



redefining / standards

Translation of the
General Insurance Conditions (GIC) /
Third-party liability insurance Professional

Edition 07.2012

This document is for information only. The original wording governs your policy.

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To enhance readability, all gender-specific terms refer to both genders.

Your liability insurance at a glance

Overview of the key features of our insurance product.

This third-party liability insurance is governed by these General Insurance Conditions and any applicable Additional Insurance Conditions (GIC/AIC), as well as by any specific Special Insurance Conditions (SIC) stipulated in the proposal or in the policy.

Who is the insurance carrier?	AXA Insurance Ltd, General Guisan-Strasse 40, 8401 Winterthur, (hereinafter «AXA»), a joint stock company with registered offices in Winterthur and a subsidiary of the AXA Group.
What risks and liability are insured?	<p>The insured risk and insured liability are defined in the proposal and/or the policy.</p> <p>The insurance protection covers liability in law arising from the</p> <ul style="list-style-type: none">– <i>Premises risk</i> Risks arising out of the ownership and possession of land, buildings and installations;– <i>Operations / professional risk</i> Risks arising out of the insureds' actions and omissions and from operations within and outside of places of business;– <i>Product risk</i> Risks arising out of the manufacture, delivery and trading of products;– <i>Environmental impairment risk</i> Risks to the environment arising out of premises, operations, professional activities and products.
What liability claims are covered?	<p>AXA provides insurance protection for claims for damages asserted against the insured for liability imposed in law (GIC B 1.1).</p> <p>Recourse and reimbursement claims by third parties are also insured, but only insofar as such claims are asserted against the policyholder and its representatives.</p>
What losses are insured?	The insurance covers bodily injury and property damage (GIC A 2.2 and A 2.3).
Who are the insureds?	Insureds are the policyholder and its equivalents in law (such as members of partnerships or co-owners). Also insured are the policyholder's representatives, directors and officers, as well as other employees and auxiliary persons (GIC A 2.9).
What are the insured indemnities?	<p>AXA will indemnify the insured for the amounts for which it is liable in law towards the injured party (GIC D 1.1). AXA will also bear the costs of defending the insured against unjustified or excessive demands in connection with insured claims (legal protection pursuant to GIC D 1.2).</p> <p>The indemnities are restricted to the limit or sub-limit specified in the proposal or the policy.</p>
What are the exclusions?	<p>The scope of insurance protection is restricted in several respects (GIC B 4). The most important exclusions are listed below. The insurance does not cover claims</p> <ul style="list-style-type: none">– arising from losses suffered by the policyholder (own loss);– arising from the (improper) performance of contracts and warranties ("business risk");– that go beyond the scope of liability in law, or arise from a failure to meet a statutory insurance obligation;– arising from damage to entrusted or rented property, unless there is coverage has under Section C of the GIC;– arising from damage that is the result of exercising an activity, i.e. damage caused e.g. by working on goods;– in connection with specified products and materials;– arising from goods delivered to the USA/Canada, or from work or services destined for or performed in these countries. <p>This list is not exhaustive; the insurance provisions contained in the proposal or policy apply. Some exclusions may be eliminated by stipulating coverage extensions. Further details may be found in the proposal or policy.</p>
What applies to the limits of indemnity and sublimits?	The limit of indemnity and sublimits stipulated in the proposal or policy are available twice for all claims in a insurance year.
What applies to the deductibles?	The insured must pay the deductible defined in the proposal or policy for each event.

When and where does the insurance apply?	Claims resulting from losses that occur anywhere in the world during the contract term (GIC B2 and B3). However, restrictions apply with respect to the USA and Canada (GIC B 4.25).
When does coverage/ the insurance contract start and end?	The beginning and end of the insurance coverage/insurance contract are defined in the proposal and the policy.
What happens when the contract ends?	Upon expiry, the contract is automatically renewed for 1 year, unless timely notice of termination is given by one of the contracting parties (GIC E 1.1.3).
On what basis are premiums calculated?	The method of calculating the premium is specified in the proposal and the policy.
What applies to the premiums, the payment of premiums and premium accounting?	<p>The premium amount is stated in the proposal or policy and is due on the first day of every insurance year.</p> <p>The proposal or policy stipulates whether the premium is a flat premium or whether, at the end of each insurance year, a premium statement of account is issued on the basis of information to be provided (e. g. on salaries and turnover).</p>
What other obligations does the policyholder have?	<p>The policyholder must:</p> <ul style="list-style-type: none"> – immediately notify AXA in writing of any change that is material for assessing the risk (GIC E2.1); – eliminate, at its own expense, any hazardous situation that could lead to a loss (GIC E3); – immediately notify AXA of the occurrence of an event that could affect the insurance (GIC D3); – refrain from negotiating directly with the injured party, acknowledging any claims, concluding settlements, paying any damages, or assigning any rights under the insurance contract (GIC D 4.2, E6). – ensure that the production, processing, collecting, storage, etc. of environmentally hazardous materials comply with statutory provisions and governmental regulations (GIC C 1.3.1). <p>Special obligations may be contained in the individual contract provisions of the policy.</p>
What data is used by AXA and how?	<p>In negotiating and performing the contract, AXA obtains the following data:</p> <ul style="list-style-type: none"> – Customer data (name, address, date of birth, gender, nationality, banking details, etc.), stored in electronic customer files; – Proposal data (information on the insured risk, responses to the questions in the proposal, expertises, information provided by the previous insurer on prior losses, etc.), contained in the policy files; – Contract data (contract term, insured risks and indemnities, etc.), stored in contract administration systems such as physical policy files and electronic risk databases; – Payment data (dates on which premiums are received, outstanding amounts, reminders, credit balances, etc.), stored in debt collection databases; – Claims data in the event of claims (claims notifications, investigation reports, invoices, etc.), stored in physical claims files and electronic claims handling systems. <p>This data is needed to review and assess the risk, manage the contract, collect the premiums on time, and process the claim correctly if a loss event occurs. The data must be stored for at least 10 years after the contract has ended, and claims data must be stored for at least 10 years after the claim has been settled. If necessary, the data will be provided to concerned third parties, such as other involved insurance companies, public authorities, lawyers and external experts. Data may also be shared for the purpose of detecting or preventing insurance fraud. In order to simplify administrative procedures and for marketing purposes (to provide our clients with an optimum product and service package), the companies of AXA Group operating in Switzerland and the Principality of Liechtenstein grant each other access to core customer data (to identify the client), basic contract data (excluding proposal and claims data) and customer profiles.</p>
Important!	You will find more information in the proposal and the policy and the General Insurance Conditions as well as, if applicable, Additional Insurance Conditions (GIC/AIC) and individual Special Insurance Conditions (SIC).

