

Private insurance

The basics explained simply /





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Financial protection /

AXA Group is a global company offering financial protection to private and corporate clients. It is the number one in the Swiss insurance market with the densest agency network.

Its products cover the full spectrum of non-life insurance, as well as innovative and comprehensive pension solutions. In addition, AXA offers legal expenses insurance through its subsidiary AXA-ARAG.

AXA is also active in the field of accident research and prevention. It runs its own research center and is strongly committed to occupational health management.

Understanding insurance /

This brochure is intended to provide you with useful information about insurance. Illness, accident and other loss events can cause considerable financial strain, and it is therefore important to know how to protect yourself against such eventualities.

You are essentially free to choose how you cover your requirements as regards *risk*, except in the case of insurance that is required by law. It makes sense to seek professional advice and to eliminate potential gaps in coverage by purchasing insurance if a risk is difficult to quantify or could have unforeseeable financial consequences.

This brochure contains information on useful types of protection plus a brief insurance glossary that explains the *italicized* terms – and some others – clearly and simply.

Please contact your advisor for further details. You can obtain additional information by calling 0800 809 809 or visiting www.AXA.ch.

Mandatory and voluntary insurance

Switzerland's constitution and legal system have defined certain types of insurance as mandatory. Some of these are administered at federal level (e.g. *AHV/IV*) or cantonal level (buildings insurance) while others (e.g. motor vehicle insurance) can be purchased from private providers. All other forms of insurance are voluntary and available from private insurance companies.



Insurance contract

Once an insurance application has been signed, the *insurer* can assess the *risk* and may refuse at this point to enter into an *insurance contract*. As the client, you are bound for fourteen days by the application that you have signed. If a medical exam is required, the period is four weeks. If during this period you receive neither a confirmation letter nor a *policy*, you are free to look elsewhere for an insurance solution. This rule does not apply to mandatory health and accident insurance. The *insurance contract* starts on the date specified in the *policy*. The contract can be terminated for the following reasons by observing the notice periods set out in the *General Insurance Provisions*:

- You file a claim
- There is a change in premium (by invoking a *premium adjustment clause*)
- The *risk* no longer exists
- The contract ends

Loss event

Any *loss* should be reported immediately – in person, by telephone, by letter, or online at www.AXA.ch. Most types of insurance include an obligation to notify the *insurer*, and our customer service staff can therefore provide you with the best possible support. This will include information about the scope of insurance, the measures needed to reduce *loss*, and/or an assessment of the situation by an expert. If a claims notification is forgotten for some reason, benefits will nevertheless be paid at a later time, provided that not more than two years have passed since the event. However, the insurance company can reduce the benefits, depending on the situation.

Household insurance /

People generally have more capital invested in their home than they realize. Most people immediately think of their TV, stereo system and jewelry. But just how much is your household really worth?

Household contents insurance

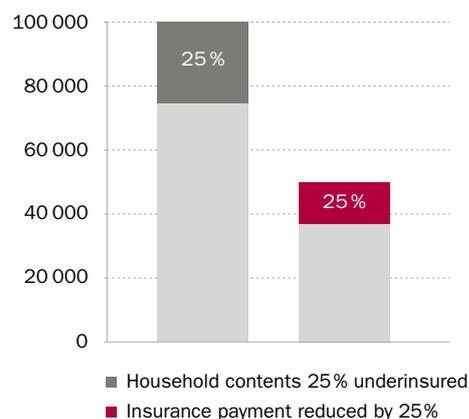
Household contents include all moveable property belonging to you and your family members who live in the same household. This also includes items that are leased or rented, items that you have been entrusted with, and items that guests have brought to your home.

Household contents insurance covers a range of events. For example, it will cover the *loss* if personal property is stolen, or if furniture is destroyed by fire or damaged by water from an overflowing bathtub.

This type of *coverage* can also be extended to include damage to your windows or your coffee table, for example.

The value of your household contents changes constantly. It is therefore recommended that you review the *amount of insurance* regularly. If you are overinsured, it means you pay too high a *premium*. If, on the other hand, you are underinsured (i.e. the *amount of insurance* is too low) any *loss* you may suffer will be compensated only as the ratio of the *amount of insurance* to the current *insurance value*.

