercise these rights. The **broker** and **insurers** will provide their applicable privacy policies at the insured's first request and/or they are available on the website of the **broker** or **insurer** concerned.

23. APPLICABLE LAW

This insurance is governed by Dutch law.

24. DISPUTES

All disputes concerning this contract are submitted to the jurisdiction of the competent court in Rotterdam.

MODULAR CONDITIONS

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MODULAR CONDITIONS

1. COVER

The insurance covers the real interest against loss or damage as referred to in Modules I and II, if the loss or damage is the result of an occurrence regarding which it was uncertain to the parties at the time of concluding the insurance that loss or damage on the part of the insured had arisen or would arise therefrom.

2. MODULES

The policy states which modules apply to the insurance and include the applicable sums insured

MODULE I – PROPERTY DAMAGE

MODULE I – PROPERTY DAMAGE

1. EXTENT OF COVER

Loss of or damage to the insured **risk objects** specified in the policy caused by the perils/events mentioned in art. 2 Module I, whether or not said perils/events arose from the nature of or any defect in the insured **risk objects**.

Loss of or damage to the insured **risk objects**, irrespective of the cause, except for the exclusions mentioned in art. 4 Module I, is covered if such cause is the direct result of an insured peril/event, regardless where this occurred.

2. INSURED PERILS/EVENTS

2.1 FIRE

Fire is understood to mean a fire caused by combustion and combined with flames outside a seat of fire that is able to spread on its own.

Therefore, fire does not include:

- singeing, scorching, melting, charring, heating;
- burning out of electrical equipment and engines;
- overheating, burning out, bursting of furnaces and boilers.

2.2 EXPLOSION

Explosion is understood to mean a sudden violent manifestation of energy from gases or vapours, subject to the following provisions.

In order to establish whether an event qualifies as an explosion, the following distinction must be made:

- **Inside a vessel**
 Inside a vessel – closed or otherwise – an opening in the wall of the vessel must have been caused by the pressure of the gases or vapours it contains, while the internal and external pressures have suddenly become equal to each other because of said opening.
 How the gases or vapours were formed and whether or not they existed before the explosion occurred is not relevant.
- **Outside a vessel**
 Outside a vessel said release of energy must be the direct result of a chemical reaction.
 Explosion does not include implosion.

2.3 AIRCRAFT AND SPACECRAFT

Loss or damage caused by aircraft and spacecraft is understood to mean: loss or damage as a result of being struck by a departing, flying, landing or crashing aircraft or spacecraft, or by a projectile, explosive or any other object attached to, detached from, dropped from or fallen from such aircraft or spacecraft.

2.4 STROKE OF LIGHTNING

2.5 OVERVOLTAGE/INDUCTION DUE TO LIGHTNING ACTIVITY

2.6 STORM

Storm is understood to mean a windspeed of at least 14 meters per second.

If the windspeed is alternately above and below 14 metres per second, the period from the moment when the windspeed first reached 14 metres per second until the beginning of a period of at least 24 consecutive hours during which the windspeed was 10 metres per second or less, is regarded as a single event for the purposes of establishing the number of times the deductible applies.

2.7 AIR PRESSURE

as a result of aircraft or spacecraft starting and/or being submitted to a running test or breaking the sound barrier.

2.8 WATER, STEAM, PRECIPITATION, EXTINGUISHING AGENT

This is understood to mean:

- a. Water, steam or extinguishing agent flowed or overflowed from pipes situated either inside or outside the **building** or any appliance or water supply, central heating and sprinkler system etc. connected thereto, as a result of bursting due to frost, fracture, blockage, damage or any other suddenly occurring defect.

indemnity will also be paid for the costs of:

- locating the fracture or defect in the pipe and the related repairs to walls, floors and other parts of the **building**;
- the repair of damaged pipes, systems and appliances in the event of bursting due to frost, insofar as these costs are for the account of the **insured** and said costs are not covered by any other policy or would not have been covered but for the existence of the cover provided by this article.

- b. Rain that accidentally came into the **building**, provided it did not come in through open windows, doors, shutters or hatches.

