

Customer Information According to the Swiss Law on Insurance Contracts (VVG) and General Conditions of Insurance (GCI) for Motor Vehicles

CONTENTS

Customer Information according to the Swiss Law on Insurance Contracts (VVG)	2	THIRD PARTY LIABILITY INSURANCE	8	PASSENGERS' PERSONAL ACCIDENT INSURANCE AND ACCIDENT INSURANCE OF HELPERS AT ACCIDENTS AND BREAKDOWNS	14
General Conditions of Insurance (GCI)	5	ART. 101 OBJECT OF THE INSURANCE	8	ART. 301 INSURED PERSONS	14
COMMON PROVISIONS	5	ART. 102 INSURED PERSONS	8	ART. 302 ACCIDENTS IN OTHER PEOPLE'S VEHICLES	14
ART. 1 BASIS OF THE CONTRACT	5	ART. 103 INSURANCE BENEFITS	8	ART. 303 INSURED ACCIDENTS	15
ART. 2 SUBJECT MATTER OF THE INSURANCE	5	ART. 104 COVERAGE FOR DAMAGE CAUSED BY FIRE, EXPLOSION, OR NUCLEAR ENERGY AND FOR LOSS PREVENTION COSTS	8	ART. 304 DEFINITION OF ACCIDENT	15
ART. 3 DURATION	5	ART. 105 DEDUCTIBLES	8	ART. 305 NOT DEEMED TO BE ACCIDENTS	15
ART. 4 GEOGRAPHICAL SCOPE OF INSURANCE	5	ART. 106 LIMITATIONS OF THE SCOPE OF INSURANCE	9	ART. 306 UNINSURED ACCIDENTS	15
ART. 5 CHANGES IN RISK	6	ART. 107 RECOVERY	9	ART. 307 INSURANCE BENEFITS	15
ART. 6 PAYMENT OF PREMIUMS	6	ART. 108 PREMIUM BASED ON LOSS EXPERIENCE	9	ART. 308 SPECIAL BENEFITS IN THE EVENT OF ACCIDENTS ABROAD	17
ART. 7 REFUND OF PREMIUMS	6	ART. 109 OBLIGATIONS IN THE EVENT OF A CLAIM	10	ART. 309 BENEFITS FOR ACCIDENT AND BREAKDOWN HELPERS	17
ART. 8 CANCELLATION IN THE EVENT OF A CLAIM	6	ACCIDENTAL (PHYSICAL) DAMAGE INSURANCE	10	ART. 310 BENEFITS FOR ACCIDENTS IN OTHER PEOPLE'S VEHICLES	17
ART. 9 INTERCHANGEABLE LICENSE PLATES	6	ART. 201 SCOPE OF THE INSURANCE	10	ART. 311 CONTRIBUTORY EFFECT OF ILLNESSES	17
ART. 10 REPLACEMENT VEHICLES	6	ART. 202 INSURED EVENTS	10	ART. 312 INCREASE IN RISK	17
ART. 11 DEPOSIT OF LICENSE PLATES	7	ART. 203 UNINSURED RISKS	11	ART. 313 OFFSETTING AGAINST LIABILITY CLAIMS	18
ART. 12 CONSEQUENCES OF CONDUCT CONTRARY TO THE TERMS OF THE CONTRACT	7	ART. 204 INSURANCE BENEFITS	12	ART. 314 OBLIGATIONS IN THE EVENT OF A CLAIM	18
ART. 13 ASSIGNMENT OF CLAIMS	7	ART. 205 VEHICLE WRECKS	13		
ART. 14 NOTIFICATIONS TO ZURICH	7	ART. 206 DEDUCTIBLES	13		
ART. 15 PLACE OF PERFORMANCE AND JURISDICTION	7	ART. 207 PREMIUM BASED ON LOSS EXPERIENCE	13		
ART. 16 APPLICABLE LAW	7	ART. 208 OBLIGATIONS IN THE EVENT OF A CLAIM	14		
ART. 17 ASCERTAINMENT OF THE FACTS	7				
ART. 18 BROKERS' COMMISSION	7				



Customer Information According to the Swiss Law on Insurance Contracts (VVG)

Edition 03

The following customer information shows a clear and summarized overview of the identity of the insurer and the material content of the insurance contract (Art. 3 of the Federal Law on Insurance Contracts, VVG). The rights and obligations of the contracting parties arise from the proposal / offer, the policy itself, the contractual conditions and the applicable laws, especially the VVG. After acceptance of the proposal / offer the Policyholder will be issued with a policy, the contents of which will reflect the proposal / offer.

Who is the insurer?

The insurer is Zurich Insurance Company, hereinafter referred to as Zurich, with registered office at Mythenquai 2, 8002 Zurich. Zurich is a public limited company under Swiss law.

Which risks are insured and what is the scope of the insurance cover?

The insured risks and the scope of the insurance cover are determined by the proposal / offer or the policy and by the contractual conditions.

What is the premium amount?

The premium amount depends on the respective insured risks and the designated level of cover. A fee may be charged for payment in instalments. All information on the premium and any applicable fees are included in the proposal / offer or in the policy itself.

Under what circumstances is the premium refunded?

If the premium has been paid in advance for a specific period of insurance and the contract is cancelled before the end of the period, Zurich will refund the premium in respect of the unexpired period of insurance.

The premium remains payable in full to Zurich if:

- the insurance benefit was provided on the basis of the cessation of risk;
- the insurance benefit was provided for a partial loss and the Policyholder cancels the contract during the year after the contract was concluded.

Which other obligations does the policyholder have?

- **Changes in risk:** If an important fact changes during the term of the policy, resulting in a material increase in risk, it must be notified to Zurich in writing without delay.
- **Ascertainment of the facts:** The Policyholder must provide assistance for investigations relating to the insurance contract, e.g. breaches of the duty of disclosure, increases in risk, checking benefits, etc. and provide Zurich with all pertinent information and documentation or obtain such information from third parties for submission to Zurich, and authorize third parties in writing to issue the appropriate information, documentation, etc. to Zurich. Zurich is also entitled to carry out its own investigations.
- **Insured event:** The insured event must be reported to Zurich without delay.

This list only contains the most common obligations. The contractual conditions and the VVG contain further obligations.

When does the insurance cover begin?

The insurance cover begins on the day stated in the proposal / offer or in the policy itself. If an insurance certificate or temporary cover note have been issued, Zurich will provide the insurance cover described in the guaranteed written temporary cover note in accordance with applicable law until the issuance of the policy.

When does the insurance cover end?

The Policyholder can terminate the contract by giving notice:

- at the latest three months before the end of the contract or, if agreed, three months before the end of the insurance year. The termination shall be deemed valid if it is received by Zurich at the latest on the last day before commencement of the three-month period. If the contract is not terminated, it shall be automatically extended for one year at a time. Fixed-term contracts with no renewal clause end on the day specified in the proposal / offer or policy;
- after every insured event for which a claim is payable, at the latest 14 days after notification that Zurich has paid;
- if Zurich changes the premium. In this case the notice of termination must reach Zurich no later than the last day of the insurance year;
- if Zurich breaches the statutory information obligations pursuant to Art. 3 VVG. The right of termination lapses four weeks after the insured has received notification of this breach, but at the latest one year after the breach.

Zurich can terminate the contract by giving notice:

- at the latest three months before the end of the contract or, if agreed, three months before the end of the insurance year. The termination shall be deemed valid if it is received by the Policyholder at the latest on the last day before commencement of the three-month period. If the contract is not terminated, it shall be automatically extended for one year at a time. Fixed-term contracts with no renewal clause end on the day specified in the proposal / offer or policy;
- after every insured event for which a claim is payable, on condition that notice of termination is given at the latest at the same time as payment is made;
- if material risk factors have been concealed or falsely communicated (breach of the duty of disclosure).

Zurich can cancel the contract:

- if the Policyholder is late in paying the premium, has received a reminder and Zurich does not call it in;
- if the Policyholder does not fulfil his/her obligation to assist with the ascertainment of the facts. Zurich is entitled to cancel the insurance contract retrospectively within two weeks after the expiry of a four-week time extension agreed in writing;
- in the event of insurance fraud.

