

Zurich Security deposit guarantee

Customer information according to LIC and
General Conditions of Insurance (GCI)



We are here to answer
your questions.

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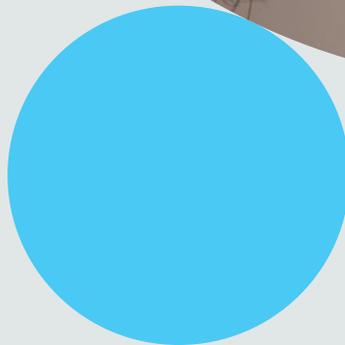


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Customer information according to LIC

The following customer information provides an overview of the insurance company and the main content of the insurance contract. The rights and obligations of the contracting parties are derived definitively from the contract documents (application/offer, policy, insurance conditions), and the applicable laws, particularly the Swiss Federal Law on Insurance Contracts (ICA).

Who is the insurer?

Zurich Insurance Company Ltd, which has its main office at Mythenquai 2 in 8002 Zurich (Zurich), and is supervised by FINMA, the Swiss Financial Market Supervisory Authority (Laupenstrasse 27, 3003 Bern).

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

The insured risks and the scope of the insurance coverage follow from the contractual documents and are restricted by the exclusions listed there.

Essentially, the Security deposit guarantee insurance provides coverage for the following risks:

- Risk that rent and service charges as well as damages caused while moving out are not paid by the tenant
- Risk that additional costs justified by tenancy law are not paid by the tenant.

The Security deposit guarantee insurance provides the following services:

- Zurich acts as guarantor towards the landlord for any costs arising from the aforementioned risks in the event of an insured event. The security deposit insurance eliminates the need for the policyholder to pay a rent deposit (in the amount of up to three months' rent). Instead of their money being deposited with the bank as security, they can retain it.
- In case of an insured event, Zurich will compensate the landlord for the damage (no more than the specified deposit amount); the policyholder will then pay the money to Zurich.

Important exclusions are:

- Zurich does not pay any damages to the policyholder but indemnifies the landlord in the case of an insured event (up to the specified deposit amount). Afterwards, the policyholder must pay this money back to Zurich (recourse).
- Zurich does not make any payments that have nothing to do with the rent.

Is the insurance on a fixed-sum/indemnity basis?

This Security deposit guarantee insurance policy provides insurance on an indemnity basis. The loss that arose out of the insured event is decisive for justifying and determining the amount of the insurance benefits. The maximum indemnity is limited to the specified deposit amount.

Which premium is due?

The premium amount(s) due depend(s) on the insured risks and the desired level of insurance coverage. The contractual documents include all information about premiums and any applicable fees (e.g., taxes or payment in installments). The premium must be paid at the beginning of the insurance period, unless the contractual documents stipulate another term, or the premium invoice specifies a later due date.

Which other obligations does the policyholder have?

The insurance conditions and the ICA determine the obligations. Important obligations are, for example:

- Notification in case of change of the declared facts.
- Immediate report of any damage to the rental property to the personal liability insurance company (regardless of whether the insurance is with Zurich or another insurance company).
- Participation in clarifications in the event of a claim.
- No recognition of unjustified claims.
- Obligation to repay Zurich the amount that Zurich pays to the landlord (recourse).
- Obligation to notify Zurich of the termination of the tenancy within 30 days of moving out and to provide certain documents.

Which deadline applies to submitting a notification of claim?

The policyholder does not have to submit a claim notification to Zurich.

However, they are obliged to immediately report any damage to the rental property to the personal liability insurance company (regardless of whether the insurance is with Zurich or another insurance company).

When does insurance coverage begin?

The insurance begins on the date stated in the proposal/offer or in the policy itself.

The guarantee begins on the date according to the "Certificate Security deposit guarantee" and not before the beginning of the rent.

When does insurance coverage end?

The contract is terminated by ordinary notice of cancellation. This is possible no later than three months before the expiry of the policy or, if agreed or provided for by law, of the insurance year.

