
FMA Guideline 2005/2

**Compulsory Buildings Insurance
Distinctions and special rules
Definition of building**

1. Purpose and significance of the Guideline

Article 1, paragraph 2 of the Law on Insurance Protection of Buildings against Damage caused by Fire and Natural Forces (Buildings Insurance Act; BIA) provides that the distinction between buildings and chattels shall be regulated by ordinance.

Article 1, paragraph 1(a) to (c) of the Ordinance on the Law on Insurance Protection of Buildings against Damage caused by Fire and Natural Forces (Buildings Insurance Ordinance; BIO) defines the terms "building", "temporary structure", and "chattels". Pursuant to article 1, paragraph 2 of the BIO, the Financial Market Authority (FMA) shall regulate details concerning the distinctions and the special rules in guidelines.

2. Scope of application

This Guideline shall apply to all buildings that, in accordance with article 1, paragraph 1 in conjunction with article 2, paragraph 1 of the BIA are insured by an insurance undertaking licensed in the Principality of Liechtenstein against damage caused by fire and natural forces as well as to all insurance contracts in this regard.

3. Definition of building

- 3.1. Buildings in an actuarial sense shall be every immovable result of construction work including its components that is roofed, encloses usable space, and was built as a permanent structure.
- 3.2. The shell of a building within the meaning above shall also fall within the scope of this definition. Construction elements that are not firmly attached shall in contrast be considered chattels.
- 3.3. Temporary structures within the meaning of article 1(b) of the BIO shall not be considered buildings, i.e., structures (huts, booths, barracks, and the like) that are constructed without any intention of permanent connections.

4. Distinctions

- 4.1. Buildings insurance shall also encompass:

Construction elements which, although not constituting part of the building, normally appertain to it, are owned by the building owner and are fixed in such a way that they cannot be removed without material loss of their own value or material damage to the building.
- 4.2. Buildings insurance shall not include:
 - 4.2.1. Excavation; water drainage; leveling, backfill, and surrounding work; work to improve the building ground;
 - 4.2.2. Chattels according to article 1(c) of the BIO; operating fixtures;
 - 4.2.3. Construction incidentals.

5. Special rule

- 5.1. In the case of residential buildings and flats, the definition of building shall also include the basic fixtures according to local custom that belong to the building owner, even if they can be removed without significant decrease in value or without significant damage to the building.
- 5.2. In the case of industrial, commercial, and agricultural facilities that consist of both construction elements and operational equipment, buildings insurance shall encompass the components of the facility that are solely or primarily construction elements. This includes water, air, and energy conduits from the entrance to the building or from the in-house generator to the user (including main and secondary conduits). The operational components and conduits of all kinds connecting them shall be excluded from buildings insurance, irrespective of how they are installed. These shall include in particular the machines and installations, including foundations, solely or primarily serving operational purposes (including controlling devices).
- 5.3. The insurance of construction elements firmly connected with the building that the renter or tenant has brought in shall be the responsibility of the renter or tenant.

6. Special agreement

Only pursuant to a special agreement shall buildings insurance cover the following within the framework of the insurance sum specified for this purpose:

- 6.1. Special foundations, pit shorings and groundwater seals (drilled-in caissons, driven piles, concrete, wood, and special piles; sheet pile dikes, steel girder dikes, and pile dikes; subterranean curtain piles; reinforcements; tie bars; groundwater seals).
- 6.2. Building additions situated outside the insured building and not belonging to it, but on the same lot, such as containers, bee houses, fountains, enclosures, soil probes and registers, flagpoles, filter wells, garden huts, tool sheds, chicken runs, manure containers and dumps, winepresses, clarifiers, small animal stalls, fertilizer holes, pavilions, pergolas, marquees, swimming pools, sinkholes, silos, solar panels, tanks of all kinds including conduits and vats (commercial), greenhouses, stairs, bicycle racks, aviaries, wagon sheds, heat pumps, water and energy mains, cisterns.
- 6.3. The artistic or historical value of buildings and building components.
- 6.4. Building additions outside the insured building that are primarily exposed to risk of damage caused by natural forces, e.g., boat and other docks, bridges, entryways, foundations, canals, ramps, retaining walls, terraces, sidewalks, tunnels.

7. Accessories

In cases of doubt, they shall share the fate of the main object.

8. Examples

Deviations shall be mentioned in the policy or in the building valuation.

