



Hrvatska banka za
obnovu i razvitak

**General Terms and Conditions on
Pre-Export Financing Insurance
OU-KP-03/17**

Preamble

„General Terms and Conditions on Pre-Export Financing Insurance OU-KP-03/17 (hereinafter: General Terms and Conditions) set forth the conditions of insurance of loans for pre-export financing and/or export of goods and services concluded between the exporter and the bank, and the risks are insured by Hrvatska banka za obnovu i razvitak (hereinafter: the Insurer), for and on behalf of the Republic of Croatia.

General provisions

The General Terms and Conditions determine legal relations between the Insurer, the Insured person and the Exporter based on the concluded Contract on pre-export financing insurance (hereinafter: the Insurance contract) and the Loan contract (hereinafter: the Loan contract).

The General Terms and Conditions are a constituent part of the Insurance contract and of the Insurance policy for pre-export financing as written documents on the concluded Insurance contract.

Article 1 Definitions

In the General Terms and Conditions, the accompanying Insurance policy and in all enclosures, definitions in this Article are used in the following meanings:

Exporter: borrower (manufacturer of goods, contractor of works and/or renderer of services for export that is a Croatian legal or natural person) that has a validly concluded Loan contract with the Insured person, and an Export contract with the Foreign buyer for the purpose of financing of which a loan for pre-export financing is approved;

Foreign buyer: each foreign legal or natural person with whom the Exporter has concluded the Export contract;

Export contract: contract in which the contracting parties are the Exporter as one party, and the Foreign buyer as the other party, and in which the predominant content of the Exporter's obligation is manufacturing and/or delivery of goods and/or carrying out of works and/or rendering of services to the Foreign buyer, and the obligation of the Foreign buyer is to pay the contract price to the Exporter; In terms of these General Terms and Conditions, the Export contract shall also be deemed an order of the

Foreign buyer accepted by the Exporter, from which it follows that the predominant content of the Exporter's obligation is manufacturing and/or delivery of goods and/or carrying out of works and/or rendering of services to the Foreign buyer;

Indemnity: cash amount paid to the Insured person by the Insurer as compensation for Damage that occurred for the Insured person by fulfilment of any of the Insured risks;

General Terms and Conditions: General Terms and Conditions on Pre-Export Financing Insurance OU-KP-03/17;

Sum insured: the amount of money specified in the Insurance policy, for which the insurance is contracted, and which may not be higher than: (a) contractual value of the Loan contract, and (b) 85% of the contractual value of the Export contract, if the Loan contract is concluded with the loan period of up to 2 years (c) 75% of contractual value under the Export contract, if the Loan contract has been concluded for a period longer than 2 years;

Insured risk: risk covered by the Insurance, by nature a future and uncertain event, independent of the exclusive will of the contracting parties, which is defined in Article 13 of these General Terms and Conditions;

Insured person: financial institutions that approves a pre-export financing loan;

Insurer: HBOR - Croatian Bank for Reconstruction and Development (Hrvatska banka za obnovu i razvitak), with headquarters at Strossmayerov trg 9, Zagreb, for and on behalf of the Republic of Croatia;

Insurance policy: written document on the concluded Insurance contract issued by the Insurer;

Insurance premium: the amount of money charged by the Insurer under the Insurance contract to take the risk;

Waiting period: the period after the expiration of which the Insured person is entitled to submit a Claim;

Retention: uninsured (own) share of the Insured person in the Damage in the amount of at least 20%, if not otherwise determined in the Insurance policy;

Loan contract: loan contract for pre-export finance, by which civil and legal obligations between the Insured person and the Exporter are regulated, and loan being

a specified purpose loan for financing the preparation of an individual export transaction or a framework pre-export finance loan;

In terms of these General Terms and Conditions, any other loan, the final purpose of which is export of goods, works and/or services that are of interest for the economy of the Republic of Croatia, shall be deemed the Loan contract.

Insurance contract: written contract on insurance of pre-export financing loan, concluded between the Insurer, the Insured person and the Exporter, by which the Insured person's receivables towards the Exporter under the Loan contract are insured;

Damage: loss expressed in cash equivalent amount that occurred for the Insured person due to any of the Insured risks.