A Introduction and definition of terms used in the policy and the insurance conditions

A1

Introduction

AXA offers its Liability Insurance “Professional” to natural persons and legal entities (e.g. stock companies, associations), partnerships (e.g. simple partnerships), and corporations or institutions as protection for their operational, professional or statutory activities.

A2

Definition of terms used in the policy and the insurance conditions

The following terms used the General, Additional and Special Insurance Conditions are understood as stated below:

1 Contaminated sites

Existing waste deposits as well as impairment of soil or water.

2 Bodily injury

Death, physical injury or other health impairments of humans, including any resulting financial loss or loss of revenues.

3 Property damage

Destruction of, damage to or loss of property, including any resulting financial loss or loss of revenues of the injured party.

Death, physical injury or other health impairment, as well as the loss of animals is deemed property damage.

The impairment of the property’s functions without any impairment of the property’s physical substance shall **not be deemed** property damage.

4 Loss prevention costs

Costs incurred as a result of loss prevention measures. Loss prevention measures are any reasonable immediate measures taken to avoid the occurrence of an imminent insured loss.

However, costs incurred in connection with recalling or recovering goods, necessary preparations for such measures or measures taken instead of such recall or recovery shall **not be deemed** loss prevention costs (product recall).

5 Serial loss

All claims in connection with losses and loss prevention costs arising from the same cause shall be deemed to be a single event (serial loss). The number of injured parties or of parties claiming or entitled to compensation is irrelevant.

The cause is deemed to be the same if the several losses can be attributed e.g. to the same product or material defect or flaw (such as design error, construction defect, manufacturing defect, faulty instruction or presentation), or to the same act or omission (such as the violation of a duty of care, or an error)

6 Environmental impairment

The sustained disturbance of air, water (including groundwater), soil, flora or fauna caused by any influence; as well as any situation defined by the applicable law as environmental impairment.

7 USA/Canada

All states, federal territories and provinces belonging to the United States or Canada, as well as all other territories that fall under the sovereignty or jurisdiction of these countries.

8 Financial loss

Monetary loss that is not the result of any bodily injury or property damage suffered by the injured party.

9 Insureds

Deemed to be insureds are the policyholder as well as its representatives and persons entrusted with managing or supervising the enterprise;

9.2 its employees and other auxiliaries (**except sub-contractors, etc. as defined in B 1.2**), in connection with their activities for the insured enterprise;

9.3 the owners of real property, if the policyholder owns only the building but not the land (building lease);

9.4 other enterprises expressly named as additional insureds in the policy (incl. persons as specified in A2.9.1 – A2.9.3).

Not deemed be insureds are persons whom the policyholder has seconded to a third party (lease of labour or services), in connection with their activities for such third parties.

10 Insured risk

The insured risk encompasses

10.1 the specified type of enterprise or profession, as well as the activities, services, and/or products that are normally associated with it;

10.2 land, buildings, premises, and installations in the policyholder’s ownership or possession (e.g. rented or held under a usufructuary lease);

10.3 ancillary risks of the enterprise’s operations, such as – participation in, organization, preparation and holding of trade fairs, business, company sporting and leisure events;

– auxiliary enterprises (e.g. workshops for maintaining machines and vehicles used for the enterprise);
– canteens, company firefighters, pension funds, company associations;

– railway sidings;

– use of bicycles as well as motor vehicles with weak motorization or low speeds pursuant to the Motor Insurance Ordinance (such as pedal electric bicycles with motor assistance up to a maximum of 25km/h, motor-assisted hand carts) by the insureds (**except for** drives to and from work).

11 Insurance year

The insurance year is defined as the period used for calculating the annual premium, i.e. from the beginning of the day on which the annual premium is due to the end of the day before the next annual premium is due.

12 Policyholder

Natural person or legal entity, partnership, corporation, or institution named as the policyholder in the policy.

If the policyholder is a partnership or community of property, the partners or members of the community

of property have the rights and obligations of a policyholder.

Similarly, all enterprises (e.g. subsidiaries) that are named as insureds in the policy, are also deemed to be policyholders.

B Scope of insurance – general provisions

B1

Insured risk and insured liability

1 AXA covers the insured risk defined the policy (type of enterprise, type of activity, line of goods) against claims for damages arising from bodily injury and property damage, asserted against the insured under provisions of liability law.

However, the insurance **does not cover** recourse and compensatory claims brought by third parties against employees and auxiliaries as defined in A2.9.2 for indemnities that they have rendered to the injured parties.

2 The insurance also covers claims brought against the policyholder for losses caused

- by independent contractors or professionals (e. g. subcontractors) whom the policyholder has engaged. However, the insurance does not cover the liability of such contractors and professionals;
- by persons whom the policyholder has seconded to a third party (lease of labour or services) in connection with their activities for such third parties.

3 The insurance covers all locations (such as plants, branch offices, warehouses) of the insured enterprise in Switzerland and the Principality of Liechtenstein. The insurance **does not cover** the insured's business locations outside of these two countries.