The cost of repairing roofs, roof gutters or rainwater drainpipes is not covered.

c. Hail, snow or melt water

Hail, snow or melt water also includes the hail, snow or melt water load.

Loss or damage caused by hail, snow or melt water that came in through open windows, doors, shutters or hatches is not covered.

d. Water and any other contents of aquariums due to breakage or a defect therein. The cost of repairing the aquariums and their contents is also indemnified.

Excluded under this article is loss or damage due to:

- moisture permeating walls.

Insofar as this is within the sphere of influence of the **insured** and/or companies related to the **insured**:

- structural defects caused during the construction, extension, alteration or renovation;
- poor maintenance of the **building**.

2.9 THEFT OF PARTS OF THE BUILDING

Theft is understood to mean:

Theft of materials belonging to the **building**, as well as the resulting damage to said **building**.

2.10 BURGLARY

Burglary is understood to mean:

Burglary, theft or attempted theft, at which the perpetrator entered or attempted to enter the **building** in which the insured **risk objects** are located by forcible means from outside said **building** or a **building** with which it is connected internally.

If the **building** houses more than one company, institution etc., the aforementioned condition has been met if the perpetrator entered or attempted to enter the part of the **building** used by the **insured** by forcible means.

Burglary does not include theft of insured interests outside the buildings, even when the fence is broken.

2.11 VANDALISM

after the perpetrator entered the **building** illegally, whether or not by forcible means from outside.

This cover does not apply to disused **buildings** or parts thereof.

2.12 EXTORTION AND/OR ROBBERY

with the use of violence or duress.

2.13 GLASS BREAKAGE

The glass itself, with the exception of mirrors and wall decorations, is excluded, unless the glass breakage was caused by an insured peril/event.

2.14 CRASH, COLLISION AND FALLEN OFF OR LEAKED CARGO AS A RESULT THEREOF

Loss of or damage to the vehicle or vessel or the cargo that caused the loss or damage is not covered.

2.15 OIL AND OTHER LIQUIDS

flowed or leaked from stationary heating systems, cookers or cooling plant or pipes and tanks which are part thereof as a result of fracture, blockage, damage or any other suddenly occurring defect.

2.16 SMOKE AND SOOT

suddenly emitted from a heating system or cooker connected to an air duct.

2.17 BREAKDOWN OR FAILURE OF REFRIGERATORS AND FREEZERS

This cover only applies to the insured contents of refrigerators and freezers.

2.18 COLLAPSE OF CRANES, TOWER WAGONS, PILE DRIVERS, WIND TURBINES, ANTENNAS, TREES, FLAGPOLES, LIGHT AND TELECOM TOWERS AND/OR PARTS THEREOF COMING LOOSE

If the above-mentioned property is insured, loss of or damage to said property is not covered, unless such loss or damage was caused by another insured peril/event.

2.19 CUTTING DOWN AND/OR PRUNING OF TREES

2.20 CORROSIVE SUBSTANCES

insofar as the loss or damage has not arisen as a result of cleaning, repairs, renewal or production faults.

2.21 STRIKE

Strike is understood to mean the joint failure by a number of employees in a company to carry out part or all of the work legitimately assigned to them.

2.22 RIOTS OR DISTURBANCES

Riots and disturbances are understood to mean incidental collective manifestations of violence.

2.23 METEORITES

2.24 LANDSLIDE

2.25 HORSES AND LIVESTOCK

3. DUTCH TERRORISM CLAIMS REINSURANCE COMPANY (NHT)

If one of the insured perils/events specified in art. 2 Module I was caused by terrorism, then the NHT Clause stated in the policy applies.

