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GENERAL INSURANCE CONDITIONS

Rent insurance for tenancy agreements for
private residences and adjoining premises

Client information in accordance with Art. 3 of the Swiss Federal Insurance Policies Act (IPA)

The insurer is Firstcaution SA (“Firstcaution”), a limited liability company under Swiss law with a registered office at Avenue Edouard-Rod 4, 1260 Nyon.

Risk insured and extent of the insurance

Firstcaution guarantees the payment of any debt arising from the tenancy agreement referred to in the security deposit certificate (“certificate”), which the tenant or other persons named in the tenancy agreement as jointly and severally liable (“Policyholder”) has entered into with the landlord or their representatives (“Beneficiary”), up to the agreed sum assured (“security deposit amount”).

The insurance begins on the date stated in the policy and ends when one of the conditions set out in Art. 4.1 of the GTCI is met.

Premium and other obligations of the Policyholder

In the first calendar year of the insurance, the amount of the annual premium is fixed; from the second year onward, it is flexible and depends on the agreed security deposit amount as well as the amount of any deposit payment made by the Policyholder to Firstcaution. The Policyholder may pay a higher deposit at any time, thereby reducing the premium from the second calendar year onward and vice versa, provided the required solvency conditions are met. The current situation (deposit/premium) can be checked in the policy at any time.

The Policyholder’s other obligations are governed by Art. 8 of the General Terms and Conditions of Insurance (“GTCI”).

Processing of personal data

Information collected about natural persons who are parties to the insurance contract is electronically processed by Firstcaution and is an essential step in processing the application (including solvency verification), performance of the contract, debt collection, and for marketing and statistical analysis purposes.

This information and personal data are also stored for reasons of security, to comply with statutory and regulatory obligations. They will be retained for as long as necessary for the performance of the insurance contract and of any guarantees that may be applicable at the end of this contract.

Access to personal data will be strictly limited to Firstcaution employees authorised to process the application. The information collected may be communicated to third parties under contract to the firm for the performance of outsourced tasks.

Personal data are processed according to the Swiss Data Protection Act in force on 1 September 2023. The individual Client has the right of access, rectification, erasure and portability of their data, as well as a right to object to processing for a legitimate reason: these rights can be exercised by emailing info@firstcaution.ch, attaching a valid proof of identity.

More information can be found in our privacy policy, available on our website or from Firstcaution on request.

Right of revocation

The Policyholder can revoke their request to enter into a contract or, if Firstcaution has submitted an offer, their acceptance of the contract in writing or by another method that can be verified by text (for example by email to info@firstcaution.ch), within 14 days of submitting the application or accepting the offer. Benefits already received must be reimbursed by the Policyholder or Firstcaution.

If a certificate has already been issued in favour of the Beneficiary, then the latter must send us confirmation of the cancellation for it to become effective.

As long as the Beneficiary is in a position to assert their rights against Firstcaution, the Policyholder is liable for the payment of insurance premiums to Firstcaution until further notice.

General Terms and Conditions of Insurance

Art. 1 Scope and contracting parties

- 1.1 The security deposit insurance (“insurance” / “insurance contract”) applies solely to claims arising from tenancy agreements for private residences and their adjoining premises (e. g. garages etc.) located in Switzerland.
- 1.2 The insurance contract is entered into between Firstcaution SA (“Firstcaution”) and the tenant and other persons named in the tenancy agreement as jointly and severally liable (“Policyholder”) in favour of the landlord or their representatives (“Beneficiary”).
- 1.3 Taking out an insurance policy for claims arising from subletting agreements implies that the landlord has given the main tenant their written agreement to subletting. In this case, the insurance contract is entered into between Firstcaution and the subtenant (“Policyholder”) in favour of the main tenant (“Beneficiary”).

Art. 2 Extent of the insurance

- 2.1 Firstcaution undertakes, as defined in Art. 496 CO [Swiss Code of Obligations], to be the Surety of the Policyholder in relation to the Beneficiary. The surety bond applies to any and all justified claims under tenancy law which the Beneficiary makes against the Policyholder throughout the duration of the insurance, arising from the tenancy referred to in the application as well as in the security deposit policy (“policy”; given to the Policyholder) and in the security deposit certificate (“certificate”; given to the Beneficiary).
- 2.2 If the Beneficiary has several certificates, the most recent takes precedence.
- 2.3 The security deposit is limited to the amount stated in the policy and the certificate (“security deposit amount”).

Art. 3 Several Policyholders/Sureties

- 3.1 Where a number of Policyholders are named in the policy, they are jointly and severally liable for obligations arising from the security deposit insurance contract, including legal actions initiated by Firstcaution. Each Policyholder therefore has a legal responsibility to Firstcaution to discharge all relevant obligations.
- 3.2 Each Policyholder is authorised to legally represent the other Policyholder(s) and to provide legal declarations on their behalf to Firstcaution within the framework of the insurance contract.
- 3.3 The Sureties named in the policy undertake to jointly and severally share liability with the Policyholder(s) for any refund claims by Firstcaution in accordance with Art. 6 of these GTCI.

