



General Insurance Conditions (GIC)

# Construction insurance

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# Key points at a glance

This overview provides you with information about the material content of the insurance contract, in accordance with Art. 3 of the Federal Act on Insurance Policies (IPA). The contracting parties' rights and obligations arise on conclusion of the insurance contract, in particular on the basis of the application, policy, contract terms and statutory provisions.

## Who is the insurance carrier?

The insurance carrier is AXA Insurance Ltd, General Guisan-Strasse 40, 8401 Winterthur (hereinafter referred to as "AXA"), a stock corporation domiciled in Winterthur and a subsidiary of the AXA Group.

## What is insured?

### Builder's risk insurance

The insurance covers construction and erection work and the costs incurred in the event of a claim for cleanup, locating the source of the damage, or for demolition and reconstruction. Coverage for various property and costs may be included in addition.

### Builder's liability insurance

The insurance covers statutory liability arising from the construction project detailed in the quotation or policy as the result of personal injury and property damage. Further special risks may be insured in addition.

## What does the insurance not cover?

### Builder's risk insurance

- loss or damage due to normal weather conditions
- cost of remedying defects
- cost of remedying cosmetic defects
- loss or damage due to a failure to comply with special requirements for high-risk construction projects
- contractual penalties due to non-compliance with completion and acceptance deadlines
- loss or damage that is required to be covered by the liability insurer of one of the participants in the erection of the structure
- loss or damage that should or ought to be covered by a cantonal or private fire and natural hazard insurance provider of one of the participants in the erection of the structure
- loss or damage and claims in connection with asbestos or contaminated sites.

### Builder's liability insurance

- own loss or damage as well as the construction project itself
- claims brought on the basis of a contractually assumed liability that goes beyond the statutory provisions; claims due to a failure to comply with a statutory or contractual obligation to take out insurance
- loss or damage due to a failure to comply with special requirements for high-risk construction projects
- loss or damage due to gradual effects
- damage to work in progress
- loss or damage that should have been expected as highly likely to occur
- loss or damage caused due to cost savings.

## What indemnities does AXA provide?

### Builder's risk insurance

If insured construction and erection work is damaged, destroyed or stolen, the insurance will cover the costs incurred to restore it to the condition it was in immediately prior to the loss event, at a maximum up to the amount of the sum insured.

## Builder's liability insurance

AXA indemnifies justified claims arising from personal injury and property damage, and defends against unjustified claims. The sum insured applies for all claims arising from loss or damage and costs incurred during the entire contract term, including any extended coverage period. The amount is available twice at the most (double aggregate).

## How much is the premium and when is it due?

The premium is a single premium. The premium is due in advance for the entire period of construction.

## What are the main obligations of the policyholder?

The policyholder is required to comply with the following obligations:

- eliminate, at their own expense, any dangerous condition that could result in a claim
- observe special requirements for high-risk construction projects
- provide notice in writing immediately of any change (increase) with respect to a circumstance that is material for assessing the scope of the risk
- provide notice immediately of the occurrence of any event that could affect the insurance.

Any special obligations that may apply are defined separately in the individual contract provisions of the policy.

## When does the insurance begin and end?

The insurance begins on the date specified in the policy. AXA may reject the application up to the date on which it issues the policy or a definitive cover note. The insurance is valid for the period specified in the policy.

The insurance ends separately and without notice for every independent unit or section on the date when this unit or section is deemed to be accepted in accordance with the law or SIA standards, but no later than by the date on which it becomes ready for use.

In every case, insurance coverage shall end on the date agreed in the policy.

## Special information for the Principality of Liechtenstein

The applicant is bound by the application to conclude an insurance contract for a period of two weeks after submitting or sending the application. This period will be extended to four weeks if a medical examination is required.

If AXA breaches the information requirements under the Liechtenstein Insurance Contract Act or the Liechtenstein Insurance Supervision Act, the policyholder shall have the right to withdraw from the contract within four weeks of receiving the policy.

The responsible supervisory authority is the Swiss Financial Market Supervisory Authority (FINMA), 3000 Bern.

## What definitions apply?

The key terms are explained in Part D under "Definitions."

## What data does AXA use and how?

Information about the use of data is provided under "Data Protection" in Part E.

# General Insurance Conditions (GIC)

## Part A General Conditions of the Insurance Contract

### A1 Scope of the contract

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The policy specifies the insurance coverage that has been agreed. The policy, these General Insurance Conditions (GIC), any Supplementary Conditions (SC), and any Special Insurance Conditions (SIC) that may apply provide information about the scope of the insurance.

### A2 Term of the contract

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**A2.1** The insurance contract begins on the date specified in the policy. It is concluded for the term set out in the policy. Any provisional insurance coverage that may be in place shall end when the policy is issued.

**A2.2** AXA may reject the application. Any provisional insurance coverage that may be in place shall end three days following receipt of the notification of such rejection by the applicant. In this case, the applicant shall owe the prorated premium for the period of coverage.

**A2.3** The insurance ends separately and without notice in respect of each independent unit or section (e.g. single-family dwelling, garage or housing unit within a multi-family dwelling, segment of a civil engineering project) on the date on which all building work for the unit or section concerned is deemed to be accepted in accordance with the law or the applicable SIA standards, but by no later than the date on which it becomes ready for use. Independent units and sections that are deemed to be accepted in accordance with the law or the applicable SIA standards, or that are already in use may be insured under the supplementary insurance for "Existing buildings and property at risk". In any case, the term of the contract shall end on the date specified in the policy.