4. EXCLUSIONS

4.1 ACTS OF WAR

Excluded from the insurance is property damage caused by or arising from acts of war:

- armed conflict: any situation in which states or other organised parties combat each other, or at least the one the other, with the use of military force. This includes armed action by military units under the responsibility of international organisations such as the United Nations and the North Atlantic Treaty Organization;
- civil war: a more or less organised armed conflict between inhabitants of the same state in which a significant part of the inhabitants of that state are involved;
- insurrection: organised violent resistance within a state directed against the public authorities;
- civil commotion: more or less organised violent acts occurring at various locations within a state;
- riot: a more or less organised local violent movement directed against the public authorities;
- mutiny: a more or less organised violent movement of members of an armed force directed against the authority under which they fall.

4.2 NUCLEAR REACTION

Excluded from the insurance is property damage caused by, manifesting itself during or arising from nuclear reaction, regardless how the reaction arose. Nuclear reaction is understood to mean any nuclear reaction in which energy is released, such as nuclear fusion, nuclear fission, artificial and natural radioactivity.

The exclusion in respect of nuclear reactions does not apply to radioactive nuclides existing outside a nuclear facility which are used or designated to be used for industrial, commercial, agricultural, medical or scientific purposes, provided that the required licence(s) for the production, use, storage and disposal of radioactive substances has/have been issued by the authorities. Insofar as a third party is liable for the incurred loss or damage pursuant to the law, the exclusion remains in force.

'Law' is understood to mean the Nuclear Accidents Liability Act [*Wet Aansprakelijkheid Kernongevallen*] (Bulletin of Acts, Orders and Decrees 1979-225), being the special statutory regulation of liability with respect to nuclear energy.

'Nuclear facility' is understood to mean a nuclear facility within the meaning of said Act.

4.3 EARTHQUAKE, VOLCANIC ERUPTION

Excluded from the insurance is property damage caused by earthquake or volcanic eruption. In the event of loss or damage arisen either during the period in which or during a period of 24 hours after the consequences of an earthquake or volcanic eruption manifested themselves in or near the **risk objects**, the **insured** must prove that the loss or damage is not attributable to those phenomena.

4.4 FLOOD

Excluded from the insurance is property damage caused by flooding as a result of the failure or overflowing of dikes, quays, sluices, banks or other water-retaining structures, whether or not said flooding was caused by a storm.

This exclusion does not apply to fire or explosion caused by flooding.

4.5 UNPROCESSED PRECIOUS METALS, UNSET PRECIOUS STONES, MONEY AND MONETARY INSTRUMENTS

Excluded from the insurance is loss of or damage to unprocessed precious metals, unset precious stones, money and monetary instruments, except for the provisions of art. 7.8 under a and c of Module I.

5. COVER IN THE VICINITY OF THE BUILDING AND ELSEWHERE IN EUROPE

5.1 This insurance also covers property damage or loss of profits if Module II applies, caused by an insured peril/event insofar as the insured **machinery/equipment** and/or **goods** are placed:

- a. under shelters, under coverings or on the grounds near the **buildings** at the addresses specified in the policy.

The following perils/events mentioned in art. 2 Module I are excluded:

- art. 2.6 storm;
- art. 2.8 water, steam, precipitation (this exclusion does not apply to the named peril of extinguishing agent).

- b. in freestanding display cases, freestanding shop windows or dispensing machines near the **buildings** at the addresses specified in the policy.

The following perils/events mentioned in art. 2 Module I are excluded:

- art. 2.21 strike;
 - art. 2.22 riots or disturbances.
- c. in portacabins or containers near the **buildings** at the addresses specified in the policy or at locations in Europe that are not specified in the policy, up to and not exceeding the limit of indemnity stated in the policy.
- d. in **buildings** at locations in Europe that are not specified in the policy, up to and not exceeding the limit of indemnity stated in the policy.
- e. outside **buildings** at locations in Europe that are not specified in the policy, up to and not exceeding the limit of indemnity stated in the policy.
- f. The following perils/events mentioned in art. 2 Module I are excluded:
- art. 2.6 storm;
 - art. 2.8 water, steam, precipitation (this exclusion does not apply to the named peril of extinguishing agent)
 - art. 2.14 crash, collision and fallen off or leaked cargo as a result thereof;
 - art. 2.21 strike;
 - art. 2.22 riots or disturbances.