Example of underinsurance involving partial loss:





Personal liability insurance

Personal *liability* insurance covers claims arising from personal injury and property damage, but it also offers protection against unjustified *third-party* claims. This includes *claims* that you may be liable for as homeowner, tenant, subtenant or animal keeper, as well as claims arising from sports activities in which you are involved. For an additional premium you can also cover special risks such as your *liability* as a hunter or as the keeper of model aircraft.

Valuables insurance

If you own valuable jewelry, wrist watches, paintings or an expensive musical instrument, we recommend that you consider taking out valuables insurance. It covers your favorite pieces and collections against *loss*, misplacement, theft, destruction, or damage.

Settling a claim will also be much easier because the objects are listed separately in the *policy* based on receipts and other documents.

Buildings insurance /

Construction and renovation are time-consuming and costly. Put your insurance situation on solid foundations so that the dream of owning your own home doesn't turn into a nightmare.

Builder's risk insurance

Damage or destruction resulting from accidents on building sites – e.g. collapses during excavation work, renovation on buildings already erected, as well as fires and *natural hazard events* (insofar as they are not covered under cantonal fire insurance) – can become very expensive.

In addition to the construction risk, the following can also be included as required:

- Foundation soil/rock, excavated material and fill
- Existing buildings
- *Movables*
- Support equipment, scaffolding, safety materials, site accommodation, hoardings, and barriers

Construction liability

Construction *liability* insurance complements builder's risk insurance in that it covers claims that are based on statutory provisions and filed against the builder or owner of a plot in the event of personal injury or property damage – even if the party is not at fault (*strict liability*). This insurance offers protection against unjustified claims by *third parties*. If necessary, *damage* resulting from activities such as planning, construction management/supervision, and excavation work performed by the builder owner himself, can also be insured.

Property owners' liability insurance

Acquiring or owning property entails certain obligations. As the owner, you will be held liable if someone is injured or property is damaged in connection with the condition or maintenance of your property.

Property owners' *liability* insurance is designed to cover *claims* of this kind. It is included in the personal *liability* insurance of people who have an owner-occupied single or a multi-family building with a maximum of three apartments.



Building property insurance

In most cantons, buildings must be insured against fire damage through a cantonal building *insurer*.

Only the cantons of Geneva, Uri, Schwyz, Ticino, Appenzell Innerrhoden, Valais and Obwalden are not subject to this rule. Some of these cantons do stipulate mandatory insurance, but this can be purchased from a private insurance provider.

In addition to fire insurance for buildings, you can also take out insurance against water damage, theft, or glass breakage from a private insurance company of your choice.

We recommend that building owners regularly review the *amount of insurance*. If it is too low, *insurance benefits* may be reduced in the event of a claim (see chart on page 6).

Motor vehicle insurance /

The increasing traffic density in our highly mobile society calls for clear rules on how roads are used. Insurance is a key part of this picture. Besides mandatory liability insurance, there are numerous ways of protecting yourself, your passengers, and your vehicle.

The Road Traffic Act defines the rules for traffic on public roads and requires registered users of vehicles to have *mandatory liability insurance*.

Liability insurance

Liability insurance covers any loss that you as the driver of a motor vehicle may cause to other road users (drivers, cyclists or pedestrians) and offers protection against unjustified *third-party* claims. This insurance covers personal injury and property damage.

Partial accidental damage insurance

Partial accidental damage insurance comes into play if your vehicle is damaged as a result of natural forces (e.g. storm, hail, flood, rockfall) or through impact with an animal. Depending on the specific agreement, the insurance may also cover theft of the vehicle, fire damage, glass breakage, and theft of items from the vehicle. It may also cover malicious damage or misappropriation of your vehicle by an unknown person.

Full accidental damage coverage

Full accidental damage insurance includes all the events covered under partial accidental insurance and also covers you against collision damage to your own vehicle.

Accident insurance

If individuals are injured or killed in a traffic *accident*, this insurance covers the driver and passengers of the vehicle against the financial consequences, regardless of who was at fault. Depending on the agreement, it may also cover *medical expenses* (in a private room if inpatient care is required), *daily benefits*, or a *disability lump sum* or *death lump sum*.

