

Standard Terms of Insurance (STI)

Helvetia Insurance of valuables, instruments and apparatus

2006 edition

Foreword

Dear customer.

Thank you for your interest in Helvetia's Insurance of valuables, instruments and apparatus.

We place great value in ensuring that you can quickly and dependably obtain information about your insurance contract. This is why the Standard Terms of Insurance (STIs) are structured like a reference document. In addition to a table of contents, they also contain customer information and other contractual provisions. To make the terms of the contract easier to read, the male form of any gender-specific terminology is used, but of course, these terms also apply to female persons and legal entities.

Your insurance contract comprises the text in your policy, the Standard Terms of Insurance and any supplementary provisions that apply.

Anything that is not explicitly mentioned is governed by the law. The main relevant laws are the provisions of the Swiss Civil Code (CC), the Code of Obligations (CO), the Federal Law on Insurance Contracts (LIC), the Federal Law on Insurance Supervision (ISL) and the Private Insurer Supervision Ordinance.

Please send all communication in writing addressed to Helvetia to the General Agency stated in the policy or to our head office.

We thank you for your trust and wish you the very best.

Sincerely,
Helvetia Insurance

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The original German wording governs the legal interpretation of your policy.

1 Insured property

The insurance covers the property named in the policy, owned by the insured persons in accordance with item 2.

2 Insured persons

Insured persons are deemed to be the policyholder, family members living with them in the same household, and any persons named specifically in the policy.

3 Insured premises

The insurance is valid

3.1 at home

i.e. at the place of residence of the policyholder or specified in the policy, located in Switzerland or in the Principality of Liechtenstein, or in the enclaves of Büsingen or Campione, or in a bank safe.

In the case of fur garments surrendered for summer storage, liability also covers the non-home location in Switzerland, the Principality of Liechtenstein or the enclaves of Büsingen or Campione.

Property that is permanently located in holiday houses, holiday apartments, second residences or the workplace is only insured if agreed in the policy.

3.2 out-and-about

in the case of temporary trips and stays by the insured person around the world of a duration not exceeding one year.

Pictures, sculptures, hi-fi equipment and PCs, including standard software (desktop models) are only insured in the location described in the policy under item 3.1.

3.3 when moving home or to another town or city

in Switzerland, the Principality of Liechtenstein and the enclaves of Büsingen and Campione, both during the relocation and at the new location.

Changes in the place of residence must be reported to Helvetia within 30 days. Helvetia is entitled to adjust the premium to the new circumstances.

When relocating the place of residence abroad (excluding the Principality of Liechtenstein, Büsingen and Campione) or into a hotel as a permanent residence, the insurance coverage is immediately void.

4 Insured risks and damage

4.1 The insurance covers

Damage conclusively proven by physical traces, witnesses or circumstances to have been caused by

- a) Theft and robbery;
- b) Unforeseen and sudden destruction and damage of any kind caused by external factors;
- c) Loss.

4.2 The insurance does not cover

- a) Theft of jewellery and decorative watches from unlocked motor vehicles, aircraft, caravans, mobile homes, motorboats and sailing boats;
- b) Damage caused while the insured property is in the care of a third party for transport or when moving to another place of residence;
- c) Damage caused when the insured property is cleaned, repaired or renovated by a third party and is destroyed or damaged in the process;
- d) Damage caused by wear or internal degradation;
- e) Gradually occurring damage caused by the effects of light, chemicals or weather, changes to the colours of paintings or fur garments, paint damage to musical instruments and antiques, scratches, scrapes and signs of abrasion;
- f) Damage caused by pest infestation;
- g) Damage covered by contractual or statutory warranty provisions;
- h) Damage that only affects parts of a device that would ordinarily have to be replaced regularly anyway as well as to fuses, non-rechargeable batteries and all types of replaceable audiovisual storage media;
- i) Loss of or damage to audiovisual material and data stored on audiovisual or data storage media;
- j) Loss or damage caused by theft by persons living in the same household as the policyholder;
- k) Loss or damage caused by misappropriation or embezzlement;
- l) Loss or damage caused by the enforcement of expropriation or confiscation by state governing bodies;

The following exclusions do not apply if the beneficiary can prove that the damage is not related to these events in any way.

- m) Damage caused by war events, breaches of neutrality, revolution, rebellion, uprising, terrorist attacks, civil unrest (violence against persons or property due to riotous assembly, affray, commotion or strikes) and the corresponding countermeasures;
- n) Damage due to earthquakes, volcanic eruptions as well as changes in atomic nuclear structure.

5 Obligation to provide evidence

The policyholder must provide evidence that the conditions defining an insured event have been met.