**A2.4** If the policyholder goes bankrupt, the contract shall end once bankruptcy proceedings commence. The bankruptcy administrator or any participant in the construction project may, within 30 days from the date of commencement of bankruptcy proceedings, request that the policy be continued from the date of commencement of bankruptcy proceedings upon payment of any outstanding premium, provided that the construction project is completed in accordance with the contract.

**A2.5** Any change to the period of coverage shall require a separate agreement.

### A3 Termination of the contract

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**A3.1 Termination in the event of a claim**  
Following a claim for which AXA provides indemnity, the contract may be terminated as follows:

- By the policyholder, not later than 14 days after they become aware of the payment. Coverage expires 14 days after receipt by AXA of the notice of termination.
- By AXA, not later than the date of the payment. Coverage expires 14 days after the policyholder receives the notice of termination.

**A3.2 Termination in the case of increase in hazard**  
A7.2 shall apply.

### A4 Premiums

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**A4.1 Premium amount and due date**  
The premium specified in the policy is due on the first day of the period of insurance for the entire period of construction. The due date for the premium is specified in the invoice. In case of payment in installments, the installments are deemed to be deferred. AXA may add a surcharge to each installment. The premium is calculated on the basis of the information in the insurance application.

**A4.2 Premium statement**  
On completion of the insured construction and erection work, the premium statement is calculated on the basis of the finalized construction costs. Both parties shall waive the issue of a final invoice if the difference in premiums is less than CHF 100.

### A5 Due diligence and other obligations

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**A5.1** Prior to commencing any excavation work (e.g. earth-moving, digging, pile-driving, drilling, compacting), the insured persons shall inspect the plans at the relevant authorities and obtain information about the exact location of underground pipes and cables.

**A5.2** In the event of any undercrossing or underpinning of structures, a condition report shall be prepared with respect to any structures at risk prior to the commencement of construction.

**A5.3** The insured persons shall eliminate, at their own expense, any hazardous condition that may result in loss or damage. AXA may order that a hazardous condition be eliminated within a reasonable period.

## A6 Special requirements for high-risk construction projects

Where a construction project involves:

- an excavation pit with a depth of more than four meters or on a slope with a gradient of more than 25 %,
- underpinning or undercrossing an existing property,
- lowering the water table,
- performing work causing strong tremors such as blasting, ramming or vibrating, etc., or
- installing sheet piling,

the construction owner or the policyholder shall commission in writing an engineer or a geologist with the necessary qualifications to plan and supervise this construction work. The construction owner or policyholder shall ensure that a written report for the attention of all participants in the construction project is available before construction starts. The report shall be drafted in accordance with generally accepted rules of engineering and codes of building practice, and shall specify the accepted risks and intervention criteria that have been accepted.

In the event of any failure to comply with this, B5.1.12 and C7.12 shall apply.

## A7 Duty to provide information

### A7.1 Communication with AXA

The policyholder or insured person must address all communications to the responsible branch office or registered office of AXA.

### A7.2 Increase or reduction in hazard

A7.2.1 The policyholder shall notify AXA immediately in writing of any significant change in the circumstances that formed the basis for assessing the hazard when the contracting parties entered into the contract. In the absence of such notification, AXA shall no longer be bound by the contract for the subsequent period.

A7.2.2 If a new risk is introduced that poses a significant increase in hazard, the policy shall cover this risk as well (insurance of future risks) within the scope of the remaining insurance provisions.

A7.2.3 AXA reserves the right to

- recalculate the premium and redefine the conditions for this risk retroactively to the date of inclusion,
- refuse to accept the new risk,
- terminate the contract within 14 days following receipt of notification of the increase in hazard.

A7.2.4 The policyholder may 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, coverage for future risks and the contract shall expire 30 days following receipt by the policyholder of the written letter of rejection or notice of termination. In each case, AXA shall be entitled to the premium that corresponds to the risk as of the date on which coverage for future risks starts until the date on which coverage or the contract expires.

A7.2.5 In the case of a reduction in hazard, AXA shall reduce the premium commensurately from the date on which it receives notification in writing from the policyholder.

### A7.3 Claims

A7.3.1 The insured persons must notify AXA immediately of any event that occurs that could affect the insurance. The notification requirement applies even if a police investi-

gation against the insured person is initiated because of such an event. Insured persons shall at all times promptly provide AXA with, or bring to its attention, at their own expense, all information such as correspondence, data, documents, evidence, as well as all official and court documents such as summonses, rulings, notifications, judgments, etc. that are relevant to the loss event. In addition, the insured person shall forward to AXA, of their own accord, any additional information about the claim and any steps taken by the injured party.

A.7.3.2 In the case that an insured event occurs, the insured persons shall ensure that the loss or damage is mitigated.

## A8 Claim for compensation against third parties

The eligible claimant must assign their claim for compensation against a liable third party to AXA to the extent that AXA has paid compensation.

## A9 Breach of duties of care, obligations or duties to provide notice

If the policyholder or insured person culpably breaches its obligations (e.g. A5) or duties to provide notice and information (e.g. A7), and if this causes AXA to be liable for increased indemnity as a result, the insurance coverage shall not apply to the extent of such increase.

## A10 Principality of Liechtenstein

If the construction site is located in the Principality of Liechtenstein, references to provisions of Swiss law in the insurance contract documents shall relate to the corresponding provisions of Liechtenstein law.

## A11 Applicable law and place of jurisdiction

### A11.1 Applicable law

The insurance contract shall be governed by Swiss law. If the construction site is located in the Principality of Liechtenstein, Liechtenstein law shall apply.

