



redefining / standards

General Insurance Conditions (GIC) / Construction insurance

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This document is for information only. The German, French or Italian wording governs your policy.

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**Claims number:
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Summary

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 AXA Group.
What types of insurance are involved?	AXA's construction insurance encompasses: <ul style="list-style-type: none">– Builder's risk insurance (Part C)– Owner's protective liability insurance (Part D)
What losses are primarily insured?	<p>Builder's risk insurance (C 1)</p> <p>The insurance covers construction and erection works as well as the costs of debris removal and localising the damage or of demolition and reconstruction incurred in the event of a loss event. Optional coverage for various goods and costs may be included.</p> <p>Owner's protective liability insurance (D1)</p> <p>The insurance covers liability in law arising from the construction project described in the proposal or policy as the result of bodily injury and property damage. Further special risks may also be included in the insurance.</p> <p>Please refer to the precise scope of coverage and exclusions stipulated in the GIC.</p>
Who is insured?	<p>Builder's risk insurance (C 3):</p> <p>The construction owner and, unless the policy provides otherwise, all other participants in the project, e. g. architects, engineers, contractors.</p> <p>Owner's protective liability insurance (D2)</p> <ul style="list-style-type: none">– The construction owner as the owner of the property or as holder of the building lease;– Employees and other auxiliaries;– Property owners who grant rights of conduit or way, or building leases to the policyholder or construction owner.
What is indemnified in the event of a claim?	<p>Builder's risk insurance (C 7)</p> <p>If insured construction or erection works are damaged, destroyed or stolen, the insurance covers the costs incurred of restoring them to the condition immediately prior to the event – up to the sum insured.</p> <p>Owner's protective liability insurance (D9)</p> <p>AXA shall indemnify justified claims arising from bodily injury and property damage and shall defend against such unjustified claims.</p> <p>The limit of indemnity applies to all claims arising from losses and costs occurring during entire contract term, including any extended coverage period. It is available not more than twice (double aggregate).</p>
What applies as regards premium payments?	The premium is due in advance for the entire construction period.
What other obligations does the policyholder have?	<p>The policyholder must</p> <ul style="list-style-type: none">– eliminate, at its own expense, any hazardous situation that could lead to a loss (D 3);– observe special obligations for high-risk construction projects (B 4);– give immediate written notice of any change in circumstances (e. g. any aggravation of risk) that is significant for evaluating the scope of the risk (B 5);– immediately report the occurrence of an event that could affect the insurance (B 6); <p>Any further special obligations are stipulated separately in the individual insurance provisions of the policy.</p>
When does the insurance protection/ contract begin and end?	<p>The contract begins on the date specified in the policy. The insurance ends without notice in respect of each independent section or lot on the date when such section or lot is accepted in accordance with the law or SIA norms or, at the latest, when it becomes operational.</p> <p>Notwithstanding the above, insurance protection ends on the date specified in the policy (B 1).</p>

What data does AXA use and how?

In negotiating and performing the contract, AXA obtains the following data:

- Client data (name, address, date of birth, gender, nationality, banking details, etc.), stored in electronic client files;
- Application data (data on the insured risk, answers to the questions in the application, expert reports, data on loss experience received from previous insurers, etc.), contained in the policy files;
- Contract data (contract term, insured risks and coverage, etc.), stored in contract administration systems such as physical policy files and electronic risk databases;
- Payment data (dates of premium payments, 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.

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 ten years after the contract ends; claims data must be stored for at least ten years after the claim has been settled.

AXA undertakes to treat all information it receives as confidential.

How is data processed by AXA?

AXA has the right to obtain and process the data necessary for handling contracts and claims. If necessary, the data may be shared with third parties involved in the contract, such as co-insurers, re-insurers and other participating insurers, secured creditors, authorities, lawyers and external experts. Information may also be shared with other liable third parties and their liability insurers in connection with recourse claims. AXA is authorized to inform third parties (e.g. the relevant authorities) to whom insurance coverage has been confirmed if the insurance is suspended, amended or terminated.

Data may also be shared for the purpose of detecting or preventing insurance fraud.

To simplify administrative procedures, AXA Group companies operating in Switzerland and the Principality of Liechtenstein grant each other access to core customer and basic contract data (excluding health data), to claims overviews and to customer profiles. We may also use such data for marketing purposes and send you advertising materials. If you prefer not to receive advertisements, please call us at 0800 809 809 (AXA 24-hour contact center).