- 5.2** This insurance also covers loss of or damage to car park systems, car park ticket machines, cameras etc. located near the **buildings** at the addresses specified in the policy, due to an insured peril/event.

The following perils/events mentioned in art. 2 Module I are excluded:

- art. 2.11 vandalism;
- art. 2.21 strike;
- art. 2.22 riots or disturbances.

- 5.3** This insurance also covers, up to and not exceeding a limit of indemnity stated elsewhere in the policy, loss of or damage to insured **risk objects** left in a locked car in the Benelux, if the perpetrator gained access to the car by forcible means, traces whereof have been found on the exterior of the car.

- 5.4** This insurance also covers loss of or damage to detachable parts of the insured **building** which are temporarily located elsewhere in **Europe**, due to an insured peril/event, if said property is located:

- a. in **buildings**:
- b. outside **buildings**.

The following perils/events mentioned in art. 2 Module I are excluded:

- art. 2.6 storm;
- art. 2.8 water, steam, precipitation (this exclusion does not apply to the named peril of extinguishing agent);
- art. 2.14 crash, collision and fallen off or leaked cargo as a result thereof;

- art. 2.21 strike;
- art. 2.22 riots or disturbances.

5.5 Exclusion

- a. The following exclusion applies to art. 5.1. under c, d, e and art. 5.4. under b of Module I.

Excluded is loss or damage which is covered by or would but for the existence of the cover provided by this article be covered by another policy for the benefit of the insured.

- b. The following exclusion applies to art. 5.1. under c, e and art. 5.4 under b of Module I

Excluded is loss or damage caused during transport.

Transport is deemed to include loading and unloading, as well as the insured **risk objects** being on board the means of transport, irrespective of its location.

6. PRELIMINARY VALUATION

6.1 If the policy shows that the insured **risk objects** have been valued by (an) expert(s), then this preliminary valuation is valid for a period of 3 years, counting from the date of the valuer's report. The valuer's report is deemed to form part of the insurance contract. If **insurers** demonstrate that it is fraudulent, the expert's valuation becomes invalid.

6.2 If the index clause applies to the insurance of **buildings** valued in this manner, then the preliminary valuation is valid for a period of 6 years, counting from the date of the valuer's report. Any increase or decrease of the sum insured as a result of **indexation** is deemed to have been valued in the same manner.

6.3 If a new valuer's report has not been issued on expiry of said periods, the preliminary valuation remains valid for a period of 12 months as a valuation by parties themselves. After this period the sum insured is deemed to have been stated by the **insured**.

6.4 If the policy shows that the insured **risk objects** have been valued by parties themselves, such value will be valid until expiry of the insurance. However, **insurers** retain the right to prove any overvaluation existing at the time of the loss or damage.

6.5 The preliminary valuation by experts and/or by parties becomes invalid in any of the following situations:

- a. transfer of the **real interest** while the new **insured** intends to use the valued property for different purposes, or
- b. the valued property is or will be out of use for more than 12 months, or
- c. the **building** is or will to be vacant for more than 3 months, or

- d. the **building** is occupied by squatters, or
- e. reinvestment following loss or damage is not to take place.

7. INDEMNITY IN EXCESS OF THE SUM INSURED

Insofar as not or not sufficiently insured elsewhere, indemnity will be paid in excess of the sum insured, up to and not exceeding the applicable first-loss limit, for:

7.1 **Salvage costs**

7.2 **Debris removal costs**

7.3 Costs of transport and storage of the insured **risk objects** due to the temporary unavailability of the **buildings**;

7.4 Damage to **buildings** leased to the **insured** in the event of burglary (art. 2.10 Module I) or vandalism (art. 2.11 Module I), if such damage is for the account of the **insured**;

7.5 Loss of rent if this is not included in the indemnity for loss of profits;

If the **insured** is both owner and occupant of the **building**, the loss of rent is determined on the basis of the market rental value of the **building**;

7.6 Costs and expenses the insured is compelled to incur under statutory provisions or by order of the authorities;

7.7 Damage to landscaping and anything included therein, as well as the paving, if such damage is for the account of the **insured**. Excluded is storm damage, unless the damage is caused by the collapse of (parts of) the **building** due to storm;

7.8 If **machinery/equipment** is insured:

- a. money and monetary instruments (including cheques, payment cards, bank cards, chip cards etc.), insofar as they belong to the **insured** and are located in the **buildings** specified in the policy.

