

General Conditions for Insurance of Specie

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The original wording in German shall be decisive in the case of dispute.

The term policyholder is hereinafter understood to include: the party contracting the insurance, the holder of title to claim (claimant) and any person for whose acts the aforementioned are responsible (other insureds).

A. Scope of insurance

Art. 1 Insured risks

The insurance covers loss of and damage to specie/valuables of the kinds listed below or by special agreement, for example

- securities e.g. stocks and shares (share certificates), bonds, promissory notes, coupons, crossed cheques, bills of lading, bills of exchange or similar and bills made out to order with fixed value
- precious metals of at least the value of silver, unprocessed, in bullion form or minted (but not numismatic coins)
- banknotes and legal-tender coins made of non-precious metals (but not numismatic coins), telephone cards, drawn lottery tickets and similar prize vouchers, uncrossed cheques, travellers cheques, savings books, currently valid postage stamps.

In the case of accompanied consignments, theft and loss are insured only if violence is threatened or used or if the person charged with effecting the carriage is unable to offer resistance as a result of death, injury or accident.

Accompanied consignments are those consignments which for the entire journey or only for that part of the journey from or to the carrier are effected by the policyholder, sender or consignee themselves, provided they are not carriers. Such accompanied consignments are insured only if the specie/valuables are conveyed under permanent, personal supervision and are deposited in a safe during sojourns.

The exclusions provided for in Art. 3 apply notwithstanding.

Art. 2 Insured costs

Should an insured loss have occurred or be immediately imminent, the insurer assumes the cost of

- the surveyor's activities
- preventing or minimizing the loss or damage
- implementing blockage or invalidation procedures in accordance with Art. 16
- the general average contributions assigned to the insured specie/valuables under the terms of a legally effective average statement and the specie/valuables sacrificed in the context of the general average, always subject to the exclusions provided for in Art. 3.

Art. 3 Exclusions

- a) The insurance cover does not extend to the consequences of
 - seizure, confiscation or retention by a government, authority or power, subject to Art. 3d)
 - delay in the transit or delivery, irrespective of the cause
 - deliberate intent on the part of the policyholder. In the case of negligence on the part of the policyholder, the insurer is entitled to reduce his payment in the ratio in which the policyholder's negligence contributed to the loss.
 - misrepresentation
 - infringement of import, export or transit regulations or currency-control or customs regulations
 - infringement of carrier's regulations with the policyholder's knowledge.
- b) The following are likewise excluded:
 - damage to the packing, unless specifically insured
 - damage caused by nuclear energy or radioactivity. This exclusion does not apply to damage caused by radioisotopes and equipment for the production of ionising radiation (e.g. for medical purposes).
 - damage caused by the use of chemical, biological, bio-chemical or electromagnetic weapons
 - indirect losses such as
 - losses not involving immediate loss of or damage to the specie/valuables itself, e.g. loss of interest, drop in market value or sale price
 - compensation for trouble taken in connection with loss or damage
 - demurrage and freight supplements of whatever nature and costs other than those covered in accordance with Art. 2.

- c) Insurance cover is forfeited if the insurer's regulations concerning dispatch or limits are not adhered to or if, with the policyholder's knowledge,
- the agreed safety measures are not adopted
 - the journey or the means of conveyance do not correspond to the agreements
 - the specie/valuables are carried by inappropriate means of conveyance, are not properly packed or addressed, or if routes are used that are officially closed to traffic.
- d) Unless otherwise agreed, insurance cover does not extend to the consequences of politically or socially motivated events such as:
- war
 - warlike occurrences (e.g. occupation of foreign territory, border incidents)
 - civil war, revolution, rebellion
- preparations for war or hostilities
 - explosion or other effects of mines, torpedoes, bombs or other engines of war
 - confiscation, requisition, sequestration, detention or retention by a government, authority or power
 - strike, lock-out or civil disturbances (civil disturbances include acts of violence or malice committed in the context of insurrection, rioting or commotion and any associated looting or pillage)
 - terrorism (terrorism is defined as any act of violence committed or threatened in pursuit of political, religious, ethnic, ideological or similar objectives with the intention of intimidating, coercing or putting in fear a civilian population or section thereof or of influencing any government or government agency).

No insurance cover is provided for cases in which the cause of a loss or damage cannot be ascertained but is probably attributable to any of the above events.

