



Special requirements for insurance class B8: "fire and natural forces"

Non-life insurance

Status as at: 1st January 2006

1. Background

An insurance undertaking may only offer fire cover for risks existing in Switzerland, if the cover includes damage from natural forces (Art. 33 of the Insurance Supervision Law – ISL).

The amount of cover and the premium rates for insurance against damage from natural forces are uniform and binding on all insurance undertakings (Art. 33 ISL).

2. Statistics

Each year insurance undertakings are required to submit statistics on cover for natural forces.

The data are collected and processed in accordance with directives issued by the supervisory authority. They provide information on the situation relating to insurance for damage from natural forces. This data are to be sent to an office of statistics designated by FOPI - currently the Elementarschadenpool Schweiz, Schweizerischer Versicherungsverband, Ressort Schadenversicherung, C.F. Meyer-Str. 14, Postfach 4288, 8022 Zürich.

An insurance undertaking may apply to FOPI for exemption from the requirement to submit statistical data, which FOPI will grant if the grounds are justified, or, if a valid request is received from the statistical office, to exclude data on an insurance undertaking from the statistics. Insurers not included in the statistics are still required to contribute towards the costs (Art. 180 of the Insurance Supervision Decree - ISD) of fire and natural forces insurance.

3. Tariffs

Statistics constitute the basis for the tariff schedule which insurance undertaking submit to the supervisory authority for approval. The supervisory authority approve the tariff schedule provided it is a fair reflection of risks and costs. The insurance undertaking must apply this tariff to which it may add its required margins for administrative costs, contingencies and profit. The amount charged for insurance against damage caused by natural forces must be indicated separately in the insurance policy (Art. 178, par. 2 ISD).

4. Costs (Art. 181 ISD)

Insurance undertakings are responsible for the cost of working out the premium rates and statistics. They produce a plan for cost allocation, which is submitted to FOPI for approval. The plan will be approved if it contains a balanced allocation of costs.

5. Cover

Losses arising from natural forces must be insured for their full value (Art. 171 ISD).

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