B2

Trigger

1 The insurance covers claims arising from losses occurring during the contract term.

If the date of occurrence cannot be established with certainty, the date on which the loss was first ascertained shall be decisive, regardless of who ascertains the loss.

2 The date of occurrence for all losses forming part of a serial loss shall be determined by the occurrence of the first loss. If the first loss of a series occurs before the contract begins, all claims in connection with losses of this series **are not insured**.

3 Lost prevention costs are deemed to occur on the date on which it is first established that a loss is imminent.

4 Claims arising from a loss or serial loss caused before the beginning of the contract are insured only if the policyholder can plausibly show that, at the time that the contract was concluded, it was unaware of

- an act or omission;
- defects or flaws of manufactured or delivered items; that could give rise to an insured's liability. This also applies by analogy to modifications of the contractual provisions (such as stipulations of limits and deductibles) during the contract term.

5 If a prior insurance covers the same loss or serial loss, the indemnity payable by AXA shall be limited to that part of the indemnity that exceeds the limit of indemnity or sub-limit of the prior insurance policy (difference in limits). The limit of indemnity or sub-limit of the prior insurance policy shall be deducted from the limit of indemnity or sub-limit set out in the policy.

6 Claims arising from a loss that occurred during the contract term shall only be insured if they are notified to AXA within 60 months of the termination of the contract or the lapse of the insurance cover. In the event of claims arising from a serial loss, the date on which the first loss of the series is reported shall apply.

7 If the contract is terminated because the insured enterprise is discontinued (**except in the case of bankruptcy**) or if the policyholder dies, losses occurring after the contract ends and before the statutory limitation periods expire are also insured. Losses that occur during this extended contract term, provided that they do not form part of a serial loss, are deemed to have occurred on the day on which the contract ends. The insurance **does not cover** claims arising from damage caused after the contract ends.

8 If insured persons withdraw from the group of insureds, coverage is maintained, at the latest until the end of the contract, with respect to their acts or omissions prior to their withdrawal that give rise to liability

claims; if the contract ends in accordance with B 2.7, coverage is also afforded during the extended contract term. The same applies by analogy in the event of the exclusion of enterprises named as insureds, or parts thereof, or if activities are discontinued.

B 3

Territorial limits

The insurance covers claims arising from losses that occur anywhere in the world.

For losses occurring in **the USA/Canada**, the **exclusions** pursuant to B 4.25 also apply.

B 4

General exclusions

The insurance **does not cover** claims

- 1 arising from losses
 - of the policyholder;
 - affecting the policyholder's person (e.g. loss of a breadwinner);
 - of persons living in a common household with the liable insured;
- 2 for the performance of contracts or for damages for their non-performance or incorrect performance (business risk)
 - in particular, for damage to and defects of goods manufactured or delivered, or work performed by the policyholder or on the policyholder's behalf, having a cause in such production, delivery or performance;
 - for costs incurred in connection with investigating and remedying such damage or defects;
 - for financial losses and loss of revenues resulting from such damage or defects.

The insurance also does not cover concurrent extra-contractual claims, on the basis of the same facts, asserted against any of the insureds with or in lieu of any claim otherwise excluded under this provision;

- 3 based on a contractual assumption of liability beyond the extent of liability imposed by law;
- 4 arising from losses that should have been covered under other insurance due to a statutory or contractual obligation to insure;
- 5 arising from damage to property that has been accepted for use, processing, safekeeping or forwarding, or for other purposes (e.g. on consignment, for exhibition), or that has is rented, leased or held under a usufructuary lease;
- 6 arising from damage to property resulting from the execution or omission of an activity on or with such property (e.g. handling, repair work).

Also deemed to be activity within the meaning of this provision are project work, management, the issuing of directives and instructions, supervision, controlling and similar actions; furthermore the execution of trial runs, irrespective of who performs them.

Insofar as the activity concerns only parts of **immovable** property, the present exclusion pertains only to damage to such parts themselves as well as to the adjoining parts in the immediate area of activity of the immovable property.

- 7 and/or costs incurred in connection with product recalls or withdrawals, necessary preparations for such measures or costs incurred to implement other measures in lieu of product recalls and withdrawals;
- 8 in connection with acts of daring as defined in the Federal Act on Accident Insurance;
- 9 arising from losses whose occurrence the policyholder, its representatives or persons entrusted with the management or supervision of the enterprise in all probability anticipated or took into account with a view to reducing costs, accelerating work or avoiding financial loss or loss of revenues;
- 10 arising from liability for damage caused by substances introduced into plants for the storage, treatment, transmission or removal of waste, other waste products or effluent and recycling material.

This exclusion does not apply to claims arising from damage to sewage treatment and pre-treatment facilities;
- 11 arising from a perpetrator's liability for losses caused in connection with an intentional perpetration of a felony or major criminal offence, or with an attempt to commit such a felony or such an offence;
- 12 for compensation of a punitive nature, such as punitive/exemplary damages;
- 13 in connection with the effects of electromagnetic fields (EMF);
- 14 in connection with the effects of ionizing radiation;
- 15 in connection with nuclear losses as defined in the Swiss legislation on nuclear energy, as well as the costs associated therewith;
- 16 in connection with asbestos;
- 17 arising from the products liability of manufacturers (including quasi manufacturers), importers or exporters of
 - tobacco and stimulants containing tobacco or nicotine;
 - products to prevent, terminate, induce, or support pregnancies (contraceptives, abortifacients, ovulation inducers, condoms, etc.);
 - products of human origin, including blood and blood products;
 - silicon and silicon products used in the human body;
 - urea-formaldehyde;
 - halogenated hydrocarbons (e.g. perchloroethylene, trichloroethane, chlorohydrocarbons, hydrochlorofluorocarbons, PCBs, PCP, CFCs, dibenzodioxins, dibenzofurans);
 - oxyquinoline;
 - methyl tert-butyl ether (MTBE).