Important!

For details, please refer to the proposal, the policy and the General Insurance Conditions (GIC) on the following pages.

A Definitions

A 1

Construction and erection work

Construction and erection work encompass

- 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.

With respect to building projects, this concerns, as a rule, sections 1 to 4 of the Swiss Building Cost Classification («BKP»).

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

A 2

Construction accidents

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

Events are deemed to be unforeseen if the insured parties and persons entrusted with works supervision or oversight did not foresee them – and could not have foreseen them even if they had exercised due care – in time.

Fire and natural hazards shall not be deemed construction accidents.

A 3

Malicious damage (acts of vandalism)

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

Malicious damage does not include damage from civil unrest or missing property.

A 4

Burglary

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

Buildings, rooms or movable structures are considered to be locked if the level of access restriction is equivalent to the standard of the completed building.

A 5

Fire damage

Fire damage is damage caused by fire, smoke (sudden and accidental event), scorching, explosion or implosion; by falling air- or spacecraft, or parts thereof, or their emergency landing.

A 6

Natural hazards

Damage from natural hazards is deemed to be damage caused by high water, flooding, storm (winds of at

least 75 km/h that uproot trees or unroof buildings in the vicinity of the insured property), hail, avalanches, snow loads, rockfalls, rock- and landslides.

A 7

Environmental impairment

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

A 8

Contaminated sites

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

A 9

Ordinary and extraordinary weather conditions

Ordinary weather conditions are those that can be expected, given the season and local conditions. Extraordinary or unusual weather conditions are such conditions as are ever now and then accompanied by:

- Flooding and damage from water backups in the immediate area;
- Work carried out by fire-fighters in the neighbourhood (e.g. pumping water from a cellar);
- Overflowing rivers and streams;
- Storm damage that is reported in the media.

A 10

Loss prevention costs

Loss prevention costs are 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.

A 11

Technical standards and construction science

Generally accepted technical standards and construction science are deemed to be the rules in the form of minimum standards that apply to the design and execution of construction works and technical installations – e.g. SIA norms. They reflect current applied and recognized status of research and science. In the event of non-compliance, a defect is deemed to exist in so far as the deviation was not agreed with the principal in advance.

A 12

Defect

A defect is deemed to be any failure of construction works or installations to comply with agreed specifications – including reduced performance – without resulting in damage or destruction.

B Common provisions

B1

Beginning and end of the contract

- 1 The inception date and term of the contract are stipulated in the policy.
- 2 AXA may reject the proposal in writing until the policy or a definite cover note has been issued. If the proposal is rejected, coverage shall end 3 days after the policyholder receives notice of rejection. The premium is owed pro rata for the period during which coverage was granted.
- 3 The insurance ends without notice in respect of each independent section or lot – e.g. single-family house, garage or apartment in a multi-family house, segment of a civil engineering project – on the date when all work for the section or lot concerned is accepted in accordance with the law or applicable SIA norms or, at the latest, when it becomes operational.
Independent sections or lots that have been accepted in accordance with the law or SIA norms, or that are already operational, can be insured under the supplementary insurance for «existing buildings and property at risk».
Notwithstanding the above, the contract term ends on the date specified in the policy.
- 4 In the event of the policyholder's bankruptcy, the contract ends with the declaration of bankruptcy. The bankruptcy administrator or a participant in the construction project can demand, within 30 days of the date of the bankruptcy declaration, that the policy be continued as of the date of the declaration of bankruptcy upon payment of any outstanding premium, provided that the construction project is completed in accordance with the contract.
- 5 Any amendment to the insurance term requires a separate agreement.

B2

Premiums

- 1 The premium is due in advance for the entire construction period. The premium calculation is based upon the information contained in the insurance proposal.
- 2 Upon the completion of the insured construction and erection work, the premium statement shall be calculated on the basis of the final construction cost. Both parties waive a final accounting if the difference in premiums is less than CHF 100.

B3

Obligations

- 1 The policyholder shall inspect the plans of the relevant authorities and obtain information of the exact location of underground pipes and cables before any excavation work such as earthmoving, digging, pile-driving, drilling and compacting begins.
The condition of the site must also be protocolled in a schedule before any neighboring structure is undercut or underpinned.