This list only contains the most common possible reasons for termination. The contractual conditions and the VVG contain other possible reasons.

How does Zurich handle data?

Zurich processes data disclosed on the policy documentation or during the course of issuing the policy, and uses them mainly for the purpose of setting premiums, providing information on risk, processing claims, making statistical evaluations and marketing purposes. The data are stored in hard copy form or electronically. Zurich shall be entitled to transfer any data that may be required for processing purposes to any third parties in Switzerland or abroad who are involved in issuing the policy, including but not limited to coinsurance and reinsurance companies, and to subsidiaries of Zurich Financial Services (ZFS) located within or outside Switzerland.

Zurich shall also be entitled to procure pertinent information from government offices and third parties, in particular information with respect to events leading up to the loss or damage. This consent shall be valid regardless of whether the contract is concluded. The Policyholder has the right to request that Zurich provide information envisaged under legislation in respect of the processing of data pertaining to him/her.

General Conditions of Insurance (GCI) for Motor Vehicles

Edition 01/2006

If you require immediate help or advice, we are there for you around the clock. Simply dial our toll-free number 0800 811 811 or, if you are phoning from abroad, the relevant international network access code, then 41 (for Switzerland) followed by the number 44 834 10 50.

The masculine forms of personal pronouns and adjectives used in this document to enhance readability shall always be understood to stand for the corresponding feminine forms.

The wording of the German original shall take precedence.

In the interests of quality control, all customer service center calls are recorded.

Common provisions

Edition 01/2006

Article 1 Where are the basis of the contract, rights and obligations specified?

1.1

The insurance is based upon the declarations provided by you as the policyholder (applicant).

1.2

The rights and obligations of the contracting parties are laid down in the policy, the General Conditions of Insurance and any applicable special conditions.

Article 2 What insurance does the contract cover?

The insurance of the vehicle described in the policy shall cover:

Third party liability insurance

Accidental (physical) damage insurance

Passengers' personal accident insurance and accident insurance of helpers at accidents and breakdowns

The insurance coverages you have taken out are listed in the policy.

The following risks shall only be covered by this insurance if they are noted in the policy:

- Trade plates and test plates;
- Vehicles which are hired out to self-drivers;
- Vehicles used for the commercial transportation of persons;
- Carriage of dangerous loads as defined by Swiss road traffic legislation.

Article 3 What period does the insurance cover?

The insurance shall take effect on the date specified in the policy. If a certificate of insurance has been issued, Zurich shall provide provisional insurance coverage for liability claims until issuance of the policy, in accordance with the legal minimum guarantee amount.

Zurich shall, however, have the right to reject the application up to the time of delivery of the policy. If Zurich chooses to exercise this right, its obligation to provide benefits will cease three days after sending the notification of refusal to you. Zurich shall be owed the pro rata premium up to the date of expiry of the obligation to pay.

The insurance shall apply to losses which are caused within the contract term. Irrespective of the term of the contract, you may request that your collision accidental (physical) damage insurance (Art. 202.1) be excluded at the end of any year of insurance.

If notice of termination of the contract is not given at least three months before expiry, it shall automatically be extended for one year at a time. The termination of the contract shall be deemed valid if it is received by Zurich or you no later than the last day before commencement of the three-month notice period.

Article 4 What is the geographical scope of the insurance?

The insurance shall apply with regard to insured events occurring in Switzerland and the Principality of Liechtenstein, those European countries listed on the "Green Card" (international motor insurance certificate), including the entire territory of the former Socialist Federal Republic of Yugoslavia, the countries bordering on the Mediterranean Sea and in Mediterranean island states. In the event of marine transport, coverage shall be uninterrupted if the point of departure and destination lie within the geographical scope of coverage.

The insurance shall lapse if the owner gives up his/her residence or legal domicile in Switzerland and takes up residence in another country (with the exception of the Principality of Liechtenstein), such lapse to take effect not later than at the end of the year of insurance in which such a change takes place, or as soon as the insured vehicle is registered abroad. If you request a prior cancellation, then Zurich shall comply with such a request upon receipt of an appropriate notification, effective at the earliest, however, at the time the Swiss or Liechtenstein license (number) plates are deposited with the Road Traffic Authority.

Article 5 What changes in risk have to be notified?

If in the course of the insurance a change occurs to an important stated fact, and if such change results in a material increase in risk, you must notify Zurich forthwith in writing of such a change. The insurance shall then also extend to such an increase in risk, unless Zurich cancels the contract within 14 days from receipt of the notice.

If you fail to notify Zurich of the increase in risk, then Zurich shall no longer be bound by the contract.

If a decrease in risk occurs, Zurich shall reduce the premium accordingly with effect from the following year of insurance.

Article 6 What are the rules with respect to premium payments?

The first premium payment shall fall due when the certificate of insurance is issued or, if liability is not included in the insurance, when the policy is issued.

The contracting parties shall waive the right to call in balances arising from premium invoices which are less than CHF 10.-.

Where payment in installments has been arranged, the corresponding fee is to be paid; installments which are not yet due shall be deemed to be deferred. The fee for premium payment by installments does not form part of the basic premium. Paragraph 5 below is thus not applicable to any change in this fee. Zurich is entitled to adjust this fee with effect from the main premium payment date. You then have the right to change your method of payment as you wish. To be deemed valid, notification to this effect must be received by Zurich at the latest on the date when the corresponding premium is due.

Basic premiums shall be based on the rating characteristics appearing in your policy under the driver and vehicle details. If any of these characteristics changes, you must notify Zurich of this immediately. Zurich shall have the right to adjust your contract accordingly with effect from the following year of insurance.

If the basic premiums increase (except as a result of changes to the characteristics mentioned in the previous paragraph) or if the premium scale or the deductible rules of the tariff change, Zurich may require adjustment of the contract with effect from the following year of insurance. To this end, it must notify you of the new contractual provisions at the latest 25 days before expiry of the year of insurance. You shall then have the right to terminate the contract either in respect of that part affected by the change or in its entirety at the end of the current year of insurance. In order to be valid, the notice of termination must be received by Zurich no later than the last day of the year of insurance. If you fail to serve notice of termination, you shall be deemed to have consented to the adjustment to the contract.

Explanation of term: The **basic premium** is the premium amount stated in the policy under this heading.

Article 7 When do you have the right to claim a premium refund?

If the premium has already been paid in advance for a specific period of insurance, and the contract is canceled prior to the expiration of the said period, Zurich shall refund you the premium in respect of the unexpired period of insurance and forgo any outstanding installments. Zurich reserves the right to offset such refunds against other claims under this contract.

This provision shall not apply if

- the contract is canceled because the risk no longer exists (total loss),
- you terminate the contract in the event of partial loss within one year of the contract being concluded.

Article 8 How can the contract be cancelled in the event of a claim?

Following each claim for which an indemnity is payable, Zurich shall be entitled to cancel the contract not later than upon payment of the indemnity, and you shall be entitled to cancel it not later than 14 days

after obtaining knowledge of such a payment.

If Zurich elects to cancel, coverage for the insured person shall cease 14 days after you receive the notice of cancellation.

If you elect to cancel, coverage shall cease upon receipt of the notice of cancellation by Zurich.

Article 9 How are vehicles with interchangeable license plates insured?

If the insurance was taken out in respect of vehicles being used with interchangeable license plates, the insurance shall be valid:

- 9.1 in full, for the vehicle fitted as prescribed with the interchangeable license plates;
- 9.2 for other vehicles not fitted with these plates, only insofar as the accident does not occur on a public road.

- 9.3 If the vehicles are used simultaneously on public roads and if in such event an accident occurs for which Zurich has to pay an indemnity under the third party liability insurance, it shall have a right of recovery against you and the insured. No coverage shall exist in respect of any other damage.

Article 10 How are replacement (substitute) vehicles insured?

If, with the consent of the competent authority, the owner uses, instead of the insured vehicle, a replacement (substitute) vehicle of the same category, fitted with the license plates of the insured vehicle, the third party liability and accident insurance shall apply exclusively to the replacement (substitute) vehicle. The accidental (physical) damage insurance shall apply to a replacement (substitute) vehicle of equivalent value and shall remain in force for the replaced vehicle with the exception of collision damage (Art. 202.1).