Article 2 Insurance Contract

2.1. The Insurance contract consists of two constituent parts: these General Terms and Conditions and the Insurance policy with attachments. The General Terms and Conditions and the Insurance policy with attachments together make the complete wording of the Insurance contract.

2.2. The Insurance policy is a written document on the concluded Insurance contract, stating the company or name of the Insurer, the Insured person and the Exporter, subject matter of the Export contract, subject matter insured, Sum insured, duration of insurance, Insured risks, Insurance premium, Waiting period, the amount of Retention, special provisions, attachments, date of issuance as well as signatures of the Insurer, the Insured person and the Exporter.

2.3. In case of non-compliance of any provision of the General Terms and Conditions with the provisions of the Insurance policy, the provisions of the Insurance policy shall apply.

2.4. The Insurance contract shall be concluded in a written form, by signing the Insurance policy through authorised representatives of the contracting parties, in three originals, one original for each contracting party.

Article 3 Obligations and Rights of the Insured Person

3.1. The Insured person shall:

1. Provide all security instruments for loan collection as mentioned in the Insurance policy application and disburse the loan funds on a one-time basis or successively in accordance with the loan purpose and the loan disbursement schedule plan under the Loan contract;

2. Condition the one-off or successive disbursement of loan funds by a written document signed by the Exporter, by which the purpose of loan funds disbursement is specified, pursuant to the Loan contract;

3. Provide, keep and upon request of the Insurer immediately present the documentation relating to the financing of the Exporter and the use of funds for the specified purpose under the Loan contract;

4. Submit upon request of the Insurer without delay and in the shortest term possible all information regarding the implementation of the Loan contract, including particularly the photocopy of text and other documents relating to the Loan contract. Also, the Insured person shall be obliged to make available all its books and records in the extent necessary for business evaluation and take all necessary actions in order to prevent the use of loan funds for the purpose other than specified in the Loan contract;

5. Immediately take all prescribed, agreed and other actions at any time in order to limit or prevent the realisation of Insured risks, protect the Insurer from the Damage and inform it in writing immediately upon becoming aware of them, on all the circumstances which are known to it and which might jeopardise the orderly fulfilment of the Loan contract, and particularly upon the Exporter's non-fulfilment of obligation under, or relating to, the Loan contract;

6. Make known to the Insurer the existence of any possible (partial) other security for receivables under the Loan contract and enable the Insurer, upon its request, to get insight into such security instruments;

7. Pay the Insurance premium and other fees pursuant to the terms and conditions and within the deadlines stated in the Insurance policy;

8. Upon request of the Insurer, immediately submit accurate information on its own financial position and legal status, as well as on the financial position and legal status of the Exporter, and inform the Insurer on any change relating to such information for which the Insured person, by taking the level of care that is customary in the banking business, may reasonably assess that it might lead to the Damage;

9. Immediately inform the Insurer on all the circumstances which have become known to it, for which the Insured person, by taking the level of care that is customary in the banking business, may reasonably assess that they are of material importance for the orderly fulfilment of the Exporter's obligations

under the Export contract, and provide a written consent of the Insurer before any material change of the Loan contract. Any change in

- contracting parties,
- loan amount,
- loan currency,
- interest rate,
- loan maturity,
- loan collateral,
- loan disbursement,
- loan repayment

shall be deemed a material change of the Loan contract.

It shall be deemed that the Insurer consents to each material change of the Loan contract arising from the law, i.e. legal obligation of the Insured person to accelerate the loan. The Insured person shall without delay and in the shortest term possible inform the Insurer about other changes of the Loan contract that are not deemed material in terms of this item;

10. In due time report to the Insurer completely and accurately all circumstances that the Insured person itself, by taking the level of care that is customary in the banking business, deems necessary for the assessment of risks and all changes in these circumstances before and after the conclusion of the Insurance contract;

11. For the purpose of eliminating or minimising the risk of Damage occurrence, take all necessary actions with the Insurer's consent, which, among others, include the suspension of disbursement or termination of the Loan contract, and together with the Insurer make a decision on the terms and conditions of the Loan contract rescheduling;

12. For the purpose of securing the collection of the Insured person's receivables under the Loan contract, conclude with the Exporter a contract on assignment of the Exporter's receivables under the Export contract;

13. Immediately take, along with the report to the Insurer, all measures that are in compliance with the customary banking operations, and which particularly imply the measures for the purpose of collection of receivables under the Loan contract, including the ones that the Insured person would take in case when the Loan contract is not insured by the Insurance policy, where the taking of these measures does not affect the Insured person's rights to submit the Claim and to receive the Damage in timely manner.