- 2 The insured persons are obligated to eliminate at their own expense any hazardous condition that may result in a claim. AXA can demand that a hazardous condition be eliminated within a reasonable period.

B4

Special obligations for high-risk construction projects

If a construction project involves

- an excavation pit with a depth of more than 4 meters or on slopes with a gradient exceeding 25 %,
- underpinning or undercutting 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 policyholder must instruct a qualified engineer / geotechnical engineer in writing to plan and supervise the construction. The construction owner or policyholder shall ensure that a written report for the attention of all participants in the project is available before construction starts. The report shall be drafted in accordance with generally accepted technical standards and construction science, and shall specify the accepted risks and intervention criteria.

B5

Aggravation and reduction of risk

- 1 The policyholder shall inform AXA immediately in writing of any of any change of a circumstance constituting a material basis for risk assessment and which was considered by the contracting parties at the conclusion of the contract. In the absence of such notification, AXA is no longer bound by the contract as of that time.
- 2 If a new risk that poses a material aggravation subsequently arises, such risk is also covered pursuant to the other insurance conditions (contingent insurance)
- 3 AXA reserves the right to
 - modify the premium and conditions for such 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.
- 4 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 will end 30 days after the policyholder receives the written rejection letter 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.
- 5 In the event of a decrease of the insured risk, AXA shall reduce the premium commensurately upon receipt of written notification by the policyholder.

B6**Claims notification and duty to provide information**

- 1 The insured parties shall notify AXA immediately of the occurrence of any event that could affect the insurance.

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

The insured parties must, immediately and at their 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.

- 2 Upon the occurrence of an insured event the insured parties shall take the necessary measures to mitigate the loss.

B7**Termination in the event of a claim**

- 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 If the contract is terminated, AXA's obligations shall cease 30 days after receipt of the notice of termination.

B8**Liability claims against third parties**

The indemnitee shall assign its claim against a liable third party to AXA to the extent that AXA has indemnified the loss.

B9**Violation of obligations or notification requirements**

If the policyholder or insured culpably fails to meet its obligations (e.g. B3) or fails to notify or provide information (e.g. B6), 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.

B10**Principality of Liechtenstein**

If the construction site is located in the Principality of Liechtenstein or the insureds are subject to Liechtenstein law for other reasons, any references to Swiss law in the policy or insurance conditions shall apply to the corresponding provisions of Liechtenstein law.

This provision does not refer to the law governing the insurance contract.

B11**Applicable law and place of jurisdiction**

- 1 The insurance contract is subject to Swiss law. If the construction site is located in the Principality of Liechtenstein, Liechtenstein law shall apply.
- 2 The ordinary Swiss courts shall have jurisdiction to settle disputes arising from this insurance contract; if the construction site is in the Principality of Liechtenstein, the ordinary courts of Liechtenstein shall have jurisdiction to settle such disputes.

C Provisions for builder's risk insurance

C1

Object of the insurance

- 1 The insurance covers
 - 1.1 all construction and erection work, provided it is within the sum insured. Unless agreed otherwise, the insurance covers the construction project until completion.
 - 1.2 Costs of debris removal, damage localisation, decontamination, recovery, demolition, and reconstruction as defined in C7.1.2.
- 2 The following are insured only by special agreement on a first loss basis up to the limit specified in the policy (the list is not exhaustive):
 - 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 building work;
 - Existing buildings, property at risk and movables;
 - Construction equipment, tools, machinery and erection equipment;
 - Drilling for geothermal installations (artesian or gas-related damage);
 - Cost of adjusters;
 - Damage from spray painting and graffiti;
 - Scratches on surfaces;
 - Additional costs resulting from a loss event;
 - Claims from delayed or interrupted construction work.

C2

Insured risks

- 1 The insurance covers
 - 1.1 damage or destruction (incl. water damages) caused by construction accidents during the contract term;
 - 1.2 malicious damage (acts of vandalism) to construction and erection works;
 - 1.3 loss of construction and erection materials as defined in C1.1.1 through
 - burglary and
 - theft of property that is already incorporated in and permanently attached to the work.Such losses must be reported to the police immediately.
 - 1.4 damage from fire and natural hazards to construction and erection works as defined in C1.1.1 for building works in cantons with mandatory building insurance (subsidiary coverage);
- 2 In cases of civil engineering works, as well as building works in cantons without mandatory building insurance, damage from fire and natural hazards is insured only by special agreement

C3

Insured interest

- 1 The insurance covers losses to be borne by the following persons pursuant to law or applicable SIA norms:
 - 1.1 construction owner,
 - 1.2 geologists, architects, engineers, site supervisors, as well as the contractors and subcontractors involved in the construction works.

