

# Insurance terms and conditions for statutory industrial injury insurance

**Effective January 1, 2013, accepted by the Board of Directors on November 21, 2012**

## 1. Scope of the insurance

1.1. Under the Workers' Compensation Act, and under the regulation for Greenland on industrial injury insurance or any future regulations in substitution, the policyholder is provided coverage for any obligation relating to industrial accidents, etc.

1.2. It may be agreed, however, that insurance be taken out with another insurance company or association to provide cover for a specified part of the policyholder's obligation.

1.3. Persons entitled to insurance are persons who have been employed to work on board a ship, regardless of whether this person is employed or paid by a party or parties other than the shipping company, and regardless of whether the work is related to activities other than the operation of the ship.

1.4. The insurance also covers persons who wholly or partly own a ship which has been, or is to be, registered in the Danish Shipping Register or the Danish International Shipping Register, and persons who work on the ship, unless the ship is used for yachting only.

## 2. Commencement of the insurance

2.1. The insurance shall commence at the date specified in the policy.

## 3. The policyholder's duty to disclose all material facts

3.1. When the insurance is taken out and later, the policyholder must provide full information and document all matters which the Association considers necessary for its assessment of the risk, and for fixing the premium.

3.2. If deemed necessary by the Association, the policyholder shall also allow the Association to check any information given by him/her, and also to examine the conditions at the workplaces covered by the insurance.

3.3. After taking out the insurance, the policyholder is obligated to notify the Association of any changes which

may influence the type or scope of the risk.

3.4. If any information given to the Association by a policyholder turns out, later, to be incorrect or incomplete, the policyholder is obligated to submit any supplementary information requested, and allow a representative from the Association to check it.

3.5. A policyholder is obligated to provide notice within 8 days of any change in address, sale or purchase of a ship, or change of the name of the ship.

3.6. A policyholder's failure to provide information will be considered failure to comply with his/her obligations, see 8.4.

## 4. Calculation of the premium

4.1 In order to calculate the premium, the Board of Directors of the Association may, with effect for a new policy year, divide the insurance portfolio into classes of risk, and determine a tariff so that the premium will either be increased or decreased for certain classes of risk.

4.2. The Board of Directors of the Association sets the basic premium once a year. If it is decided to tariff the premium, as provided for under 4.1, a basic premium shall be fixed for each class of risk.

4.3. At the beginning of each insurance year, a provisional premium shall be calculated on the basis of the basic premium and the expected number of employees during the insurance year.

4.4. If the fixed premium amount proves insufficient to cover the Association's expenses or liabilities, the Board of Directors can at any time charge an extra basic premium/adjust the basic premium.

4.5. In addition to an extra premium, the Board of Directors may charge an additional premium under the rules contained in the Articles of Association.

4.6. If the premium is changed in accordance with 4.4., the insurance may only be terminated according to the provision laid down in 8.1.

4.7. A change of the premium in accordance with 4.4. shall have effect from the beginning of the insurance year for which the change is made.

4.8. For the purpose of determining the final premium, policyholders are by January 20th obligated to submit to the Association the necessary information on the level of employment during the previous calendar year, and document the correctness of such information on request. The number of insurance days is obtained by multiplying the number of persons insured by the number of days that each person was at risk. If the Association has not received the information within eight days after the deadline, the Association may determine the premium at its own discretion. If the premium is stipulated in this way, it shall be binding for the policyholder.

4.9. After approval of the annual report, the final premium fixed and the individual policyholder's final premium for the previous year can be calculated by multiplying the insurance days of the policyholder in the various groups by the premium calculated for them per insurance day.

A statement of each policyholder's final contribution of premium for the previous year will be sent out on July 1st of the following year. Before the end of July, policyholders will receive money back from the Association if the premium paid was too high, or policyholders shall remit payment to the Association if the premium paid was too low, also before the end of July. If the statement for the previous year is sent out later than July 1st, then the deadline shall be extended accordingly.

## **5. Payment of the premium**

5.1. The annual premium falls due on January 1st of the insurance year. For new policies, the premium is due at the commencement of the policy.

5.2. The basic premium shall be paid in two annual instalments, due respectively on April 1st and October 1st. For new policies, however, the first basic premium shall be payable at the commencement of the insurance. Payment of the premium requires submission of a request for payment, which shall provide a 14-day payment term. Policyholders joining or leaving the Association during the year as a result of purchase or sale of ship shall only pay the

premium for the months during which they employ persons entitled to insurance cover.

5.3. Request for payment with adjustments to the policy's basis (lay days, etc.), and requests for payment containing the annual adjustment, see 8., shall fall due at the submission of the request for payment and shall provide a 14-day payment term.

5.4. Requests for payment of the premium are sent to the address submitted by the policyholder. Requests for payment can also be submitted electronically.

5.5. If a premium has not been paid by the payment deadline, a reminder will be sent. The reminder shall contain information on the legal consequences of continued non-payment. The first reminder will provide a payment term of eight days.

5.6. When sending a reminder, the Association may also impose a service charge. In addition, the Association is entitled to charge interest to be paid on the amount due, see the Late Payment of Commercial Debts (Interest) Act. Interest is calculated from the time the original payment term expires.

5.7. If the policyholder has paid too low a premium because of incorrect or insufficient information, the policyholder is obligated to pay to the Association the remaining premium plus extra costs, if any. The Association is entitled to charge the amount due plus interest, see the Late Payment of Commercial Debts (Interest) Act, from the due date of the amount.