Outside the **buildings** these items are only insured in the event of extortion and robbery;

- b. the costs of the replacement, adjustment of locks, (computer) cards or other locking devices, if such replacement is the inevitable consequence of theft of keys, access cards etc., whether the theft took place at the insured location or at the home addresses of management board members or authorised staff members;
- c. the financial loss as a result of receiving payment for goods delivered and/or services provided in the form of counterfeit money, counterfeit monetary instruments, stolen or forged cheques or payment cards, or payment by means of stolen or forged bank cards, chip cards etc.;

This cover only applies if **machinery/equipment** is insured and insofar as the financial loss is not indemnified by a financial institution.

- 7.9** The **reconstruction costs** incurred as a result of loss of or damage to **administration** and financial data, drawings, etc. which are at the location specified in the policy, due to an insured peril/event.

8. LOSS AND EXTENT OF INDEMNITY

8.1 Insurers' liability to pay indemnity comprises:

- a. property damage: at insurers' discretion, the difference between the pre-loss and post-loss values of the insured **risk objects** or the post-loss cost of repair of property that, in the assessors' opinion, is suitable for repair, as well as – in case of insurance on the basis of new replacement value – the decrease in value caused by the event and not made good by the repair;
- b. the amount of indemnity in excess of the sum insured in accordance with art. 7 Module I.

8.2 The determination of the pre-loss value of the insured **risk objects** is based on the principles of valuation as set out below, whereas for the determination of the post-loss value these principles of valuation will be taken into account.

8.2.1 In case of insurance based on a valid preliminary valuation: the amount of the preliminary valuation.

8.2.2 In the absence of a valid preliminary valuation, in case of insurance of:

Buildings:

- the **reinstatement value** if:

- * the **insured** reports within 12 months of the date of loss or damage that **reinvestment** to continue the business as stated in the policy, is to take place.
The **reinvestment** must have commenced within 24 months of the date of loss or damage;
- * it is lower than the **market value**;
- * the **building** is under a reconstruction obligation.

- the **market value** if:

- * the **building** was offered for sale;
- * the **building** had been declared unfit for occupation or use by the competent authorities;
- * the **building** had been vacant or in disuse for more than 9 months;
- * the **building** or part thereof has been occupied by squatters for more than 3 months;
- * the **insured** did not report within 12 months of the date of loss or damage that **reinvestment** will take place or if the **reinvestment** has not commenced within 24 months of the date of loss or damage.

If, notwithstanding the above, the **insured** reports within 12 months of the date of loss or damage that **reinvestment** will take place: the **reinstatement value**, provided that the **reinvestment** commences within 24 months of the date of loss or damage.

- the **demolition value** if:
 - * the **insured** had the intention to demolish the **building** prior to the loss or damage;
 - * the **building** was due for demolition or expropriation.

Machinery/equipment: the **new replacement value**.

- The **replacement value** applies:
 - * if the **insured** had the intention to discontinue the business prior to the loss or damage;
 - * if continuation of the business and **reinvestment** are not to take place;
 - * if **insurers** are not notified in writing within 12 months of the date of loss or damage of the continuation of the business and **reinvestment**;
 - * to property whose **replacement value** is less than a percentage of the **new replacement value** stated elsewhere in the policy;
 - * to property that is no longer used for the purpose for which it is intended;
 - * to motor vehicles (including mopeds), caravans and other trailers, vessels, as well as parts thereof;
 - * to works of art, antiques and rare items.

Goods: the **cost price** or the **replacement value**, whichever is the lower.

In the event of **goods** sold but not yet delivered which are still for the account and at the risk of the **insured**: the selling price.