Zurich must be provided with proof of a replacement rent security or the original certificate of the security deposit guarantee.

If the contract is not terminated, it shall be automatically extended for an additional year. The insurance conditions and the ICA contain other possible termination options.

The insurance coverage applies to insured claims that are legally asserted for the first time after the start of insurance and before the end of insurance.

If the landlord has not asserted any claims against the tenant under the rental relationship within one year of its end, then Zurich shall be released from the security deposit guarantee for the relevant rental contract.

Can the contract be revoked?

The policyholder may revoke their application to conclude the contract or the declaration to accept it in writing or in another form that makes it possible to provide proof in text form (e. g., by sending an e-mail to kaution@zurich.ch) within 14 days.

The deadline is met if the policyholder notifies Zurich of his revocation or delivers his declaration of revocation to the post office on the last day of the revocation period.

The policyholder owes the premium as long as any injured third party can assert claims against the insurance company in good faith despite a revocation.

The effect of revocation is that the parties must reimburse any benefits already received.

How does Zurich handle personal data?

Zurich processes data relating to natural people (personal data) in connection with the conclusion and the performance of contracts and for other purposes. More information on this processing (inter alia the purposes, the data recipients, the storage and the rights of the data subjects) can be found in the privacy policy of Zurich. This privacy policy can be accessed at www.zurich.ch/data-protection or obtained by contacting Zurich Insurance Company Ltd, Dataprotection, PO box, 8085 Zürich, datenschutz@zurich.ch.

Does the broker receive remuneration?

In the event that a third party, such as an independent broker, represents the interests of the policyholder in relation to the conclusion of or advice about this insurance contract, Zurich may remunerate this third party in consideration of their activities on the basis of an agreement. The policyholder may request any specific information in this regard from the third party, if so desired.

General Conditions of Insurance (GCI) Version 01/2022

Art. 1 Basics of the contract

The present insurance contract is based on:

- a) The General Conditions of Insurance (GCI) as well as the provisions in the policy.
- b) Swiss Law exclusively, in particular the provisions of the Swiss Federal Law on Insurance Contracts (LIC) Insofar as these GCI do not expressly deviate from it (subject to Art. 97 and Art. 98 ICA).

For policyholders domiciled in the Principality of Liechtenstein, the provisions of the Liechtenstein Law on Insurance Contracts Act (VersVG) shall apply instead.

- c) The written declarations, as well as the declarations in a form allowing proof by text, made by the policyholder and/or the applicant.

Art. 2 Geographical scope of application

This insurance is valid solely for liabilities created by rental contracts for properties in Switzerland and the Principality of Liechtenstein.

Art. 3 Scope of cover

The insurance applies to all claims justified under rental law made by the landlord against the policyholder as a residential tenant under the rental contract stated in the application. The total benefits for all insurance events during the insurance term are limited to the insurance amount stated in the policy and in the “certificate of security deposit guarantee” issued to the landlord (if necessary, represented by third parties, e.g., the administration). If a benefit is paid to the landlord, the insurance amount shall be reduced by an equivalent amount.

Art. 4 Start, duration and end of insurance

The insurance is concluded for a period of 3 years and shall begin on the date stated on the “certificate of security deposit guarantee”. Subject to premature termination of the insurance relationship, the contract shall be tacitly extended if it is not terminated within a notice period of 3 months.

A proof of replacement of the security deposit insurance or the original certificate of security deposit guarantee must be attached to the termination letter.

Art. 5 Early termination of the insurance contract

Regardless of the contract term, the contract shall end as of the date of submission of the original certificate of security deposit guarantee or of a confirmation of termination from the landlord.

The unused premium for the ongoing insurance term shall be reimbursed upon termination of the contract, except if:

- the contract is terminated following an expiry of the risk (total loss).
- the contract is terminated by the policyholder within one year of its conclusion following a partial loss.

Amounts less than CHF 5 will be neither collected nor reimbursed.

Art. 6 Start of the security deposit guarantee

The security shall be valid as of the date stated on the “certificate of security deposit guarantee”.