5.8. The Association has the right to assign a lien on the amount due by execution.

5.9. If the Association assigns a lien on the provisional premium, the Association shall still be liable to pay damages.

5.10. Regardless of these provisions for the payment of the premium, the COE can still make insurance in the Association contingent on an individual payment plan, if the fulfilment of previous payment claims were neglected by the policyholder. In this case, the conditions shall be communicated in writing to the policyholder, who shall likewise concur with the supplemented conditions.

5.11. If an additional premium is charged, see 4., the payment term for this can be set at 8 days.

**6. Deviation from the tariff**

6.1. If a tariff has been fixed in pursuance of 4.1, and the Association finds, in connection with the writing of the insurance or later, that the policyholder's risk is different from what formed the basis for the tariff, then the Association is entitled to deviate from the tariff in fixing the premium for an insurance year.

6.2. If the Association deviates from the tariff to the disadvantage of the policyholder and does so after the commencement of the insurance, then the Association shall notify the policyholder thereof in writing no later than 4 weeks prior to the commencement of the insurance year.

**7. Change of the tariff**

7.1. If it changes the tariff, then the Association shall notify the policyholder thereof in writing no later than four weeks prior to the commencement of the change. A change in the premium as specified in section 4.4 shall not be considered a change in tariff.

**8. Termination of the insurance**

8.1. The policyholder may terminate the insurance to expire at the end of the term of the policy on no less than 4 weeks' notice, see 5.2. Termination must be made in writing to the Association or one of its representatives.

8.2. Regardless of the provision laid down in 8.1 and on deviation from the tariff as stated in 6.2, the policyholder may terminate the insurance policy with effect from the commencement of the new insurance year. Termination must be made in writing to the Association or one of its representatives, and must be received before the end of the current insurance year.

8.3. Likewise, if the tariff is changed as stated in 7.1, the policyholder may terminate the insurance with effect from the commencement of the change, regardless of the provision laid down in section 8.1. Termination must be made in writing to the Association or one of its representatives, and must be received before the commencement of the change.

8.4. If the policyholder fails to comply with his/her obligations under the conditions of the insurance, the Association may, however, terminate the insurance with four weeks' notice, regardless of the expiry date of the insurance term.

8.5. On non-payment of the first provisional premium (new policy) and regardless of the provision laid down in section 8.4, the Association may terminate the insurance with one week's notice, regardless of the expiry date of the insurance term.

8.6. The provision laid down in 8.5. also applies if a lien in accordance with 5.9. is unsuccessful.

8.7. If the Association terminates the insurance, the Association will notify the National Board of Industrial Injuries in Denmark/Chief of Police in accordance with current regulations.

**9. Extension of the insurance**

9.1. An insurance which has been taken out for one year or more, and which is not terminated in accordance with 8.1 will, after it expires, be renewed for one year, unless a multi-annual term of contract has been agreed upon.

9.2. An insurance which has been take out for a specific job and/or for a pre-set period of time, expires when the job has been completed, but not later than at the end of the period agreed upon.

9.3. The insurance expires at midnight on the date of the end of the insurance contract term.

**10. Change of the insurance conditions**

10.1. The Board of Directors of the Association can change the insurance conditions with effect for a new policy year.

**11. Disputes concerning the insurance agreement**

11.1. Disputes concerning the insurance agreement shall be settled according to Danish law and by Danish courts.

11.2 The Association's head office shall serve as the venue.

**12. Termination of the concession of the Association**

12.1. If the concession of the Association for arranging insurance under the Act on insurance against consequences of industrial injury expires, the policyholder must be notified hereof. The insurance expires from the date of the end of the concession, even if the insurance period has not ended.

12.2. A statement of the premium for the provisional time passed will be made as soon as possible.

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## Special conditions

- Existing insurance covers crew members in accordance with the text of the policy, so long as the insured persons are not considered to be entitled to insurance under the Workers' Compensation Act.
- The insurance covers only accidental or short-term effects of damage. Illness, including occupational disease and sudden lifting injuries, are not included in the insurance coverage.
- The insurance follows the applicable Workers' Compensation Act in terms of compensation, so that any form of compensation is paid in Danish kroner and always as a lump sum.
- Compensation for the loss of earning capacity and compensation for loss of breadwinner is calculated on the basis of the annual salary of the injured, as laid down according to the Act on insurance against consequences of industrial injury—but no more than the current maximum for the annual salary.
- The National Board of Industrial Injuries in Denmark makes the final decision in the event of death covered by this policy on whether a loss of main provider has occurred, and sets the basis of the compensation for capitalization of the compensations.
- The Ministry of Social Affairs' Order No. 210 of March 30, 1978 will apply for cases of capitalization of compensation.
- For capitalization of compensation under the Workers' Compensation Act's § 36, the period will amount to a maximum of ten years, and is counted no longer than when the surviving relatives reach 67 years of age. For capitalization of compensation under the Workers' Compensation Act's § 37, it is counted until the child reaches 18 years of age, and the G 82-3% basis of calculation will apply.
- Persons with injuries that result from self-induced intoxication will not be entitled to compensation.
- Under no circumstances does the insurance include damage if the origin or incidence of the damage is a direct consequence of release of nuclear energy or radioactive force.
- If the Association would like to make changes to the insurance conditions, this can only be done with four weeks' notice at the end of the term of the policy
- The insurance can be terminated by the Policyholder or the Association to expire at the end of the term of the policy on no less than four weeks' notice.
- If an agreement cannot be reached on an insured future compensation that is not settled by a ruling by the National Board of Industrial Injuries in Denmark, it will be decided by the general court in which the Association's head office is the venue.

This insurance is included in the "insurance against loss or damage tax," see the Law regarding taxes on insurance, and thus a tax allowance will be charged at 1.1% of the premium.