If official authorization for use of the replacement (substitute) vehicle has not been obtained, then Zurich shall not be liable to pay indemnity to the insured.

If the replaced vehicle is being used again with its own license plates or if the owner ceases to use the replacement (substitute) vehicle, the insurance of the replacement (substitute) vehicle shall be canceled.

Article 11
What happens when license plates are deposited?

If the license plates are deposited with the competent authority on account of the insured vehicle not being used, the insurance shall be suspended, subject to the exceptions mentioned in the following paragraph, until the license plates are redeemed for the insured vehicle.

During the suspension, but for a maximum period of 6 months from the deposit of the license plates, the liability and accidental (physical) damage insurance shall continue to be in force, its scope remaining unchanged (suspension risk); collision and third party liability losses shall, however, only be covered insofar as the accidents did not occur on public roads. Collisions with animals shall not, generally speaking, be covered during the suspension period.

Provided the deposit of the license plates continues for at least 14 consecutive days, Zurich shall, upon reinstatement of the insurance, allow you a suspension discount on the premium for the third party liability insurance, the collision accidental (physical) damage and the accident insurance, which shall be calculated on a pro rata temporis basis. A suspension fee shall be deducted.

Article 12
What are the consequences of conduct contrary to the terms of the contract?

In the event of a violation of the obligations incumbent on you or other insured parties (e.g. Art. 109, 208, 314), Zurich shall no longer be obliged to pay any indemnity. This disadvantage shall not arise if, in the circumstances, the violation is to be regarded as not being anyone's fault. If a premium payment is missed as a result of inability to pay on the part of the premium payer, this shall not be covered by the above clause.

Article 13
Can insured indemnities be assigned?

Without the express consent of Zurich, the rights to the insured indemnities may not be assigned or pledged before they have been finally fixed.

Article 14
Where should notices to Zurich be sent?

All notices should be forwarded to the agent named on the last policy or premium invoice, or else to the Generaldirektion

Schweiz (= Swiss Head Office of Zurich Insurance Company), P.O. Box, 8085 Zurich.

Zurich's toll-free number is available to you for telephone messages.

Article 15
What court may be called upon in the event of any disputes?

The obligations under this insurance are to be performed in Switzerland and in Swiss currency.

The policyholder or the claimant may elect any of the following as the place of jurisdiction for disputes arising out of this contract:

- Zurich as the head office of Zurich;
- the location of the Zurich branch which has a practical connection to this contract;
- the place of domicile or the head office of the policyholder or claimant in Switzerland or the Principality of Liechtenstein, but not in any other foreign country.

Article 16
What law applies in addition to these conditions?

In addition, the provisions of the Swiss Federal Law on Insurance contracts shall apply and, with respect to the third party liability insurance, the provisions of the road traffic legislation shall be applicable.

Article 17
What obligations apply to the ascertainment of the facts?

The person who is subject to the duty of disclosure must provide assistance for investigations relating to the insurance contract, such as breaches of the duty of disclosure, increases in risk, the verification of benefits, etc., and provide Zurich with all pertinent information and documentation or to obtain such information from third parties for submission to Zurich, and to authorize third parties in writing to issue the appropriate information, documentation, etc. to Zurich. Zurich is entitled to carry out its own investigations. If the person who is subject to the duty of disclosure does not comply with this requirement, Zurich is entitled to withdraw from the insurance contract retroactively within two weeks of the expiry of a four-week extension period to be notified in writing. If, under group insurance, this requirement applies solely to a part of the insured objects or persons, the

withdrawal shall apply only to such objects or persons.

The same obligations shall apply to the policyholder, insured parties and claimants as to the person subject to the duty of disclosure, and to their representatives, provided that such persons are not the same as the person subject to the duty of disclosure.

Article 18
Brokers' commission

If a third party such as a broker represents the interests of the policyholder with regard to the conclusion or management of this insurance contract, Zurich may pay said third party a fee for their activities on the basis of a separate agreement. For further information on this, the policyholder should contact the third party directly.

Third party liability insurance

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Article 101

What does the insurance protection cover?

Zurich shall provide insurance coverage for civil law claims which are made against the insured persons by virtue of statutory provisions concerning liability in respect of

101.1

death of or injury to persons (bodily injury),

101.2

destruction of or damage to property (property damage).

101.3

The insurance shall cover personal injury and property damage arising

- through the use of the motor vehicle described in the policy and the trailers pulled or vehicles towed by the said motor vehicle,
- in the course of a road (traffic) accident caused by these vehicles when they are not in use,
- as a result of assistance given after accidents in which these vehicles were involved.

The liability of the insured persons in respect of unhitched trailers pursuant to Art. 2 of the Swiss Road Traffic Insurance Ordinance shall also be covered.

Zurich shall further provide insurance coverage for civil law claims made against the insured persons arising out of accidents when alighting from or getting into the vehicle, when opening or closing the doors, hood, sunroof or trunk as well as when hitching up or unhitching a trailer or towed vehicle.

Where, because of an unforeseen event, the occurrence of an insured loss is immediately imminent, the insurance shall also cover any costs incurred by an insured person in taking appropriate measures to avert this danger (loss prevention costs).

101.4

If coverage is agreed for gross negligence, Zurich shall waive its right of recovery due to it from you or the insured parties under Art. 65 para. 3 of the Swiss Road Traffic Act (SVG) on grounds of having caused the insured event through gross negligence as defined in Art. 14 para. 2 and 3 of the Swiss Federal Law on Insurance Contracts

(VVG), with the exception of cases in which the driver caused the accident while under the influence of alcohol or drugs or due to misuse of medication, and cases where the accident was caused with intent or with indirect intent.

Article 102

Which persons are insured?

The owner and the persons for whom he/she is responsible according to road traffic legislation shall be insured within the meaning of Art. 101.

Article 103

For what claims does Zurich provide indemnity?

The insurance shall cover the settlement of justified claims and the rebuttal of unjustified claims.

The indemnities payable by Zurich shall be limited to the insured sums stipulated in the policy, including any interest on the loss or damage, lawyers' fees and court costs without prejudice to the injured party's rights.

Article 104

For which losses do lower maximum indemnities apply?

Provided the maximum indemnity payable by Zurich is fixed in the contract at more than CHF 5 million, the amount of the indemnity payable by Zurich for any bodily injury and property damage caused by fire, explosion or nuclear energy – subject to Art. 106.4 – as well as for the cost of loss prevention measures, shall be limited to a total of CHF 5 million per loss event, including any interest on the loss or damage, lawyers' fees and court costs without prejudice to the claimant's rights.

If a higher level of coverage is prescribed by Swiss road traffic legislation, such higher coverage shall apply and shall also be deemed to be the maximum indemnity payable by Zurich as described above.

Article 105

What deductibles apply?

The deductible set down in the policy shall apply for each loss for which Zurich is required to pay indemnity. It shall be payable by you.

105.1

The deductible agreed for **young drivers** shall apply if the driver of the vehicle is under 25 years of age at the time of the accident.

If it has been declared that no driver under the age of 25 will be driving the vehicle, and the driver is nevertheless under 25 years of age at the time of the accident, then the deductible agreed in the policy for young drivers under the age of 25 shall be increased by CHF 500.–.

105.2

The deductible agreed for **new drivers** shall apply if the person who is over the age of 25 at the time of the accident has had a driver's license authorizing him to drive the insured vehicle for less than two years.

The learner's permit will not be taken into account when calculating this period.

105.3

The deductible agreed for **other drivers** shall apply if the driver of the vehicle is over the age of 25 at the time of the accident and has held a driver's license authorizing him to drive the insured vehicle for at least two years.

105.4

If a deductible to be borne by you was agreed upon and Zurich effected a direct settlement of the injured party's claim, then, notwithstanding Art. 105.5 below, you shall refund to Zurich at the latter's first request the indemnity paid by it up to the amount of the deductible agreed upon, irrespective of who was driving the vehicle at the time of the accident. If you do not pay, as you are obliged to do, within 4 weeks of notification by Zurich, you shall be requested in writing, being reminded at the same time of the consequences of a default, to make payment within 14 days of dispatch of the reminder. If the reminder is ineffective, the insurance shall cease in its entirety on expiration of the reminder period. Moreover, Zurich's right to demand payment of the deductible and the costs for demanding payment of the deductible, as well as enforcing any other indemnity claim, shall not be affected hereby.