Mobility insurance

The insurance includes emergency roadside service, towing, plus vehicle recovery and repatriation to ensure that you always remain mobile while on the road.

Coverage is valid for trips in Switzerland and Europe.



Watercraft and aircraft insurance /

Naturally, optimum protection is decisive not only when you are on the road but also when you are on water or up in the air. There are a numerous insurance products that can meet your requirements in these areas.

Watercraft insurance

Do you own or rent a motorboat or a sailboat with a sail area of more than 15m²? If so, inland navigation laws require you to have *liability insurance*. This covers any *loss* you may cause to other persons or boats and offers protection against unjustified *third-party* claims.

Partial accidental damage insurance protects you against the following risks (among others):

- Fire damage
- *Natural hazard events*
- Theft
- Glass breakage
- Snow slide

Full accidental damage insurance covers *damage* to the boat:

- Due to sudden violent external events (impact, collision, running aground, and waterlogging),
- As a consequence of bent/broken masts and spars, rip damage to standing and running gear, and all events covered under partial accidental insurance.

Accident insurance for watercraft is similar to motor vehicle insurance and, depending on the specific agreement, may cover *medical expenses*, *daily benefits*, or a *disability lump sum* or *death lump sum*.

Aircraft insurance

Registered users of motor planes, gliders, helicopters, motor gliders or balloons are also required to have *third-party* liability insurance.

Pilots are liable to *third parties* for any *loss* that occurs in the air or on the ground. They are responsible for their passengers and can be held liable if something unforeseen happens. Combined *third-party* and passenger liability insurance offers comprehensive protection against liability claims.

Full accidental damage insurance also covers *damage* to the aircraft. Accidental damage insurance for aircraft that are in storage only covers *damage* that arises while the aircraft is on the ground.

As with the other types of motor vehicle insurance, you can also take out accident insurance for passengers and crew to cover *medical expenses*, *daily benefits* (if these have been specified), or a *disability lump sum* or *death lump sum*.

Travel and holiday insurance /

Life is full surprises, and unfortunately not all of them are pleasant. Things may not always go to plan, even when you're on vacation. Having the right insurance coverage will help you to relax when you're away from home.

Vacation time is often the best part of the year. However, the following are likely to leave you facing additional costs: Suffering an *accident* shortly before going on vacation, being prevented from leaving due to an *illness*, or being forced to return earlier than planned.

Cancellation cost insurance

Cancellation cost insurance will cover any contractual cancellation costs that you may be obliged to pay to a travel agency or carrier (e.g. for confirmed flights or hotel rooms) if you cannot start a trip as planned or need to return early.

Personal assistance insurance

Your plans are likely to be disrupted if you suffer *accident* or *illness* during your trip, if your means of transportation fails, or if your property is damaged. In situations like these, personal assistance insurance will cover the cost of rescue and recovery worldwide, as well as the additional cost of unanticipated transport, accommodation and meals.

Vehicle assistance insurance

Your trip doesn't need to end if your vehicle breaks down. Vehicle assistance insurance covers roadside service or towing fees or the cost of repatriating the vehicle. It also covers the rescue or recovery of persons after a collision plus any additional costs for meals and accommodation resulting from an insured event.

This insurance is valid in Switzerland, Europe, and countries bordering the Mediterranean but not in the Russian Federation, Belarus, Georgia, Armenia, Azerbaijan, or Kazakhstan.

Travel insurance abroad

Mandatory health insurance benefits are often inadequate when you are abroad. It therefore makes sense to take out special travel insurance as additional protection for the duration of your stay abroad. It covers, among other things, *medical expenses* that exceed the upper limit of your mandatory health insurance in Switzerland.

Legal expenses insurance /

Disputes are always unpleasant and can be very expensive. Legal expenses insurance provides you with all the resources you need to defend your rights when you are faced with legal action.

Legal expenses insurance provides you with access to the best possible advice if you become embroiled in a dispute. Legal experts will review the situation and assess your chances of winning in court. They will also deal with any legal work and, following consultation, offer you support in selecting a specialized attorney.