Article 4 Obligations of the Insurer

4.1. On the basis of the Insurance contract, the Insurer shall be obliged, should the Damage arise as a

result of the Insured risk, and should the receivables of the Insured party be accepted, to pay to the Insured person or a third party set forth in Article 21 of these General Terms and Conditions, the Indemnity and compensation for expenses pursuant to Articles 15 and 16 of these General Terms and Conditions.

Article 5 Obligations of the Exporter

5.1. The Exporter shall:

1. conclude a contract on insurance of receivables collection under the Export contract against political and commercial risks or provide other instruments of security for the collection of receivables under the Export contract acceptable for the Insurer;

2. conclude appropriate insurances against customary risks in the operation;

3. submit to the Insurer in timely manner all information on the performance, position, misunderstandings and possible disputes under the Export contract and the Loan contract, and particularly inform the Insurer on the overrun of deadlines for the delivery, or deadlines for the performance of other obligations under the Export contract, for more than 15 days;

4. at any time, immediately submit upon request of the Insurer all information on details and on the implementation of the Export contract, which particularly includes the text of its original, evidence on the Croatian share in the Export contract, photocopies of instruments of payment security for the Export contract and other documents relating to the Loan contract and the Export contract;

5. upon request of the Insurer, immediately submit accurate information on its own financial position and legal status and inform the Insurer on any change relating to such information for which the Insured person, by taking the level of care that is customary in the banking business, may reasonably assess that it might lead to the Damage.

5.2. The violation of the Exporter's obligations under this Article does not affect the Insured person's rights under the Insurance contract, and particularly to the Insured person's right to receive the Indemnity.

5.3. The Exporter expressly confirms that it is familiar and agrees with the obligations arising for the Insured person pursuant to the Insurance contract, and by signing the Insurance policy gives its express consent that the Insured person may transfer to the Insurer all or individual, in full or in proportional part, the security instruments envisaged by the Loan contract. The Exporter shall, upon request of the

Insurer or the Insured person, give its written consent and take all actions that are necessary for the implementation of transfer of security instruments from the Insured person to the Insurer.

Article 6 Currency of the Insurance Contract

6.1. The currency of the Insurance contract is equal to the currency of the Loan contract. All payments and financial obligations that arise from the Insurance contract shall be expressed in EUR, and calculation from other currencies shall be made by using the valid medium rate of the Croatian Bank for Reconstruction and Development on the day of calculation for the Premium when the invoice is being issued, and for the Indemnity on the date of payment.

Article 7 Subject Matter of Insurance

7.1. Except if in the Insurance policy is not otherwise contracted, the subject matter of insurance are obligations of the Exporter under the Loan contract due but not paid that are based on:

- loan principal, and
- regular interest.

In any case, the Indemnity may not be higher than the Sum insured that is mentioned in the Insurance policy reduced by the amount of Retention.

7.2. Subject matter of the insurance cannot be:
- compound interest and/or interest for default,
- expenses that would have been incurred by the Insured person if the Exporter had orderly fulfilled its obligations under the Loan contract.

Article 8 Duration of Insurance

8.1. The insurance shall commence at 00:00 h on the day set forth in the Insurance policy and end at 23:59:59 h on the day set forth in the Insurance policy.

8.2. The insurance can be approved for the maximum period of 5 years.

Article 9 Waiting Period

9.1. The Waiting period shall be, except if not otherwise agreed in the Insurance policy:

- 30 days from the day of the Resolution on the initiation of bankruptcy procedure over the Exporter, if the Damage arose as a result of occurrence of the Insured risk KR-2, or

- 60 days from the date of maturity of obligations under the Loan contract, if the Damage arose as a result of the realisation of other Insured risks.

Article 10 Termination of the Insurance Contract

10.1. The Insurance contract may be terminated by a written agreement between the Insurer and the Insured person, by which the date of termination of the Insurance contract shall be defined.

