General policy conditions

for illness-related loss of earnings insurance (2015 Edition)

GENERALI General Insurances Ltd, 1260 Nyon

Contents

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Generali General Insurances Ltd, 1260 Nyon
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Subject and scope of the insurance

1. Scope of insurance

Generali provides insurance cover against economic loss as a result of illness and, subject to specific agreement, due to childbirth and/or accident.

2. Definitions

2.1. Illness
Illness is considered to be any physical, mental, or psychological impairment that is not due to an accident and that requires medical examination or treatment or results in incapacity for work (LPGA Art. 3).

2.2 Accident
An accident is considered to be any sudden, involuntary damage to the human body due to an extraordinary external cause that compromises physical or mental health or results in death (LPGA Art. 4).

Physical injuries similar to an accident and occupational illnesses as defined by the UVG are regarded as accidents.

2.3. Maternity
Maternity refers to pregnancy and birth, as well as the recovery period following birth (LPGA Art. 5).

2.4. Incapacity for work
Incapacity for work refers to any total or partial loss of the insured person's ability to carry out the work in his/her profession or area of activity that can reasonably be required of him/her, if this loss is due to impairment of his/her physical, mental or psychological health. If the incapacity for work is long term, the activity that may be required of him/her may also be another profession or another area of work (LPGA Art. 6).

Where the insured person has difficulties in obtaining employment in another profession or area of work that can be reasonably required of him/her and such difficulties are caused by factors other than those pertaining to the insured impairment to his/her health (job market situation, unemployment, etc.), the said difficulties are not taken into account in the assessment of his/her degree of incapacity for work.

2.5. Relapse and new insurance cases
Illnesses or the consequences of accidents medically related to a previous case in respect of which benefits were already paid are regarded as relapses. Provided the benefits have not been exhausted, a relapse shall not be regarded as a new insurance case unless it occurs following a 12-month period devoid of partial or total incapacity for work due to the condition concerned.

An insurance case that arises during a period of total or partial incapacity for work shall not be considered as a new occurrence.

2.6. Doctor
Any person who holds a Swiss federal certificate in a medical profession or a foreign certificate deemed to be equivalent and who is authorised to exercise his/her profession.

3. Geographical scope

The insurance is valid worldwide, provided the insured person claims a salary from the policyholder. During stays or trips outside of Switzerland or the Principality of Liechtenstein, the insurance is only valid for 24 months from the day when the insured person crosses the border. The insurance shall cease for the insured person concerned upon expiry of this period.

4. Insured persons

The insured persons are specified in the policy.
The following persons may be insured:

4.1. Employees of the policyholder
For the purposes of this policy, employees are regarded as all persons who are subject to compulsory accident insurance pursuant to the Federal Law on Accident Insurance (UVG), and staff who have an employment contract that is exempt from compliance with the AVS/AHV (Federal Law on Old Age and Survivors' Insurance) by application of international provisions which are legally binding on Switzerland. Unless agreed otherwise, the policy extends to all employees (including apprentices and part-time staff) holding a valid work permit who work in the insured company.

4.2. Employees on secondment
Employees on secondment are employees who were insured compulsorily in Switzerland in accordance with the Federal Law on Accident Insurance (UVG) immediately prior to their secondment abroad, who continue to have an employment relationship with an employer whose registered office is in Switzerland, and who may claim a salary from said employer. The insurance relationship is maintained for a period of two years. By way of derogation from Article 3, the insurer may, upon request, extend this term to a total of six years.

4.3. Employers
For the purposes of this policy, employers are regarded as all persons who work in the insured company but are not subject to compulsory accident insurance pursuant to the Federal Law on Accident Insurance (UVG), namely, the company owner, self-employed persons, company partners and family members of the employer who are not subject to UVG.

The insurance covers persons mentioned by name in the policy who were admitted on the basis of an insurance application

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The benefits indicated in the insurance contract are insured.

5. Daily allowance in the event of incapacity for work

5.1. Entitlement to benefits

The daily allowance is paid for each day in which incapacity for work is 25% or higher, duly certified by a doctor. It is calculated in accordance with the degree of incapacity for work. The entitlement to benefits exists for as long as the insured person is receiving regular medical treatment and is under medical supervision. If the insured person refuses to take up a form of gainful employment which might reasonably be expected of him/her, the Company may refuse payment of benefits.

5.2. Waiting period

The obligation to pay benefits begins on expiration of the waiting period. The waiting period runs from the day when the incapacity for work of at least 25% was certified by a doctor, but not earlier than three days before the first medical treatment. Days of partial incapacity for work of at least 25% count as full days when calculating the waiting period. The policy specifies whether the waiting period is applicable by insurance case, by working year or by calendar year.

5.3. Duration of the entitlement to insurance benefits

The duration of benefits, the method of calculation and the allocation of the waiting time to the duration of benefits are included in the policy.

a) Duration of benefits by insurance case

- The entitlement to the daily allowance shall cease when the agreed number of daily allowance payments per insurance claim has been paid.
- If an additional case arises during the course of an insurance case, the days giving rise to benefits under the first insurance case will be allocated to the duration of benefits.
- If, a new illness is declared following exhaustion of the benefit entitlement duration, insurance cover shall be provided for this case on sole condition that the insured had previously fully exercised his/her residual capacity to work (at least 25%) over a minimum period of 12 months.
- Insurance is not provided where benefits are exhausted due to the reappearance or worsening of an illness.

b) Duration of benefits within a period of 900 days

Over a period of 900 consecutive calendar days, the daily allowance is paid in full for a maximum 730 days for all insurance cases. When the maximum duration is reached, the insurance cover ends definitively for the insured person concerned. The retrospective period of 900 consecutive days is calculated from the last day of benefit receipt.

c) Calculation of the duration of benefits

When calculating the duration of benefits, the number of days of entitlement to reduced benefit following a partial or total incapacity for work, or following receipt of third-party benefits (Art. 8), are counted as complete days.

d) Fixed-term employment contract and trial period

For persons who have a fixed-term employment contract and for those whose employment contract is terminated during or upon conclusion of a trial period, any entitlement to benefits ceases upon termination of the employment relationship.