This insurance also covers the cost of expert opinions, court fees, and attorneys. In addition, it ensures that you receive any compensation that is awarded to you and provides bail so that you can avoid pre-trial detention.

Personal legal expenses insurance

Personal legal expenses insurance helps you settle disputes as a private individual in your capacity as a tenant, employee, patient, or consumer, etc.

It covers the following areas:

- Civil damages law
(incl. crime victims compensation law)
- Criminal law
- Patient law
- Insurance law
- Labor law
- Tenancy law
- Contract law
- Neighbor law
- Property law
- Individual, family and inheritance law (advice)

Legal expenses insurance for motorists

This insurance covers you as the owner or registered user of a vehicle, as a driver or passenger in your own or a *third-party* vehicle, as a pedestrian, or as a passenger in public or private transportation. It not only covers disputes in relation to the accident, but also provides professional protection in the following areas:

- Civil damages law
(incl. crime victims compensation law)
- Disqualification from driving
- Vehicle taxation
- Insurance law
- Criminal law
- Vehicle contract law

Legal expenses Plus

Legal expenses Plus includes not only legal expenses insurance for motorists and personal legal expenses insurance but also free legal expenses insurance for travelers with worldwide coverage.

Legal expenses insurance for travelers provides protection in the following areas anywhere in the world:

- Civil damages law
- Criminal defense
- Tenancy law
- Other contract law (travel law)

Health insurance /

Although you can't insure your health, you can do your best to preserve it. But illness and accidents can happen to anyone. That's why legislators have made health insurance and accident insurance mandatory.

Basic insurance

Mandatory basic insurance is defined in the Federal Law on Health Insurance and provided by health insurance companies (in some cases through private insurance companies).

Basic insurance covers the essentials in the event of *illness* and maternity, including outpatient treatment and any medication and therapies that are prescribed by a doctor. It also covers inpatient care and treatment in the general ward of hospitals that are on the list of the patient's canton of residence. Besides *medical expenses*, the basic insurance also covers at least a part of the cost of services administered in a care center or at home. You only need to have your own *accident* insurance if you have neither mandatory nor voluntary *coverage* under the Federal Law on Accident Insurance (UVG).

Insured persons must pay part of the cost of the services they receive. Their contribution consists of:

- A fixed annual amount (the *franchise*)
- 10 percent of any costs over and above the *franchise* (the *deductible*)

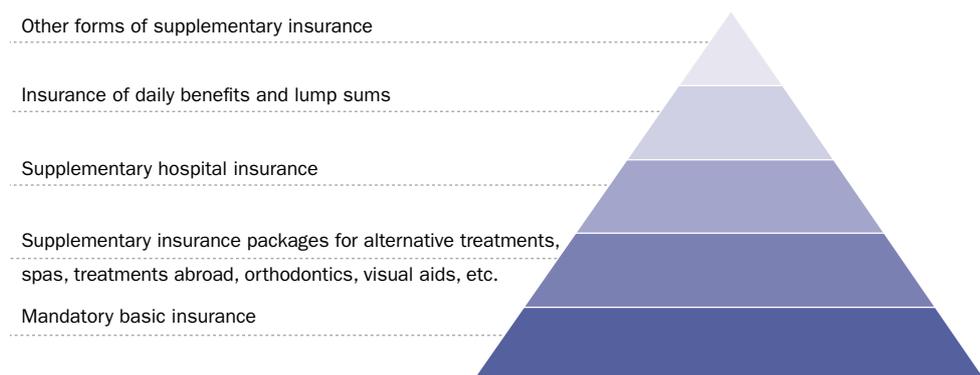
The Federal Council fixes the *franchise* and sets an annual maximum amount for the *deductible*.

Premium discount

In response to mounting health care costs, there are growing calls to find ways to reduce *premiums*.

In general, there are two possible approaches. *Premiums* can be reduced through:

- Choosing an alternative insurance model such as a health maintenance organization (HMO), or the general practitioner (GP) model.
- Increasing the *franchise*





Supplementary insurance

Basic insurance can be extended to include a range of supplementary benefits for both inpatients and outpatients. For example, outpatient care could include alternative treatments and vaccinations, as well as rescue and transportation costs in Switzerland and abroad.

