Insurance Terms and Conditions

Race Car Cover® Protection · Effective from: 03 November 2003

I. Subject Matter

This insurance covers damage to (damage or destruction of) the insured racing vehicle occurring during the agreed insurance period on a closed racing or rally circuit during official training/test sessions and during the race (free practice, qualifying, warm-up, race sessions and parade laps), where such damage is caused by an accident or by direct fire damage resulting from an accident.

An accident is a sudden event acting directly from outside with mechanical force (e.g. collision with other vehicles, leaving the track, rollover or impact) which directly results in physical damage to or destruction of the insured vehicle.

II. Scope of Insurance

The insurer(s) shall indemnify the policyholder for insured accidental damage occurring to the insured vehicle during the agreed insurance period at the agreed place of insurance (racing or rally circuit), subject to the following terms, conditions and exclusions.

The sums insured and deductibles per claim stated in the insurance policy/insurance confirmation shall apply.

If the policyholder or insured person is entitled to compensation for the same loss under another insurance contract, the entitlement under this contract shall be reduced to the amount of compensation not recoverable elsewhere, less the agreed deductible.

If the agreed sum insured exceeds 50% of the reinstatement value of the insured vehicle, the insurer(s) shall provide first-loss cover, waiving Section 75 of the German Insurance Contract Act (VVG).

Unless otherwise provided below or in the attached parts list, the insurer shall indemnify a loss up to the replacement value of the vehicle or its parts on the date of loss. Replacement value means the purchase price the policyholder would have to pay to acquire an equivalent used vehicle or equivalent parts.

In all cases, the limit of indemnity is the agreed sum insured. Insured salvage and old parts remain with the policyholder and their sale value (salvage value) shall be deducted from the indemnity.

In the event of damage to the vehicle, the insurer shall reimburse the necessary repair costs up to the agreed sum insured. The same applies to destruction of or damage to insured vehicle parts. A deduction reflecting age and wear ('new for old') shall be made from the cost of replacement parts and paintwork.

The insurer does not reimburse modifications, improvements, wear-and-tear repairs, diminution in value, appearance or performance, transfer and registration costs, loss of use, replacement vehicle costs or fuel.

Labour costs incurred or estimated are reimbursed at 70% only.

Expert fees are reimbursed only for experts appointed by the insurer.

The insurer's aggregate indemnity for all insured events in one racing season is limited to twice the sum insured stated in the insurance policy/insurance confirmation.

III. Exclusions

Unless expressly agreed otherwise in the insurance policy or endorsements, insurance cover does not extend to:

1. Any third-party claims against the policyholder arising from the accident.

2. Financial losses suffered by the policyholder as a result of the accident (e.g. lost prize money, diminution in value, etc.).
3. Recovery costs for the damaged vehicle and all costs of transporting it from the circuit to another location, including standing and storage charges.
4. Scrapping and disposal costs for a destroyed vehicle or parts of a damaged vehicle.
5. Shipping and transport costs for replacement of the insured vehicle or its parts (including all forwarding methods such as post, DHL, Chronopost, etc.) and loss of use.
6. Destruction or damage caused by a defect in the condition of the vehicle or a failure in its operation.
7. Destruction or damage caused by engine or vehicle fire without direct influence of an accident.
8. Destruction or damage occurring during work on the vehicle or potentially caused by such work, as well as paint, scratch, scuff and polishing damage.
9. Damage caused by wear, cracking, ageing and progressive deterioration of the vehicle.
10. Engine and/or gearbox damage caused by over-revving or mis-shifting, and damage to tyres and rims.
11. Destruction or damage caused by ionising radiation or radioactive contamination from nuclear fuel or leakage connected with nuclear fuel; radioactivity, toxicity, explosiveness or any other reaction arising from nuclear fuel; war, civil war, terrorist attacks, civil unrest, or biological or chemical weapons. Damage caused by game and/or animals is not insurable.
12. Destruction or damage directly caused by pressure waves from aircraft or other vehicles travelling at sonic speed, as well as the crash of manned or unmanned aircraft/projectiles.
13. Replacement of mechanical wear parts, labour costs for their removal and installation, and costs of routine maintenance.
14. Paintwork beyond the basic colour, including decorative paintwork, stickers and decals.
15. Loss of the vehicle through unlawful taking, in particular theft, unauthorised use by persons outside the business, robbery or embezzlement. The same applies to loss, destruction or damage to the vehicle caused by a criminal offence committed by a third party or an attempted criminal offence.
16. Destruction or damage caused by third parties following the vehicle becoming immobilised, unless the policyholder/driver has arranged for its immediate removal from the racing circuit.