Art. 7 Joint and several liability

The policyholder and the applicant(s) are jointly and severally liable for liabilities arising from this contract.

Art. 8 Premium payment

The policyholder is obliged to pay the premium by the date stated in the policy throughout the contract term. Premiums are subject to the statutory stamp duty.

Art. 9 Change of premium

If the premium or federal stamp duty changes, Zurich may modify the contract with effect from the subsequent insurance year.

To do so it must inform the policyholder of the new contractual conditions at the latest three months before the end of the insurance year.

The policyholder shall then have the right to terminate the contract in its entirety at the end of the ongoing insurance year. If the policyholder exercises this right, the contract shall expire at the end of the insurance year so long as the proof of replacement of the security deposit insurance or the original “certificate of security deposit guarantee” is attached to the termination letter.

The termination must be received by Zurich by the last day of the insurance year in order to be valid.

If the policyholder does not exercise his right to termination, this shall be considered acceptance of the modified contract.

Art. 10 Benefits

Zurich shall pay benefits for outstanding rent, damage to the property and other claims under rental law if the landlord submits one of the following items:

- a) written agreement of the tenant.
- b) or a legally enforceable order for payment relating to rent claims or other claims under rental law on the part of the landlord against the tenant.
- c) or a legally enforceable ruling or legally enforceable violation to an objection to rent claims or other claims under rental law on the part of the landlord against the tenant.

In the case of a) and b), the landlord must provide further documentation of the damage to Zurich. The payment of security shall take place within the scope of the documented damage.

The amount of compensation in a) and b) is based on the principles of rental law, and in point c) based on the claim amount stated in the documentation. The amount of the compensation is limited by the amount of the guarantee.

Zurich will pay compensation directly to the landlord, to which the policyholder agrees.

Art. 11 Transfer of title/Recourse

11.1 Assumption of rights

If Zurich pays benefits, it assumes the rights of the landlord and may seek to recover amounts from the policyholder in the following cases.

11.2 Recovery

The rights of the landlord shall pass to Zurich to the same extent as Zurich has satisfied the landlord. Zurich is entitled to recover all amounts from the policyholder. This means that the policyholder must reimburse Zurich the amount Zurich has paid – plus any interest and costs.

The policyholder may not apply any objections and defenses which it had against the landlord against Zurich (namely regarding the reason, amount, and existence of the asserted claims).

If the policyholder has personal liability insurance with Zurich, any coverage under this liability insurance will be verified before recovery. To do so the policyholder must submit the proof of damages as required by the personal liability insurance. Any insurance benefit from the personal liability insurance will be deducted from the recovery claim.

Art. 12 Expiry of obligation to pay indemnity

If the landlord has not made any claim against the tenant under the rental relationship within one year of its end, the security deposit guarantee for the relevant rental contract shall expire (Art. 257e para. 3 OR).

Art. 13 Obligations of the policyholder

13.1 Damage to the rental property

The policyholder must immediately notify any damage to the rental property to his personal liability insurance (regardless of whether the insurance is with Zurich or another insurance company).

13.2 Termination of the rental relationship

The policyholder must inform Zurich of the end of the rental relationship within 30 days of moving out.

One of the following documents must be submitted to cancel the existing security deposit guarantee:

- Copy of acceptance protocol
- Confirmation of termination from the landlord
- Original certificate from the landlord

Art. 14 Information

Zurich has the right to obtain from the authorities and information services information concerning the payment behavior of the policyholder.

Art. 15 Jurisdiction

The policyholder or entitled claimant may select from the following places of jurisdiction for disputes arising from this contract:

- Zurich;
- the Swiss place of residence of the policyholder or the entitled claimant

Art. 16 Written notifications

Any written notifications shall be sent to Zurich Insurance Company Ltd, Credit & Surety, P.O. Box, 8085 Zürich, or to the address given on the latest premium invoice.

Art. 17 Economic, trade and financial sanctions

Zurich does not provide coverage and is not obliged to make payments or provide benefits or services if applicable economic, trade and financial sanctions would be violated.

