



Hoffmann & Co. Assekurateur

Internationaler Versicherungsmakler

Written general terms and conditions of insurance for the machine extended warranty (GVB 2013)

Table of Contents

- § 1 Insured property**
- § 2 Risks insured and exclusions**
- § 3 Scope**
- § 4 Insurance value; amount insured; under-insurance**
- § 5 Scope of indemnity, excess**
- § 6 Payment of damages, deadlines**
- § 7 Beginning and end, term of the insurance coverage, premium due date**
- § 8 Obligation of the policyholder**
- § 9 Release from obligation to perform in the event of a violation of
obligation**
- § 10 No performance obligation for special reasons**
- § 11 Notifications and declarations of intent**
- § 12 Jurisdiction**
- § 13 Final provisions**



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§ 1 Insured property

1. Insured objects

Insured are standard mechanical, hydraulic, electrical and electronic parts / assemblies of the insured machines or equipment with a valid operating license.

In the case of used machines a general overhaul must be conducted in accordance with a check-list mandated by the manufacturer, alternatively the Accident Prevention Regulation (UVV).

§ 2 Risks insured and exclusions

1. Obligation to perform, definition of damage event

The insurer shall provide compensation if insured parts / assemblies of the machine or equipment lose their ability to function directly resulting from the impact of an internal cause (damage) during normal use / proper use as a result of property damage during the insured period. No obligation to perform exists if the ability to function is caused by an uninsured part and a repair is necessary as a result.

2. Uninsured risks

The insurer will not provide compensation regardless of other contributing causes for damages which occur

a) as a result of influences of all kinds from outside the machine or, as in

aa) as a result of accidents (by a direct event from outside that impacts with sudden mechanical force) and violent impacts of every type.

bb) as a result of misappropriation (in particular theft, unauthorised use, burglary, fraud), as a result of natural occurrences such as storms, hail, lightning strike, animals, earthquake or flood, as well as the result of water, frost.

cc) as a result of acts of war of every kind, civil war, internal unrest, vandalism, terrorism, strike, lock-out, seizure or other sovereign impacts or as a result of nuclear energy.

b) as a result of fire, explosion, scorching.

c) as a result of a change in control or computer systems of the machine regardless of their transmission route. This also applies to damages as a result of this change to the systems themselves.

d) as a result of fault on the part of the operator, the insured party or machine operator, in particular disregard of the operating instructions, improper, malicious or wanton handling (consequences could, for example, be overheating, low oil damages). Furthermore, no service will be rendered in the event of damages as a result of disregard of the maintenance requirements / failure to conduct maintenance work on the machine or equipment.

e) as a result of serial, construction and manufacturing defects or for those for which a third party, as the manufacturer (e.g. vehicle recall, serial defects), supplier, or contractor, is liable or enters from another warranty, insurance or confirmation of coverage (e.g. goodwill pledge) or does not enter due to the fault of the operator, policyholder / insured party.



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Internationaler Versicherungsmakler