With supplementary hospital insurance you can, for example, freely select either the general ward or a semi-private or private room in a hospital anywhere in Switzerland.

With daily benefits or lump sum insurance, you can insure either *daily benefits* or a *lump sum* in the event of *accident* or *illness*.

Many employers insure their employees against the consequences of incapacity for work as a result of *illness*. The period to be covered by *daily benefits* insurance must be coordinated with the occupational benefits insurance and the private pension provider.

Accident insurance

Pursuant to the Federal Law on Accident Insurance (UVG), employers are required to insure their employees against occupational and non-occupational *accidents*. Employees who work an average of less than eight hours a week for the same employer are insured only against occupational *accidents*. In this case, *medical expenses* for non-occupational *accidents* are covered under mandatory health insurance.

Self-employed persons are not subject to the Federal Law on Accident Insurance. They can, however, enroll on a voluntary basis. If they choose not to, their *medical expenses* have to be covered under their compulsory health insurance.

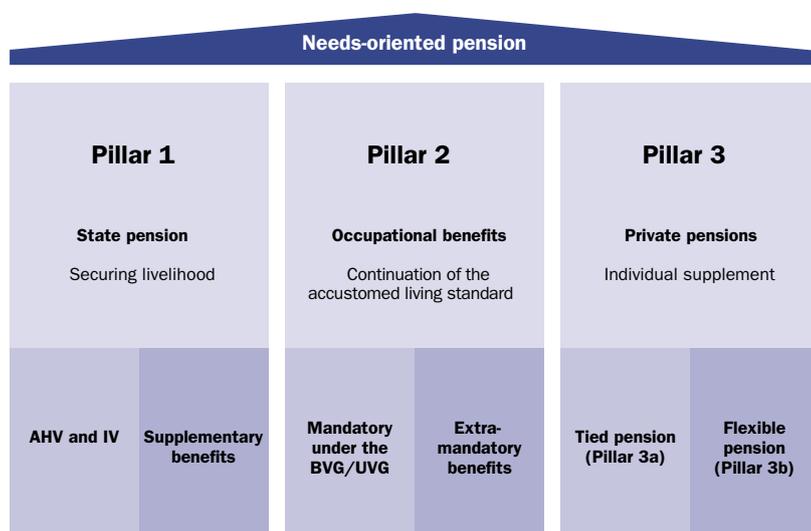
Accident insurance under the UVG covers the following:

- Treatment (inpatient care in the general ward, visits by a doctor, dental work, medication)
- Cash benefits to compensate for *loss* of earnings (in the form of *daily benefits*, disability or survivors' pensions)
- Aids (e.g. glasses, prostheses)
- Special cash benefits (*integrity* or *care allowance*), provided they relate to an insured accident.

Compulsory *accident* insurance can be extended to include supplementary benefits (e.g. hospital care in a semi-private or private room, supplementary disability or survivors' pension, *bridging capital*).

State pensions and occupational benefits insurance /

In Switzerland, retirement, survivors' and disability pensions are based on the three-pillar concept, which is anchored in the constitution. While Pillars 1 and 2 are mandatory, Pillar 3 is an optional component that can be used to cover any specific gaps in pension provision.



Pillar 1

AHV

Insured persons are entitled to receive a pension from the Old Age and Survivors' Insurance (AHV) once they retire. If the insured person dies, the surviving family members may be eligible for a widow(er)'s or orphan's pension.

IV

Disability insurance (IV) comes into force in the event of *occupational disability* due to physical impairment (as a result of *illness, accident* or a birth defect). Entitlement to this pension begins if the *insured* has, on average, been at least 40% incapacitated without significant interruption for one full year and is likely to remain so for the foreseeable future. *Daily benefits* can be insured under the health or accident insurance plan to close any gap in coverage during the transitional period.



Supplementary benefits

Supplementary benefits are intended to secure the livelihood of economically disadvantaged persons receiving an *AHV* or *IV* pension. Supplementary benefits are *insurance benefits*, not welfare benefits, and are generally provided by the cantons.