### A11.2 Place of jurisdiction

The ordinary courts of Switzerland shall have jurisdiction over any disputes arising out of or in connection with the insurance contract. If the construction site is located in the Principality of Liechtenstein, the ordinary courts of Liechtenstein shall have jurisdiction over such disputes.

## A12 Sanctions

Coverage shall lapse to the extent and as long as any applicable legal economic, trade or financial sanctions preclude the payment of any amounts due under this contract.

## Part B

### Provisions Governing Builder's Risk Insurance

#### B1 Subject of the insurance

- B1.1 The insurance covers:**
- B1.1.1 all construction and erection work, provided that it is included in the sum insured. Unless otherwise agreed, the building is insured once it is in turnkey state.
- B1.1.2 the costs of cleanup, locating the source of damage, decontamination, recovery, demolition, and reconstruction as defined in B7.1.2.
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- B1.2** The following is insured only by special agreement on a first loss basis up to the sum insured as agreed in the policy (list is not conclusive):
- scaffolding, excavation supports, sheet piling and formwork, temporary structures, falsework, barracks, containers, hoardings, construction billboards, barriers and emergency roofs
  - construction substrate and soil mass, in so far as it is not part of the insured construction work
  - existing buildings, property at risk and chattels
  - construction equipment, tools, machinery and erection equipment
  - scratches on surfaces
  - claims from delayed or interrupted construction work.

#### B2 Insured risks

- B2.1 The insurance covers:**
- B2.1.1 damage or destruction (incl. water damage) caused by construction accidents during the term of the contract;
- B2.1.2 malicious damage (acts of vandalism) to construction and erection work as defined in B1.1.1;
- B2.1.3 loss of or damage to construction and erection work as defined in B1.1.1 as a result of:
- burglary and robbery,
  - theft of property that is already incorporated in and permanently attached to the structure.
- Any such loss or damage must be reported to the police immediately.
- B2.1.4 damage from fire and natural hazards to construction and erection work as defined in B1.1.1 for buildings in cantons with mandatory building insurance (subsidiary coverage).
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- B2.2** In the case of civil engineering work and building construction in cantons without mandatory building insurance, damage due to fire and natural hazards is insured only by special agreement.

#### B3 Insured interests

- B3.1 The insurance covers loss or damage for which the following persons are responsible according to the law or applicable SIA standards:**
- B3.1.1 the construction owner,
- B3.1.2 the planers (such as geologists, architects, engineers, project supervisors) or the contractors participating in the construction work and their subcontractors.

#### B4 Place of insurance

The insurance covers the construction site detailed in the policy as well as the associated installation and erection sites in the immediate vicinity of the construction project.

#### B5 General exclusions

- B5.1 Notwithstanding any contributing causes, the insurance does not cover:**
- B5.1.1 loss or damage due to normal weather conditions; However, the insurance covers loss or damage as a result of an insured construction accident due to weather conditions, or if the insured persons can prove that the damage resulted from the action of a third party not participating in the construction project;  
The insurance does not cover loss or damage from unusual weather conditions if the insured persons failed to take adequate and reasonable measures beforehand to prevent such loss or damage.
- B5.1.2. the cost of remedying defects. If a defect causes a construction accident, AXA's indemnity shall include the deduction of the costs that would have had to be incurred to remedy the defect even if no construction accident had occurred. Mere leaks or water permeability through concrete or from a gasket are deemed to be defects, unless such leaks or water permeability are the result of a construction accident. The foregoing shall be subject to B5.1.1.
- B5.1.3 the following damage:
- scratches and stains on all types of surfaces,
  - corrosion of facade elements (incl. windows), e.g. as a result of grout wash,
  - damage from spray painting and graffiti.
- B5.1.4 The cost of remedying cosmetic defects, even if they are the result of an indemnifiable event.
- B5.1.5 Contractual penalties due to a failure to meet completion and delivery deadlines or other obligations, as well as other financial losses.
- B5.1.6 Loss or damage to the extent required to be covered by the liability insurer of one of the participants in the erection of the structure. However, AXA will advance the payment due from the liability insurer within the limits of the agreements in this policy. The eligible claimant must assign their claims for compensation to AXA in the amount of the advance that was paid. If the indemnity paid by the liability insurer is less than the advance, the party covered under the builder's risk insurance shall not be required to repay the difference between the indemnity paid and the amount advanced by AXA.
- B5.1.7 loss or damage to the extent that it is or should be covered by cantonal or private fire and natural hazard insurers of one of the participants in the construction project.
- B5.1.8 loss or damage that must be covered by other property insurers.
- B5.1.9 damage to technical installations resulting from normal operations.
- B5.1.10 loss or damage and claims in connection with asbestos and contaminated sites.

- B5.1.11 loss or damage as a result of water overflowing or leaking from dammed inland bodies of water with a capacity greater than 500,000 m<sup>3</sup>.
- B5.1.12 loss or damage in connection with high-risk construction projects within the meaning of A6 if the special requirements set out in A6 were not complied with or if the suggested measures and prerequisites were not implemented.  
This exclusion does not apply if the insured person can prove that the loss or damage would have occurred even if the work had been carefully planned, supervised and carried out in accordance with the codes of building practice.
- B5.1.13 changes to or losses of operating systems (e.g. BIM model) and data carriers as a result of computer viruses or hackers, for example.

**B5.2** In the case of warlike events, acts of terrorism, violations of neutrality, revolution, rebellion, uprising or civil unrest (acts of violence against persons or property in connection with riots, commotions or disturbances) and any countermeasures taken, as well as in the case of thawing permafrost, earthquake, volcanic eruption, changes to the nuclear structure of atoms, or radioactive contamination, AXA will only indemnify if the policyholder can prove that there is no connection between the loss or damage and such events.