- f) which result from participation in events with a competitive character or from the associated practice drives, or as a result of exceeding the permissible axle or towing capacity, or the permissible total weight specified by the manufacturer.
- g) which result from the use of lubricants, operating materials and fuels which are unsuitable or not authorised / approved by the manufacturer.
- h) as a result of gradual losses, the slow formation of deformations, dents, breakages, tears, blistering, coatings, defects, indentations as well as the repair of defective pipe connections or other defective connections or seams;
- i) as a result of operationally normal and/or premature wear and tear; corrosive attacks or abrasions; excessive formation of deposits;
- j) which were caused by change to the original construction of the machine (e.g. tuning, in particular chip-tuning, chassis modifications) or the installation of foreign parts or accessory parts which are not approved by the manufacturer or were not professionally installed.
- k) as a result of the operation of an item visibly in need of repair, unless the damage can be proven not to be in connection with the need for repair or the item at the time of damage was, at least, temporarily repaired with the consent of the insurer.
- l) in which attempts were made to distort the facts which are relevant to the amount or cause of the damage.
- m) for additional costs as a result of changes or improvements which go beyond the actual repairs necessary; if a structural unit, e.g. a motor, transmission or component is replaced although, in addition to damaged parts it most probably also includes undamaged ones, then the compensation for this will be reduced accordingly; however, this does not apply if the costs which would have been necessary for repair of the damaged parts would exceed the costs for the replacement of the structural unit; if damaged parts are refurbished, regardless of whether a repair is possible without endangering operational safety, the insurer will cover the costs which would have been necessary for repair of the damaged parts, however, not more than the costs expended for the refurbishment;
- n) for costs for the overhaul of the machine or equipment;
- o) as a result of the removal of defects, malfunctions, damages as a result of improper execution of services, repairs and other work on the insured item by the service partner;
- p) for costs for the clearing up and decontamination of the insured item or its parts as well as costs for the destruction of parts of the item, in addition costs for the removal of parts to the nearest suitable waste disposal plant, costs arising from deliverer liability.



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3. Uninsured property not

covered are:

- a) parts which are not approved by the manufacturer;
- b) consumables, catalytic converters, particulate filters, batteries, raw materials, auxiliary materials, operating materials, such as fuels, chemicals, oils, grease and other lubricants, filters and filter inserts, cooling agents and antifreeze, hydraulic fluids, brackets, mounting brackets, screws, nuts, clips, clamps and the like;
- c) other parts which, from evidence, must be replaced multiple times during the lifetime of the insured machine;
- d) parts and assemblies of the insured machine or equipment which are not specified under Item 1.

4. Uninsured damages and work will not

be compensated:

- a) direct or indirect consequential damages (e.g. towing costs, accommodation costs, rental machine costs, compensation for lost use, e.g. in the event of delayed replacement part procurement or external repair, costs for round-trip transport to/from the repair shop, consequential damages to uninsured components).
- b) isolated testing, measurement and adjustment work as well as costs for maintenance, inspection and service work, cleaning, procurement, disposal, freight, shipping, and similar costs.

§ 3 Scope

The insurance coverage applies only for machines or equipment used in Germany and Austria as well as their neighbouring countries (including Macedonia and Serbia).

All damages insured through this contract must be completed by authorised specialist workshops or recognised authorised workshops within the abovementioned countries.

§ 4 Insurance value; amount insured; under-insurance

1. Insurance value

Insurance value is the net purchase price of the machine or equipment on the day of acquisition.

2. Amount insured

The amount insured specified for each insured item in the insurance contract should correspond with the insurance value.



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3. Under-insurance

If the amount insured is lower than the insurance value at the time of the occurrence of the insured loss, then under-insurance exists (does not apply to sales-based contracts)

However, if the amount insured was formed in accordance with Item 1 and 2 the insurer shall waive the defence of under-insurance.

§ 5 Scope of indemnity, excess

1. Principle

The insurer shall compensate only for the technically required and actually incurred costs of the repair including all necessary, insured assembly parts, within the scope of these provisions. A payment of estimated repair costs without the actual completion of a repair shall not take place.

2. Compensation labour costs

The policyholder / insured party will be compensated for labour costs within the scope of this insurance in accordance with the manufacturer's working hours guidelines for disassembly and assembly. Diagnostic costs will be compensated in accordance with the expenses customary and necessary.

3. Compensation material costs

Decisive for the compensation of material costs are the non-binding price recommendations of the manufacturer (SRP). New or refurbished original equipment manufacturer (OEM) parts may be used as replacement parts; if no OEM parts are available new or refurbished non-original manufacturer parts with similar characteristics and functionalities, which comply with the standards of the original equipment manufacturer, may be used as replacement parts provided they are approved by the manufacturer.

4. Limits of indemnity, excess

- a) The compensatory payment for all damages incurred during the period of coverage is limited to 50% of the agreed amount insured.
- b) The settlement amount determined will be reduced by the agreed upon deductible per claim.