105.5

No deductible shall have to be borne if the indemnity was payable although no insured person was in any way to blame (strict liability), or for claims

- in the case of joyrides, if the owner is in no way to blame for the theft of the vehicle;
- during driving lessons given by an officially recognized driving instructor,
- during an official driving test.

Article 106
In which instances does no insurance coverage apply?

The insurance shall not apply, subject to the final paragraph hereunder, to:

- 106.1 claims in respect of property damage caused by the owner, his/her spouse, his/her relatives in the ascending and descending lines, as well as his/her siblings residing in a common household with the owner;
- 106.2 claims in respect of loss of or damage to the insured vehicle, trailer, as well as loss of or damage to other items attached to or conveyed in these vehicles, with the exception of items which the injured party has with him/her, in particular luggage and similar effects;
- 106.3 claims made by injured parties arising from accidents which occur in the course of motor races, rallies and similar competitions, as well as any driving on a racetrack. However, in the case of sporting events of such a nature in Switzerland and the Principality of Liechtenstein, claims by third parties within the meaning of Art. 72, para. 4 of the Swiss Road Traffic Act shall only be excluded if the insurance prescribed by law was effected in respect of the sporting event in question;
- 106.4 claims arising out of damages for which liability is subject to the legislation on nuclear energy;
- 106.5 the liability of any driver of the vehicle who is not in possession of the driver's license required by law, as well as of any driver in possession of a learner's license, who drives without being accompanied as prescribed by law; furthermore, the liability of persons who entrust the insured vehicle to such a driver although they know or could have known, had they conscientiously taken care, that he/she is not in possession of the required license or that he/she is driving without being accompanied as required by law;
- 106.6 in the case of joyrides: the liability of persons who have taken the insured vehicle for their own use without permission and the liability of any driver who, at the start of the trip, knew or could have known, had he/she conscientiously taken care, that the

vehicle had been taken for the said purpose without permission;

- 106.7 the liability arising out of any trip not officially allowed and the liability of persons who have used the vehicle entrusted to them for trips which they were not authorized to make;
 - 106.8 subject to mutual agreement, the liability arising out of the transportation of dangerous loads within the meaning of the Swiss Road Traffic Act, as well as the liability arising out of the use of the vehicle for the commercial transportation of persons or commercial hiring out to self-drivers. Any such transportation or hiring out shall be deemed to be commercial in nature if an official license is required for such use.
- The restrictions under Art. 106.5 to 106.8 above cannot be cited in rebuttals to the injured party unless the legal provisions permit such restrictions.

Article 107
When can Zurich effect recovery?

Zurich shall have, up to the amount of its indemnities, including lawyers' fees and court costs paid by it, a right of recovery against you and the insured parties, insofar as it is entitled under this contract, the Swiss Road Traffic Act or the Swiss Federal Law on Insurance Contracts to refuse or reduce its indemnities, for example, on account of the restrictions to the scope of insurance according to the preceding Art. 106.5 – 106.8, simultaneous use in public traffic of vehicles insured with interchangeable license plates, use of the replacement (substitute) vehicle against the law or contrary to the terms of the contract, conduct contrary to the terms of the contract in the event of a claim or in the event that the accident is caused by gross negligence.

If coverage is agreed for gross negligence, Zurich shall waive its right of recovery due to it from you or the insured parties under Art. 65 para. 3 of the Swiss Road Traffic Act (SVG) on grounds of having caused the insured event through gross negligence as defined in Art. 14 para. 2 and 3 of the Swiss Federal Law on Insurance Contracts (VVG/LCA), with the exception of cases in which the driver caused the accident while under the influence of alcohol of drugs or due to misuse of medication, and cases where the accident was caused with intent or with indirect intent.

Zurich may also effect recovery against you or the insured parties if, by virtue of the "Green Card" (international motor insurance certificate) or another international agreement taking its place, and of foreign compulsory insurance laws, it still has to pay indemnities after the expiry of the insurance.

Article 108
What effect does loss experience have on premiums?

The third party liability insurance falls under system T or system E (see table below), or under system Z.

Premium rate	% of the basic premium	
	System T	System E
0	30	--
1	35	30
2	40	30
3	45	30
4	50	30
5	55	30
6	60	30
7	65	30
8	70	30
9	75	30
10	80	35
11	90	35
12	100	40
13	110	40
14	120	45
15	130	45
16	140	50
17	150	50

System Z: The premium shall always amount to 100% irrespective of loss experience.

The applicable system, the basic premium and the premium rates applicable at the commencement of the insurance shall be stated in the policy. For the following years of insurance, as far as system T and system E are concerned, the premium shall be fixed according to loss experience, whereas in the case of system Z, the premium does not depend thereon. The following provisions shall therefore not apply to system Z.

If during a period of observation (which covers 12 months and expires 4 months before the annual premium falls due), during which time the insurance was in force, no claim occurred in respect of which Zurich was liable to pay an indemnity or set aside a reserve (Zurich's own expenses not being taken into account), the premium for the following year of insurance shall be calculated in accordance with the rate immediately lower in the premium scale, unless

you have already reached the lowest rate in the scale. If the insurance comes into force less than 6 months prior to the expiry of the current period of observation, the premium rate for the next year of insurance shall remain unchanged.

On the other hand, each claim resulting in an indemnity or a reserve shall entail an upward adjustment by 4 premium rates in the scale in the following year of insurance, but no higher than premium rate 17 in the case of systems T and E.

If a claim proves to have no consequences, it shall be deemed not to have occurred and the premium rate shall be adjusted accordingly.

Claims which arise during the period from the date of the application to the commencement of the insurance shall be taken into account by subsequent adjustment of the premium rate.

The following shall not be taken into account:

- claims for which an indemnity was payable even though no insured person was in any way to blame (strict liability);
- claims in the case of joyrides, provided the owner is not to blame for the theft of the vehicle;
- claims for which you assume financial responsibility, provided you refund to Zurich the latter's outlays within 30 days of your having obtained knowledge of the settlement.

Where there is a change of owner, Zurich shall fix a new premium rate for the contract with effect from the date of the change, and likewise if there is a change of vehicle, provided the new vehicle belongs to a category other than the vehicle insured prior to this change.

Article 109 **What precautions are to be taken in the event of a claim?**

The insured must notify the loss event to Zurich immediately if:

- its consequences may be likely to involve the insurance;
- liability claims are made against him/her in connection with this event, whether judicially or extrajudicially, or if criminal proceedings are instituted against him/her or he/she is fined.

The claim notification may be sent in writing using the claim form or made by telephone. Zurich's toll-free number is available to you for telephone claims and emergency notifications and for the arrangement of vehicle inspections.

Zurich shall have the right to require a written claim notification to be sent for loss events which have already been notified by telephone.

Fatal accidents are to be notified to Zurich, stating your name and place of residence, the policy number, the name and place of residence of the injured party, the date of the accident and the place where the accident occurred (if necessary by telegram, telephone or fax), in sufficient time for Zurich, if necessary, to arrange for a post mortem at its own expense before the burial.

Zurich shall conduct negotiations with the injured party at its own discretion, either as the representative of the insured or in its own name. In the event of accidents in foreign countries, Zurich shall be entitled to entrust the authorities, competent by virtue of the "Green Card" or another international agreement in its stead, and by virtue of foreign compulsory insurance laws, with the handling of the injured party's claim. The settlement of the injured party's claims by Zurich shall, in all cases, be binding upon the insured party.

The insured shall assist Zurich in ascertaining the facts and refrain from giving any opinion of their own on the claims of the injured party (contractual fidelity). In particular, they shall neither admit liability claims nor make any payments to the injured party; furthermore, they shall leave the conduct of any civil lawsuit to Zurich.