This exclusion also applies to the intentional further processing or treatment of the products and materials referred to above;
- 18 arising from liability of enterprises that are subject to reporting or licensing obligations under Swiss law, for losses in connection with:
 - genetically modified organisms or assimilated products in consequence of changes to the genetic material;

- pathogenic organisms in consequence of their pathogenic characteristics.
- This exclusion applies to the insured enterprise also when processing or treating such organisms and products in a foreign country, if such activity would be subject to reporting or licensing obligations in Switzerland.
- The exclusion shall not apply if the policyholder had no knowledge of the genetic modification at the time such organisms or products were imported and/or put into the stream of commerce;
- 19 in connection with the production of or trade in animal feed, animal feed additives or components thereof containing genetically altered organisms, insofar as the losses and/or costs result from the genetically modified organisms contained in such products;
- 20 arising from losses that can be attributed to
- aircraft and spacecraft or parts thereof that are designed, constructed, produced, or delivered by the insured parties or on their behalf;
 - activities carried out on aircraft, spacecraft or parts thereof (such as installation, maintenance, inspection, overhaul, repair, transport).
- This exclusion does not apply to
- to aircraft for which liability insurance is not mandatory or for which there is no obligation to provide security under Swiss law;
 - for parts destined for the construction of or incorporation in aircraft or spacecraft, without this circumstance being recognizable for the insured;
- 21 arising from the impairment (altering, deleting, or rendering useless) of software or data that can be processed electronically, unless the consequence of insured damage to data storage media;
- 22 in connection with the provision to third parties of patents, licenses, research results, formulas, recipes, software or data that can be processed electronically, construction plans, manufacturing plans or building plans;
- The delivery of goods controlled by integrated software shall not be deemed provision of software;
- 23 arising from losses in connection with BSE (bovine spongiform encephalopathy), TSE (transmissible spongiform encephalopathy), Creutzfeldt-Jakob syndrome, or other brain diseases caused by modified prions;
- 24 based on foreign liability law asserted against the policyholder in its capacity as employer (e.g. employer's liability, worker's compensation, occupational diseases);
- 25 arising from losses occurring in the **USA/Canada** in connection with
- 25.1 direct or indirect deliveries of goods to these countries.
- This exclusion does not apply
- if the policyholder can plausibly show that it was unaware of the delivery to the USA/Canada;
 - to individual products for private consumption that were acquired and received in retail trade outside of the USA/Canada and brought into these countries;
- 25.2 erection, construction, service and maintenance work or the planning, supervision or management of such activities in these countries;
- 25.3 services provided and work carried out for projects or clients in these countries;
- 25.4 environmental impairment;
- 25.5 the following products:
- implants
 - vaccines or inoculants
 - weapons and ammunition
 - equipment and equipment parts as well as components for amusement parks
 - latex
 - lead and products containing lead
 - helmets
 - tires, inner tubes, snow chains/start-aids;
- 25.6 the transmission and spread of diseases and epidemics (e.g. AIDS) or viruses (e.g. HIV);
- 25.7 mould in or on buildings or parts thereof, including damage to installations and furniture.
- The term "mould" encompasses all types of fungi, their components and intermediate products, bacteria, mycotoxins and their volatile organic compounds, spores, odors, and byproducts of fungi;
- 26 in connection with war or civil war.

C Scope of insurance – special provisions

C1

Environmental impairment

The following provisions apply to claims in connection with environmental impairment:

- 1 The insurance covers claims arising from **bodily injury and property damage** incurred in connection with environmental impairment
 - 1.1 provided that such injury or harm results from a single, sudden and unforeseen event requiring immediate action, such as notifying the authorities, alerting the public, or implementing loss prevention or mitigation measures;
 - 1.2 resulting from the release of substances that represent a soil or water hazard, such as fuels, acids, bases and other chemicals (but not sewage and other waste products from the operation), as a result of corrosion or leaks of a facility permanently connected to the site, provided that such situation requires immediate measures as described in the previous paragraph.

Such coverage is provided only if the policyholder can prove that the facility in question was built, maintained, or shut down properly and in accordance with applicable regulations.
- 2 In addition to the general exclusions pursuant to B4, **no insurance coverage** is granted:
 - 2.1 if only several events with a like effect (e.g. repeated dripping of hazardous substances into the ground, repeated spillage of liquids from mobile containers) jointly trigger measures as defined above that would not have been necessary for single events of this kind;
 - 2.2 in connection with restoring protected species or habitats;
 - 2.3 for damage to the air and to water, soil, flora and fauna not subject to ownership under civil law;
 - 2.4 for claims arising in connection with sites already contaminated when the contract was concluded
 - on real property owned by or possessed by an insured;
 - on real property of a third party, caused in whole or part by an insured;
 - 2.5 for claims arising in connection with the ownership, possession or operation of facilities used for storing, treating, transporting or eliminating waste or other residue products, sewage, or recycling materials.

This exclusion does not apply to the enterprise's own facilities for composting or short-term storage of waste and other residue products or for treating or pre-treating sewage.
- 3 The insured is obligated to ensure that
 - 3.1 the production, processing, collection, storage, cleaning and elimination of environmentally hazardous substances comply with statutory rules and governmental regulations;
 - 3.2 the installations used for these activities, including security and alarm systems, are maintained and operated in a proper manner in compliance with the applicable technical norms, statutory rules and governmental regulations;
 - 3.3 remediation and similar orders issued by public authorities are complied with within the set deadlines.

C2

Loss prevention

- 1 Loss prevention costs are also covered if an instance of insured bodily injury or property damage is imminent due to a sudden, unforeseen single event. However, measures taken after the hazard has been averted, e.g. disposal of faulty products, are **excluded** from this coverage.

