



Special conditions 2-081997 Legal Expenses Insurance

The English translation has no legal force and is provided to the customer for convenience only. The conditions in the Dutch language shall be binding and prevail in all respects. The law of the Netherlands shall apply.

The shared conditions and special conditions are considered to constitute a whole. If and insofar as there is any conflict between the content of the special conditions and the shared conditions, the special conditions shall prevail.

Article 1 General rules that apply to the insurance policy

1.1 Insurer

The insurer has assigned the task of carrying out this insurance contract to the legal assistance insurer ARAG-Nederland, Algemene Rechtsbijstand Verzekeringsmaatschappij N.V., hereinafter referred to as “ARAG”. The insurer guarantees performance by ARAG of the obligations set out in these special conditions.

1.2 Which persons may make a claim for legal assistance? Claims for legal assistance may be made in the first place by the person who took out the insurance contract, the policyholder. In addition, co-insured persons shall be entitled to legal assistance. All persons who belong to the policyholder’s household are co-insured. If someone no longer belongs to his/her household and/or he/she no longer lives at the policyholder’s address, he/she shall have no (further) entitlement to legal assistance. The exception to this is unmarried children who are living away from home for the purposes of (full-time) studies; they are co-insured parties to this insurance. Furthermore, surviving dependants may have recourse to this insurance for the purpose of instituting a claim (on the basis of Article 6:108 of the Dutch Civil Code) following the death of a policyholder or insured person as a result of an accident for which there is an entitlement to legal assistance.

1.3 What happens in the event of a dispute between persons insured on the same policy? A co-insured person may only make a claim on this insurance with the consent of the policyholder. A co-insured person may not claim on this policy for a dispute with the policyholder or any other person co-insured by this policy.

1.4 What geographical area does the insurance cover? This insurance policy consists of various sections. Your certificate of insurance shows the sections for which you are insured. For each insured section, it is specified in which country/countries legal assistance is provided and which costs are reimbursed. There is entitlement to legal assistance in the relevant country if the case can be submitted to the courts in that country and the laws of a country in the covered area are applicable.

1.5 What can you make a claim for? You have an entitlement to legal assistance if, during the term of the insurance contract, an incident or unforeseen situation occurs, as a result of which you become party to a legal dispute. The assumption is that legal assistance will be provided by ARAG. If you are faced with a legal dispute, the actual incident that led to that dispute must be established. You may, for example, believe that someone has acted toward you in an unlawful manner at a specific moment (the incident), but later a dispute arises over whether the action was unlawful and the consequences thereof. Or the dispute may relate to the offence of manslaughter, which you are alleged to have committed on a specific date (the incident), for which you are subsequently prosecuted. Or you may notice that your contractual partner did not fulfil his/her obligations at a specific moment. You are covered if such an incident occurs during the

term of the insurance. If there are various interconnected incidents, the first in the series of incidents must fall within the term of the insurance. There is no cover if it appears that, at the moment that the policy was taken out, you could reasonably have predicted that an incident would occur that could lead to a legal dispute. The insurer must prove this. For all insurance policies, including legal assistance policies, the basic assumption is that only uncertain events may be insured.

1.6 Waiting period

Incidents that occur during the waiting period are not covered. This is a period of three months from the effective date of the insurance. No waiting period applies for the section relating to traffic risks. Furthermore, the waiting period does not apply if the insurance policy was taken out immediately following another legal expenses insurance policy that would have provided cover for the notified incident.

1.7 What costs are insured? The insurer shall be responsible for the costs associated with the handling of your case by one of its employees, i.e. the internal costs. In addition, the insurer shall reimburse the following external costs:

- the costs of a lawyer from the ARAG-Advocatennetwerk (network of lawyers) or of a lawyer outside that network. If your case is dealt with by a lawyer outside the ARAG-Advocatennetwerk, however, only those costs that are customary for such a case will be reimbursed;
- the costs of other external experts engaged by ARAG on your behalf, and the costs resulting from measures taken by these experts;
- necessary travel and accommodation expenses if you must appear in person before a foreign court;
- court registry fees and the costs of witnesses and experts called on your behalf;
- the legal costs of the other party, insofar as the court has decided that you must pay them;
- the costs of enforcing a judgement, for a maximum period of five years after the date on which the judgement was given.