## B6 Sums insured

**B6.1 Construction and erection work:**  
The sum insured must correspond to the total costs of the construction and erection work. If separate erection insurance has been concluded, the sum insured must correspond to the costs of the construction work. The final sum insured is based on the final statement for insured construction and erection work that has been approved by the construction owner. This statement must also include the work performed by the construction owner themselves, the supervision work, and any project and price changes that occurred after the insurance application was signed.

**B6.2 Underinsurance:**  
If, in the event of a claim, the sum insured agreed when the insurance was taken out proves to be lower than the projected construction costs, AXA will indemnify the damage only in the ratio of the agreed sum insured to the projected construction costs.  
For the remaining property and costs set out in B1.2, the sum insured shall be agreed to be on a first loss basis, i.e. underinsurance shall not apply.

**B6.3 Sum insured following a claim:**  
The agreed sums insured are deemed to be double aggregates per contract term. This means: They are paid at the most twice for all claims arising from loss or damage and costs incurred during the contract term. Any additional guarantees shall require a separate agreement.

## B7 Indemnity

Compensation shall be based on the prices agreed in the contract for work and services.

### B7.1 AXA will indemnify:

B7.1.1 the costs that must be expended, in the event of damage to or destruction of insured erection and construction work, to restore this to the condition it was in immediately prior to the loss event, up to a maximum, however, of the final sum insured.

B7.1.2 the following costs as part of the sums set out in the policy, provided that they relate to a loss event for which compensation is due and restoration is necessary:

- cleanup costs: these are the costs of cleaning up the remains of insured property at the site of the damage, and taking them to the nearest disposal site, as well as the disposal fees,
- damage localization costs: these are the costs of locating the source of damage at the site; this does not include any costs to identify a defect,
- the costs of decontaminating soil and fire extinguishing water (pursuant to orders under public law),
- recovery costs to return insured property to the place in which it was located immediately prior to the loss event,
- the cost of demolishing and rebuilding intact parts of insured work, even if it was built subsequently and without knowledge of the damage.

B7.1.3 in the event of damage to or destruction of property pursuant to B1.2:

- in the case of a total loss, the current value immediately prior to the loss event. A loss will be deemed to be a total loss if the costs of restoration exceed the current value of the damaged property,
- in the case of a partial loss, the costs of restoration, to a maximum, however, of the agreed sum insured on a first-loss basis.

### B7.2 The following will not be indemnified:

B7.2.1 additional costs that are incurred as a result of changes in the construction method or arising from improvements during restoration as compared to the condition immediately prior to the loss event,

B7.2.2 any reduction in value following completion of the restoration or repair.

**B7.3** Any added value resulting from the repair as well as the salvage value of any remains shall be deducted from the loss amount.

## B8 Deductible

The amount agreed as a deductible shall be subtracted for each loss event from the indemnity calculated pursuant to B7. If multiple coverage is claimed in respect of the same event, the insured person shall be required to pay the deductible only once. In the event of differing deductibles, the highest amount shall apply.



## **B9 Claims adjustment proceeding**

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- B9.1** Both the eligible claimant and AXA may request an immediate assessment of the loss or damage. The loss or damage shall be assessed either by the parties themselves, by a mutually agreed expert or through a claims adjustment proceeding. Each party may request that a claims adjustment proceeding be conducted. The following principles shall apply for any such a proceeding:
- B9.1.1** The parties shall each appoint a claims adjuster in writing. The two claims adjusters shall appoint an arbitrator prior to commencement of the proceeding to assess the loss or damage. If one of the parties fails to appoint its claims adjuster within 14 days of having been requested in writing to do so, the competent judge shall appoint such a claims adjuster at the request of the other party. The same judge shall appoint the arbitrator if the claims adjusters are unable to agree upon the choice of arbitrator.
- B9.1.2** Any persons who lack the necessary expertise or who are related to one of the parties or are otherwise biased may be rejected as claims adjusters. If the reason for rejection is disputed, the responsible judge shall render a decision and shall, in the event of a justified objection, appoint the claims adjuster or the arbitrator.
- B9.1.3** The claims adjusters ascertain the cause, the detailed circumstances, and the amount of the loss or damage. They determine:
- the specific cause of the loss or damage or, if this is not possible, the probable cause of the loss or damage,
  - the amount of the loss or damage,
  - the current value of the damaged property immediately prior to the loss event,
  - if the construction accident was caused by a defect, the costs that would have had to be incurred to remedy the defect had no accident occurred,
  - the amount of the additional costs pursuant to B7.2.1,
  - the salvage value of the remains, taking into account their potential use for repairs or other purposes.
- B9.1.4** If the claims adjusters do not arrive at the same findings, the arbitrator shall make a decision on the points still in dispute that is within the limits of the two findings.
- B9.1.5** The findings that the claims adjusters make within the scope of their authority shall be binding unless one of the parties is able to demonstrate that the findings constitute a blatant and significant deviation from the facts. Any statements by the claims adjusters relating to issues of law and coverage shall not be binding.
- B9.1.6** Each party shall bear the costs of their own claims adjuster. Each party shall bear one half of the costs of the arbitrator.

## **B10 Limitation period**

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Claims under this builder's risk insurance shall lapse in accordance with the law on which the obligation to indemnify is based.