Accidental (physical) damage insurance

Edition 01/2006

Article 201 **What does the insurance protection cover?**

The insurance shall cover damage caused against your will and the will of the driver to the vehicle declared in the policy, as well as to spare parts, accessories and integral equipment fitted as standard. Accessories and devices which may also be used independently of the vehicle, such as telephones, walkie-talkies, etc. are not covered by the insurance. Trailers are only insured on the basis of a special agreement.

Sound, image and data carriers, such as audio or video cassettes, compact discs, etc., which may be used independently of the vehicle, shall also be excluded from the insurance.

Equipment and accessories which do not form part of the standard production equipment and which are purchased at extra charge shall also be insured – without any special stipulation – up to a maximum amount of 10% of the catalog price of the declared vehicle.

The insurance shall apply to damage to the vehicle while moving, while stationary or in the course of transport by sea or on land.

Article 202 **What events are insured?**

The following events shall only be insured provided they are individually listed in the policy.

202.1

Loss or damage resulting from collision

This shall include damage caused by sudden violent, external means, i.e. in particular damage caused by impact, collision, falling, sinking in, even if the damage is the consequence of damage due to the operation of the vehicle, breakage or wear and tear; likewise, damage caused by willful or malicious acts of third parties.

Collision damage caused while the vehicle is being used for the commercial transportation of persons or commercial hiring out to self-drivers shall only be covered if this is specifically stated in the policy. Any such transportation or hiring out shall be deemed to be commercial in nature if an official license is required for such use.

If coverage is agreed for gross negligence, Zurich shall waive its right to reduce its indemnity on the grounds of the insured event having been caused through gross negligence as defined in Art. 14 para. 2 and 3 of the Swiss Federal Law on Insurance Contracts (VVG), with the exception of cases in which the driver caused the accident while under the influence of alcohol or drugs or due to misuse of medication, and cases where the accident was caused with intent or with indirect intent.

202.2

Loss or damage resulting from theft

This shall include loss, destruction of or damage to the vehicle as a result of actual theft, taking for one's own use without permission or robbery within the meaning of the rules of criminal law. This list is definitive. The insurance shall also cover damage caused to the vehicle in the course of an attempted theft or attempted taking for one's own use without permission, or an attempted robbery. In the event of a loss, see Art. 208.

202.3

Loss or damage caused by fire

This shall include fire damage, irrespective of whether the cause is internal or external as well as damage caused by short circuit, explosion and lightning; damage to electronic and electrical instruments and components is, however, only insured if the cause is not a result of an internal defect. Damage caused to the vehicle while the fire is being extinguished shall also be covered. Damage due to scorching is not insured, however. Fire damage shall only be covered during the first year of service insofar as you cannot make any claims under the warranty from the vendor or supplier.

202.4

Loss or damage due to natural hazards

This shall be deemed to be loss or damage as a direct consequence of rockslides, falling stones, falling ice, landslides, avalanches, snow pressure, snowslides, storm (= wind of a velocity of at least 75 kilometers per hour which uproots trees and blows the roofs off buildings in the vicinity of the vehicle declared in the policy), hail, high water and floods, all other loss or damage caused by natural hazards being excluded. Loss events caused by falling aircraft such as airplanes, spacecraft, rockets or parts thereof shall also be included in the coverage.

202.5

Glass breakage

This shall be understood to mean breakage of the windshield, side, roof or rear windows made of glass or artificial materials which serve as glass. This list is definitive.

If the **policy includes glass breakage with small glass components**, this shall be understood to mean breakage of vehicle components made of glass or materials used as a glass substitute. Lightbulbs are included in the insurance if they are destroyed in the event of glass breakage. There shall be no compensation under glass breakage if the total repair costs (costs of windows and other repair) equal or exceed the actual cash value of the vehicle declared in the policy or if the damaged vehicle components cannot be replaced or repaired.

202.6

Damage caused by animals

This shall be understood to mean damage resulting from collision of the declared vehicle with animals. In the event of a loss, see Art. 208. Evasive maneuvers are not insured.

202.7

Loss or damage caused by vandalism

Such loss or damage shall be understood to mean the willful or malicious breaking off of antennas, rearview mirrors, windshield wipers or trim, puncturing tires and pouring damaging matter into the fuel tank. This list is definitive.

If the policy specifies that **all vandalism damage** is covered, then all damage caused by willful or malicious acts of third parties is insured. The insurance shall not cover damage caused by unknown damaging parties driving a vehicle (including cyclists).

202.8

Damage caused by martens

This shall be understood to mean damage to the vehicle declared in the policy caused by the gnawing of martens (including subsequent damage).

202.9

Loss or damage caused while parked

This shall be understood to mean damage to the vehicle declared in the policy whilst it is parked, caused by unknown motor vehicles or bicycles. The maximum amount we will pay in the event of a claim is specified in the policy. In the event of a loss, see Art. 208.

202.10

Loss or damage to travel effects

This shall include the following damage:

- damage to or destruction of the personal requisites (travel effects) of the passengers being conveyed in the vehicle declared in the policy, when loss or damage occurs to the vehicle in question;
- theft of the personal requisites (travel effects) of the passengers being conveyed in the vehicle declared in the policy, provided they were located in a completely locked vehicle at the time of the theft. In the event of a loss, see Art. 208.

The following items shall not be insured: cash, credit cards, travel tickets and season tickets, securities, savings books, precious metals (in the form of stock, ingots or commercial goods), coins and medals, unset precious stones and pearls, items of jewelry, sound and image carriers (e.g. audio and video cassettes, records, compact discs), computer hardware and software, portable telephone and walkie-talkie equipment, radios and televisions, fax machines, commercial goods and items used for carrying out a trade or profession. Subjective values will not be indemnified.

Article 203

What losses are not covered?

203.1

Loss or damage due to vehicle operation, breakage and wear and tear, in particular also breakage of springs caused by shocks sustained by the vehicle on the road or losses caused by the loaded goods (except after an event insured under loss or damage due to collision); damage due to lack of oil; damage due to lack of or freezing of the coolant; damage affecting exclusively the tires or the batteries;

203.2

Loss or damage caused while the vehicle is being driven by a driver who is not in possession of the driver's license required by law or a driver in possession of a learner's license, who drives without being accompanied as prescribed by law, provided you were aware of this infringement or could have been aware of it, had you conscientiously taken care;

203.3

Loss or damage as a result of warlike events, violations of neutrality, revolution, rebellion, insurrection and the measures taken against them, as well as in the event of earthquakes, volcanic eruptions or changes in the structure of the atomic nu-

cleus, insofar as you do not prove that the loss or damage is in no way connected with these events;

203.4

Loss or damage in the event of civil commotion (acts of violence against persons or objects at riotous assemblies, riots or disturbances) and the measures taken against them, unless you can satisfactorily show that you or the driver have taken reasonable precautions to prevent the damage;

203.5

Loss or damage which occurs while the vehicle is requisitioned by the authorities and while taking part in motor races, rallies and similar competitions, as well as any driving on racetracks. However, the insurance shall cover competitions involving navigational, cross-country and technical driving skills;

203.6

Depreciation in value, reduced power or serviceability of the vehicle as well as loss of use.

Article 204

What does Zurich pay in the event of a loss?

204.1

Indemnities in the event of damage to the insured vehicle or the insured item

Zurich shall pay the cost of the repairs as well as the cost of recovering and towing the vehicle to the nearest garage where the necessary repairs can be carried out.

If lack of maintenance, wear and tear or pre-existing damage have raised the cost of the repairs substantially or if, as a result of the repairs, the condition of the vehicle has improved considerably, you shall bear a fair share of these costs to be determined by experts.

In the event of an insured loss or damage, Zurich shall pay the amount of customs duty for which you may be held liable. In addition, in the event of an insured loss abroad, Zurich shall pay the costs of return transport of the vehicle to Switzerland if you or the driver are unable to bring back the vehicle yourselves. Damage to the interior of the car caused during the rendering of assistance to persons involved in an accident shall also be covered up to the amount of CHF 1 000.—.

It shall be stated in the policy whether cash value coverage or cash value with a supplement applies.

204.2

Cash value coverage

If the cost of the repairs reaches or exceeds the cash value, then Zurich shall indemnify the costs of replacing the vehicle.