6 Insured benefits

Coverage is provided for the price of reprocurring the property at the time of the claim, not exceeding the insured sum agreed for the property in question. Personal sentimental value is not taken into account.

In the case of partial loss or damage, Helvetia will cover the cost of partial replacement or repair and any residual reduction in value.

Helvetia is not obliged to take over any salvaged or damaged goods.

Helvetia may at its discretion provide compensation in cash or in kind.

6.1 Benefit limits

The limits on benefits stated under items 6.2 and 6.3 apply to the total of the insured items per event.

6.2 Limitation of benefits to CHF 10'000

Where insured property is stolen from locked motor vehicles, aircraft, caravans, mobile homes, motorboats or sailing boats, benefits are limited to CHF 10'000.

6.3 Limitation of benefits to CHF 100'000

If the total value of the insured jewellery and decorative watches exceeds CHF 100'000 or if the value of an individual item exceeds CHF 50'000, Helvetia is only liable to provide compensation above this amount

- a) if the jewellery and decorative watches are worn or constantly personally guarded;
- b) are stolen from a locked security receptacle. The following are deemed to be security receptacles: Safes weighing over 100 kg or built-in wall safes. The keys or codes of combination lock mechanisms for the relevant receptacles must be carefully stored in another room or carried by those responsible on their person.

7 Underinsurance

If the sum insured is less than the replacement value (underinsurance), partial damage is only compensated at the ratio of the sum insured to the replacement value. The underinsurance is calculated for each individual insured item.

8 Excess

The beneficiary shall pay the excess agreed in the policy.

9 Calculation of compensation / costs for expert witness

The beneficiary must provide proof of the amount of the loss.

The sum insured is not considered as proof of the existence and value of insured goods at the time the claim arises.

The damage is determined either by the parties themselves or by an expert engaged by both parties, or during the course of a loss adjustment process.

Every party may request a loss adjustment process. The parties shall each appoint an expert witness in writing, and both shall appoint an arbitrator before the process of investigating the loss/damage begins. Persons who do not have the required subject-matter expertise, who have a relationship with a party or who are biased can be rejected as expert witnesses.

The expert witnesses determine the value of the damaged property immediately before and after the insured event. If the findings vary from one another, the arbitrator will decide on the remaining disputed items within the thresholds of both findings. The values that the expert witnesses arrive at within the scope of their authority are binding if it cannot be proven that they deviate significantly and clearly from actual circumstances. The burden of proof for such deviation lies with the party that claims the deviation. Each party bears the costs of its own expert witness, and the two parties each bear half of the costs of the arbitrator.

10 Obligations in the event of a claim

The beneficiary is equivalent to the policyholder in respect of the following obligations.

10.1 Obligation of information

The policyholder shall

- a) notify Helvetia immediately and, especially in the case of theft, also notify the police and request an official investigation;
- b) provide a written statement justifying why their claim is valid and submit the required evidence (invoices, receipts, estimates etc.);
- c) allow any useful investigation to take place;
- d) notify Helvetia immediately if items are recovered or if the policyholder acquires information about them. Compensation received for items that are later recovered must be returned, less any payment for loss of value, or the items must be put at Helvetia's disposal;
- e) notify Helvetia immediately as soon as bankruptcy proceedings are initiated against the policyholder.

10.2 Obligation of support

The policyholder is required to support Helvetia in the investigation of the damage/loss and in the conducting of negotiations by providing all information requested by Helvetia on the matter as well as all written correspondence, official decrees and similar, along with any other evidence.

10.3 Prohibition on changes

No changes that could potentially impede or hinder the process of determination and investigation of the damage or loss may be made, unless their purpose is to reduce the extent of the damage or loss or are in the public interest.

11 Due date of compensation payment

Compensation is due four weeks after the date on which the insurer received the documents required to determine the amount of the claim and its liability to pay compensation.

The liability for payment is deferred for as long as the compensation amount cannot be determined or paid due to the acts or omissions of the policyholder or beneficiary.

In particular, the compensation is not payable while

- a) there are any doubts as to the beneficiary's entitlement to payment;
- b) a police or criminal investigation is being conducted into the loss or damage and the proceedings against the policyholder or beneficiary are not complete.

12 Termination in the event of a claim

Upon a claim arising in which there is a liability to pay compensation, the contract may be terminated by

- a) the policyholder within 14 days of learning that payment of compensation has been made. The contract will end upon receipt of the notice of termination by the insurer.
- b) the insurer, at the latest upon payment of the compensation. The contract will end 14 days after receipt of termination by the policyholder.