1.8 What happens if there are other interested parties or if there is partial cover? You may wish to pursue a legal action in conjunction with other people, or the case you have reported is only partially insured against. In these cases, the costs of legal assistance shall be reimbursed proportionately. This means that only your share of the total costs, or the portion of the costs covered, will be reimbursed.

1.9 What costs are not insured? The following costs are not insured and you must pay them yourself:

- costs incurred by the other party for the recovery of a financial claim against you (extrajudicial expenses), if it has been established that these must be paid by you;
- any costs you can recover or have reimbursed in another manner from third parties, with the exception of any entitlement pursuant to the Legal Assistance Act. If these costs had already been paid to you by ARAG, you must reimburse ARAG after receiving these costs from third parties.
- VAT that you can set off against any VAT amounts you owe;
- fines, penalties and periodic penalty payments imposed on you.

1.10 What will the insurer do if a foreign authority requires payment of a deposit? In cases in which a foreign authority requires a deposit, the insurer is prepared, under certain conditions, to advance this deposit as an interest-free loan, up to a maximum of EUR 22,689.00.

Article 2 Dealing with your case

The basic assumption is that your case will be dealt with by an ARAG expert. On your behalf, this expert will correspond with the people and organisations involved, and will negotiate with the other party. If necessary, he/she will also conduct legal proceedings on your behalf. ARAG may suggest that the case be dealt with by a lawyer from the ARAG-Advocatennetwerk. This would be a lawyer from a firm near you, who is part of the ARAG-Advocatennetwerk. This network consists of law firms specially selected by ARAG for their expertise, so that they can guarantee that your interests will be well represented. If you agree to this proposal, ARAG will send the relevant papers on to the lawyer. The lawyer will then contact you within two working days. The lawyer will always consult with you directly and will also keep ARAG informed of the progress of your case. If you do not agree to the matter being dealt with by a lawyer from the ARAG-Advocatennetwerk, the issue will be handled by an ARAG expert or (in the case of procedural monopoly or a conflict of interests) by a lawyer to be selected by you. Both the ARAG expert and the network lawyer will consult you on how to approach the case, which will involve an analysis of the case and, if possible, an illustration of the steps to be taken in dealing with the case. If developments in the case make it necessary, a different or adjusted plan will be drawn up. Once again, you will be consulted. There are two sets of circumstances in which you can choose a lawyer yourself, including a lawyer outside the ARAG network if you prefer:

1 Article 60 of the Insurance Industry (Supervision) Act states that, if a lawyer or other legally qualified expert is requested to defend, represent or promote your interests in judicial or administrative proceedings, you are entitled to choose the lawyer or other legally qualified expert yourself. In practice, ARAG will only engage a lawyer on your behalf if procedural steps have to be taken for which representation by a lawyer is required according to statutory rules (procedural monopoly).

2 If both you and the other party in the dispute are entitled to legal assistance from ARAG (conflict of interests). The lawyer or other legally qualified expert selected by you will be engaged by ARAG on your behalf. In a case where a Dutch court has jurisdiction, only those lawyers or other legally qualified experts who are registered and have a place of business in the Netherlands will be eligible. In a case where a foreign court has jurisdiction, only those lawyers or other legally qualified experts who are registered with the relevant foreign court will be eligible. You must keep ARAG regularly informed of the progress of the case if it has been assigned to another lawyer. You do not need to do this yourself; you can authorise the lawyer to inform ARAG of the progress of the case on your behalf.

2.1 Reasonable chance of success

The person dealing with the case should indicate, among other things, whether the result desired by you is reasonably likely to be achieved. If the result you wish is not feasible, an alternative result that is feasible should be described.

2.2 Buying off

If the (financial) interest in your case justifies it, the insurer is permitted to bring the matter to an end by compensating you directly. This compensation will free the insurer from its obligation to provide you with (further) legal assistance in the particular case.

Article 3 Cases in which there is no entitlement to legal assistance

In a number of cases you cannot make any (further) claim for legal assistance.

3.1 Late reporting

You cannot claim for legal assistance if the dispute is reported so late that the case has become significantly more expensive for the insurer to deal with.