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§ 6 Payment of damages, deadlines

1. Principle

The compensation is due when the determinations of the insurer regarding the reason and the amount of the claim have been concluded. The policyholder may claim the amount which, according to the circumstances is the minimum amount payable, as an advance payment one month after notification of the claim.

2. Assignment

The policyholder may assign the claim for compensation to the repair shops conducting the repairs prior to the due date by written declaration.

§ 7 Beginning and end, term of the insurance coverage, premium due date

The length of the period of insurance coverage is established in the insurance policy.

1. Beginning of the insurance coverage

The insurance coverage begins on the day of sale of the machine or equipment, but no earlier than the first day after the expiration of the factory warranty, or statutory material defects liability.

2. End of the insurance coverage

The insurance coverage ends, without requiring termination, at the agreed upon expiration date but no later than after 12 months (max. 2400 operating hours), 24 months (max. 3600 operating hours), 36 months (max. 4800 operating hours), 48 months (max. 6000 operating hours).

3. Due date of the first, or one-time, premium

The first or one-time premium must be paid - impartial on the existence of a right of revocation - immediately after the date of the agreed begin of the insurance coverage specified in the insurance policy.

§ 8 Obligation of the policyholder /insured party

1. Obligations prior to the insured event

the policyholder must

- a) inform himself of the manufacturer's operating and maintenance guidelines based on the operating and maintenance manuals. The current maintenance situation of the machine or equipment must be reviewed.



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Internationaler Versicherungsmakler

- b) In addition, the maintenance work on the machine or equipment must be conducted in accordance with the manufacturer's recommendations and guidelines in a timely manner, only by the manufacturer's specialist workshops.
- c) must refrain from interferences or other influences on meters above the operating performance and immediately report a defect or replacement of the meter indicating the respective operating performance.
- d) report every multiple insurance policy.

2. Obligations after the insured event

The policyholder is obligated to

- a) immediately report a claim to Hoffmann & Co. GmbH per telephone or in writing and coordinate necessary repair work with Hoffman & Co. GmbH before beginning repair work. A repair order may be issued by the policyholder only after successful written approval for repair by Hoffman & Co. GmbH.
- b) permit an agent of the insurer to inspect the damaged item at any time. Upon request these, and the necessary parts, must be provided to the insurer, or Hoffman & Co. GmbH, free of charge, for assessment of the damage and the cause of damage, and issue the required information in writing (e.g. submission of maintenance documents, claim reporting sheet).
- c) to reduce the damage, if possible, and to follow all reasonable instructions by the insurer and/or Hoffmann & Co. GmbH.
- d) to submit the repair invoice to Hoffman & Co. GmbH within one month of the invoice date. The repair invoice must separately and clearly indicate the cause for the damage incurred, the work done, the parts numbers, the replacement part prices and the labour costs with working hours guidelines.

§ 9 Release from obligation to perform in the event of a violation of obligation

- 1. If the policyholder wilfully, or as a result of gross negligence, violates an obligation towards the insurer which he must fulfil prior to the occurrence of the insured event, the insurer may terminate the contract without notice within one month after learning of the violation. The insurer's right to revocation is excluded if the policyholder proves that he neither wilfully, or through gross negligence, violated the obligation.
- 2. If the policyholder wilfully violates an obligation the insurer is released from the obligation to perform. In the event of grossly negligent violation of the obligation the insurer is entitled to reduce his performance in an amount commensurate with the severity of the policyholder's fault. The policyholder bears the burden of proof to demonstrate the non-existence of gross negligence.
- 3. In the event of a fraudulent violation of obligation, however, the insurer is obligated to perform insofar as the policyholder proves that the violation of the obligation is not the cause of the occurrence or the determination of the insured event, nor for the determination, or scope, or the insurer's obligation to perform.



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Internationaler Versicherungsmakler

4. If the policyholder violates an existing duty of disclosure of information, or clarification after the occurrence of the insured event, the insurer is only fully, or partially, free from liability if he has informed the policyholder of this legal consequence in text form in a separate notification.