If an instance of environmental impairment due to an event as defined in C1.1.1 has occurred, or is imminent, or if a situation as defined in C1.1.2 exists, the insured's liability for costs resulting from measures ordered by the authorities to avert the immediate sustained impairment of a third party's soil or water is also insured.
- 2 In addition to B4, the insurance does **not cover**
 - 2.1 loss prevention measures constituting an action in the context of the proper performance of contracts, such as remedying defects and damage to goods that have been manufactured or delivered, or to work that has been executed;
 - 2.2 the cost of eliminating a hazardous condition as defined in E3;
 - 2.3 costs incurred from identifying leaks, malfunctions, or the cause of damage, including the necessary emptying and refilling of installations, containers and pipes, as well as cost of repairs and modifications to these (e.g. remediation costs);
 - 2.4 costs of loss prevention measures taken on account of snowfall or the build-up of ice.

C3

Product recalls – notification costs

- 1 In derogation of B 4.7, the insurance covers the policyholder's own notification costs incurred in connection with recalling
 - products the insured has produced, manufactured or processed (component parts and end products), and which have been transferred to a third party's possession, or
 - products of third parties containing defective component parts from the policyholder.

Said notification costs shall comprise **exclusively** those costs incurred as a result of

 - notifying product recipients, e.g. by letter, e-mail, telephone, SMS, or fax;
 - informing product recipients through the media (e.g. the press, radio, television).
- 2 The insurance coverage is subject to the condition that the recall
 - is necessary and reasonable in order to avoid an insured loss arising from product defects that have been identified or are suspected on the basis of objective facts, or
 - is ordered by the authorities in order to prevent such a loss.
- 3 The insured shall bear the stipulated deductible for bodily injury and/or property damage per event.

C4

Personal liability during business travel

During business travel and stays for business purposes, the insurance also covers the insureds' liability as private individuals arising from their day-to-day activities, in so far as that no other liability policy provides such coverage.

In derogation of B4.5 and B4.6, claims arising from damage to premises, such as hotel rooms or apartments used by the insured are also covered.

C5

Use of vehicles

1 Motor vehicles

1.1 The insurance covers liability as the statutory keeper and/or liability resulting from the use of motor vehicles and trailers

- that require neither vehicle registration documents nor license plates, provided that no motor vehicle liability policy exists;
- whose license plates have been deposited with the proper authorities.

If the mandatory liability insurance for the vehicle or trailer also includes an extended insurance period (e.g. for 12 months), coverage as defined in C5.1 comes in effect only after such extended insurance has lapsed;

- without vehicle registration and license plates, for which special proof of insurance has been issued for use, authorized by statute or official permit, on public roads or the enterprise's publicly accessible grounds.

1.2 The minimum limits of insurance prescribed by Swiss road traffic legislation apply, provided that the policy does not contain higher limits of indemnity.

1.3 The insurance **does not cover** the liability of persons

- who use the vehicle for drives that are not authorized by the public authorities, or for which they are not authorized pursuant to road traffic legislation or for other reasons, as well as those
- who are responsible for such vehicle users, or on whose instructions or with whose knowledge such drives took place.

1.4 With respect to loss events for which an insurance obligation exists under Swiss road traffic legislation, the following claims are **excluded**, in addition to C5.1.3 and in place of the general exclusions defined in B4:

- claims of the statutory keeper arising from property damage caused by persons for whom the statutory keeper was responsible pursuant to such legislation;
- claims arising from property damage of the statutory keeper's spouse or registered partner, relatives in ascending and descending line, as well as siblings living in the same household;
- claims arising from damage to the used vehicle (incl. trailer) as well as for damage to property transported with these vehicles, except items accompanying the injured party, namely luggage etc.;
- claims arising from accidents during races.

2 Motor-assisted bicycles

2.1 The insurance covers liability arising from the use of motor-assisted bicycles (including pedal electric bicycles) subject to statutory insurance, provided that such trips are for the insured enterprise, excluding travel to and from work.

2.2 AXA's coverage shall be limited to that part of the compensation that exceeds the limits of the statutory insurance (excess coverage).

This limitation shall not apply if such vehicles are used without an insurance disk ("Vignette") or license plate in accordance with road traffic legislation.

2.3 The exclusions and limitation pursuant to C5.1.3 and C5.1.4 apply accordingly.

The provisions of Swiss road traffic legislation apply in all other respects, insofar as its application is mandatory.

3 Watercraft

The insurance covers the liability of the statutory keeper and/or the liability arising from the use of watercraft for which Swiss legislation does not prescribe liability insurance, provided that such trips are for the insured enterprise, excluding travel to and from work.

4 Aircraft

The insurance covers the liability of the statutory keeper and/or the liability arising from the use of aircraft of special categories for which Swiss legislation does not prescribe liability insurance, provided that such aircraft are used for the insured enterprise.

C6

Loading and unloading of vehicles

1 In derogation of B4.6, the insurance covers damage caused

1.1 to land vehicles and watercraft (including superstructures and trailers) as well as to aircraft through loading or unloading them with piece goods.

Piece goods refers to items that are loaded or unloaded individually, such as machinery, equipment, construction components (doors, windows, girders, etc.) and pallets, as well as receptacles of all types (boxes, crates, containers, barrels, canisters, etc.);

1.2 to tank and cistern vehicles caused by filling or emptying them with solid or liquid goods.

2 The insurance **does not cover** claims arising from damage caused

2.1 to railroad rolling stock;

2.2 to land vehicles, watercraft and aircraft

- that an insured has borrowed, rented or leased;
- through loading or unloading dry bulk (except for C6.1.2).

Dry bulk is deemed to be goods that are loaded or unloaded in a loose, unpackaged state, such as grain, sand, gravel, rocks, boulders, coal, scrap metal, material from demolition or excavation, as well as waste;

- as a consequence of overfilling or overloading;

2.3 to receptacles (except superstructures and trailers pursuant to C6.1.1 and to tanks and cisterns pursuant to C6.1.2) as well as to the handled goods themselves through the vehicle loading or unloading operations.

C7

Real property

1 The insurance covers liability arising from damage that is attributable to land, buildings, premises and installations in Switzerland and the Principality of Liechtenstein, regardless of whether they serve the insured enterprise.