C4

Place of insurance

The insurance covers the construction site specified in the policy as well as the associated installation and assembly sites.

C5

General exclusions

- 1 Notwithstanding any contributing causes, the insurance does not cover:
 - 1.1 damage from ordinary weather conditions;
Insurance cover is nonetheless granted if the damage caused by such weather conditions is the result of an insured construction accident, or if the insured parties can demonstrate that the damage resulted from the action of a third party not involved in the construction project;
The insurance does not cover damage from extraordinary weather conditions if the insured parties failed beforehand to take suitable and reasonable preventive measures.
 - 1.2 the cost of remedying defects.
If a defect causes a construction accident, AXA will indemnify the loss, subject to deduction of the costs that would have been incurred from remedying the defect if no construction accident had occurred. Concrete or gaskets that are permeable or not watertight shall be deemed defects, unless such permeability or lack of watertightness is the consequence of a construction accident.
 - 1.3 The following losses:
 - scratches and stains on all types of surfaces;
 - corrosion of components of a facade elements (incl. windows), particularly through cement fluid;
 - damage from spray painting and graffiti.
 - 1.4 the cost of remedying cosmetic defects, even if they result from an indemnifiable event.
 - 1.5 contractual penalties from a failure to meet completion and delivery deadlines or other obligations, as well as other financial losses.
 - 1.6 losses to be indemnified by a liability insurer of a participant in the construction project. However, AXA shall advance the sums due from the liability insurer within the scope of the provisions of this policy.
The indemnitee shall assign its liability claims to AXA in the amount of the advance that it has paid. If the liability insurer's indemnity falls short of the advance, the party covered under the builder's risk insurance shall not be required to repay the difference between the indemnified damages and AXA's advance;

- 1.7 losses that are or should be covered by a participating party's cantonal or private insurance for fire and natural hazards.
- 1.8 losses that must be covered by other property insurers.
- 1.9 damage to technical installations resulting from normal operations.
- 1.10 losses and claims in connection with asbestos or contaminated sites.
- 1.11 losses from water overflows or spillages from dams with a capacity greater than 500,000 m³.
- 1.12 losses in connection with high-risk construction projects as defined in B 4 – in so far as the special provisions stipulated in B 4 were ignored or the recommended measures and requirements were not implemented.

This exclusion does not apply if the insured can prove that the loss would also have occurred if the work had been carefully planned, supervised and carried out in accordance with current construction science.

- 2 In the event 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 thawing permafrost, earthquake, volcanic eruption, changes to the nuclear structure of atoms, or radioactive contamination, AXA shall be obligated to indemnify only if the policyholder can prove that there is no connection between the loss and such events.

C6
Sums insured

- 1 Construction and erection work:
The sum insured must correspond to the total cost of the construction and erection works. If separate erection insurance has been purchased, the amount of insurance must equal the cost of the construction works.
The definite sum insured is based on the final statement for the insured planning, construction and erection work that has been approved by the construction owner. This statement must also include work performed by the construction owner itself, cost-plus work, and any project and price changes that may have occurred after the signature of the proposal.
- 2 Underinsurance:
If, in the event of a claim, the agreed sum insured proves to be lower than the projected construction costs, AXA shall indemnify the loss only in the ratio of the agreed sum insured to the projected construction costs.
Other property damage and costs as defined in C 1.2 are insured on a first loss basis, i.e. underinsurance does not apply.
- 3 Sum insured after a loss event
The agreed sums insured are granted as a double aggregates per contract term. i.e. they are available twice at the most for all claims arising from damage and costs occurring during the contract term. Any further aggregates require a separate agreement.