If the missing vehicle cannot be found within 30 days, then the replacement value shall be indemnified.

If the replacement value is higher than the original new value, then the latter shall apply as a maximum indemnity. An agreed deductible and the value of the wreck shall be deducted from the indemnity. These conditions shall also apply accordingly to individual items of equipment and accessories.

Burst tires shall be indemnified on the basis of their degree of wear.

204.3

Cash value plus supplement coverage

- If the cost of the repairs reaches or exceeds
 - in the first two years of service, 65% of the indemnity in accordance with the table set out below,
 - after more than two years of service, the actual value of the vehicle at the time of the accident (actual cash value),
- if the missing vehicle is not recovered within 30 days,

then Zurich shall pay the following indemnity:

Cash value plus supplement 1

in 1st year of service	95-90% of the catalog price
in 2nd year of service	90-85% of the catalog price
in 3rd year of service	85-75% of the catalog price
in 4th year of service	75-65% of the catalog price
in 5th year of service	65-55% of the catalog price
in 6th year of service	55-45% of the catalog price
in 7th year of service	45-40% of the catalog price

more than 7 years replacement value

Cash value plus supplement 2

in 1st year of service	95% of the catalog price
in 2nd year of service	95-90% of the catalog price
in 3rd year of service	90-80% of the catalog price
in 4th year of service	80-70% of the catalog price
in 5th year of service	70-60% of the catalog price
in 6th year of service	60-50% of the catalog price
in 7th year of service	50-40% of the catalog price

more than 7 years replacement value

If the indemnity exceeds the price which was paid for the vehicle, coverage shall extend to no more than the price paid and to no less than the replacement value. If the replacement value is above the original new value, then the latter shall be the maximum indemnity. An agreed deductible and the value of the wreck shall be deducted from the indemnity.

These conditions shall also apply accordingly to individual items of equipment and accessories.

Burst tires shall be indemnified on the basis of their degree of wear.

204.4

Drivers under 25 years of age

If it has been declared in the application that no driver under the age of 25 will be driving the vehicle, and the driver is nevertheless under 25 years of age at the time of the accident, then the deductible for collision damage agreed in the policy shall be increased by CHF 500.—.

204.5

Indemnities under the travel effects insurance

Zurich shall pay the costs for the repair, albeit up to a maximum of the amount required for replacement with a new article of equal value at the time of the loss. The maximum indemnity shall be reduced by the residual value.

Indemnity payments shall be restricted to the sums insured indicated in the policy.

204.6

Explanations of terminology

A **year of service** shall be the 12-month period calculated from the date on which the vehicle was first put on the road. The time which has elapsed within a year of service up to the time of occurrence of the loss shall be calculated on a pro rata basis.

The **catalog price** shall be the official list price valid at the time the vehicle is first put on the road (plus any VAT paid). If no such price exists (e.g. in the case of special production models), then the price paid for the vehicle when it came out of the factory shall be decisive.

The **replacement value** shall be the amount which has to be spent on the valuation date in order to purchase an equivalent vehicle of equal value, officially tested within the last 12 months.

The **cash value** shall be the amount which can be realized for sale of the undamaged vehicle, the supplementary equipment and accessories at the time of the insured event, taking into account the period of service, the number of miles driven, the saleability and the condition of the vehicle.

If no agreement can be reached regarding determination of the replacement or cash value, then the valuation guidelines for road vehicles and trailers of the Swiss Association of Neutral Freelance Vehicle Loss Adjusters (vffs) shall be used.

Article 205

What happens to the wreck of the vehicle or article?

The indemnity shall always be reduced by the value of the wreck (i.e. the unrepaired vehicle or article). If this value is not deducted from the maximum indemnity, then the wreck or the vehicle or article shall become the property of Zurich when the payment is made.

If compensation for a lost vehicle or lost article has been paid, then the rights of ownership shall pass to Zurich.

Article 206

What deductibles apply?

The policy lists the events for which you are required to pay a deductible.

The agreed deductible shall apply to each and every loss.

In the event that a towing vehicle and trailer are insured with Zurich and if both sus-

tain loss or damage in the same occurrence, you shall only be required to bear one deductible. In the case of different deductibles, the higher one shall be applied.

Article 207

What effect does loss experience have on premiums?

207.1

The accidental (physical) damage insurance comes under the systems listed below. The applicable system, the basic premium and the premium rate valid at the commencement of the insurance shall be stipulated in the policy for each individual insured event.

In the following years of insurance, the premium shall be fixed on the basis of loss experience, with only that proportion of the premium being affected which applies to the insured loss event.

In the event of a change of owner, Zurich shall fix a new premium rate, with effect from the date of the change.

207.2

Loss or damage resulting from collision (Art. 202.1) falls under either **system R** or **system T** (see table below).

Premium rate	% of the basic premium	
	System R	System T
0	35	30
1	35	35
2	35	40
3	35	45
4	35	50
5	40	55
6	45	60
7	50	65
8	60	70
9	70	75
10	80	80
11	90	90
12	100	100
13	110	110
14	120	120
15	130	130
16	140	140
17	150	150

207.3

System C for loss and damage caused by theft/
system D for loss and damage caused while parked

Premium rate	% of the basic premium	
	System C	System D
5	60	60
6	70	70
7	80	80
8	90	90
9	100	100
10	110	110
11	120	120
12	130	130

207.4

System Z

The premium shall always amount to 100% irrespective of loss experience. The following provisions accordingly have no validity with respect to system Z.

207.5

If during a period of observation (which covers 12 months and expires 4 months before the annual premium falls due), during which time the insurance was in force, no claim occurred in respect of which Zurich was liable to pay an indemnity or set aside a reserve (Zurich's own expenses not being taken into account), the premium for the following year of insurance shall be calculated in accordance with the rate immediately lower in the premium scale, unless you have already reached the lowest rate in the scale applicable. If the insurance comes into force less than 6 months prior to the expiry of the current period of observation, the premium rate for the next year of insurance shall remain unchanged.

On the other hand, each claim resulting in an indemnity or a reserve shall entail an upward adjustment by 4 premium rates in the scale for systems R and T or 2 premium rates in the scale for systems C and D in the following year of insurance, at most, however, up to the highest premium rate. If a claim proves to have no consequences, it shall be deemed not to have occurred and the premium rate shall be adjusted accordingly.

Accidents which occur during the period from the date of the application to the commencement of the insurance shall be taken into account by subsequent adjustment of the premium rate.

The following shall not be taken into account:

- claims for which you assume financial responsibility, provided you refund to Zurich the latter's outlays within 30 days of your having obtained knowledge of the settlement.
- collision damage (system R or T) for which the insured person is in no way to blame and for which 100% indemnity has been provided at replacement value by the person responsible for the collision or his/her third party liability insurer and the benefits under this policy are restricted to the difference between the replacement value and the indemnity for cash value plus supplement.

Article 208

What precautions are to be taken in the event of a claim?

208.1

You are obliged to notify Zurich immediately of the loss event for which you are claiming indemnity. Zurich must be given the opportunity of inspecting the damaged vehicle prior to the repair. Otherwise, the indemnity payable by Zurich may be reduced or even canceled altogether.

The claim notification may be sent in writing using the claim form or made by telephone. Zurich's toll-free number is available to you for telephone claims and emergency notifications and for the arrangement of vehicle inspections.

Zurich shall have the right to require a written claim notification to be sent for loss events which have already been notified by telephone.

208.2

You must moreover notify the police without delay and, at the request of Zurich, bring a charge against the thief

- in the event of theft of insured **travel effects**.

Where stolen articles are subsequently recovered, the indemnity, less the compensation for any reduction in value, shall be repaid to Zurich, or the items of property placed at Zurich's disposal;

- in the event of theft of the **vehicle**. If a missing vehicle is recovered within 30 days of Zurich receiving notification of the theft, you must take it back after the repairs, if any, have been carried out at Zurich's expense.

208.3

In the event of **loss or damage caused while parked**, Zurich shall only be obliged to pay indemnity provided you have arranged for a charge to be brought against the person or persons unknown and have provided a statement to the police.

208.4

In the event of **damage caused by animals**, you or the driver must immediately ensure that public authorities, such as the police, gamekeepers, etc., draw up a report on the circumstances of the accident or that the animal owner confirms the occurrence.