Art. 4 Start and end dates of the security deposit, change of Beneficiary

- 4.1 The insurance starts on the date stated in the policy and concludes when one of the following events occurs:
- A. The Policyholder cancels the insurance contract in writing or by any other method that can be textually verified (for example, by email to info@firstcaution.ch), attaching either the certificate with the Beneficiary’s signature or a jointly signed equivalent declaration.
- B. The Beneficiary relinquishes the security deposit in writing and sends the signed certificate to Firstcaution.
- C. The security deposit amount is used up because Firstcaution has paid it to the Beneficiary.
- D. Pursuant to Art. 257e, para. 3 CO, the Beneficiary makes no claims on the Policyholder in the year following the cancellation of the tenancy agreement.
- 4.2 If, after the insurance contract has been entered into, the rented property passes into the hands of a different owner who renews the tenancy agreement applying to the rented property, the security deposit is also transferred to the new owner. In any event, Firstcaution’s total obligations towards several Beneficiaries within the scope of the security deposit certificate are limited to the amount of the security deposit.
- 4.3 If the Policyholder exercises their legal right of withdrawal (cf. client information pursuant to Art. 3 IPA), they must ensure that Firstcaution is released from its obligations under the security deposit guarantee, that Firstcaution receives the owner’s security deposit guarantee certificate,

and that the owner submits a declaration to Firstcaution stating that they will make no claims against Firstcaution. If a certificate has already been issued in favour of the Beneficiary, then the latter must send us confirmation of the cancellation for it to become effective.

Art. 5 Payment of the security deposit and right of appeal

- 5.1 In accordance with Art. 257e, para. 3 CO, Firstcaution pays the security deposit amount to the Beneficiary when they submit one of the following supporting documents:
- A. A written declaration constituting an acknowledgement of debt, specifying the date of termination of the tenancy and the amount claimed, signed by both the Policyholder and the Beneficiary.
- B. An enforceable order to pay through which the Beneficiary claimed against the Policyholder under tenancy law, on condition that the said order is completely unopposed, or accompanied by a final and enforceable judgment dismissing the objection.
- C. A final and enforceable judgment relating to claims under tenancy law made by the Beneficiary against the Policyholder.
- 5.2 The Beneficiary is paid the amount stated in the corresponding supporting document; however, this shall not exceed the security deposit amount.
- 5.3 If a payment is made, Firstcaution takes on the rights of the Beneficiary in accordance with Art. 507 CO. Pursuant to Art. 3.3 of the GTCI, Firstcaution can apply to the Policyholder/Surety and require reimbursement of the amount paid out (plus interest and costs) within 30 days. Firstcaution can also offset the debts owed to it by the Policyholder with the deposit amount (Art. 7.6 of the GTCI).
- 5.4 If the reimbursement does not take place within this deadline, the Policyholder/Surety will receive a written invitation to make the payment within the next 10 days. Each reminder will generate a fee of CHF 20.00 plus interest. Should legal proceedings be initiated, administrative costs of CHF 200.00 will be levied, pursuant to Art. 106 CO. If collection of the debt is outsourced to a third party, additional costs may apply.
- 5.5 The Policyholder is in no way entitled to seek redress from Firstcaution for any objections they may have raised with the Beneficiary.

Art. 6 Premium, terms and conditions of payment and reimbursement

- 6.1 The Policyholder shall pay Firstcaution an annual premium.
- 6.2 The premium for the first calendar year (the year in which the insurance takes effect) is a fixed sum that depends on when the insurance takes effect (premium; stamp duty included), which is due as soon as the insurance starts.
- 6.3 From the second calendar year of insurance onward, the premium is flexible and depends on the agreed security deposit sum as well as the amount of any deposit payment by the Policyholder to Firstcaution (see Art. 7 of these GTCI). The premium is calculated on the basis of the difference between the agreed amount of the security deposit and the amount of the deposit paid (= “difference”), (to which are added administrative costs of CHF 20.00 plus stamp duty).
- 6.4 From the second calendar year of insurance onward, the premium must be paid in advance by 31 December in each following year at the latest.
- 6.5 If the Policyholder fails to pay the premium within this deadline, they will receive a written invitation to make the payment within the next 10 days. Each reminder will generate a fee of CHF 20.00, which will be billed to the Policyholder. Should legal proceedings be initiated, administrative costs of CHF 200.00 will be levied on the Policyholder, pursuant to Art. 106 CO. Furthermore, the amount due (including reminder charges) may be handed over to a debt collection service with a view to legal action. The Policyholder is bound not only to settle the amount invoiced, but also to reimburse in their entirety costs generated by the payment delay (particularly debt collection costs). Notwithstanding the provisions of Art. 20, para. 3 IPA, cover pertaining to the Beneficiary is not suspended.
- 6.6 Once the insurance terminates, Firstcaution will, when requested to do so, reimburse the Policyholder for the

premium already paid for the current calendar year on a pro rata basis (that is, the period between the end of the insurance period and 31 December), less administrative costs of CHF 20.00. These costs are not levied if a new contract is taken out. The provisions of Art. 24, para. 2 and Art. 42, para. 3 IPA, remain in force. However, if the cancellation occurs during the calendar year following the date of issue of the Certificate, Firstcaution shall retain the premium for the entire year, unless a new security deposit is established.

