

## **Product information leaflet: Liability Insurance**

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This product information leaflet presents general information about liability insurance. The product information leaflet offers a brief description of some important aspects of liability insurance. Since each insurer's **policy conditions** may be different, it is important to always read those **policy conditions**. If you have any questions after having read them, you should contact the insurer or your insurance adviser to ask for an explanation. The **Dutch Association of Insurers** (*Verbond van Verzekeraars*) has rules for how insurers should structure their product information leaflets. This product information leaflet is compliant with those rules.

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### What risks are covered?

The liability insurance policy offers yourself and your household, in a private capacity, coverage against liability for **material damage** and **bodily injury** caused to persons other than yourselves. The costs of such liability can be high. This policy offers you protection against financial difficulties stemming from damage or injury that you have caused. The claims that the insurer compensates are generally many times higher than the premiums that you pay for the insurance. Some policies include a **policy excess**.

Liability insurance is not intended for some situations, for example liability stemming from accidents caused by your car, motorcycle or moped, or liability for damage that you caused while at work. You should take out **another form of insurance** for these risks. For other situations, consult your **policy conditions**.

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### What may you expect from your insurer?

The insurer will seek to settle the claim as quickly as possible with the person to whom you caused the damage or injury. This is often very fast in the case of **material damage**; with **bodily injury** it may take more time, since the victim's recovery must be taken into account. If you have caused **bodily injury**, your insurer must observe **certain rules** when settling the claim. If the victim disagrees with any element, he or she may initiate legal proceedings. Your insurer will conduct the proceedings on your behalf.

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### What are your obligations?

You have to pay **premiums** for this insurance. Those premiums are subject to **insurance premium tax**. In some cases, you will also be charged a policy fee. You must report any damage or injury that you cause to your insurer or your insurance adviser as quickly as possible. You must also report any **changes in your circumstances** to your insurer or insurance adviser as quickly as possible.

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### On what factors do the premiums depend?

The insurer will consider your circumstances and those of your household, and use that information to calculate the premiums.

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### Besides claims, what else is paid from the premiums?

Besides claims, the premiums are also used to pay for the following:

- the costs of education to prevent damage and injury;
- the costs of legal proceedings;
- claim settlements;
- investigations by **consultants**;
- **prevention costs**;
- the insurer's costs, e.g. costs for conceiving and selling the insurance, administrative charges and costs of providing information to clients;
- the costs of the bank or insurance adviser. If you take out the insurance policy with a bank or an insurance adviser, the insurer generally also pays a fee to that bank or insurance adviser. That fee is known as a commission.

## Glossary

<b>Other forms of insurance</b>	For claims stemming from accidents caused by vehicles such as cars, motorcycles, mopeds, mobility scooters and invalid vehicles, you should take out motor vehicle insurance. You are required by law to have this insurance if you own a motorised vehicle. If you are employed, your employer may take out liability insurance for you, to cover liability for damage or injury that you cause while at work and in connection with your job.
<b>Insurance premium tax</b>	This is the tax that the government levies on non-life insurance premiums. Your insurer remits the tax paid to the tax authorities.
<b>Prevention costs</b>	Prevention costs ( <i>bereddingskosten</i> ) are the costs incurred at the time of or immediately following an event to prevent or limit damage or injury.
<b>Consultants</b>	Consultants include experts, doctors and employment consultants. The services of experts are engaged to assess and determine damage to goods. Doctors assess and advise on such matters as the bodily harm suffered by victims. Employment consultants deal with matters such as assessing and advising on the implications of bodily injury if the victim is unable or only partially able to work as a result of an accident.
<b>Policy excess</b>	A policy excess is an arrangement with your insurer that you will pay part of the claim yourself. Stipulating a high or a low policy excess will affect your premiums.
<b>Bodily injury</b>	Bodily injury is harm caused to a person or his or her health, such as a concussion suffered by the victim of an accident. The costs resulting from bodily injury can be very high: they include long-term loss of income if the victim is unable to work as a result of the accident.
<b>Material damage</b>	Material damage is damage to goods, such as damage to the victim's car or moped; damage to the victim's clothes also qualifies as material damage.
<b>Policy conditions</b>	Insurance is a contract between you and your insurer. That contract is recorded in a policy document and policy conditions, which together form the policy. The policy defines the risks insured, the exclusions and other coverage restrictions in very precise detail, as well as other rights and obligations. As such, this document is very important for you.
<b>Premiums</b>	Premiums may be paid by on a monthly, quarterly, semi-annual or annual basis. Premiums must be paid on time. If your payment is late, your coverage might lapse.
<b>Rules for settling claims</b>	The Code of Conduct for Handling Personal Injury Claims ( <i>Gedragscode Behandeling Letselschade</i> ) sets out important rules by which insurers are required to abide. For more information about the Code of Conduct, go to <a href="http://www.letselcode.nl">www.letselcode.nl</a>
<b>Dutch Association of Insurers</b>	The Dutch Association of Insurers ( <i>Verbond van Verzekeraars</i> ) represents the interests of private insurance companies operating on the Dutch market. Together, the Association's members represent more than 95 percent of the insurance market.
<b>What qualifies as a change in circumstances?</b>	Examples of changes in your circumstances include relocation (whether in the Netherlands or abroad) or changes in the composition of your household (cohabitation, divorce, children).