Failing this, Zurich shall indemnify the damage only if damage caused by collision (Art. 202.1) is insured, and then only subject to the conditions applying to such insurance. The same applies if the damage is caused by evasive maneuvers.

Passengers' personal accident insurance and accident insurance of helpers at accidents and breakdowns

Edition 01/2006

Article 301

Which persons are insured?

301.1

The persons stated in the policy are insured. If it has been agreed that the cover is limited to passengers who do not have UVG insurance, only those persons are insured who have no entitlement to benefits in accordance with the Swiss Federal Law on Accident Insurance (UVG).

301.2

The following persons shall also be insured: persons not connected with the vehicle who render assistance at accidents or breakdowns to passengers of the vehicle declared in the policy (hereinafter referred to as "accident and breakdown helpers"), excluding, however, persons who render such assistance in performance of their professional activities or in an official function (such as police, paramedics, employees of the automotive industry, highway patrolmen, etc.).

301.3

The insurance shall not apply to unauthorized persons using the vehicle.

Article 302

Which persons are insured in the event of accidents in other people's vehicles?

In the event of accidents in other people's vehicles, the insurance shall cover the policyholder (provided that this is a natural person) and the persons living in the same household as listed below:

- Spouse/partner,
- Relatives in the ascending and descending line,
- Brothers and sisters

as the driver of or passenger in another person's vehicle with a total weight of max. 3,500 kg and comprising no more than 9 seats. Vehicles registered to the insured persons listed above shall not fall under the category "other people's vehicles." In the event of a loss, see Art. 310.

Article 303

What accidents are insured?

Coverage shall apply in respect of accidents:

303.1

in which the insured persons are involved during use of the vehicle described in the policy

- while they are in the vehicle itself or while they are getting into or out of it,
- while, following an accident or breakdown of the vehicle described in the policy, they are giving assistance to its passengers, as well as, in general, in the course of working on the vehicle while it is on the road,
- while they are giving assistance during the journey, to other persons who have met with an accident or a breakdown;

303.2

in which the insured accident and breakdown helpers (Art. 301.2) are involved while they are giving assistance.

Article 304

What shall be considered an accident?

Any bodily injury which the insured person sustains involuntarily by sudden external violent means affecting him/her shall be deemed to be an accident within the meaning of this insurance.

Equivalent to accidents shall be:

- impairment of health by involuntary inhalation of any gas, fumes or vapors;
- the following kinds of impairment of health, provided the insured person sustains them involuntarily: strains and lacerations of muscles as a result of a sudden physical effort of the insured; frostbite, heat-stroke, sunstroke, as well as impairment of health by ultraviolet rays, with the exception of sunburn; drowning.

Article 305

What shall not be considered an accident?

Illnesses of any kind; impairment of health by medical measures which are not necessitated by an insured accident; suicide and self-mutilation or attempted suicide and attempted self-mutilation even if such acts are committed in a state of impaired judgment; impairment of health caused by the

effect of ionizing rays of whatever kind, in particular also by changes in the structure of the atomic nucleus.

Article 306

What accidents are not insured?

The insurance shall not apply to accidents:

306.1

as a result of warlike events

- in Switzerland,
- in foreign countries, unless the accident occurs within 14 days after such events took place for the first time in the country in which the insured person is staying, and provided he/she was taken unawares there by the outbreak of warlike actions;

306.2

caused by riots or civil commotions of whatever kind and the measures taken against them, unless the claimant proves that the insured person was not engaged on the side of the troublemakers, either actively or as an agitator;

306.3

caused by earthquakes in Switzerland;

306.4

while deliberately committing crimes and offenses or while attempting to do so;

306.5

while taking part in motor races, rallies and similar competitions, as well as while driving on racetracks; however, the insurance shall cover competitions involving navigational, cross-country and technical driving skills;

306.6

while the vehicle is requisitioned by the authorities;

306.7

while the vehicle is being driven by a driver who is not in possession of the driver's license required by law, or by a driver in possession of a learner's license who is driving without being accompanied as prescribed by law, provided the insured was aware of this infringement or could have been aware of it, had he/she conscientiously taken care.

306.8

Accidents which occur while the vehicle is being used for the commercial transportation of persons or commercial hiring out to self-drivers shall not be covered. Any such transportation or hiring out shall be deemed to be commercial in nature if an official license is required for such use.

Article 307

How are the benefits determined?

307.1

in the event of death?

If an insured person dies as a result of an accident, Zurich shall pay the sum insured in the event of death to the following persons entitled to claim successively:

1. the spouse,
2. the children, in equal shares. Children who, at the time of the accident, were taken in without charge for permanent care and education by the insured person shall also be deemed equal;
3. the parents, in equal shares,
4. the grandparents, in equal shares,
5. the brothers and sisters, in equal shares; in the absence of one of them, the latter's share shall pass to his/her children.

Each person or group of persons enumerated under para. 2–5 above shall be excluded by the existence of any preceding person or group of persons respectively.

However, you may, by a disposition mortis causa, designate beneficiaries to your insurance entitlements.

If you do not take advantage of this option, and there are no such surviving relatives, only the funeral expenses shall be paid, up to an amount not exceeding 10% of the sum insured in the event of death.

For insured persons who, at the time of the accident, have not yet reached the age of 15, the death benefit may not exceed CHF 10 000.–.

307.2

in the event of disability?

1. If the accident results in presumably permanent disability of an insured person, Zurich shall pay the sum insured in the event of disability, namely, in the event of total disability, the whole sum insured, and in the event of partial disability, a part of the sum insured corresponding to the degree of such disability.
2. The loss of both arms or hands, of both legs or feet, the loss of one arm or one hand together with one leg or one foot, total paralysis, incurable mental derangement whereby the earning of a living is rendered impossible, total loss of eyesight, shall be deemed to constitute total disability.

3. In the event of partial disability, the following percentages of total disability shall be binding:

loss of sight in one eye:	30%
loss of sight in one eye, if the sight in the other eye was already totally lost prior to the insured accident	70%
loss of hearing in both ears	60%
loss of hearing in one ear	15%
loss of hearing in one ear, if the hearing in the other ear was already totally lost prior to the insured accident	45%
loss of one arm at or above the elbow joint (including the hand and fingers)	70%
loss of one forearm below the elbow joint or of one hand (including the fingers)	60%
loss of one thumb	20%
loss of one index finger	12%
loss of one of the other fingers	5%
loss of one leg at or above the knee joint (including the foot)	60%
loss of one leg below the knee joint (including the foot)	50%
loss of one foot	40%

Total loss of use of limbs or organs shall be deemed to be equivalent to their loss.

If the loss or loss of use is only partial, a correspondingly lower degree of disability shall apply.

For cases not listed above, the degree of disability shall be determined based on a physician's conclusions and the percentage rates above.

In the event of simultaneous loss or loss of use of several parts of the body due to the same accident, the degree of disability will generally be determined by adding together the percentage rates; however, it may never exceed 100%.

4. Worsening of the consequences of the accident due to pre-existing physical defects shall not entitle a person to a higher benefit than the benefit which would have been payable had the person meeting with the accident been physically intact.

If any parts of the body were already totally or partially lost or could not be used at all or only partially prior to the accident, the degree of pre-existing disability ascertained according to the aforementioned rules shall be deducted when the degree of disability is determined.

The preceding para. 3 concerning the loss of sight and hearing shall not be affected hereby.

5. The degree of disability shall be determined in accordance with the insured's state of health only once it has been diagnosed as presumably permanent, however, not later than 5 years after the accident.

6. The benefit shall be determined as follows:

- for that part of the degree of disability not exceeding 25%: on the basis of the simple sum insured,
- for that part of the degree of disability exceeding 25%, but not 50%: on the basis of three times the sum insured.
- for that part of the degree of disability exceeding 50%: on the basis of five times the sum insured.

7. If an insured person has reached the age of 65 at the time of the accident, he/she will be paid a lifelong pension instead of the lump-sum payment (para. 1 above). The amount of this pension will depend on the age at commencement of the payment, and will be calculated on the basis of the pension table set out below. The pension will commence as soon as the degree of disability has been determined and any daily allowance payments have ceased. It will be paid quarterly in advance.