3.2 Legal advisor engaged without ARAG's consent

Where appropriate, ARAG will engage a lawyer or external expert on your behalf. If you have commissioned someone to deal with your case without the permission of the insurer or ARAG, you lose your entitlement to legal assistance. This also means that the insurer will not reimburse you for the costs you have incurred.

3.3 Violation of interests

If you provide incorrect information or fail to co-operate as required in dealing with the case, including not informing ARAG of the progress of a case being dealt with by a lawyer at the insurer's expense, you will lose your entitlement to legal assistance.

3.4 Minimum amount of damages

There is no entitlement under legal assistance insurance if the expected damages or the interest you have in the case represents a value of less than EUR 226.00. This minimum amount of damages does not apply to traffic cases.

3.5 Criminal cases

There is no entitlement to legal assistance at the beginning of a criminal case. If the criminal case ends in acquittal, discharge from prosecution, or notification by the prosecutor that he/she will not take any further action (dismissal), the costs of legal assistance will be reimbursed as soon as the verdict or decision is final. In that case, you must report the matter to the insurer within one month of the court's judgement or notification by the prosecutor. This is in connection with the statutory deadline for submitting a petition on your behalf, with which the insurer can attempt to recover the costs of legal assistance from the State. You can only report the matter straightaway in criminal cases where you are accused of being liable for the death or injury of another person. ARAG will then provide legal assistance immediately, regardless of the outcome of the case. In these criminal cases, there shall be no question of deliberate actions.

3.6 Disputes with the authorities

You cannot claim on this legal expenses insurance for disputes with the authorities:

- concerning and in connection with tax law. In this respect, tax law shall include import and excise duties, dues, charges and other levies;
- concerning laws or rules established or intended to be established by the authorities as binding on all citizens (so-called generally binding rules of law).

3.7 Insolvency

This legal expenses insurance does not provide any cover if your case is connected with an application for your bankruptcy or a suspension of payments, or if your case is directly connected with the fact that you cannot pay a claim against you.

3.8 Other exclusions

There is no cover for cases connected with natural disasters, acts of war or nuclear reactions. You have no entitlement to legal assistance for a dispute that was originally someone else's, but which has become yours as a result of assignment, surety, right of recourse or similar. Furthermore, this insurance does not cover the defence of any claims for compensation resulting from any unlawful act which you are alleged to have committed. Disputes relating to industrial or intellectual property, such as copyright, are also not covered. Disputes concerning this insurance, e.g. about the cover or payment of premiums, should be submitted to the civil courts. You cannot claim under this insurance for such disputes. If the court finds that you are in the right, the insurer will reimburse you for the costs of legal assistance afterwards.

Article 4 Differences of opinion about how to deal with the case / Different view of the approach to be adopted

You may disagree with ARAG on the legal steps that should be taken in your case. These are included in the plan on how to approach the case. There may also be a difference of opinion over whether there is a reasonable chance of achieving the result you wish. If this difference of opinion is irreconcilable, the situation must be resolved in a proper and careful manner, without any disadvantage to your case. ARAG will therefore appoint a recognised, independent body / arbitrator to assess the difference of opinion. The decision reached by this arbitrator shall be binding on both you and ARAG. The arbitrator's costs shall be borne by ARAG. If the arbitrator agrees wholly or mainly with ARAG, then the matter will continue to be dealt with by ARAG as proposed earlier. If, however, you wish to continue the matter in line with your own views, ARAG will send you the documents and you can deal with the case or have it dealt with at your own expense. If you succeed in achieving the result you wanted, the insurer will reimburse the insured costs of legal assistance to you afterwards. If the arbitrator agrees with your opinion, you have a free choice as to who should deal with the matter further in line with your views. The arbitrator is not allowed to take on the case, nor is any member of his/her office. These rules also apply if the matter is dealt with by a lawyer from the ARAG-Advocatennetwerk. If your case is dealt with by a lawyer outside the ARAG-Advocatennetwerk, the following will apply. If you do not agree with the lawyer's conduct of your case, you can continue the case with the help of another lawyer. The costs of doing this are to be borne by you. If you succeed in achieving the result you wanted, ARAG will reimburse the insured costs of legal assistance to you afterwards.

Article 5 Premium indexation

The premium that you pay annually for this insurance may, in accordance with this contract, be unilaterally adjusted by the insurer in line with changes in prices. The basis for this shall be the consumer price index for all households calculated by the Dutch Central Bureau of Statistics (CBS). This insurance policy consists of various sections. Your certificate of insurance shows which of the following sections are applicable.