Pillar 2

The Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (*BVG*) states that Pillar 2 pensions, together with *AHV* and *IV* pensions, are intended to ensure that retirees, survivors and disabled persons can maintain their accustomed standard of living. Every employee earning more than CHF 20,880 per year must pay contributions into an occupational benefits plan. *Disability* and death risks are insured from January 1 after the person's 17th birthday; retirement benefits are insured from January 1 after the person's 24th birthday. Women are entitled to a retirement pension from age 64 and men from age 65 (status in 2011).

Accident risk is generally not part of *BVG provision* and is covered instead by compulsory accident insurance.

Private pensions /

Private pension provision (Pillar 3) is each individual's own responsibility. It supplements the benefits from Pillars 1 and 2 and offers you and your family the financial security you need.

Reasons for starting a private pension

Private pension provision has three main goals:

- Retirement provision
- Protection against financial risks arising from *occupational disability* or death
- Capital accumulation

Retirement provision

The higher a person's earned income, the greater a pension gap this person will experience on retirement. This is why it makes sense to start a Pillar 3 pension plan even if your earnings are relatively modest.

Protection against risk

Pillar 2 offers adequate protection against the risks of *disability* and death resulting from an *accident*. However, statistics have shown that *illness* – not *accident* – is the most frequent cause of *disability* and death. In the event of *illness*, these risks are inadequately covered under the state plan. Here, an individual Pillar 3 plan can help to close whatever gaps there may be.

Capital accumulation

The aim is to accumulate a sizeable amount of capital by a given date. The government supports private pensions by granting tax breaks, thus enabling individuals to optimize their tax burden.



Life insurance

Pillar 3 is divided into tied pensions (3a) and flexible pensions (3b). While tied pensions benefit from tax privileges, flexible pensions offer a greater range of features and still provide some tax advantages.

Overview of the most important types of insurance:

Endowment insurance

Endowment insurance combines protection for those close to an *insured* person in the event of his/her death with targeted capital accumulation. It comes in a traditional form with guaranteed interest or as a unit-linked alternative where the client can choose from a range of investment funds.

Occupational disability insurance

In cases where *occupational disability* occurs due to *illness* or *accident*, the person becomes eligible for a *pension* to compensate for all or part of the lost earnings.

Premium waiver for occupational disability

Premium waiver is an optional or integrated feature of many *life insurance* policies and is intended to ensure that premiums continue to be paid. In the event of *occupational disability* through *accident* or *illness*, the insurance company assumes responsibility for paying the premiums.

Whole life insurance

A whole life policy guarantees the survivors' financial security if the *insured* dies. The *death lump sum* never becomes part of the estate and is instead paid directly to the *beneficiary*.

Savings insurance

The primary objective of savings insurance is to accrue capital, which is why the insurance component is kept to a minimum. The accrued savings are then paid out on a given date.

Retirement pension

Retirement pensions are designed to provide the *insured* with a guaranteed lifelong income.

Glossary of insurance terms

This glossary aims to give you a clear and straightforward explanation of the insurance terms.

Accident

The sudden, unintentional, injurious impact of an unusual external factor on the human body.

Actuarial reserve

The total in savings premiums accrued up to a given date, plus interest, plus any reserve that may be needed to cover future administration fees for endowment insurance.

AHV

Old Age and Survivors' Insurance (Pillar 1)

AIP

Additional Insurance Provisions. AIP can become a part of the → *GIP*. They define how supplementary or special risks are insured. The → *policy* specifies which → *GIP* and AIP apply.

Allowance for physical or mental impairment

Persons insured under the UVG whose physical or mental integrity (intactness) has been permanently and substantially compromised due to an → *accident* are entitled to an allowance for physical or mental impairment. This allowance is graded in line with the type of injury and is paid out as a lump sum.

Amount of insurance

The agreed maximum amount shown in the → *policy* that the insurance company will pay out in the event of a claim.

Beneficiary

The person who is entitled to receive the → *insurance benefits* as specified in a → *beneficiary clause*.