## Part C

# Provisions Governing Builder's Liability Insurance

### C1 Subject of the insurance

- C1.1** The insurance covers liability based on statutory liability provisions arising from the construction project as detailed in the policy in the event of:
- death, physical injury, or any other harm to the health of individuals (bodily injury), including any pecuniary loss or loss of earnings suffered by the injured party,
  - as well as destruction of, damage to, or loss of property (property damage), including any pecuniary loss or loss of earnings suffered by the injured party,
- provided that the injury or damage is causally related to the demolition, construction or alteration of the insured building under construction or to the condition of the associated land, the exercise of the ownership rights relating to it, or the fulfillment of maintenance obligations. The death or loss of animals, injury to them or other damage to their health, is deemed to equate to property damage. Functional but immaterial impairment of property is not deemed to be property damage.
- C1.2** The insurance does not cover, within the scope of the above provisions, any liability claims brought against public-sector (federal, cantonal or municipal, etc.) construction owners for lawfully caused loss or damage. Any claims arising as a result of formal and material expropriation shall also be excluded.

### C2 Insured persons

- C2.1** **The insurance covers the statutory liability of the following persons:**
- C2.1.1** the first party awarding contracts in their capacity as construction owner of the construction project specified in the policy as well as the partners or associates if the first party awarding a contract is a partnership or a community of joint owners. Consequently, the insurance does not cover claims with respect to planning, construction supervision and execution errors. The insurance includes cover for the employees and other auxiliaries of the construction owner, with the exception of independent contractors and professionals engaged by the construction owner (e.g. contractors, architects, engineers, geologists) in connection with their work for the construction project detailed in the policy. However, the insurance **excludes cover** for any recourse and compensation claims by third parties for any indemnity that they paid to the injured parties. This exclusion does not apply to persons commissioned with the management, supervision or representation of the construction owner or its partners or associates.
- C2.1.2** the owner or party with limited rights in rem to the construction site belonging to the construction project detailed in the policy, even if they are not the construction owner. This also applies if the construction owner owns the insured building under construction but not the associated land (e.g. building lease, owner of the works by virtue of an easement agreement).

The insurance includes cover for the employees and other auxiliaries of the owner or party with limited rights in rem to the construction site, with the exception of independent contractors and professionals engaged by them in connection with their work for the construction project detailed in the policy. However, the insurance **excludes cover** for any recourse and compensation claims by third parties for any indemnity that they paid to the injured parties. This exclusion does not apply to persons commissioned with the management, supervision or representation of the owner or parties with limited rights in rem to the construction site.

- C2.1.3** the owner of other land in the immediate vicinity of the construction project if such land is used for the construction project.

### C3 Special risks

- C3.1** **The insurance covers liability only by special agreement (list is not exhaustive):**
- C3.1.1** for financial loss, i.e. loss quantifiable in monetary terms that is not the result of any bodily injury or property damage suffered by injured parties,
- C3.1.2** of the construction owner arising from planning, construction supervision, construction management, erection or construction work,
- C3.1.3** for claims in connection with drilling for geothermal installations.

### C4 Loss prevention costs

- C4.1** Loss prevention costs are insured if the occurrence of an insured bodily injury or property damage is imminent due to a single, sudden and unforeseeable event. However, measures taken after the hazard was averted, such as the disposal of defective products, are excluded. In a case of environmental impairment that has occurred or is imminent due to an event as defined in C6.1.1, or a situation as defined in C6.1.2, the insurance will also cover costs for which the insured person is liable due to measures ordered by public authorities to avert any immediate, long-term impairment of the soil or water of a third party.
- C4.2** **In addition to C7, the insurance does not cover:**
- C4.2.1** loss prevention measures consisting of an activity belonging to the proper performance of the contract, such as remedying defects and damage to goods that have been produced or delivered, or to work that has been completed,
- C4.2.2** the cost of eliminating a hazardous condition (in accordance with A5.3),
- C4.2.3** loss prevention costs from events caused by drilling for geothermal installations and from deep drilling,
- C4.2.4** the costs of identifying leaks, malfunctions and causes of damage, including the necessary emptying of systems, containers and pipes, as well as the costs of repairs and modifications to these systems, containers and pipes, such as remediation costs,
- C4.2.5** the cost of loss prevention measures taken on account of snowfall or the accumulation of ice.

## C5 Condominiums

If the construction project specified in the policy entails a site co-owned as a condominium and is limited to a building part that is subject to an exclusive right of use, para. C7.7 shall not apply to claims in connection with damage to other such condominium units of the site, or to building parts (incl. related installations and equipment) or real property in common use. In the event of claims arising from damage to building parts in common use, incl. related installations, equipment and land, the insurance does not, however, cover that part of the loss that is equivalent to the quota-share held by the construction owner as the owner of the condominium unit to which the construction project is limited. If building parts in common use are the object of the construction project, incl. related installations, equipment and land, the insurance does not, in the event of claims arising from damage to condominium units, cover the part of the loss that is equivalent to the quota-share of the property owner suffering the damage.

The foregoing shall in all cases be subject to D7.1.

## C6 Environmental impairment

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

**C6.1** The insurance covers claims arising from bodily injury and property damage in connection with environmental impairment,

**C6.1.1** if such impairment is the result of a single, sudden and unforeseen event requiring immediate measures, such as notifying the responsible authorities, alerting the public, or implementing loss prevention or mitigation measures,

**C6.1.2** related to the release of substances that represent a hazard to the soil or water such as liquid fuels, acids, bases, and other chemicals (but not waste water and other waste from operations) because of rust or leaks in a facility permanently connected to the site. This only applies, however, if the release of such substances requires immediate measures as described in the preceding paragraph. This coverage is only available if the policyholder can prove that the facility involved was built, maintained, or shut down properly and in accordance with applicable regulations.