2 Co-owned property (incl. condominiums)

The following applies additionally to land, buildings and premises as defined in C 7.1 that are co-owned or owned as a condominium:

The insurance also covers claims arising from losses whose cause lies in building parts (incl. related installations and equipment) and land to which the policyholder has an exclusive right of use.

The insurance **does not cover** claims

- brought by the community of owners for damage to shared building parts (incl. related installations and equipment) and land for the part of the damage corresponding to the policyholder's share of the property;
- of another co-owner arising from losses whose cause lie in shared parts the building (incl. installations and equipment) and land for the part of the damage corresponding to the other owners' share of the property.

3 Common ownership

If real property, buildings and premises as defined in C 7.1 are owned in common, claims filed against the policyholder in his capacity as owner-in-common are also insured.

The insurance **does not cover** claims arising from losses of the owners-in-common.

- 4 AXA's indemnity is restricted to that part of the compensation that exceeds any coverage (in terms of limits of insurance and conditions) provided by another insurance (e.g. separate building liability insurance purchased by the condominium owners' association) that covers the same loss (subsidiary coverage).

C8

Construction work (owners' liability)

If building structures or parts thereof that fully or partially serve the insured enterprise are erected, converted or enlarged, the following applies:

- 1 The insurance covers claims for bodily injury and property damage arising from demolition, earthmoving and construction work made against the insured in its capacity as the person who commissioned the work (owner), or against the owner of the land pursuant to A 2.9.3.
- 2 However, the insurance **does not cover** claims in connection with a construction project
 - 2.1 if the total cost of the project as stated in the estimate exceeds CHF 500 000.-;
 - 2.2 that neither fully nor partially serves the insured enterprise;
 - 2.3 with an excavation pit that exceeds a depth of one story or on slopes with a gradient exceeding 25 %;
 - 2.4 that involves underpinning or undercutting the foundations of a neighboring building structure;
 - 2.5 that involves works abutting a building structure of a third party;
 - 2.6 that involves lowering the water table;
 - 2.7 for which work that produces strong vibrations (e.g. blasting or pile-driving) is carried out;
 - 2.8 that involves vibratory sheet piling or extraction;
 - 2.9 that requires drilling boreholes (e.g. for geothermal probes, pile foundations)

as well as claims

- 2.10 that affect the construction project itself or the involved site;
- 2.11 in connection with the reduced flow or drying-up of sources.
- 3 AXA's indemnity is restricted to that part of the compensation that exceeds any coverage (in terms of limits of insurance and conditions) provided by another insurance (e.g. construction work owner's liability insurance) that covers the same loss (subsidiary coverage).

C9

Rented offices, consulting rooms and sales premises

- 1 In derogation of B 4.5 and B 4.6, the insurance covers claims arising from damage
 - 1.1 to premises serving the insured enterprise as offices, consulting rooms, sales or exhibition space, that are rented, leased, or held under a usufructuary lease;
 - 1.2 to parts of buildings and premises (such as lobbies, staircases, parking areas) that are shared with other tenants, lessees, usufructuary tenants, or with the owner;
 - 1.3 to heating and hot water supply systems, passenger and freight elevators, escalators, as well as air conditioning, ventilation and sanitary installations that serve only the afore-mentioned premises and parts of buildings.
- 2 In the event of the loss of keys issued for the aforementioned premises, the cost of the necessary changing or replacement of locks and related keys is insured (lock replacement costs). Electronic locking systems and associated badges are deemed to be locks and keys.
- 3 The insurance **does not cover** claims arising from
 - 3.1 damage to other premises, such as manufacturing or storage facilities, premises used for restaurant or hotel operations;
 - 3.2 damage due to the gradual effect of moisture as well as damage arising from gradually operating causes (e.g. wear and tear, deterioration of carpets and paintwork, etc.);
 - 3.3 the expense of restoring property to its original condition after it was deliberately altered by an insured or upon an insured's instructions;
 - 3.4 damage to furniture as well as to machines and equipment, even if permanently attached to the soil, buildings or premises. C 9.1.3. remains reserved;
 - 3.5 Damage to sales and exhibition surfaces (including premises and installations pursuant to C 9.1.2 and C 9.1.3 above) that are rented or leased exclusively for the holding of or participation in functions and events (such as exhibitions, trade fairs).
- 4 AXA's indemnity is limited to that part of the compensation that exceeds any coverage (in terms of indemnity limits and conditions) provided by another insurance (e.g. property insurance) that covers the same loss (subsidiary coverage).
- 5 The following applies with respect to the deductible: All damage that occurs in one single room is regarded as a single loss.

C 10

Rented telecommunication systems

- 1 In derogation of B 4.5 and B 4.6, the insurance covers claims arising from damage to rented or leased telecommunication systems such as telephones, fax/telex devices, videotext devices, videophones, videoconferencing systems, answering machines, voice-mail servers, cables belonging directly to these devices, as well as internal switchboards (indoor systems).
- 2 The insurance **does not cover** claims arising from damage to mobile phones, pagers, company radio communications systems, PCs (laptops and desktops), network servers and mainframes, cable networks, software and data.
- 3 AXA's indemnity is limited to that part of the compensation that exceeds any coverage (in terms of indemnity limits and conditions) provided by another insurance (e.g. property insurance) that covers the same loss (subsidiary coverage).