10.2. The Insurer may terminate the Insurance contract with immediate effect if the Insured person violates its obligations under the Insurance contract, and particularly:

- if the information supplied in the Application for the conclusion of the Insurance contract or in the Insurance policy, and all other information that the Insurer was provided with by the Insured person, are not to a significant extent accurate or complete, or the Insured person does not submit to the Insurer any information that had been known to it or that it must have been acquainted with in the procedure of the Loan contract approval or during the disbursement, and that might lead to the loan application refusal or the Loan contract termination;

- if the Insured person does not pay the Insurance premium, if the Insurance policy provides for the Insured person's obligation to pay the Insurance premium.

10.3. The Insurer may, by a written statement to the Insured person, keep the Insurance contract in force, despite the conditions for termination being in place. The Insurer may condition keeping of the Insurance contract in force by the acceptance of its changes and amendments.

Article 11 Retention

11.1. Retention, i.e. own share of the Insured person in the Damage under the Loan contract is 20%, if not other percentage of the Retention in the Insurance policy has been stated.

Article 12

Claim and Insurer's Procedure upon Submission of Claim

12.1. A Claim must be submitted to the Insurer in a written form, after the expiry of the Waiting period. Documents necessary for the appraisal of claim are request for the payment of indemnity, enclosed to which are the photocopy of the Insurance policy and the photocopy of the Loan contract.

Request for the payment of indemnity for the purpose of establishing the substantiation of a claim and the Indemnity amount must include documents that provide evidence on the existence, maturity and substantiation of the insured receivable under the Loan contract.

The existence and maturity of a receivable under the Loan contract are generally proved by a certified excerpt from the financial records of the Insured person, or in case of initiation of a bankruptcy procedure or liquidation of the Exporter additionally by reporting of the Insured person's receivables under the Loan contract in such procedure. The substantiation of receivables is, among others, proved by the photocopy of the Loan contract.

12.2. All documents relating to the Insurance contract as well as all other requested and necessary documents shall be submitted to the Insurer by the Insured person in writing, in the original and in the certified translation into the Croatian language if needed.

The Insurer may, for the purpose of establishing the accuracy of data given in the claim, request from the Insured person to procure, on its own cost, the opinion of a chartered accountant and/or a permanent expert witness and/or another expert on these data.

12.3. The claim shall be accepted subject to the right of cancellation in accordance with Article 14, paragraph 14.2 of these General Terms and Conditions should it cumulatively be proved that:

1. The Insured person has fulfilled its obligations under the Loan contract and under the Insurance contract;
2. The Exporter has not fulfilled its obligations under the Loan contract; and
3. One of the Insured risks referred to in Article 13 of these General Terms and Conditions has occurred.

12.4. The Insurer shall reply to a claim within 60 days from the date of receipt of the complete claim in accordance with paragraph 12.1 of this Article.

If the Insurer establishes that the submitted claim is not complete, the Insurer shall, within 30 days from the date of receipt of the incomplete claim, request the Insured person to supplement the claim. If the Insurer does not request the Insured person to supplement the claim in the given deadline, the claim shall be considered complete.

Article 13

Insured Risks

13.1. Insured risk under these General Terms and Conditions is the risk of non-payment of the obligations under the Loan contract that are the subject matter of this insurance as follows:

1. Non-payment by the Exporter of obligations under the Loan contract upon their maturity (Insured risk KR-1);
2. Non-payment due to bankruptcy of the Exporter (Insured risk KR-2).

Article 14

Exclusion of the Insurer's Obligations

14.1. The Insurer's obligations under the Insurance contract are excluded if:

1. The Insured person violates any provision of the Insurance contract, particularly where:
 - the Insurance premium payment obligation of the Insured person is established by the Insurance policy, and the Insurance premium is not paid in the reasonable period after the maturity indicated on the Insurance premium payment invoice issued by the Insurer. Regardless of the aforementioned, the obligation of the Insurer is excluded if the Insurance premium is paid after the maturity and after the occurrence of the Insured risk;
 - the Insured person, at the moment of submitting an application for the execution of the Insurance contract and/or at the moment of signing an Insurance policy, was aware of, or by taking the level of care that is customary in the banking business should have been aware of, the information that could result in the rejection of the loan application or the termination of the Loan contract without informing the Insurer:
 - that the Exporter's account has been frozen,
 - that bankruptcy proceedings have been instituted against the Exporter,
2. The Damage occurs for which the Insured person is responsible,