Art. 7 Deposit amount

- 7.1** The Policyholder can at any time pay a sum (in instalments of CHF 100.00) up to the amount of the security deposit into a deposit account (joint account) (“deposit amount”). This reduces the premium from the second calendar year onward (see Art. 6 of these GTCI) and will serve as security in the event of an appeal.
- 7.2** Firstcaution reserves the right to undertake solvency checks each time the Policyholder makes a request for an alteration in the surety bond deposit. At any time and without prejudice, Firstcaution reserves the right to (1) unequivocally revoke the right of the insured parties to change the “deposit amount” and (2) refuse to grant a partial or total claim request, unless such a claim is described in Articles 7.3 and 7.6.
- 7.3** In the event of future claims arising from the insurance contract, Firstcaution can use the “deposit amount” as a means of offsetting and meeting these claims, thus providing an additional layer of security for the two parties involved. Firstcaution has the right to offset all its outstanding debts owed by the Policyholder with the “deposit amount” it holds. If the “deposit amount” does not fully offset these outstanding debts, then Firstcaution will recover the balance from the insured party. The “deposit amount” will not yield interest or investment.
- 7.4** Following a change in the “deposit amount”, the premium (calculated as per Article 6.3) will be retroactively recalculated on a pro rata basis.
- 7.5** Après résiliation du contrat de bail, dont le preneur d'assurance. The first two changes to the “deposit amount” (payment or request for reimbursement) are free of charge. For all subsequent changes, the Policyholder shall pay Firstcaution 4.0% of the total amount of the change (for example, a change of CHF 1,000 engenders costs of CHF 40).
- 7.6** When the tenancy agreement is terminated, the Policyholder must immediately inform Firstcaution in writing or by another method that provides textual evidence (for example, by email to info@firstcaution.ch), or when dealing with fixed-term tenancy agreements: no further change in the deposit amount is possible following the expiry of any fixed-term tenancy agreements.
- 7.7** After expiry of the insurance agreement in accordance with Art. 4, Firstcaution pays the balance of the deposit amount to the Policyholder, into a bank account indicated by said Policyholder, subject to Articles 7.3 and 7.5 of these GTCI.
- 7.8** The creation of a deposit, as well as changes in the deposit amount, do not impact the validity or quality of the guarantee enjoyed by the Beneficiary. The security deposit certificate issued at the start of the tenancy remains unchanged until it is cancelled.

Art. 8 Other obligations of the Policyholder

- 8.1** The Policyholder has 14 days to inform Firstcaution of any change to the tenancy (in particular, change of landlord and/or management, increase or reduction in the amount of the surety bond, removal of a co-tenant from the tenancy agreement, or change of name); this notification must be communicated in writing or by another method that provides textual evidence (for example, by email to info@firstcaution.ch).
- 8.2** The Policyholder has 14 days to inform Firstcaution, in writing or by another method that provides textual evidence (for example, by email to info@firstcaution.ch), if the Beneficiary claims against the Policyholder during the tenancy agreement referred to in the policy or during the year following the termination of the agreement in accordance with Art. 257e, para. 3 CO.

Art. 9 Final provisions

- 9.1** Firstcaution can change these GTCI at any time, including the premiums and policy. It must inform the Policyholder of such changes at least 30 days before they come into force.
- 9.2** The Policyholder is authorised to cancel the insurance contract without notice, by registered post, until the change comes into effect, solely upon presentation of a supporting document pursuant to Art. 4.1. Without such cancellation, the change comes into force.
- 9.3** The French version of the GTCI takes precedence.
- 9.4** Firstcaution reserves the right to refuse a request to enter into an insurance contract, at its sole discretion and without having to give a reason.

Art. 10 Applicable law / content of the contract

The provisions of the Swiss Federal Act on Insurance Policies of 2 April 1908 (IPA), as well as those of the Code of obligations (CO), apply.

The content of the agreement is drawn from applications and client information in accordance with Art. 3 IPA, these General Terms and Conditions of Insurance, other possible conditions, and the insurance policy.

Art. 11 Jurisdiction

The sole place of jurisdiction is that of Firstcaution's registered office.

CONTACT

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