8.2.3 If a value other than the one described in art. 8.2.1 or art. 8.2.2 of Module I has been agreed: such other value.

8.3 In case of an index-based insurance, the effect of the **indexation** on the pre-loss sum insured is taken into account, up to the agreed limit, if any.

8.4 Any surplus resulting from overinsured **risk objects** is allocated to deficits on underinsured **risk objects**, subject to the provisions of and in the order set out in art. 13 of the General Conditions.

8.5 Unless a separate sum has been insured, **tenant's fixtures and fittings** are deemed to be included in the sum insured for **machinery/equipment**.

8.6 **Insurers'** liability to pay indemnity is limited to the sum insured, on the understanding that even after application of art. 13 General Conditions, indemnity will never exceed the aggregate of sums previously insured, yet increased by the amount of indemnity in excess of the sum insured in accordance with art. 7 Module I.

9. UNDERINSURANCE

In the event of property damage, indemnity is only payable proportionally if the sum insured is less than the pre-loss value of the insured risk objects.

Indemnity under art. 7 Module I is paid in full up to the relevant insured limits. The underinsurance provision does not apply to art. 7 Module I.

MODULE II - LOSS OF PROFITS

MODULE II - LOSS OF PROFITS

1. EXTENT OF COVER

The insurance covers the **loss of profits** incurred by the business of the **insured** as specified in the policy, arisen during the **indemnity period**, and caused by:

- 1.1 loss of or damage to **risk objects**, whether insured or owned by the **insured** or not.
The loss of or damage to **risk objects** must have been caused by a peril/event insured under art. 2 Module I, subject to the exclusions in Module I;
- 1.2 the inaccessibility of any **risk object** as a result of loss of or damage to nearby property due to a peril/event insured under art. 2 Module I, subject to the exclusions in Module I;
- 1.3 a failure in the electricity, gas or water supply as a result of loss of or damage to:

- the electricity production or distribution company, including substations, switching stations and transformer kiosks;

Excluded is **loss of profits** caused by a failure as a result of loss of or damage to pipes, mains, wires, power pylons or cables, complete with all fittings, which are situated between the supplying utility company and the **risk object** specified in the policy.

- supply, compressor, measuring, control, mixing, delivery or reducing stations operated by the gas production or gas distribution company, or the pipes, valves or reducing cabinets between the aforementioned stations and the **insured's** business;
- the waterworks, including pumping stations and intermediate stations;

due to a peril/event insured under art. 2 Module I, subject to the exclusions in Module I, on condition that the business interruption lasts longer than six consecutive hours.

2. INDEMNITY PERIOD

- The **indemnity period** starts on the day the **loss of profits** arises and ends when the business activities are no longer affected by the peril/event that caused the loss or damage or upon expiry of the **indemnity period** limit stated in the policy, whichever is earlier, irrespective of the contract expiry date of the insurance.

- the **indemnity period** is stated in the policy.
- The **indemnity period** is limited to 13 weeks if the business is discontinued or if no attempts are made to resume business to to the pre-loss situation within 13 weeks.
If the **insured** is bound by law or contract to continue to pay salaries, wages and the related social security charges, the **indemnity period** will be as long as the continued payment obligation applies, yet limited to 26 weeks.

The above does not apply if the activities are not resumed by order of the authorities or if the **insured** continues the business elsewhere. In these cases, indemnity will be provided as if **reinvestment** had been realised.

3. BASIS FOR INDEMNITY

Turnover or **production**

In the event of **loss of profits** covered by this insurance, the **insured** will prior to the start of the loss assessment decide whether the claim is settled on the basis of the reduction in **turnover** or **production**.

The selected criterion will be binding for the full **indemnity period**. Claims assessors on behalf of **insurers** will be informed of this criterion prior to the start of the loss assessment.

The **insured** is free to select a criterion for each insured location separately per occurrence.