**C6.2** In addition to the general exclusions pursuant to C7, there is no insurance coverage

**C6.2.1** if only several events with a similar effect (e.g. repeated dripping of noxious substances into the ground, repeated spillage of liquids from mobile containers) jointly trigger measures within the meaning of the foregoing that would not have been necessary for single events of this kind,

**C6.2.2** in connection with the restoration of protected species or habitats,

**C6.2.3** for damage to the air, flora and fauna, and also to water and soil not under ownership as defined by civil law,

**C6.2.4** for claims arising in connection with sites that were already contaminated when the contract was signed,

- on land owned by or in the possession of an insured person,
- on land of third parties that was caused (in part) by an insured person,

**C6.2.5** for claims arising in connection with the ownership, possession or operation of facilities used to store, prepare, route, or eliminate waste, other waste products, waste water, or material for recycling.

This exclusion does not apply to company-owned facilities for composting or short-term storage of waste or other waste products or for treating or preparing waste water.

**C6.3** The insured person must ensure that

**C6.3.1** the production, processing, collection, storage, cleaning and removal of environmentally hazardous substances comply with statutory provisions and government regulations,

**C6.3.2** the systems used for the above activities, including the security and alarm installations, are professionally maintained and kept operational in accordance with all technical standards, statutory provisions and government regulations,

**C6.3.3** remediation and similar orders issued by public authorities are complied with within the prescribed deadlines.

## C7 General exclusions

### The insurance does not cover claims

**C7.1** arising from loss or damage

- of the construction owner (own loss or damage)
- that personally affect the construction owner, such as loss of support;
- of persons living in the same household as the liable insured person.

**C7.2** arising from liability on the part of the offender for loss or damage caused in connection with the intentional commission of a crime or misdemeanor.

**C7.3** based on a contractual assumption of liability that goes beyond liability pursuant to statutory provisions or arising from a failure to comply with a statutory or contractual obligation to take out insurance.

**C7.4** arising from liability as registered user or operator of motor vehicles that are subject to the insurance obligations under Swiss road traffic legislation, or of ships and aircraft.

**C7.5** arising from liability for damage to property from the gradual effects of tremors, smoke, dust, soot, gases, vapors and liquids, except where the gradual effect can be traced to a construction accident.

**C7.6** arising from liability in connection with environmental impairment, in so far as such claims do not fall under the insurance coverage pursuant to C6.

**C7.7** arising from damage affecting the construction project and buildings belonging to it as detailed in the policy, including any chattels stored therein, as well as the associated land.

<b>C7.8</b>	arising from damage that the insured person could have expected to occur in all likelihood (e.g. damage to the ground or soil, including streets and pathways, from walking, driving or storing debris, materials and equipment, as well as unavoidable damage to land and buildings as a result of debris falling after blasting work) or that was taken into account in order to reduce costs, speed up work, or prevent pecuniary loss or the loss of earnings, e.g. failing to properly secure the excavation site.	<b>C7.13</b>	arising from unavoidable costs and cost savings (incidental costs). This means those costs that would have been unavoidable for proper realization of the construction project (project costs). The insurance does not cover loss or damage that would have been unavoidable even if another construction method had been used. If the loss or damage could have been avoided using another construction method, the insurance will not cover the part of the indemnity due pursuant to liability law that is equivalent to the additional costs for such other construction method. If measures that would have been required under the codes of building practice (e.g. surveys of neighboring properties, soil investigations) were not taken in the realization of the construction project, the part of the indemnity pursuant to liability law corresponding to the cost of such measures not taken will not be covered.
<b>C7.9</b>	arising from damage to property that has been accepted for use, processing, safekeeping, forwarding, or for other reasons, or that was rented, leased or held in usufruct.	<b>C7.14</b>	in connection with asbestos.
<b>C7.10</b>	arising from property damage caused by conducting or failing to conduct an activity associated with or in connection with this property, caused for example, through processing, repair work, loading or unloading a vehicle. Activity within the meaning of this exclusion also includes project planning and management, issuing directives and instructions, oversight, controlling and similar work, as well as conducting trial runs, regardless of who performs them. If an activity involves only parts of immovable property, the exclusion will apply only to claims arising from damage to these parts themselves and to parts bordering on or situated in the immediate vicinity of the area of activity. In the case of damage to pipes or cables, the exclusion applies only to damage to those parts of the pipes or cables on which contractual work was or should have been performed. This also applies to unearthing any pipes or cables. This exclusion does not apply to damage to pipes or cables that do not fall under a contractual activity, even if the pipes or cables are in the immediate vicinity of the activity.	<b>C7.15</b>	arising from liability for loss or damage caused through materials deposited in facilities for the storage, preparation, routing, or elimination of waste, other waste products, waste water, or material for recycling. This exclusion does not apply to claims arising from damage to waste water treatment and pretreatment facilities.
<b>C7.11</b>	arising from loss or damage due to a reduction in the flow rate or drying up of springs. The contract does, however, cover the necessary costs for maintaining the potable water supplies in question of up to 5 % of the sum insured.	<b>C7.16</b>	in connection with nuclear damage as defined in Swiss nuclear energy liability legislation, or the associated costs.
<b>C7.12</b>	arising from loss or damage in connection with high-risk construction projects as defined in A6 if it becomes evident that the special requirements specified in A6 were ignored or that the recommended measures and specifications were not implemented. This exclusion does not apply if the insured person can prove that the loss or damage would have occurred even if the work had been carefully planned, supervised and carried out in accordance with the codes of building practice.	<b>C7.17</b>	in connection with war or civil war.
		<b>C8</b>	<b>Temporal validity</b>
		<b>C8.1</b>	The insurance covers claims arising from property damage occurring and asserted during the term of the contract or within ten years of the end of the term of the contract. The insurance covers claims arising from bodily injury that are claimed within the statutory limitation periods. If the date of the injury or damage cannot be established with certainty, the date on which it was first ascertained shall be authoritative, regardless of by whom it was ascertained.
		<b>C8.2</b>	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 event in a series occurs before the contract begins, none of the claims arising from losses in the series will be insured.
		<b>C8.3</b>	Loss prevention costs are deemed to be incurred on the date on which it is first established that a loss is imminent.