C7
Indemnification

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

- 1 AXA shall indemnify
 - 1.1 the cost of restoring insured erection and construction work that has been damaged or destroyed to the condition immediately prior to the event, up to the definite sum insured.
 - 1.2 the following costs as part of the sums specified in the policy, provided that they relate to an event for which compensation is due and restoration is necessary:
 - Debris removal – the cost of clearing away the remains of insured property at the site of the loss and taking them to the nearest disposal site, including disposal fees;
 - Damage localization costs – the cost of locating the source of the damage at the site; costs incurred in identifying defects are excluded;
 - Costs of decontaminating soil and fire extinguishing water (in accordance with a public law ruling);
 - Recovery costs of returning insured property to its location immediately prior to the insured event;
 - Costs of demolishing and reconstructing undamaged insured elements of the works, even if built subsequently in ignorance the damage.
 - 1.3 in the event of property pursuant to GICC 1.2 being damaged or destroyed:
 - In case of a total loss, the current value immediately prior to the loss event. A total loss is deemed to exist if the restoration cost exceeds the damaged property's current value;
 - In case of a partial loss, the cost of restoration, but not exceeding the specified first loss limit.
- 2 The insurance does not cover
 - 2.1 additional costs 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;
 - 2.2 any reduction in value upon completion of the restoration or repair.
 - 3 Any added value resulting from the repair as well as the salvage value of any remains shall be deducted from the loss amount.

C8
Deductible

The stipulated deductible shall be deducted for each loss event from the indemnity calculated in pursuant to GIC C 7. If multiple coverages apply to a single loss event, the insured shall bear the deductible only once. In the event of differing deductibles, the highest amount shall apply.

C9
Loss adjustment

- 1 Both the eligible claimant and AXA can request an immediate assessment of the loss. The loss shall be assessed either by the parties themselves, by a joint adjuster appointed by both parties, or in adjustment proceedings. Each party may demand adjustment proceedings. The following principles shall govern such proceedings:

- 1.1 Each party shall appoint an adjuster in writing.
Such two adjusters shall appoint an umpire before the adjustment proceedings begin. If a party fails to appoint its adjuster within 14 days after having been requested to do so in writing, the competent court shall appoint such an adjuster at the other party's request; such court shall also appoint the umpire if the adjusters are unable to agree on the appointment of such a person.
- 1.2 Persons who lack the necessary expertise, or are related to one of the parties, or are otherwise not impartial can be rejected as adjusters. If the grounds for rejection are in dispute, the decision rests with the competent court, which shall appoint the adjuster or umpire in the event of a justified challenge.
- 1.3 The adjusters shall investigate the cause, the immediate circumstances and the amount of loss. They shall determine:
- the real cause of loss; if this it is impossible, the likely cause of loss,
 - the loss amount,
 - the current value of the damaged property immediately prior to the loss event,
 - in so far as that the construction accident was caused by a defect, the cost of remedying the defect if no accident had occurred;
 - the additional costs pursuant to C 7.2.1,
 - the salvage value of the remains, taking into account their potential use for repairs or other purposes.
- 1.4 If the adjusters differ in their findings, the umpire shall determine an amount that shall be within the limits of their findings.
- 1.5 The findings of the adjusters within the scope of their authority are binding – unless one of the parties can demonstrate that these constitute a blatant and significant deviation from the facts.
Findings by adjusters on issues of law and coverage shall not be binding.
- 1.6 Each party shall bear the costs of its own adjuster; each party shall bear half of the costs of the umpire.

C 10

Statute of limitations

Claims arising from the builder's risk insurance shall be time-barred 2 years after the occurrence of the event on which the indemnification claim is based.

D Provisions for owner's protective liability insurance

D1

Object of the insurance

- 1 The insurance covers liability in law arising from the construction project specified in the policy in cases of
 - death, physical injury or other health impairments of humans (bodily injury), including any resulting financial loss or loss of revenues.
 - destruction of, damage to, or loss of property (property damage),

provided that the causation of the damage ensues from the demolition, construction or conversion of the insured works, or from the conditions of the corresponding site, or from the exercise of proprietary rights, or from the performance of maintenance obligations.

The death, injury or other health impairment or loss of animals shall be deemed property damage.

If the function of property is impaired functionally without its substance being impaired, such loss shall not be deemed property damage.

- 2 Coverage pursuant to the above provisions also includes liability claims brought against public-sector construction owners (federal, cantonal, or municipal authorities, etc.) under public law for unlawful damage to third-party real property and other works; excluded, however, are claims arising from acts causing loss which by its nature was impossible or difficult to avoid, as well as claims arising from formal and material expropriation.