4. LOSS AND EXTENT OF INDEMNITY

Insurers' liability to pay indemnity comprises:

4.1 **Loss of profits**

The basis for calculation of the **loss of profits** is: the percentage

- a. the **gross profit** represents of the **turnover** or **production**;
- b. this **gross profit** percentage is calculated on the reduction in **turnover** or **s**;

4.2 **Extra costs**

- a. the **extra costs** are reimbursed up to and not exceeding the amount of the **loss of profits** reduction that was realised with the **extra costs** within the **indemnity period**.
- b. the **extra costs** incurred with the **insurers'** consent, are reimbursed in full, if necessary in excess of the sum insured.

Underinsurance is not applicable.

5. EXCLUSIONS

5.1 LOSS OF PROFITS NOT RELATED TO THE EVENT

Excluded from the insurance is **loss of profits** that would also have arisen had the loss of or damage to the **risk object** due to an insured peril/event not occurred.

5.2 PENALTIES

Excluded from the insurance is **loss of profits** as a result of penalties due to breach of contract or the failure to carry out an order (on time).

5.3 BAD DEBT LOSSES

Excluded from the insurance is **loss of profits** resulting from bad debt losses.

5.4 BUYER'S RISK AND SUPPLIER'S RISK

Excluded from the insurance is **loss of profits** due to loss of or damage to third-party property as a result whereof such third parties cease to purchase or purchase less from the **insured** (buyer's risk) and/or cease to supply or supply less to the **insured** (supplier's risk).

6. UNDERINSURANCE

In the event of **loss of profits**, indemnity is only payable proportionally if the sum insured – if applicable with due observance of an increase/decrease provision stated elsewhere in the policy – is less than the **gross profit** that would have been realised had the **loss of profits** not arisen.

DEFINITIONS

VMZB 2021

DEFINITIONS

This article contains the definitions of the terms printed in **bold and underscored** in this wording. Within the context of these conditions the following terms are understood to mean:

1. ADMINISTRATION

Data collected, recorded, processed and provided for the purposes of managing and operating a business, and the accountability for it.

2. LOSS OF PROFITS

The reduction in turnover or production due to a complete or partial business interruption or breakdown.

3. MACHINERY/EQUIPMENT

All movable property, with the exception of goods and private home contents. Motor vehicles with registration numbers, trailers, caravans and vessels are only included under the policy if this is stated in the policy.

4. SALVAGE COSTS

Costs and sacrifices which can be valued in terms of money in connection with measures which are taken by or on behalf of the insured and are reasonably required in order to prevent the imminent materialisation of the insured peril/event or in order to minimise loss or damage resulting from the materialisation of the risk.

5. GROSS PROFIT

The income from the business activities reduced by the variable costs. This equals the fixed costs increased by the net profit or otherwise reduced by the net loss.

6. THEFT

The act of unlawfully taking something.

7. EFFECTIVE AMOUNT

The gross profit over a period equal to the agreed indemnity period.

8. EUROPE

The Member States of the European Union, Andorra, Channel Islands, (Turkish) Cyprus, Iceland, Liechtenstein, Monaco, Norway, San Marino, Switzerland and the United Kingdom.

9. EXTRA COSTS

The costs incurred in order to minimise the loss of profits.

10. BUILDING(S)

Immovable property including anything that by its nature and design or according to commercial practice is designated as and deemed to be part thereof.

This includes any sizeable structure made of wood, stone, metal or other material. Such a structure must be directly or indirectly connected to the ground, or have its supports in or on the ground, such as but not limited to sheds, warehouses, portacabins and fences.

Foundations are only included under the policy if this is stated in the policy.

Building-specific PV systems, rooftop-mounted or otherwise, are part of the building(s).

11. RISK OBJECTS

Buildings, machinery/equipment and/or goods.

12. GOODS

Raw and ancillary materials, semi-finished and finished products, products being processed, and packaging.

13. REINSTATEMENT VALUE

The amount required for the reconstruction of the insured building - at the same location and of equal quality to its original construction and design - immediately after occurrence of the insured event.

14. REINVESTMENT

The allocation of the amount of indemnity for the repair, (re)construction and/or purchase of interests, whether or not at the same location, as referred to in art. 3 and/or 10 Definitions in order to continue the business, profession, other activities or function within the scope of the description stated in the policy.