IV. Conditions

1. Insurance cover under this contract and the insurer's resulting obligation to indemnify in the event of a claim exist only if the policyholder has paid in full, before the agreed inception of insurance, the premium invoiced by the insurer or insurance broker and the insurer or insurance broker has issued the policyholder with written confirmation of insurance. Both the insurer and the insurance broker are authorised to receive the premium. Payment is deemed made when paid in cash against receipt or, in the case of a bank transfer, when credited to the account of the authorised recipient. Cheque payments are deemed made only once the cheque amount has been credited.
2. The insurer(s) may revoke the insurance confirmation without stating reasons by written declaration to the policyholder and broker, subject to seven calendar days' notice before inception. Timely receipt by the authorised recipients is decisive.
3. If the policyholder's insurable interest ceases, the statutory provision of Section 80 VVG shall apply.
4. The insurer is entitled, at its own expense, to have the amount of the loss determined by a publicly appointed and sworn expert of its choice.
5. Once the expert report has been received by the insurer, an indemnifiable repair claim shall be settled within 21 days within the limits determined by the expert, provided the policyholder proves completion of the repair by submitting an invoice. For persons not entitled to deduct input VAT, the original invoice must be submitted for reimbursement of VAT. Damaged parts must be carefully retained and made available for inspection by an expert appointed by the insurer.
6. Total losses shall likewise be settled on the basis of an expert report within 21 days after submission.

7. If the insured vehicle is seized or taken into police custody as a result of an insured accident, the insurer shall indemnify the loss on the basis of an expert report within 21 days after submission, expressly reserving the right to reclaim payment if the loss resulted from an unlawful/illegal act by the policyholder/driver.
8. These terms and conditions and the parts list described in the appendix form an integral part of the insurance contract. In all other respects, the German Insurance Contract Act (VVG) shall apply on a supplementary basis.
9. Jodexnis Versicherungsmakler GmbH is authorised to receive notices, declarations of intent and payments from policyholders and is obliged to forward them to the insurer without delay. Receipt by the brokerage firm has the same legal effect as receipt by the insurer. The same applies to notices, declarations of intent and payments by the insurer to the policyholder.

V. Policyholder's Duties in the Event of a Claim

1. In the event of a claim, the policyholder must send the broker a claim notification by fax or other written means within 48 hours after the accident. The policyholder must use the claim form supplied with the insurance confirmation and complete it correctly and fully to the best of their knowledge. An official confirmation from the organiser regarding notification of the accident must be attached/submitted.
2. Following an accident for which the insurer(s) is/are to be called upon, the policyholder must, where possible, take measures to avert and mitigate the loss and comply with the insurer's instructions.
3. If repair of the damaged vehicle is necessary in order to start or continue the racing event, the policyholder must obtain the insurer's instructions insofar as circumstances permit.

If no instruction is given by the insurer and/or the damaged vehicle has not been inspected by an expert appointed by the insurer, the policyholder must take the following precautions:

- Before repair, detailed photographs showing the nature and extent of the damage must be taken or arranged by the policyholder.
- Damaged parts must be carefully retained and made available for inspection by an expert appointed by the insurer.
- The policyholder must make the vehicle available for inspection by an expert appointed by the insurer and provide all assistance necessary to determine the loss.

If the policyholder breaches any of the above duties, the insurer shall be released from its obligation to indemnify in accordance with the provisions of the VVG.

Appendix · Parts List

Under the Race Car Cover terms for a rolling chassis, the following parts are insured or excluded.

1. Insured

- Rolling chassis including all types of glass (e.g. headlights)
- Steering components
- Suspension components/crossmembers
- Underbody panels (Kevlar, carbon fibre or reinforced welded floor panels), including diffuser
- Side-impact protection (reinforcement of the roll cage), driver's bucket seat; passenger seat only for rally vehicles
- Fuel tank

2. Generally not insured

- All wear parts or parts that must be renewed or serviced after a race
- Overhaul work for wear damage (maintenance/repairs), race preparation work (weighing/alignment)
- Lettering, special paintwork, decals, effect paint, special glazing, emblems
- Tyres, brake discs, brake pads, brake calipers, lifting systems, V-belts
- Rims
- Interior trim, instruments, six-point harness system, passenger bucket seat, upholstery
- Alternator, battery
- Fire extinguishing system and contents
- Lap timers, radio systems, antennas
- Consumables such as oil, fuel, brake fluid and coolant
- Control units for engine, braking systems, racing ABS and stack systems
- Freight costs
- Engine fire without accident influence

3. If engine/gearbox cover is included, additionally insured

- Engine control units including ABS, alternator
- Oil sump, oil pump, turbocharger
- Cooling system for water-cooled engines
- Air system for air-cooled engines
- Exhaust system including catalytic converter
- Gearbox bell housing, crown wheel and pinion, gear ratios
- Turbocharger for engines