8.1. Building components

Wastewater treatment facilities (construction component)

Antennas (only those belonging to the building owner)

Lifts

Lighting fixtures, also outside* (non-commercial, without light bulbs and fluorescent tubes)

Lightning protection devices

Floor coverings*

Boilers (non-commercial)

Fire alarm systems

Mailboxes (also free-standing)

Platform scales (construction component)

Decorative painting

Pressure and vacuum mains

Electrical mains (not including those in generators)

Electrical machines (belonging to the construction elements)

Forges (construction component)

Fire extinguishing and alarm systems

Fodder silos (construction component)

Bell supports

Heating systems (non-commercial)

Hay ventilation systems (construction component)

Hotel kitchens

Manure and fertilizer dumps (connected with the building)

Waste incineration systems (construction component)

Bowling alleys (construction component)

Clarification systems (construction component)

Air conditioners (non-commercial)

Generators (construction component)

Kitchen equipment* (such as ovens, kitchen cupboards, refrigerators, freezers, washing machines of all kinds – non-commercial, but including hotel and restaurant kitchens)

Cooling systems (construction component)

Pumps (serving room heating or water supply)

Advertising signs (carved, embedded, or painted on)

Reservoir (construction component)

Restaurant kitchens

Escalators

Sanitary installations

Control panels (except commercial)

Display windows, showcases

Shooting butts (without targets and without transport facilities)

Self-watering systems

Silos (construction component)

Wall-to-wall carpeting*

Sprinkler systems

Spraying systems (construction component)

Net curtains (including textile)

Tank holes and cellars

Tanks including vats (non-commercial)

Telephone lines

Drying facilities* (construction component)

Turbine shafts

Circulation pumps

Ventilation systems (non-commercial)

Cattle-tying facilities

Double windows (also detached)

Car jacks (construction component)

Washing facilities* (non-commercial)

Water hardening facilities (non-commercial)

Brickyard ovens (construction component)

Civil protection facilities (without civil protection gear)

8.2. Construction elements (see point 4.1.)

Alarm systems

Altars

Adjustment ramps

Display boxes

Benches

Containers (non-commercial)

Confessionals

Seating

Buffets

Stages

Gantries

Wardrobes

Intercom systems

Shelves

House telephone systems

Cable conduits

Lecterns

Fume cupboards in laboratories

Cash lockers

Laboratory tables

Loudspeaker systems

Podiums

Smokeboxes

Sack chutes

Sauna facilities

Sirens

Moveable walls (belonging to the owner)

Tabernacles

Baptisteries

Telephone booths

Counters

Bars

Safes

Blackboards
Water preparation systems (non-commercial)
Stoups
Worktables
Whirlpools

8.3. Chattels

Dishwashers*
Sewage treatment systems (mechanical component)
Ovens (commercial)
Furnaces (commercial)
Platform scales (mechanical component)
Steaming equipment
Steam boilers
Steam engines and turbines
Computer cables
Electric machines* (commercial)
Electric boilers (commercial)
Dunging systems
Dust removal systems
Forges (mechanical component)
Fodder elevators
Fodder cookers
Fodder silos (mobile component)
Gas boilers
Frame saws
Compressors
Track installations (inside buildings and on the operational premises)
Bells including ringing system
Annealing furnaces
Annealing ovens
Lifting platforms
Hay ventilation systems (mechanical component)
Hay blowers

Hordes*

Manure and fertilizer machines

Cheese vats

Waste incineration systems (mechanical component)

Bowling alleys (mechanical component)

Clarification systems (mechanical component)

Pan mills

Compact units

Generators (mechanical part)

Crane systems including tracks

Kitchen equipment (commercial, not including hotel and restaurant kitchens)

Cooling systems (mechanical component)

Shop tables and corpuses

Illuminated advertising

Grinding stones

Milking devices

Milk centrifuges

Mixing boxes

Motors (not including those serving the building or a building component)

Fruit presses

Organs

Presses

Pumps (commercial)

Advertising signs

Reservoirs (mechanical component)

Pneumatic delivery systems

Mixers

Window displays

Melting facilities

Melting furnaces

Silos (mechanical component)

Chipping transport systems

Spraying systems (mechanical component)

Telephones, switchboards
Transmissions
Transport systems
Drying facilities (mechanical part)
Wine presses
Turbines
Tower clocks
Clock systems (without mains)
Scales
Car jacks (mechanical component)
Warming cupboards and tables
Shaft brackets
Meters
Brickyard ovens (mechanical component)
Civil protection gear*

Key: * = special rule for residential buildings according to the principle set out in point 5.1.

9. Entry into force

This Guideline was approved by the Board of the FMA on 21 June 2005 and shall enter into force on the same day.