B. Duration of insurance cover

Art. 4 Beginning and end of cover

Insurance cover commences as soon as the specie/valuables, duly prepared for conveyance, are removed from their current location for immediate transportation and ends as soon as they are delivered to the place specified by the consignee.

If the consignee refuses acceptance or if the consignment cannot be delivered, the cover is extended, subject to the provisions of Art. 5, until the sender takes receipt of the returned consignment.

Art. 5 Delays

In the event of any delay during the insured voyage, the cover is limited to 30 days for each such delay.

The delay at any location en route is defined as the time between the arrival of the delivering and the departure of the onward means of conveyance, inclusive of the days of arrival and departure.

Cover during delay may be extended by special agreement.

C. Definition of values

Art. 6 Insurable value

The insurable value is the market value of the specie/valuables at the place and time of commencement of the insured voyage, plus freight and other costs incurred up to the place of destination.

Customs and excise duties may also be insured by special agreement.

If coupon sheets, coupons and the associated securities are not sent together, the insurable value for each consignment is the full market value of the securities.

Art. 7 Sum insured

The sum insured must match the insurable value. The sum insured constitutes the limit of indemnity for all losses and damage, even if these result from different events. The insurer will nevertheless reimburse the costs provided for in Art. 2 even if the aggregate of these costs and the amounts paid as indemnity exceeds the sum insured.

Art. 8 Underinsurance

If the sum insured is lower than the insurable value, the insurer will indemnify for loss, damage and costs only in the ratio of the sum insured to the replacement value.

Art. 9 Double insurance

The policyholder is obliged to report any overlapping insurance to the insurer in writing or by means of text evidence as soon as he becomes aware of it. The insurer will indemnify only subsidiary to the other insurance.

D. Policyholder's duties of notification

Art. 10 Duty of disclosure

At the time of conclusion of the insurance contract and whenever reporting a risk for cover, the policyholder is obliged to notify the insurer on his own initiative of all circumstances likely to influence the insurer's assessment of the risk. This obligation applies even if it can be assumed that these circumstances are already known to the insurer or his representative.

If the insurance is contracted for the account of a third party or by an agent of the policyholder, the insurer shall also be notified of any circumstances which are known to or ought to be known to the insured or the agent.

Any failure to disclose material circumstances, any fraudulent misrepresentation or deliberate incorrect or misleading information given will render the insurance contract null and void.

Art. 11 Alterations in the course of the insured voyage

The specie/valuables will be held covered in the event of stopovers or departures from the normal route or of transshipments not agreed upon at the time of conclusion of the contract and in the event of any amendments which the carrier is authorised to make on the basis of the freight contract. However, the policyholder is obliged to notify the insurer of these increases in the risk as soon as he becomes aware of them.

Art. 12 Increase of risk

Should the policyholder cause the risk to be materially increased – except by reason of the changes provided for in Art. 11 – the insurer is thereafter no longer bound by the contract. However, if the risk is materially increased due to circumstances beyond the policyholder's control, the latter must notify the insurer as soon as he becomes aware of those circumstances; otherwise cover ceases from the time the risk is increased.

E. Obligations in the event of a loss

Art. 13

Notification of loss and salvage efforts

The policyholder must inform the insurer forthwith of any loss or damage which comes to his knowledge.

Furthermore, in the event of any loss or damage, the policyholder is obliged to undertake, without delay, every effort to preserve and salvage the specie/valuables and to minimise the loss or damage. The insurer himself may also intervene. In the event of the policyholder failing to comply with these obligations, the indemnity may be reduced in the ratio in which the policyholder's failure to comply contributed to the loss.

Art. 14

Preservation of rights of recovery

All rights of recovery against third parties who may be held liable for the loss or damage shall be preserved. In particular, the following actions shall be taken:

- a) Visibly apparent damage must be notified to the carrier in writing before delivery is taken of the specie/valuables.
- b) If damage is not visibly apparent but is suspected, valid reserves must be lodged within the periods prescribed by law or in the contract.
- c) The carrier must be summoned to a joint survey of the loss or damage.

The policyholder is liable for any act or omission which prejudices the right of recovery.