## C9 Indemnity

### C9.1 Compensation for justified claims

Within the scope of insurance and statutory liability, AXA will pay, within the scope of insurance and statutory liability, the amount that the insured person must pay to the injured party as compensation. AXA may pay compensation to the claimant directly.

### C9.2 Defense against unjustified claims

AXA will assume the defense against unjustified or excessive claims for damages, provided that they relate to an insured event.

### C9.3 Limitation of indemnity

C9.3.1 Indemnity from AXA for all claims (interest on damages, loss mitigation costs, costs of expert opinions, attorney fees, court costs, costs of arbitration and mediation, loss prevention costs and other costs, such as indemnification of the legal expenses of the opposing party) will be limited to the sum insured specified in the policy. Claims and costs arising from individual risks included in the insurance may be subject to a sublimit specified in the policy (limited amount within the sum insured). If the claims and costs (including the claims and costs in connection with risks to which sublimits apply) per event exceed the sum insured specified in the policy, the maximum indemnity payable by AXA will be limited to the sum insured (maximum compensation). The sum insured or sublimit will be reduced by the agreed deductible in each case.

C9.3.2 The sum insured or sublimit is defined as a double aggregate per contract term, i.e. it is paid at most twice for all claims arising from losses and costs incurred during the entire contract term, including any extended coverage period.

C9.3.3 Indemnities are determined by the contractual provisions (such as those regarding sums insured and deductibles) that were in effect when the loss or damage occurred.

### C9.4 Legal protection in criminal and administrative proceedings

C9.4.1 If criminal or administrative proceedings are initiated against an insured person because of an insured event, AXA will assume the costs incurred by the insured person in this connection (e.g. fees for attorneys, courts, and expert opinions) as well as any costs that may be imposed on the insured person in the proceedings.

C9.4.2 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.

C9.4.3 AXA will, with the consent of the insured person, appoint an attorney to represent the insured person. The insured person is not authorized to retain an attorney without the approval of AXA. In the case of appellate proceedings or when appealing lower-court rulings, AXA may refuse to indemnify if it considers that the appeal is unlikely to succeed.

## C10 Deductible

C10.1 In the case of an insured event, the insured person shall pay the deductible specified in the policy.

C10.2 In the case of damage to third-party land, buildings and other works as a result of

- tremors from blasting, demolition, pile-driving, vibration work, rock removal, etc.),
  - untensioned anchors (nails),
  - instability of excavation pits more than four meters deep or on slopes with a gradient exceeding 25 %,
  - underpinnings/undercrossings/pipe jacking or sheet pile extraction,
  - lowering of the water table,
  - drilling for geothermal installations,
- the insured person must themselves pay for each third-party parcel of land at least CHF 5000, even if the deductible specified in the policy falls below this.

## C11 Claims handling

C11.1 AXA will handle claims if the claims exceed the deductible. It will conduct negotiations with the injured party at its own expense. In this respect, it will act as representative of the insured person, and its settlement of the claims of the injured party shall be binding on the insured person. AXA shall be authorized to pay compensation directly to the injured party without subtracting any deductible that may apply. In such cases, the insured person must, without any objections, repay AXA the amount of the deductible. If no agreement can be reached and the injured party takes legal action, AXA will appoint an attorney and manage the proceedings. Any legal costs and legal expenses of an opposing party awarded to the insured person must be passed on to AXA in the amounts it has paid, provided that the amounts do not represent compensation to the insured person for their personal efforts and out-of-pocket expenses.

C11.2 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, and from concluding any settlement or paying any compensation without approval from AXA. In addition, the insured person must assist AXA in handling the claim, in particular in relation to investigating the facts and the loss or damage as well as defending against claims.

## C12 Recourse

C12.1 If AXA has compensated the injured party directly, even though the provisions of the insurance contract or the Swiss Federal Act on Insurance Policies Act (IPA) limit or cancel coverage, AXA shall have a right of recourse against the liable insured person to the extent that it could have reduced the indemnity or refused to pay it.

C12.2 It also reserves the right to take recourse against independent companies and professionals used by the construction owner such as contractors, architects, engineers, geologists. etc.

## Part D

### Definitions

#### D1 Construction and erection work

Construction and erection work comprises

- all planning, erection and construction work;
- the associated construction materials and prefabricated components;
- the fees of planners and any own work performed by the construction owner.

In general, this relates to construction projects that fall under numbers 1 to 4 of the Swiss Building Cost Classification (BCC).

The costs of preliminary studies and bids, land acquisition, development costs as well as any financing costs and fees are not part of the construction and erection work.

#### D2 Construction accidents

Construction accidents are deemed to be sudden, unforeseen events that result in damage to insured works or property.

Events are deemed to be unforeseen if the insured persons and persons in question entrusted with managing or supervising the construction project did not foresee them in time, and could not have foreseen them even if they had exercised due care.

Construction accidents do not include events involving fire and acts of God.

#### D3 Malicious damage (acts of vandalism)

Malicious damage is any kind of intentional damage to or destruction of insured property, including damage from strikes or lockouts.

Malicious damage does not include damage from civil unrest and property that has gone missing.