3. The Insured person violates the Loan contract, particularly if the proceeds of the Loan contract are not used for the specified purpose, and if it violates the national legal regulations when meeting its obligations under the Loan contract,

4. The Insured person gives incorrect or incomplete statements to the Insurer in the application for the execution of the Insurance contract and/or in the claim,

5. The Insured person transfers or sells the rights arising from the Insurance contract to a third party without a written consent of the Insurer.

14.2. If the Insurer accepts the claim and pays the Indemnity, and if the circumstances constituting a reason for the exclusion of the Insurer's obligations referred to in Article 14, paragraph 14.1 are established after the payment of the Indemnity, the Insurer shall have the following rights with regard to the Insured person or the Exporter:

- if the exclusion of the Insurer's obligations is a result of unfulfilled obligations of the Insured person under the Insurance contract, the Insured person shall, for the amounts already paid, reimburse to the Insurer the paid Indemnity and the compensated expenses together with the legally prescribed penalty interest;

- if the exclusion of the Insurer's obligations is a result of any other reason that is not attributable to the Insured person, the Exporter shall, for the amounts already paid, pay to the Insurer the paid Indemnity and the compensated expenses together with the legally prescribed penalty interest.

Article 15 Indemnity

15.1. If the Insured risk arises and if the Claim is accepted, the Insurer shall pay the Indemnity in the amount of the occurred Damage reduced by the contractual percentage of the Retention in a total amount that may not exceed the Insured sum set forth in the Insurance policy.

15.2. Provided that the Insured person acted in accordance with the Insurer's instructions and requirements pursuant to the Insurance contract, particularly with regard to the execution of the contract regulating mutual rights and obligations pursuant to Article 17 of these General Terms and Conditions:

- Indemnity and compensation of expenses for receivables which were due under the Loan contract before the acceptance of the claim, or whose maturity was not determined, become due 15 days after the acceptance of the claim, and

- Indemnity and compensation of expenses for receivables under the Loan contract which become due upon the acceptance of the claim, become due on the dates set forth in the Loan contract.

15.3. In any case, acceleration of maturity for the receivables under the Loan contract shall not apply to the Insurer, unless such an obligations arises for the Insured person as a result of the regulations in force. The Insurer shall retain the right to make a different decision.

Article 16 Compensation for Expenses

16.1. If expenses arise in connection with the actions taken pursuant to the provisions of these General Terms and Conditions, other than administrative expenses that are customary in the banking business (such as photocopy expenses, mailing expenses, telephone expenses, etc.), the Insurer shall reimburse such expenses to the Insured person in accordance with the share of the amount of potential or paid Indemnity in the total amount of outstanding debt under the Loan contract. The expenses shall be reimbursed to the Insured person after they have been reported to the Insurer provided that the actions giving rise to such expenses have been taken after receiving instructions from or consent of the Insurer, either prior or subsequent, irrespective of whether the claim has been made or not.

As an exception to the aforementioned, if the Insured person intends to hire a lawyer for the purpose of taking certain actions, the cost of hiring the lawyer shall be reimbursed to the Insured person only with the prior written consent of the Insurer.

For the avoidance of any doubt, if the Insurer gives consent for the activation of collateral, the Insurer shall reimburse all costs to the Insured person that arise from the activation of the collateral, and it is not necessary to request a special consent from the Insurer for every such action (except for the cost of hiring the lawyer). However, if the claim is not accepted due to a failure on the part of the Insured person, the Insured person shall refund the costs to the Insurer that have been reimbursed in such a way.

If the Insurer incurs the expenses of the taking of certain actions, the Insured person shall reimburse the respective expenses to the Insurer in the proportion established in this paragraph.

If the preconditions for the acceptance of the claim are fulfilled, and if expenses arise in connection with the

actions taken pursuant to the Insurer's instructions or consent, such expenses shall be reimbursed to the Insured person, after having been reported, in accordance with the share of the amount of potential or paid Indemnity in the total amount of outstanding debt under the Loan contract.