C 11

Care, custody and control

- 1 In derogation of B 4.5, the insurance covers claims arising from the destruction of or damage to goods that an insured has accepted for use or processing, provided that such damage is caused on the insured's premises (such as workshops or storage areas) and that the cause of the damage lies in the storage of the goods.
- 2 In addition to B 4, the insurance **does not cover** claims arising from damage to
 - 2.1 goods that have been accepted solely for storage, safekeeping, forwarding, on commission, or for exhibition; purposes or goods that were rented, leased or held under a usufructuary lease

- 2.2 valuables (such as furs, jewelry, watches, antiques, works of art) and monetary instruments (such as cash, credit and debit cards, checks, and other means of payment, tickets, subscription tickets, securities), as well as documents, deeds and plans;
- 2.3 vehicles of all kinds.
- 3 AXA's indemnity is limited to that part of the compensation that exceeds any coverage (in terms of indemnity limits and conditions) provided by another insurance (e.g. property insurance) that covers the same loss (subsidiary coverage)

C 12

Issued keys

- 1 In derogation of B 4.5 and B 4.6, the insurance also covers the loss of keys that have been issued for buildings, premises and installations in which insureds must perform work and the necessary cost of changing or replacing locks and the corresponding keys. Such costs are deemed property damage.
Electronic locking systems and associated badges are deemed to be locks and keys
- 2 The insurance **does not cover** the costs associated with changing the locks of buildings, premises, or facilities that are rented, leased or held under a usufructuary lease by the insured.
- 3 The insured must inform the principal immediately in the event that a key or badge is lost. Violation of this obligation releases AXA from its duty to indemnify under the terms of E 4.

D Claims

D1

Indemnification

1 Compensation of justified claims

Within the scope of coverage and liability in law, AXA shall indemnify the amounts the insured is liable to pay the injured party. It may pay compensation directly to the injured party.

2 Defense against unjustified claims

AXA shall defend the insured against unjustified or excessive claims for damages, provided that they relate to an insured event.

3 Limitation of indemnities

- 3.1 AXA's indemnification for all claims (incl. interest on damages, loss reduction costs, costs of expert opinions, attorney fees, court costs, arbitration costs, mediation costs, loss prevention costs and other costs such as indemnification of the opposing party's legal costs) is capped by the limit stipulated the policy. Claims and costs arising from specified risks may be subject to a sublimit stipulated in the policy (lower amount within the limit of insurance).

If the claims and costs (including those relating to risks for which a sublimit has been stipulated) per event or serial loss exceed the limit of insurance stipulated in the policy, AXA's indemnities shall be maximized by amount of the limit of insurance (maximum compensation).

The limit of insurance or sublimit is reduced by the stipulated deductible.

- 3.2 The limit of insurance or the sublimit is defined as a double aggregate per insurance year, i.e. is paid as a maximum only twice for all claims for damages and costs arising from losses occurring in the same insurance year.
- 3.3 Indemnities are determined by the contractual provisions (incl. provisions on limits of insurance and deductibles) that were in force at the time of the loss occurrence.

4 Legal expenses coverage in criminal and administrative proceedings

- 4.1 If criminal or administrative proceedings are initiated against an insured on the basis of an insured event, AXA shall assume all of the insured's costs that arise in this connection (e.g. fees for attorneys, courts, and expert opinions) as well as any costs that may be awarded against the insured in the proceedings.
- 4.2 However, the insurance **does not cover** liabilities of a penal or similar nature (e.g. fines), as well as bail and other forms of surety.
- 4.3 AXA shall appoint a defense attorney for the insured with the insured's consent. The insured is **not authorized** to retain an attorney without AXA's approval.

In the case of appellate procedures or reviews of lower-court rulings, AXA can refuse to indemnify if it deems the appeal's probability of success to be negligible.

D2

Deductible

- 1 The policyholder shall pay the deductible stipulated in the policy per loss event. If stipulated in the policy for particular risks, a special deductible may apply to claims arising from such risks.

The deductible also applies to costs (e.g. for defending against unjustified claims).

- 2 If multiple coverages with deductibles in the same amount apply to a single loss event, the policyholder's shall bear the deductible only once.

If deductibles with differing amounts are stipulated, the policyholder's participation shall be limited to the highest stipulated amount.

- 3 The deductible is charged against the indemnity to the policyholder. If AXA pays the indemnity to the injured party without subtracting the deductible, the policyholder shall waive any objections and reimburse the deductible to AXA.

D3

Claims notification and duty to provide information

The policyholder shall notify AXA immediately if an event occurs whose probable consequences may affect the insurance.

The duty of notification also applies if a police investigation is initiated against an insured because of such an event.

The policyholder shall immediately and at all times and its own expense provide AXA with, or inform AXA of, all information, papers, data, documents and pieces of evidence, as well as with any official or court documents, such as summonses, orders, notices, judgments, etc., that relate to the loss event. In addition, the policyholder is obligated to forward to AXA, of its own accord, any further information about the claim and steps taken by the injured party.

D4

Claims handling

- 1 AXA shall handle claims insofar as they exceed the deductible. It shall conduct negotiations with the injured party at its own expense. In this capacity, it acts as the insured's representative, and any settlement that it reaches with the injured party shall be binding on the insured.

If no agreement can be reached and the injured party takes legal action, AXA shall retain an attorney and manage the proceedings.

Legal costs and other expenses awarded to the insured shall revert to AXA to the extent of its outlays and indemnities, to the extent that such costs and expenses are not compensation for the insured's personal efforts and outlays.

- 2 The insured shall refrain from negotiating directly with the injured party or its representatives in respect of claims for damages, from acknowledging any liability or claim or from concluding any settlement or paying any compensation, unless AXA gives its approval.

Moreover, the insured shall assist AXA in handling the claim, in particular in the context of investigating the facts and the loss as well as defending against claims.

- 3 The settlement of insured claims by arbitration shall not impact the insurance coverage, provided that
 - the arbitration procedure conforms to the rules of Swiss Code of Civil Procedure or the Federal Act on Private International Law, or
 - the foreign arbitration award is enforceable in Switzerland.