#### D4 Burglary

Burglary is the theft of property from locked buildings, rooms or movable structures that were forcibly opened by a thief.

Buildings, rooms or movable structures (e.g. barracks and containers) are considered to be locked if the level of access restriction is equivalent to the standard of the building once it is completed.

The following acts are considered to be the equivalent of burglary:

- theft by opening premises using the right keys, magnetic cards and the like, as well as using codes if the offender acquired these through the commission of a burglary or robbery.
- Escape theft: is theft committed by an offender who uses force to escape from a building or a room within a building.

#### D5 Robbery

Robbery is theft with the threat or use of violence against the insured person, their employees, or persons living with them in the household.

Theft by rendering any party defenseless due to accident, unconsciousness, or death is considered to be the equivalent of robbery.

#### D6 Fire damage

Fire damage is damage caused by fire, smoke (sudden and accidental damage), scorching, lightning, explosion or implosion; by aircraft or spacecraft, or parts thereof, that crash or make an emergency landing.

#### D7 Damage due to natural hazards

Damage due to natural hazards refers to damage caused by high water, flooding, storms (=winds of at least 75 km per hour in the vicinity of the insured property that uproots trees or unroofs buildings), hail, avalanche, snow load, rockslides, rockfall or landslides.

#### D8 Environmental impairment

Environmental impairment is deemed to be any lasting harm to the natural state of air, water and groundwater, soil, flora and fauna from the effect or situation that the law defines as environmental damage.

#### D9 Contaminated sites

Contaminated sites are deemed to be existing waste deposits as well as contaminated soil or water. Contaminated building materials and components of existing buildings are considered to be the equivalent of contaminated sites.

#### D10 Normal and unusual weather conditions

Weather conditions are deemed to be normal if they can be expected given the season and local conditions.

Weather conditions are deemed to be abnormal or unusual if they are, among other things, accompanied by:

- flooding and damage from water backups in the immediate area,
- work carried out by firefighters in the neighborhood (e.g. pumping water from a basement),
- overflowing rivers and streams,
- storm damage that is reported in the media.

## **D11 Loss prevention costs**

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

## **D12 Good engineering practice and codes of building practice**

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Good engineering practice and codes of building practice refer to rules in the form of minimum standards that apply to the design and construction of buildings and technical objects, e.g. SIA standards. They correspond to the state of research and science that is currently used and recognized. In the event of non-compliance, a defect is deemed to exist in so far as the deviation was not agreed with the person who commissioned the work in advance.

## **D13 Defect**

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A defect is deemed to be any failure of construction or erection work to comply with agreed specifications, including reduced performance, without this resulting in damage or destruction.



## Part E

### Data Protection

While preparing and executing the contract, AXA becomes aware of the following data:

- customer information (name, address, date of birth, gender, nationality, bank account details, etc.), stored in electronic customer files.
- application information (on the risk to be insured, answers to the questions in the application, reports by claims adjusters, information on claims experience from the previous insurer, etc.), stored in the policy dossiers.
- contract information (contract term, insured risks and indemnities, etc.), stored in contract administration systems such as physical policy dossiers and electronic risk databases.
- payment information (dates of premium payments, outstanding amounts, reminders, credit balances, etc.), stored in debt collection databases.
- any available claims information (notices of claim, investigation reports, invoices, etc.), stored in physical claims files and electronic claims application systems.

This data is needed in order to review and assess the risk, manage the contract, collect the premiums on time and process the claim correctly in the event of loss or damage. The data must be stored for at least ten years after the contract is terminated and claims data must be stored for at least ten years after the claim has been settled. AXA undertakes to treat the information it receives as confidential.

AXA is authorized to obtain and process the data necessary for managing the contract and handling claims. If necessary, the data may be exchanged with third parties involved in the contract, such as reinsurers and other participating insurers, pledge holders, authorities, lawyers and external claims adjusters. Information may also be passed on to other liable third parties and their liability insurers in order to enforce recourse claims. AXA shall be authorized to inform third parties (e.g. relevant authorities) to whom insurance coverage has been confirmed if the insurance is suspended, amended or terminated.

Information may also be shared for the purpose of uncovering or preventing insurance fraud.

AXA shall be entitled to request the credit history of the customer from external providers in order to assess the creditworthiness of the customer.

In connection with an insured event, the medical staff providing treatment must be released from their obligation of confidentiality in relation to AXA.

In connection with a claim, AXA shall also be authorized to obtain any relevant information from, and inspect the files of, other insurers, authorities (police or investigating authorities, department of motor vehicles offices, or similar offices), as well as from motor vehicle manufacturers and other third parties. If necessary, the eligible claimant must authorize the offices mentioned above to disclose the relevant information. In this regard, reference is made to Art. 39 of the Federal Act on Insurance Policies (IPA).

To simplify administrative procedures, AXA Group companies operating in Switzerland and the Principality of Liechtenstein grant each other access to the following data:

- master data
- basic contract data
- claims summary
- customer profiles

This data is also used for marketing purposes. Promotional material may be sent to the policyholder. Policyholders who do not wish to receive promotional material may communicate this by calling 0800 809 809 (AXA 24-hour helpline).

Mutual access to health data is excluded.





## Want to file a claim?

It's fast and easy – notify us of your claim online at:

**[www.axa.ch/claims](http://www.axa.ch/claims)**

AXA  
General-Guisan-Strasse 40  
P.O. Box 357  
8401 Winterthur  
AXA Insurance Ltd

[www.axa.ch](http://www.axa.ch)  
[www.myaxa.ch](http://www.myaxa.ch) (customer portal)