Beneficiary clause

An official order regarding → *insurance benefits* that applies only to personal insurance. In this case the → *insurance benefits* are assigned to a → *third party* (i. e. the *beneficiary* acquires the right to the insurance benefits).

Benefits level

The amount to be paid out, expressed as a percentage of the → *amount of insurance*

Bonus

Motor vehicle insurance: A premium level system used in motor vehicle liability insurance and accidental damage insurance for the purpose of calculating the → *premium* based on the claims history. → *Life insurance*: Policyholders' participation in surpluses (→ *surplus participation*) from the return on the insurance company's investments.

Bridging capital

An → *accident* resulting in permanent → *disability* or death may lead to high costs that can be covered only by voluntary insurance that provides benefits above and beyond those offered by compulsory accident insurance. The agreed lump sum helps to cover this extraordinary financial situation.

BVG

Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (Pillar 2)

Care allowance

Recipients of → *AHV* retirement pensions, *AHV* supplementary benefits, or → *IV* pensions who are domiciled and have their usual place of residence in Switzerland and are severely or moderately disabled are eligible for care allowance. A minor → *disability* is already sufficient to qualify an individual for care allowance from the → *IV*. Care allowance applies to persons who depend on the help of a → *third party* to perform everyday tasks or who *require supervision* because of a → *disability*.

Change of ownership

The transfer of property rights from one owner to another.

Coverage

Coverage defines what is insured against which risk (e.g. household contents against fire, theft or water damage or a person against → *disability*).

Combined endowment insurance

In the case of combined endowment insurance, the agreed lump sum is paid immediately on death of the → *insured* or at the latest when the insurance term ends.

Daily benefits

An agreed amount paid in the event of temporary incapacity for work resulting from → *illness* or → *accident*.

Death lump sum

A single benefit from a whole life policy that is paid out on death of the → *insured*. In → *life insurance*, a contractual arrangement is possible whereby the amount is paid to a → *beneficiary*.

Deductible

The deductible is an amount (expressed as a percentage) that the → *insured* must pay in respect of each claim.

Disability

Permanent *loss* or impairment of the ability to work or earn a living (→ *occupational disability*).

Disability lump sum

A lump sum that is paid if the → *insured* suffers full or partial → *disability*. The amount of the payment is based on the → *benefits level*.

Double insurance

This applies if, in the case of → *indemnity insurance*, the same item is insured against a given risk with more than one insurance company. This is of no benefit to the → *insured* because the companies will divide the actual amount of any → *claim* that is paid. This is not the case with → *fixed-sum insurance*.

Fixed-sum insurance

The → *insurance benefit* as a defined amount that is owed if the insured event occurs, regardless of whether a → *loss* actually occurred (e.g. → *life insurance*).

Franchise

The franchise is the fixed part of the cost contribution. It can be increased voluntarily, which will result in reduced premiums.

FSIO

Federal Social Insurance Office.

GIP

General Insurance Provisions. The GIP describe the rights and obligations of the contracting parties. Together with the insurance → *policy*, they form the legal basis of the → *insurance contract*.

General Insurance Provisions

→ *GIP*

Illness

Illness is a state beyond the control of the → *insured* whereby normal bodily functions are adversely affected by disease in a way that can be identified medically.

Indemnity insurance

The → *insurance benefit* is paid only for the actual → *loss* that occurred, up to the → *amount of insurance*.

Insurer

Another name for an insurance company.

Insured

The person who is covered against certain hazards based on the → *insurance contract* with the → *insurer*.

Insurance benefits

Financial compensation and other services provided if an insured event occurs.

Insurance contract

This is the contract on the basis of which one party (the → *policyholder*) accepts an undertaking from another party (the → *insurer*) against payment of a → *premium* to provide a benefit to the party in question or to a → *third party* in the event that a potentially injurious event (a → *risk*) actually occurs.

Insurance Contract Act

The federal law that governs the relationship between the → *insurer* and the → *policyholder*.

Insurance value

The value of the insured item on the date that the → *insurance contract* is concluded.

IV

Disability insurance (Pillar 1).

Liability

The obligation of one party to assume responsibility for a → *loss* that he/she unlawfully causes to another party.