D2

Insureds

- 1 The insurance covers the liability of:
 - 1.1 the construction owner of the project specified in the policy as the owner of the project site, or if the owner is a partnership or a community of property, the partners or members of the community.
 - 1.2 the owner's employees and other auxiliaries – except independent contractors and professionals engaged by the construction owner, such as contractors, architects, engineers, geologists, etc. – arising from the performance of their employment or occupational activities in connection with the construction project specified in the policy and the corresponding site.

However, the insurance does not cover recourse and compensatory claims brought by third parties against employees and auxiliaries for indemnities that they have rendered to the injured parties.
 - 1.3 the owner or party with limited rights in rem to the site, if the construction owner owns the insured works, but not the corresponding site (building lease);
 - 1.4 the owner of a site encumbered with transmission rights and rights of way pursuant to an easement contract, as well as the entitled party itself, for claims arising in connection with the construction of the works specified in the policy (pipe, canal, road, etc.). This coverage is limited to the part of the indemnity that exceeds any sum insured under any policy of the site owner covering legal liability arising from ownership of the site.

D3

Special risks

- 1 Only by special agreement does the insurance cover liability:
 - 1.1 for financial loss, i.e. monetary loss that is not the result of any bodily injury or property damage suffered by the injured party;
 - 1.2 of the construction owner arising from planning, supervision, erection or construction work;
 - 1.3 for claims in connection with drilling for geothermal installations.

D4

Loss prevention costs

- 1 Loss prevention costs are also insured 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. If an instance of environmental impairment due to an event as defined in D6.1.1 has occurred, or if a situation as defined in D6.1.2 exists, the insured's liability for costs resulting from measures ordered by the authorities to avert the imminent sustained impairment of a third party's soil or water is also insured.
- 2 In addition to D7, the insurance does not cover
 - 2.1 loss prevention measures consisting of an activity that is part of proper fulfilment of the contract, such as remedying defects and damage to property that has been produced or delivered, or to work that has been completed;
 - 2.2 costs of eliminating a hazardous condition (as defined in B3.2);
 - 2.3 loss prevention costs from events caused by drilling for geothermal installations and from deep wells;
 - 2.4 costs incurred from identifying leaks, malfunctions and causes of damage, including the necessary emptying of installations, containers and pipes, as well as the costs of repairs and modifications to such (e.g. remediation costs);
 - 2.5 costs of loss prevention measures taken on account of snowfall or build-up of ice.

D5

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. D7.7 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 loss.

D7.1 always remains reserved.

D6

Environmental impairment

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

- 1 The insurance covers claims arising from physical injury and property damage incurred in connection with environmental impairment
 - 1.1 provided that such injury or impairment 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 in connection with the release of substances that represent a soil or water hazard, such as liquid fuels, acids, bases, and other chemicals – but not sewage and other waste from the operations – as a result of corrosion or leaks of a facility permanently connected to the site, provided that such release 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 decommissioned properly and in accordance with regulations.
- 2 In addition to the general exclusions pursuant to D7, 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, flora, fauna and to water and land 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 in the possession of an insured;
 - on real property of a third party, caused in whole or in 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 facilities used for composting or short-term storage of waste and other waste products or for treating or preparing sewage, emanating from the construction owner's on-site business operations.
- 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 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.

D7

General exclusions

The insurance does not cover claims

- 1 arising from losses
 - of the construction owner (own loss);
 - affecting the construction owner's person (e. g. loss of upkeep);
 - of persons living in a common household with the liable insured.
- 2 arising from a perpetrator's liability for damage caused in connection with an intentional perpetration of a felony or major criminal offence.
- 3 based on a contractual assumption of liability beyond the extent of liability imposed by law or from a failure to comply with a legal or contractual obligation to insure.
- 4 arising from liability as keeper or user of motor vehicles that are subject to the insurance obligations under Swiss road traffic legislation, as well as of water- and aircraft for which insurance obligations exist pursuant to Swiss law.
- 5 arising from liability for damage to property from the gradual effects of tremors, smoke, dust, soot, gases, vapours and liquids – except to the extent that such gradual effect can be traced to a construction accident.
- 6 arising from liability in connection with environmental impairment, in so far as that such claims do not fall under insurance coverage as defined in D6.
- 7 arising from damage affecting the construction project and associated buildings specified in the policy, including any movables therein and the corresponding site.
- 8 arising from damage that the insured in all likelihood could have expected to occur (e.g. damage to the ground or soil, including roads and pathways, from walking, driving or storing debris, materials and equipment, as well as unavoidable damage caused to real property and buildings by debris falling after blasting work) or that was taken into account in order to reduce costs, accelerate work, or prevent the loss of revenues or earnings (e. g. failing to properly secure the excavation site).
- 9 arising from damage to property that has been accepted for use, processing, safekeeping or forwarding, or for other purposes, or that is rented, leased or held under a usufructuary lease;
- 10 arising from damage to property resulting from the execution or omission of an activity on or with such property – e.g. processing, repair, loading or unloading a vehicle.