The assessed claim amount for buildings must be allocated within the reinvestment for one or more building(s).

The assessed claim amount for machinery/equipment must be allocated within the reinvestment for machinery/equipment.

15. TENANT'S FIXTURES AND FITTINGS

The costs incurred by the insured in their capacity as lessee for the improvement or alteration of the leased building or space, whether or not:

- the insured became owner of the realised improvements or alterations;
- the owner or lessor of the building paid a contribution towards the costs;
- the insured gets ownership rights to (part of) these improvements or alterations at the end of term of the lease.

16. INDEXATION

Automatic and continuous adjustment of the sum insured to the agreed index.

17. ANNUAL INTEREST

The gross profit over the period of one year.

18. COST PRICE

The amount required for the purchase of raw materials, increased by the added value.

19. BROKER

The intermediary for this insurance.

20. NEW REPLACEMENT VALUE

The amount required for the acquisition of new interests of the same type and quality.

21. TURNOVER

The aggregate amount of sales and fees for services provided in a particular period.

22. DEBRIS REMOVAL COSTS

The costs of demolition, clearance, removal, dumping and destruction of the insured risk objects, insofar as they are not included in the assessment as referred to in art. 8.1 under a of Module I and are the inevitable consequence of a loss or damage covered under this insurance.

23. FIRST LOSS

First loss is the maximum amount paid in case of loss or damage, irrespective of the real value. The underinsurance provision is not applicable here.

24. PRODUCTION

The manufacture of goods.

25. RECONSTRUCTION COSTS

The costs incurred during the indemnity period in order to reconstruct and/or reproduce administrative and financial data, drawings etc. which are necessary for the continuation of the business – however they were recorded – and to re-enter them in the administration of the insured.

26. INDEMNITY PERIOD

The period during which indemnity can be claimed.

27. DEMOLITION VALUE

The amount that could be obtained for those parts of the building that are still usable or valuable, reduced by the costs of demolition, clearance, removal, dumping and destruction.

28. VANDALISM

The act of deliberately and unlawfully destroying, damaging, defacing, disabling or taking away any property that belongs in whole or in part to someone else.

29. VARIABLE COSTS

The costs that increase or decrease in line with the level of business activities.

30. FIXED COSTS

The costs that are not related to the production or turnover.

31. MARKET VALUE

The amount that could be obtained on the commercial property market upon sale of the building, exclusive of the land, assuming that its use would remain unaltered.

32. REPLACEMENT VALUE

The amount required to acquire property equivalent in type, quality, condition and age.

In the absence of a replacement market, the value adopted will be the higher of:

- the new replacement value after deduction of an amount for technical obsolescence; or

- the new replacement value after deduction of an amount for economic obsolescence. Such while taking into account the property's state of repair.

33. INSURERS

The parties who jointly bear the insured risk, each for their respective share in the sum insured.

34. INSURED

The natural person or legal entity named as such in the policy, subject to the provisions of art. 16 General Conditions. The insured is also deemed to be the policyholder, unless another party is named as policyholder in the policy.

35. POLICYHOLDER

The natural person or legal entity who has taken out the insurance. The policyholder is also deemed to be (one of) the insured (parties).

36. REAL INTEREST

The insured's interest in the preservation of the risk objects on account of ownership or any other real right or his bearing the risk for their preservation.

*The VNAB model policy conditions and clauses only serve as **model**. They may be adjusted by means of alterations, additional provisions and/or clauses. VNAB market parties are free to offer their customers other policy conditions.*

VNAB is not liable for the application or contents of the model conditions and clauses.

If you're looking for previously published (older) conditions, please contact VNAB.

Translation of the original Dutch wording. In case of any difference between this translation and the original Dutch wording, the latter will prevail.

The official Dutch title of these conditions is: "VNAB MODULAIRE VOORWAARDEN VOOR ZAAK- EN BEDRIJFSCHADEVERZEKERING VMZB 2021". The wording is available via the website of the Netherlands Insurance Exchange Association, www.vnab.nl.