16.2. Should the Insurer not be obliged to pay the Indemnity, because the amount receivable under the Loan contract has been collected in its entirety, the expenses caused by the collection, for which the Insured person is not liable and for which the Insurer's instruction or consent has been given, shall be reimbursed at the request of the Insured person under the terms and conditions set forth in the preceding paragraph.

16.3. The usual expenses of the Insured person that arise during the loan transaction shall not be reimbursed.

Article 17
Special Obligations of the Insured Person upon
Acceptance of Claim

17.1. After the claim has been accepted and before the Indemnity has been paid, the Insured person and the Insurer shall enter into a contract regulating their mutual rights and obligations as well as their rights and obligations pertaining to the collection of all receivables under the Loan contract and the Insurance contract upon the payment of the Indemnity. The contract regulating their mutual rights and obligations that has been signed by the Insurer shall be submitted to the Insured person together with the decision on the acceptance of the claim and together with the breakdown of the calculation establishing the Indemnity amount to be paid. The contract regulating their mutual rights and obligations is drafted by the Insurer who is entitled by this contract to determine the manner of carrying out the procedure of recourse collection of receivables after the payment of the Indemnity on its own.

17.2. The parties to the contract agree that, at the moment of the payment of the Indemnity and/or expenses to the Insured person, all receivables under the Loan contract, together with the ancillary rights, including collateral, up to the total amount of the paid Indemnity and/or expenses, plus penalty interest accruing in favour of the Insurer from the payment date to the date of the settlement of the Insurer's receivables, shall be transferred to the Insurer.

By the contract regulating their mutual rights and obligations referred to in paragraph 17.1 of this

Article, the Insurer shall make an assignment for the purpose of performance of all its receivables referred to in the previous section of this paragraph to the Insured person that have been transferred to it by the payment of the Indemnity and/or expenses and shall authorise the Insured person to carry out all necessary actions and procedures for the collection of the entire amount receivable referred to in paragraph 17.1 of this Article, and the Insured person shall on its own carry out all actions and procedures of collecting the entire amount receivable referred to in paragraph 17.1 of this Article, including, for example, activation of collateral, in accordance with the usual practice in the banking business.

The Insured person shall, after the payment of the Indemnity, transfer to the Insurer, in accordance with the share of the amount of the paid Indemnity in the total amount of outstanding debt under the Loan contract, all payments to be received by the Insured person under the Loan contract and the Insurance contract, regardless of their declared purpose, up to the amount of the Insurer's receivables.

The Insured person shall, after the payment of the Indemnity, accept the deadlines, terms and conditions for the rescheduling of debts under the Loan contract to be agreed by the Insurer and the Exporter or its successor with regard to the collection of the entire amount receivable referred to in paragraph 17.1 of this Article.

The Insurer shall, when it deems necessary, give instructions to the Insured person about the taking of actions necessary for the recourse collection of the entire amount receivable referred to in paragraph 17.1 of this Article, and the Insured person shall follow such instructions.

The Insurer is authorised to take back, at any moment by a unilateral written statement addressed to the Insured person, the amount receivable from the Insured person and to inform the Insured person that the Insurer shall, from that moment, carry out all necessary actions and procedures of collecting the Insurer's amount receivable on its own, and the Insured person shall take all permitted legal actions in order to transfer to the Insurer all rights under the Loan contract in proportion to the Insurer's amount receivable. The costs of the taking back of the receivables and the taken actions shall be borne by the Insurer.

17.3. As an exception to the provision of paragraph 17.2 of this Article, the Insurer may, by the contract regulating the mutual rights and obligations referred

to in paragraph 17.1 of this Article, determine that the Insurer shall, on its own, carry out all actions necessary for the collection of the Insurer's amount receivable referred to in paragraph 17.2 of this Article or the entire amount receivable referred to in paragraph 17.1 of this Article. In such a case, the Insured person shall timely perform all necessary actions and conclude adequate legal transactions required to carry out the procedures of collecting receivables by the Insurer.