Article 6 Consumer & residential**6.1 Insured capacity**

You are insured in your capacity as a private individual. This includes everything you do to promote your own interests, excluding the exercise of a profession or business and whatever you do to generate income.

6.2 Entitlement to legal assistance

Legal disputes with which you may be faced as a private individual are covered:

- disputes resulting from consumer agreements, such as purchase, hire, repair and service agreements, etc.;
- disputes connected with residential matters, such as the purchase of real estate, building contracts, leasing of real estate, disputes with neighbours, compulsory purchase;
- making a claim against a third party who is legally liable;
- disputes with the authorities:
 - concerning building permits or Environmental Management Act permits;
 - concerning decisions that directly affect the use or ownership of the residence in which you live or are planning to live;
 - concerning specific decisions with respect to your person.
- disputes arising from personal or family law, except those relating to divorce (see also the specific restrictions in Article 6.5);
- disputes concerning inheritance;
- criminal cases as described in the general section of these special conditions.

6.3 Area covered

The area covered is the European Union. In matters concerning real estate, the real estate must be located in the Netherlands.

6.4 Waiting period

There is no entitlement to legal assistance for incidents that occur during the waiting period of three months after the effective date of the insurance. However, the waiting period does not apply to contractual disputes if the contract was signed after the effective date of the insurance. It also does not apply to the recovery of damages from a third party who is legally liable.

6.5 Specific restrictions

In addition to the general restrictions, there is no entitlement to legal assistance for:

- disputes concerning real estate other than that in which you yourself reside, have resided or that you have purchased with the intention of residing in;
- disputes connected with the purchase of used vehicles, if these were purchased without a written BOVAG warranty or warranty from a recognised dealer;
- cases relating to inheritance law, if the testator passed away before the effective date of the insurance;
- cases connected with investments, shares, stocks and other securities, or asset management in general;
- disputes that are directly or indirectly connected with divorce, separation, termination of a cohabitation arrangement or the consequences thereof.

Article 7 Traffic risks

7.1 Insured capacity

You are insured in your capacity:

- as a participant in traffic, and
- as the owner of a vehicle.

(Other) passengers in your vehicle and (other) persons who drive your vehicle with your permission are also entitled to legal assistance as participants in traffic.

7.2 Entitlement to legal assistance

Disputes that are directly concerned with participation in traffic are covered:

- the recovery of damages from a third party who is legally liable;
- criminal cases, as described further in the general section of these special policy conditions;
- where your driving licence is demanded and this is not in relation to criminal proceedings (by the Ministry of Transport, Public Works and Water Management);
- a traffic accident that is the direct consequence of a contractual matter.

7.3 Area covered

The area covered is Europe and the non-European countries bordering the Mediterranean.

7.4 Specific restrictions

In addition to the general restrictions, there is no entitlement to legal assistance:

- if you are driving a vehicle without being legally qualified to do so, or if you are participating in contests of speed or skill;
- for disputes in your capacity as owner of a vehicle, if you are using this vehicle as part of a business, e.g. by hiring it out or using it as a taxi or instruction vehicle. In this case, you may, if you wish, take out legal expenses insurance for business vehicles.

Article 8 Income

8.1 Insured capacity

You are insured in your capacity as an employee; this is understood to mean someone who earns their living in paid employment or as a civil servant, or who receives social security benefits or a pension.

8.2 Entitlement to legal assistance

Legal disputes with which you may be faced as an employee are insured:

- labour law disputes with your current or previous employer;
- disputes connected with your appointment as a civil servant;
- disputes relating to social security benefits;
- disputes concerning pension claims or pension payments;
- disciplinary proceedings resulting from your activities in paid employment.

8.3 Waiting period

There is no entitlement to legal assistance for incidents that occur during the waiting period of three months after the effective date of the insurance. The waiting period does not, however, apply to contractual disputes if the contract was signed after the effective date of the insurance.

8.4 Area covered

The area covered is the European Union.

8.5 Specific restrictions

In addition to the general restrictions, there is no entitlement to legal assistance for disputes relating to the insured person practising a profession or running a business, or to any other way of obtaining income apart from paid employment.