Liability insurance

Liability insurance covers the financial loss that the → *policyholder* suffers from having to satisfy justified claims brought by a → *third party*. It also offers protection against unjustified claims brought against the → *policyholder* (the legal expenses option).

Life insurance

The agreed → *amount of insurance* is paid out only if the → *insured* is alive at the end of the contract term. If the → *insured* dies before the contract term ends, all or part of the → *premiums* (without interest) that were paid will go to a → *beneficiary*.

Loss

A reduction in net worth comprising the difference between the injured party's current net worth and the net worth if the injurious event had not occurred. Distinctions are made among personal injury, property damage, and financial loss.

Medical treatment costs

The medical expenses incurred in restoring a person's health.

Movables

Movable property.

Natural events

Flood, high water, storm, hail, avalanche, snow loads, rockfall, rockslide, and landslide.

Occupational disability

Occupational disability means that for health reasons the insured person is unable to perform his/her job or another job that he/she might be reasonably expected to perform.

Overinsurance

In the case of overinsurance, the → *amount of insurance* is greater than the value of the insured object.

Policyholders who are overinsured pay too high a → *premium* because only the insured replacement value is paid out in the event of a claim.

Pension

The benefit that the → *insurer* must pay on a recurring basis if the insured event occurs.

Policy

The document that sets out the → *benefits* and the → *premium* of the insurance that has been purchased and defines the legal basis of the contract → *GIP*, → *SIP*, and → *AIP*.

Policyholder

The policyholder is the contracting party that receives → *coverage* for him/herself and/or another party or parties by purchasing an *insurance contract*. The policyholder is also generally responsible for paying the premium.

Premium

The price of insurance coverage for a given period (usually a year).

Premium adjustment clause

If a contract has a premium adjustment clause, the insurance company can adjust the → *premium* and the → *deductible* during the contract term. In this case, before the adjustment becomes effective the → *policyholder* is entitled either to terminate the contract or to accept the change.

Premium waiver

In the case of life insurance contracts, the premium waiver provision is either included in the basic rate or offered as supplementary → *coverage*, whereby the obligation to pay the → *premium* in the event of the insured's → *occupational disability* or death no longer applies.

Risk

The possibility that an injurious event may occur.

Satisfaction

Compensation paid out in respect of an intangible → *loss*.

Sector

Types of insurance (e.g. accident insurance, → *life insurance*, and motor vehicle insurance).

Single premium

A single amount instead of periodic → *premiums* as a way of financing a → *life insurance* policy.

SIP

Special Insurance Provisions. The SIP supplement or amend particular points of the → *GIP*.

Strict liability

A party may be → *liable* even if not at fault. For example, the registered user of a motor vehicle is liable for damage caused through use of the vehicle.

Subjective risk

Subjective risk is defined as the hazards that arise from the conduct of the → *insured*.

Surrender value

If a life insurance policy is surrendered before the maturity date, the → *insured* will receive its surrender value. It consists of the portion of the → *actuarial reserves* less any undepreciated acquisition costs.

Surplus participation

In → *life insurance*, a surplus may arise if the insurer's return on investment is higher and/or the risk/costs turn out to be lower than originally assumed when calculating the premium. Any surpluses that arise in this way are credited to the → *policyholder*.

Technical interest rate

The guaranteed minimum interest rate paid on a life insurance policy.

Third party

A third party is not a party to the → *insurance contract*. However, as a claimant or → *beneficiary* a third party may have certain rights vis-à-vis the insurance company that are derived from the → *insurance contract*.

Underinsurance

Underinsurance refers to a situation in which the agreed → *amount of insurance* is less than the actual value of the insured object. For example, a person who purchases insurance at 50% below the *insurance value* will receive only 50% in compensation for the → *loss* in the event of a claim.

Waiting period

The → *insurance benefits* only become due after a defined number of days. Waiting periods are mostly found in health and accident insurance.

Questions on pensions and insurance require individual attention.
Therefore, a personal consultation is always the best way of finding the ideal solution.

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AXA Winterthur
General-Guisan-Strasse 40
P.O. Box 357
8401 Winterthur
24-hour telephone:
0800 809 809
www.AXA.ch
AXA Insurance Ltd