This exclusion also applies to project planning and supervision, issuing directives and instructions, oversight, controlling and similar work; furthermore, the execution of trial runs, regardless 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.

In the event 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 the unearthing of pipes or cables. This exclusion does not apply to damage to pipes and/or cables that are not the object of a contracted activity, even if such pipes and/or cables are in the immediate area of activity.

- 11 arising from losses due to a reduction in the flow rate or drying up of springs.

Notwithstanding the forgoing, the necessary costs of maintaining an impaired drinking water supply are covered up to a maximum of 5 % of the sum insured.

- 12 arising from losses in connection with high-risk construction projects as defined in B 4, if it becomes evident that the special obligations stipulated in B 4 were ignored or that the recommended measures and requirements were not implemented.

This exclusion does not apply if the insured can prove that the loss would also have occurred if the work had been carefully planned, supervised and carried out in accordance with current rules of construction science.

- 13 arising from unavoidable costs, as well as cost savings/costs that would have been incurred independent of the loss event. The participants in the construction project shall always bear the unavoidable costs of a loss-free realization of the project (project costs), even if such costs were not anticipated. The insurance does not cover losses of neighbours that were unavoidable even if another construction method had been used. If the loss could have been avoided with another construction method, the insurance does 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 rules of construction science – e.g. surveys of neighbouring properties, soil investigations – were omitted in the execution of the construction project, the part of the indemnity due pursuant to liability law corresponding to the cost of such omitted measures is not covered.

- 14 in connection with asbestos.
- 15 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.

- 16 in connection with nuclear losses as defined in the Swiss legislation on nuclear energy liability and the associated costs.

- 17 in connection with war or civil war

D8

Trigger

- 1 The insurance covers claims arising from losses occurring and notified during the contract term or within ten years of the end of 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 notices it.

- 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 be incurred on the date on which it is first established that a loss is imminent.

D9

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 Defence 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
- 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 sum insured stipulated the policy.

Specified risks may be subject to a sublimit stipulated in the policy (lower amount within the sum insured).

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

The sum insured or sublimit is reduced by the stipulated deductible.

- 3.2 The sum insured or sublimit is defined as a double aggregate, i.e. is paid as a maximum twice for all losses and costs incurred during the contract term, including extended coverage periods.
- 3.3 Indemnities are determined by the contractual provisions (incl. those relating to sums insured and deductibles) that were in effect when the loss occurred.
- 4 Legal protection in criminal and administrative proceedings
- 4.1 If criminal or administrative proceedings are instituted against an insured because of an insured event, AXA shall assume the insured's costs incurred 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 defence 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 when appealing lower-court rulings, AXA can refuse to indemnify if it deems the appeal's probability of success to be negligible.

D 10

Deductible

- 1 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 4 m deep or on slopes with a gradient exceeding 25 %,
 - underpinnings/undercuttings/pipe jacking or sheet pile extraction,
 - lowering of the water table,
 - drilling for geothermal installations,the insured shall bear the sum CHF 5,000 for each lot.
- 2 In other events of property damage and loss prevention costs, the insured shall bear the deductible stipulated in the policy. Such a deductible shall apply to the totality of all other property damage and loss prevention costs occurring during the policy term, including temporary extended coverage.

D 11

Claims handling

- 1 AXA shall handle claims if 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. AXA is entitled to pay compensation directly to the injured party without subtracting any agreed deductible; in such cases, the insured must, without objection, 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.

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 awards are not compensation for the insured's personal efforts and out-of-pocket expenses.
- 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.

D 12

Recourse

- 1 If AXA has compensated the injured party directly even though the provisions of the insurance contract or the 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 In all events, AXA shall retain the right to take recourse against architects, engineers and contractors.