E Miscellaneous provisions

E 1

Beginning and end of the contract

1 Contract term

- 1.1 The beginning and end of the contract are stipulated in the policy.
- 1.2 AXA may reject the proposal in writing until the policy or a definite cover note has been issued. If the proposal is rejected, any provisional insurance coverage that may be in place will cease three days after the policyholder receives notice of rejection. The premium is owed pro rata for the duration of the contract.
- 1.3 On expiry, the contract shall be renewed automatically for a further period of one year, unless notice of termination is given in good time by one of the contracting parties. If the term of the contract is less than one year, it shall end on the specified expiration date.
- 1.4 Either contracting party can terminate the contract by giving three months' written notice to the expiry date, or to the subsequent expiry date in the event of renewed contracts.
- 1.5 In the event of the policyholder's bankruptcy, the contract ends with the declaration of bankruptcy.

Within 30 days of the declaration of bankruptcy, the bankruptcy administrator can, subject to payment of the premium, demand that the policy be continued as of the date of the declaration of bankruptcy.

2 Termination in the event of a claim

- 2.1 After a loss event occurs which AXA is obligated to indemnify, AXA can terminate the contract at the latest on the date of the payment of the indemnity. The policyholder can terminate the contract at the latest 14 days after knowledge of payment.
- 2.2 If the contract is terminated, AXA's obligations shall cease 30 days after receipt of the notice of termination.

E 2

Aggravation and reduction of risk

- 1 The policyholder shall inform AXA immediately and in writing, at the latest by the end of the insurance year, of any change of a fact constituting a material basis for risk assessment and which was considered by the contracting parties at the conclusion of the contract.

D 5

Recourse against the insured

If AXA has compensated the injured party directly even though the provisions of the insurance contract or Swiss Insurance Contract Act ("VVG") limit or cancel coverage, AXA shall have a right of recourse against the liable insured to the extent that it could reduce or refuse indemnification.

2 New risks

- 2.1 A new risk that poses a material aggravation (changed or new activity) is also covered pursuant to the other insurance conditions (contingent insurance of future risks).
- 2.2 AXA reserves the right to
 - modify the premium and conditions for this risk retroactively as of its inclusion;
 - refuse to accept the new risk;
 - terminate the contract within 14 days of receipt of notice of the aggravated risk.
- 2.3 The policyholder can terminate the contract within 14 days if no agreement can be reached on the premium or conditions.

If AXA refuses to accept the new risk or terminates the contract, the contingent coverage or the contract shall end 30 days after the policyholder receives the written rejection or notice of termination.

Notwithstanding, AXA is entitled to the premium corresponding to the risk as of the date on which coverage starts until the date on which the contingent coverage or the contract ends.
- 2.4 If the new risk is already covered under liability insurance from which indemnities are due for the same loss or serial damage, B 2.5 will apply by analogy.

3 New companies

- 3.1 If the policyholder forms or acquires subsidiaries with a minimum of 50% shareholding or a 30% to 50% share of management control, such subsidiaries shall also be deemed insureds from the date of incorporation or acquisition (contingent insurance), provided that they are located in Switzerland or the Principality of Liechtenstein.

The policyholder is obligated to notify AXA of the name, legal domicile and commercial purpose of the company.
- 3.2 If the activities of such companies differ from the activities defined in the policy, AXA reserves the right to
 - modify the premium and conditions for this company retroactively as of its inclusion;
 - refuse to include the new company;
 - terminate the contract within 14 days after receipt of the notice.
- 3.3 The provisions of E2.2.3 and E2.2.4 apply by analogy.

- 4 In the event of a decrease of the insured risk, AXA shall reduce the premium commensurately upon receipt of written notification by the policyholder.

E3

Elimination of a hazardous condition

The policyholder is obligated to eliminate at its own expense any hazardous condition that could result in a loss. AXA may demand that a hazardous condition be eliminated within a reasonable period.

E4

Violation of obligations and duties of notification

If the policyholder or the insured through fault violates its obligations (e. g. under C 1.3 or D 4.2) or fails to notify or provide information (e.g. D3), thereby giving rise to a situation in which AXA would be liable to pay out increased indemnities, the insurance coverage shall not apply to the extent of such increase.

E5

Premium

1 Basis for premium calculation

The method of premium calculation is defined in the policy.

2 Premium payment

The premium stipulated in the policy is due on the first day of every insurance year; the first premium is due on the date contained in the payment slip. If installments have been agreed, the payments that are due during the insurance year are deemed to be deferred. AXA may impose a surcharge on each installment.

E6

Assignment of claims

The insured **may not** assign rights under this insurance contract without AXA's consent.

E7

Data protection

- 1 AXA Group companies in Switzerland and the Principality of Liechtenstein mutually grant each other access to basic contract data (except proposal and claims data) with a view to simplifying administrative procedures and delivering the best products and services to their customers.

- 2 AXA is authorized to obtain and process the data necessary for managing its contracts and claims. Similarly, AXA is also authorized to obtain relevant information from third parties and to inspect official documents. AXA undertakes to treat all information it receives as confidential. If necessary, the data may be forwarded to involved third parties, namely co-insurers, re-insurers and other concerned insurers. Information may also be forwarded to other liable third parties and their liability insurers for the purpose of implementing rights of recourse.

- 3 AXA is authorized to inform third parties to whom a confirmation of insurance was issued (e.g. the competent authorities) if the insurance is suspended, changed, or terminated.

E8

Principality of Liechtenstein

The following applies if the policyholder or a company insured under this policy has its registered office or a location in the Principality of Liechtenstein and if it or the location is subject to Liechtenstein law:

Any reference to Swiss law contained in the policy or insurance provisions shall be deemed to refer to the corresponding law of Liechtenstein, in respect of such insured company or location.

E9

Applicable law and place of jurisdiction

- 1 This insurance contract shall exclusively be governed by and construed in accordance with the laws of Switzerland or, as the case may be, Liechtenstein.
- 2 The courts of Switzerland or, as the case may be, Liechtenstein shall have exclusive jurisdiction to settle disputes arising from this insurance contract.

E10

Sanctions

- 1 The insurance protection shall not apply insofar and as long as applicable legal economic, trade or financial sanctions inhibits indemnification under this contract.