13 Change of ownership

If the insured property changes owner, the rights and obligations from the insurance contract are transferred to the acquirer unless the acquirer rejects the transfer of the insurance in writing within 30 days of the change of ownership. The premium is payable pro rata until the time of rejection. Premiums for the incomplete insurance period are refunded to the previous owner.

Helvetia is entitled to terminate the contract within 14 days with 30 days' notice after having learned of the change of ownership. The premium for the incomplete insurance period will be refunded to the acquirer.

14 Bankruptcy

If the policyholder is declared bankrupt, the contract ends on commencement of the bankruptcy proceedings. However, if the insured items include unseizable items of property, the justified insurance claim for these items of property remains attributable to the bankrupt party and their family.

15 General provisions

15.1 Beginning and duration of the insurance

Insurance coverage begins as soon as you pay the premium, unless a declaration of coverage has been given for an earlier date, the policy has been handed out or a later beginning date is shown in the policy.

The contract is concluded for the duration specified in the policy. It is automatically renewed at the end of this term for one year at a time, unless one of the contracting parties has received notice of termination no later than three months before the end of the term. If the contract has been concluded for less than one year, it will expire on the date stated.

15.2 Premium payment

Renewal premiums are payable for each insurance year in advance on the date specified in the policy.

If the policyholder does not comply with their payment obligation, the policyholder will be requested in writing to make payment within 14 days of the reminder being sent and warned of the consequences of default. If the reminder is unsuccessful, Helvetia's obligation to pay benefits will be suspended from the expiry of the reminder period until the premiums and all costs have been paid in full.

In the case of payment in instalments, the hitherto unpaid instalments of an annual premium are deemed to be owed, subject to item 15.4. A surcharge may be applied to each instalment.

15.3 Adjustments to premiums and excesses

Helvetia may demand adjustments to premiums and excesses, including for existing contracts, from the following insurance year on. The new contractual terms will be conveyed to the policyholder no later than 25 days before the end of the insurance year.

If the policyholder does not consent to the adjustment, they may issue notice of termination with effect from the end of the current insurance year for the entire contract or the part affected by the adjustment. Notice of termination is deemed to be timely and valid if Helvetia receives it no later than the final day of the insurance year.

If Helvetia does not receive notice of termination by the end of the insurance year, this is construed to be agreement to the modifications to the terms of the contract.

15.4 Premium refund

In the event of the premature cancellation or termination of the insurance contract, the premium is only payable for the period up until cancellation of the contract. The premium for the current insurance period shall nevertheless be owed in full if

- a) Helvetia pays benefits in the case of a total loss
- b) the policyholder terminates the contract in the case of a partial loss and the contract has been in force for less than one year at the time when notice of termination is given.

15.5 Duty of care during the contract term

The insured persons and beneficiaries are required to exercise care and must take the specific action demanded by the circumstances to protect the insured property against the insured risks.

Jewellery and decorative watches not worn during a stay in a hotel must be stored in a safe in the hotel. (Where the total value exceeds CHF 100'000, see also item 6.3)

15.6 Violation of obligations and duty of care

If statutory or contractual obligations are violated, compensation may be reduced to the extent to which this breach has influenced the occurrence or extent of the loss. The compensation will not be reduced if the policyholder can provide evidence that the violation of the obligation was not a culpable act or that the damage or loss would still have occurred even if the statutory or contractual obligations had not been violated.

The right to withdraw from the contract on statutory or contractual grounds is reserved. The legal consequences in the event of a breach of the duty to notify upon conclusion of the contract pursuant to Art. 6 LIC also remain reserved.

15.7 Prescription and forfeit

All receivables under the insurance contract are subject to a prescription period of two years after the occurrence of the event for which there is an obligation to pay benefits.

Rejected compensation claims that are not asserted by court action within two years of the occurrence of the insured event are forfeit.

15.8 Legal venue

The policyholder or eligible beneficiaries may file suit against Helvetia Swiss Insurance Company Ltd. at their place of residence in Switzerland or in the Principality of Liechtenstein, at the place of the registered office of Helvetia in St. Gallen, or at the place of the insured interest, provided that this is located in Switzerland or in the Principality of Liechtenstein.

The Swiss Jurisdiction Law applies in all other respects.

15.9. Applicable law

All entitlements under this contract are governed exclusively by Swiss law. If the insured is resident in the Principality of Liechtenstein, the law of Liechtenstein applies.

15.10 Additional statutory principles

Additionally to these insurance provisions, the provisions of the Federal Law on Insurance Contracts (LIC), the Federal Law on Insurance Supervision (ISL), the Code of Obligations (CO), the Swiss Civil Code and the Private Insurer Supervision Ordinance also apply.

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