Pension table

Annual pension per CHF 1 000.– capital:

Age	CHF	Age	CHF
66	97.–	72	126.–
67	101.–	73	132.–
68	105.–	74	139.–
69	110.–	75	146.–
70	115.–	over 75	180.–
71	120.–		

307.3

for the daily allowance?

For the period of necessary treatment by a physician, but no longer than until payment of any disability indemnity and at most for 730 days over 5 years since the date of the accident, Zurich will pay the agreed daily allowance to the insured person, including for Sundays and public holidays, from the agreed day following the date of the accident. This allowance will be paid in full for as long as the insured person is totally incapable of working, and will be paid proportionally if and for as long as the insured person is partially incapable of working.

As regards insured persons who at the time of the incapacity to work are aged 15 to 18, Zurich shall pay one-half of the allowance mentioned in the preceding para.

1. Juveniles under the age of 15 shall receive no daily allowance.

307.4

for the daily hospital allowance?

Zurich will pay the agreed daily hospital allowance for the period of a necessary hospital stay, but at most for 730 days within a period of 5 years since the date of the accident; as appropriate, this allowance will be paid in addition to the daily allowance described in Art. 307.3 above and in addition to reimbursement of medical expenses as described in Art. 307.5 below. A hospital is defined as any institution which only admits persons who are sick or have had an accident, and which is supervised by a registered physician. Furthermore, Zurich will pay the daily hospital allowance as outlined above for the duration of health cures ordered by a physician which are taken in a specialized establishment with the consent of Zurich.

307.5

for medical expenses?

If, at the time of the accident, the insured person is entitled to benefits provided by mandatory nursing care insurance under the Swiss Federal Law on Health Insurance (KVG), Zurich shall assume only that part of the costs as specified in para. 1–4 below for which there is no claim under the mandatory nursing care insurance and only insofar as they are incurred within 5 years of the date of the accident.

If, at the time of the accident, the insured person is not entitled to benefits provided by mandatory nursing care insurance under the KVG, Zurich shall defray the costs as specified in para. 1–4 below in their entirety, provided they are incurred within 5 years of the date of the accident.

1. necessary expenses for treatment carried out or ordered by a registered physician or dentist, as well as hospital costs and expenses for treatment, board and lodging in the event of health cures ordered by a physician which are taken in a specialized establishment with the consent of Zurich; in addition, the daily allowance deduction for maintenance costs in a sanatorium as provided for in the Swiss Federal Law on Accident Insurance (UVG);

2. for the duration of the treatment, in accordance with para. 1 above: the cost of the services of qualified nursing staff or nursing staff provided by a public or private institution, and costs for the rental of patient aids;

3. the cost of the initial purchase of prostheses, spectacles, hearing aids and orthopedic aids and also of their repair or replacement (value as new), if they were damaged or destroyed in the event of an occurrence resulting in medical treatment as described in para. 1 above;

4. the costs of

- all transportation of the insured person necessitated by the accident; however, transportation by aircraft only if this unavoidable for medical or technical reasons;
- rescue operations, not occasioned by sickness, for the benefit of the insured person;
- operations to recover the body/bodies, provided that death occurred as a consequence of an insured accident;
- search operations with a view to saving the insured person or recovering the body, up to a maximum of CHF 10000.– per insured person.

If so requested, Zurich shall provide a guarantee for payment of costs and charges listed in para. 1 to 4 above.

If the insured person is also entitled to benefits under the Swiss Federal Law on Accident Insurance (UVG) and its related ordinances, Swiss Military Insurance (MV) or Federal Disability Insurance (IV), or if such benefits have been paid by another party liable under third party liability, Zurich will supplement these benefits up to the amount of the medical expenses incurred. Zurich will not pay any more than the costs described above. This provision is also applicable to insurance institutions with their

registered office in the Principality of Liechtenstein and all other countries.

Where a number of insurances exist with licensed insurers with respect to medical expenses, and/or supplementary insurances in accordance with the Swiss Federal Law on Insurance Contracts (VVG) exist with health insurance providers, the insured costs under this contract will only be paid proportionally to the benefits guaranteed by all the insurers involved together. Any insurance in force with a licensed insurer in accordance with the Swiss Federal Law on Accident Insurance (UVG) shall not be taken into consideration, however.

Article 308 What special benefits apply in the case of accidents abroad?

If, in the case of an accident abroad, Swiss law specifies that foreign law shall apply for the assessment of third party liability claims of the insured person under civil law, and if the sum insured agreed by the liable party is lower than the minimum insurance prescribed by law in Switzerland, then Zurich shall pay the following special benefits in the event of death or disability:

308.1
The death and disability benefits according to Art. 307.1 and 307.2 shall be doubled in this case.

308.2
The additional benefits payable by Zurich shall be limited in all cases to CHF 500 000.– per insured person.

Article 309 What benefits are insured for accident and breakdown helpers?

Irrespective of the benefits agreed upon for the insured passengers, the accident and breakdown helpers (Art. 301.2 above) shall be insured, per person, as follows:

in the event of death
(Art. 307.1) CHF 30 000.–

in the event of disability
(Art. 307.2) CHF 60 000.–

daily allowance
(Art. 307.3) CHF 25.–

daily hospital allowance
(Art. 307.4) CHF 25.–

medical expenses
(Art. 307.5) insured with the restrictions specified in para. 1 of Art. 307.5.

Article 310 Which benefits apply for accidents in other people's vehicles?

Irrespective of the benefits agreed for insured passengers, drivers of or passengers in other people's vehicles (Art. 302) shall be insured, per person, as follows:

in the event of death
(Art. 307.1) CHF 30 000.–

in the event of disability
(Art. 307.2) CHF 60 000.–

If there are several motor vehicles registered within the same household with passenger insurance, the insured persons are only entitled to claim this indemnity once.

The insurance applies

- within Europe as described in Art. 4 during the entire period of the insurance;
- worldwide for a maximum of 6 weeks after leaving the area of the geographical limits as described in Art. 4 of the Common Provisions.

Article 311 How are benefits determined if illnesses have contributed to the consequences of the accident?

If the consequences of the accident have been made considerably worse by existing illness or illnesses arising subsequently but not caused by the accident, only a proportion of the indemnity will be paid, corresponding to the proportion of the accident estimated as equitable by the medical expert. However, this restriction shall not apply to the insurance of medical expenses.

Article 312 How are benefits reduced in the case of an overloaded vehicle?

If, at the time of an accident, the number of passengers is greater than the number of seats declared in the vehicle registration document, indemnity payments in the event of death and disability shall be made in the same proportion as the number of seats to the number of passengers.

Article 313

How do these benefits stand in relation to third party liability insurance?

313.1

The benefits due from Zurich under the insurance for death, disability, daily allowance and daily hospital allowance shall be paid out – subject to Art. 313.2 – in addition to the benefits due under the third party liability insurance.

313.2

The benefits from Zurich shall be offset against any third party liability claims if the owner or driver of the vehicle is required to pay such liability claims himself/herself (e.g. as a result of recovery).

Article 314

What precautions are to be taken in the event of a claim?

After the occurrence of an accident, you or the insured person shall be obliged to notify Zurich immediately of the loss event.

The claim notification may be sent in writing using the claim form or made by telephone. Zurich's toll-free number is available to you or the insured person for telephone claims and emergency notifications.

Zurich shall have the right to require a written claim notification to be sent for loss events which have already been notified by telephone.

Fatal accidents are to be notified to Zurich, in sufficient time (if necessary by telegram, telephone or fax) so that Zurich can, if necessary, arrange for a post mortem at its own expense before the burial.

After the accident a registered physician should be consulted as soon as possible and appropriate treatment arranged. Furthermore, the insured person or the claimant must do everything in their power to help clarify the accident and its consequences; in particular, the insured person shall ensure that any attending physicians are released from their duty of confidentiality in relation to Zurich and shall consent to examination by physicians appointed by Zurich; in the event of death, the surviving claimants must give their consent to a post-mortem examination, if there may have been other causes of death apart from the accident.