Article 18

Right of the Insured Person to Recourse

18.1. In case of the assignment of receivables referred to in Article 17, paragraph 17.3 of these General Terms and Conditions in the manner that the Insurer administers the recourse collection of the entire amount receivable referred to in Article 17, paragraph 17.1 of these General Terms and Conditions, the Insurer shall, in proportion to the Retention under the Insurance contract, transfer to the Insured person all payments received by the Insurer under the Loan contract and the Insurance contract.

Article 19

Right of the Insurer to Recourse from the Exporter

19.1. After the Damage has occurred, the Insurer is entitled to request recourse payment from the Exporter, and the Exporter shall immediately make recourse payment to the Insurer in the amount of the requested or paid Indemnity.

19.2. The Exporter expressly confirms that it is familiar with, accepts and acknowledges the obligations of the Insured person towards the Insurer in accordance with these General Terms and Conditions and the Insurance policy, and, by signing the Insurance policy, it gives in this respect adequate consent to the Insured person that it may provide to the Insurer all requested data and information pertaining to the Exporter or the Export contract.

Article 20

Insurance Premium

20.1. The Insurance premium and the manner of Insurance premium payment are determined by the Insurer, and the Insurance premium rate is established in the Insurance policy for the entire duration of the Insurance contract.

20.2. The Insurance premium is generally calculated on the loan principal amount by taking into account the Insurance premium rate and the duration of coverage. Coverage duration results from the deadlines established in the Loan contract. For the purpose of Insurance premium calculation, the coverage duration is calculated in full calendar half years rounded upwards.

20.3. The Insurance premium must generally be entirely paid in advance, unless otherwise determined in the Insurance policy.

20.4. If the Insurance premium is not paid immediately upon maturity as determined in this Insurance contract, the Insurer may, for the period from the maturity date until the payment, charge penalty interest in the amount prescribed by law.

20.5. The Insurer is entitled to the entire amount of the Insurance premium regardless of any possible reduction in the possibility for the occurrence of the Insured risk, unless otherwise agreed by the contracting parties at the request of the Insured person.

Article 21

Transfer of Rights under the Insurance Contract

21.1. The Insured person may transfer its rights under the Insurance contract to another person via contract. The Insured person must inform the Insurer in writing of any intended transfer of rights under the Insurance contract. Such a transfer shall be valid only if and after the Insurer accepts it explicitly in writing. Further, for any subsequent transfer, an explicit prior written acceptance by the Insurer shall be necessary.

21.2. The transfer shall not affect the existence of obligations of the Insured person towards the Insurer in terms of the Insurance contract.

21.3. The Insurer may assign the Insurance contract to another insurer only with a written consent of the Insured person.

Article 22

Claim Realisation Procedure

22.1. Before applying for court protection, the Insured person shall submit a claim to the Insurer.

22.2. The Insured person may initiate court proceedings for the protection of its rights under the Insurance contract if the Insurer:

- rejects the claim or cancels the acceptance of the claim, or
- fails to reply to the claim within 2 months after the Insured person submits the claim.

Article 23

Governing Law and Jurisdiction in Case of Dispute

23.1. The contracting parties agree that the Insurance contract shall be governed by the laws of the Republic of Croatia in force.

23.2. The contracting parties agree that they shall endeavour to resolve any possible misunderstandings and/or disputes arising from the Insurance contract primarily by negotiation during the lifetime of the Insurance contract. Should the negotiations prove not to be successful, the contracting parties may try to resolve the disputes by mediation and/or arbitration, and, otherwise, they agree upon the jurisdiction of the competent court in Zagreb.

Article 24

Communication and Delivery

24.1. All notices, information, requests and other communication among the Insured person, the Exporter and the Insurer under the Insurance contract, the Export contract and the Loan contract as well as under any other document relating to them shall be exchanged in writing by registered mail with confirmation of delivery or via a courier with receipt certificate.

24.2. As an exception, due to reasons of urgency, notices and information may be sent by electronic mail or by telefax; however, original copies have to be sent subsequently in the manner described in paragraph 24.1 of this Article.

Hrvatska banka za obnovu i razvitak
Export Credit Insurance
Strossmayerov trg 9
10 000 Zagreb

Tel: +385 1 4591 539
Fax: + 385 1 4591 547

www.hbor.hr