§ 10 No performance obligation for special reasons

1. Wilful or grossly negligent causation of the insured event
 - a) If the policyholder wilfully causes the insured event, the insurer is freed from the liability of compensation. If the cause of the damage is determined by an enforceable criminal judgement to be a result of the person of the policyholder, the wilful causation of the damage is considered proven.
 - b) If the policyholder / insured party causes the damage through gross negligence, the insurer is entitled to reduce his performance commensurate with the severity of the fault of the policyholder.
2. Wilful deception after occurrence of the insured event

The insurer is released from the obligation to compensation if the policyholder wilfully deceives, or wilfully attempts to deceive, the insurer of facts which are of significance to the cause, or the amount of compensation. If the deception, or attempt at deception, is established by an enforceable criminal judgement against the policyholder due to fraud, or attempted fraud, the provision of sentence 1 shall be considered proven.

§ 11 Notifications and declarations of intent

1. Form

Insofar as the written form is not required by law and insofar as this agreement does not provide otherwise, the statements and notifications intended for Hoffmann & Co. GmbH, which affect the insurance relationship, and which are made directly toward Hoffmann & Co. GmbH, must be submitted in text form. Statements and notifications must be directed to the address specified under § 1. The statutory requirements regarding the receipt of statements and notifications remains unaffected.

§ 12 Jurisdiction

1. Legal actions against the insurer or Hoffmann & Co. GmbH

In the event of legal actions resulting from the insurance agreement or insurance mediation, in addition to the jurisdictions of civil procedure, the local court in the district in which the policyholder has its registered office at the time of the filing of the legal action is responsible, or failing that, in the district in which it has habitual residence.

2. Legal actions against the policyholder / insured party

In the event of legal actions against the policyholder resulting from the insurance agreement or insurance mediation, only the local court in the district in which the policyholder has its registered office at the time of the filing of the legal action is responsible, or failing that, in the district in which it has habitual residence.



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Internationaler Versicherungsmakler

§ 13 Final provisions

For this agreement German law applies for German policyholders and Austrian law applies for Austrian policyholders.

In particular, this applies to the paragraphs and provisions of VVG (Insurance Contract Act) and VersVG (Austrian Insurance Act).



Hoffmann & Co. Assekurateur

Internationaler Versicherungsmakler

Supplement to Written general terms and conditions of insurance for the machine extended warranty (GVB 2013)

General Terms & Conditions

The contract is based on:

- General terms & conditions (GVB 2013)
- Written terms & conditions

The general and written terms & conditions augment respectively change the general insurance conditions and prevail those.

Start and Expiration of Insurance Coverage

Paragraph §7

Insurance coverage starts as described in §7 subparagraph 1.

Duration and agreed upon termination of the extended warranty insurance can be chosen between 12 and 48 months (after expiration of factory warranty).

The report of the chosen term agreement must be noted down in the yearly notification sheet.

The extended warranty (insurance) shall automatically be terminated at the end of the agreed upon term or after reaching the following number of operating hours

- For 48 months = limit of 6.000 operating hours
- For 36 months = limit of 4.800 operating hours
- For 24 months = limit of 3.600 operating hours
- For 12 months = limit of 2.400 operating hours

Respectively for the insured period, whichever occurs first.

Insured Property.

Paragraph §1

Insured Property

- Tractor and caterpillar tractor
- Harvester
- Baling press
- Front loader

Only new machinery can be insured under or regarding this contract.

Compensation Calculation

Compensation calculation regardless of §5 section b (tableau) will be the following

Year of warranty extension: 0,00€

Year of warranty extension: 300,00€

In addition to §2 section 2. m) GVB 2013 the following shall be deemed to be agreed upon:

In case of exchange of repair-units "motor and transmission", deduction will be 10% per year (monthly 1/12 of 10%), maximum 50%, starting 13th month of insurance coverage of the damaged machinery.