Art. 15

Ascertainment of loss

- a) In the event of a loss within Switzerland the insurer or in the case of a loss abroad his surveyor must be called in without delay to assess the loss and take the necessary action.
- b) In the case of damage that is not visibly apparent, the assessment must be requested within one week from the consignee taking the specie/valuables into custody.
- c) If the insurer has not appointed a surveyor, the "Lloyd's Agent" or, in the absence thereof, any other approved surveyor/average adjuster must be called in.
- d) If the loss has been caused during transportation by an overland, sea, air or courier express package service, a report on the circumstances of the loss must be obtained from the service provider concerned.
- e) In the case of accompanied consignments, the competent police must be notified without delay.
- f) The cost of the surveyor's activities must be paid by the party which called him in. The insurer will reimburse these payments to the extent that the loss is covered by the insurance.
- g) The insurer is released from all liability to pay the claim if the loss has not been ascertained in the prescribed manner.

Art. 16

Blockage or invalidation

In the event of loss of securities, the policyholder must institute proceedings to have them blocked or invalidated.

F. Claims and indemnification

Art.17 Claims

The party entering a claim must justify his title to claim by presentation of the policy. He must also prove that the specie/valuables have, during the insured voyage, sustained loss or damage for which the insurer is required to indemnify. For this purpose he must submit the claims statement together with all supporting documents (e.g. invoices, waybills, official reports, dispatch bordereaux, certificates of loss, surveyors' and experts' reports).

Art.18 Indemnification

In the case of a loss, the insurer will reimburse the insured value, in the case of damage the costs of repair.

If the loss or damage does not immediately lead to a claim in the full amount, the insurer will indemnify only the cost of blockage, invalidation or replacement.

The insurer is not obliged to take over damaged specie/valuables.

The insurer will not reimburse any freight, customs duties or other costs which may be saved as a result of an insured event. Moreover, any amounts received by the policyholder by way of recoveries from third parties will be deducted from the amount of the insurer's settlement.

G. Legal issues

Art.19 Obligation to make payment

The right to collect on a claim inures four weeks after the date on which all documents were submitted that enable the insurer to satisfy himself that the claim is genuine. In case of doubt as to the claimant's title, the insurer may discharge his liability by depositing the indemnity in a manner provided for by law.

In the case of general average, the insurer will reimburse the provisionally assessed contribution in return for hand-over of the blank-indorsed original invoice.

Art.20 Transfer of ownership

If the object of the insurance contract changes owner, all rights and duties under the insurance contract are transferred to the new owner.

The previous owner continues to be liable, jointly and severally with the new owner, to the insurer for any premium due at the time of the change of ownership.

The new owner may terminate the contract by notification to the insurer in writing or by means of text evidence within 14 days of the change of ownership. The insurer has the same right to terminate the contract within 14 days of becoming aware of the change of ownership. Termination becomes effective at the time of delivery of the notification to the other party.

Art.21 Enforcement of rights of recovery

If any third party is released from its liability without the insurer's prior consent, all claims to indemnity are forfeited. The policyholder cedes all rights and claims against third parties to the insurer. Subrogation becomes effective as soon as the insurer has fulfilled his obligation to indemnify. The policyholder is obliged to sign a letter of subrogation if requested to do so by the insurer.

The insurer may require the policyholder to assert the rights of recovery in his own name but at the insurer's expense. The insurer is then entitled to choose and to brief the policyholder's lawyer. The policyholder may not, without the insurer's consent, accept any compensation offered by third parties.

Art.22 Forfeiture

Legal claims against the insurer are forfeited unless suit is brought within five years of the event giving rise to the claim.

Claims to general average contributions are forfeited unless suit is brought within one year of preparation of the average statement.

Art.23 Actions by the insurer and the surveyor

Actions taken or initiated by the insurer or surveyor for the purposes of surveying, minimizing or averting a loss or of preserving or enforcing any rights of recovery do not constitute an admission of any obligation to indemnify.

Art. 24

Applicable law and legal venue

The insurance contract is governed by Swiss law.
The legal venue is Zürich, unless any other jurisdiction is prescribed by law.

Art. 25

Relationship to the Insurance Contracts Acts (VVG)

The following sections of the Swiss Federal Act of 2 April 1908 (Status at January 1, 2022) on Insurance Contracts are waived: Art. 3, 3a, 6, 14 paras. 2–4, 20, 21, 28–32, 38, 42, 46, 46b, 46c, 47, 50, 54, 95c.

The remaining provisions of the said Act are applicable only insofar as they are not overridden by the terms and conditions of the specific policy.

Art. 26

Insurer's address

All communications to the insurer must be addressed either to his head office in Switzerland or to the agency which issued the policy.