5.4. Additional provisions concerning the duration of daily allowance benefits

a) After each birth, the obligation to pay daily allowance benefits is suspended as soon as the insured person becomes entitled to benefits arising from compulsory Swiss or foreign maternity insurance and/or any other complementary insurance. This suspension applies throughout the term of the legal and/or contractual benefits. If the insured person is not entitled to any benefits from maternity insurance, the obligation to pay daily allowance benefits ceases for eight weeks following the birth.

b) No benefit shall be paid during unpaid leave within the meaning of Art. 11. 3. Daily allowances are provided from the expected date of return to work, at the earliest.

c) If an insured person who is unfit for work and who is entitled to receive benefits leaves Switzerland without the permission of the Company, he/she shall lose his/her entitlement to insurance benefits during the period spent abroad. The insurance entitlement is resumed when the insured person returns to Switzerland.

The number of days spent abroad will be factored into the calculation of the benefit period.
The Principality of Liechtenstein and, for border commuters, places of residence, are treated as being in Switzerland.

d) For persons of AVS/AHV retirement age, all benefits end on the last day of the month in which the AVS/AHV retirement age is reached, unless the insured person is able to demonstrate that the employment relationship would have continued beyond that date if he or she had not been prevented from working.

For persons who have surpassed the AVS/AHV retirement age, the daily allowance is paid during a maximum 180 days, for all ongoing and future insurance cases combined. Benefits cease, in all cases, on conclusion of regular gainful employment and by the age of 70 at the latest.

e) All benefits for ongoing cases shall end on the expected date of early retirement.

6. Maternity allowance

Where a maternity allowance has been agreed, it is paid in addition to the statutory maternity allowance.

Daily benefits are paid if, at the time of the birth, the insured person was the beneficiary of insurance taken out

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by her employer that goes beyond statutory maternity benefits for at least nine consecutive months.

7. Insured salary

7.1. The policy specifies whether benefits are calculated based on the AVS/AHV salary, or on a fixed salary amount established in advance.

7.2. For employees (Art. 4.1. and 4.2.), the AVS/AHV salary is the one used to determine benefits, up to an upper limit of CHF 300,000.00 per person and per year.

The following exemptions are applicable :

a) salaries on which no AVS/AHV contributions have been paid, due to the age of the insured person, are also considered as a base for calculation ;

b) salaries earned in Switzerland by a person domiciled abroad on which no AVS/AHV contributions have been paid, in accordance with international regulations legally binding on Switzerland, are also considered as a base for calculation ;

c) compensation paid upon termination of the employment relationship due to closure or merger of businesses, or similar circumstances, shall not be taken into account ;

d) the daily allowance benefits and the maternity allowance are calculated for the term of the insurance case on the basis of the last AVS/AHV salary that the insured person received before the occurrence of the insured event, including salary elements that the employee has not yet received but to which he/she is entitled. This amount is converted into an annual salary and then divided by 365.

In the event of a relapse occurring more then six months after a change to the insured salary, the daily benefit is calculated on the basis of the new salary.

If the insured person is not in regular gainful employment, Generali shall base its calculations on the average daily wage earned in the last three months.

For employees earning a salary prone to significant variation (commission, variable portion of salary dependent on turnover or achievement of targets, etc.), Generali shall base its calculations on the salary earned over the twelve-month period preceding the start of incapacity for work.

e) the insured person must supply proof of loss of earnings related to his/her incapacity for work. Entitlement to benefits only exists as part of proven loss of earnings.

7.3. For persons on fixed salaries determined in advance

a) The daily benefit is calculated on that basis, dividing the annual amount indicated in the policy by 365.

b) In the event that a compensation case arises, the Company will provide the insured benefits, irrespective of whether damage is sustained.

c) By way of derogation from Article 8, the insured benefits are provided irrespective of whether benefits are received from third parties.

8. Third party benefits

If the insured person is also entitled to insurance benefits (Swiss or foreign) from a third party, Generali supplements these benefits in accordance with its own obligations up to the level of the insured daily benefit. If the insured person refuses to report his/her case to a social security insurance provider despite instructions from Generali, the benefits may be reduced or suspended.

Until such time as entitlement to a pension arising from insurance is established, Generali will pay the insured benefit in the form of advances. These advances are paid on condition that the insured person authorises Generali in writing to offset them directly against the benefits paid by the aforementioned institutions.

If no authorisation is given, payment of a daily allowance may be postponed until a decision is made regarding (Swiss or foreign) disability insurance.

9. Restrictions on the scope of cover

The following are excluded from the insurance cover :

9.1. Consequences of warlike events or internal unrest:

a) in Switzerland and in the Principality of Liechtenstein;

b) abroad, unless the insurance case occurs within 30 days of the onset of hostilities or internal unrest in the country where the insured person is staying and he/she was taken unaware by the occurrence of these events.

9.2. Accidents in the event of internal unrest (acts of violence against persons or property during riotous assemblies, brawls or riots) and measures taken to restore order, unless the insured person can prove that he/she did not actively participate in such acts on the side of the rioters or incite them.

9.3. Impairments to health as a result of any form of radiation, particularly radiation from atomic energy. However, the insurance shall cover impairments to health as a result of radiation treatment prescribed by a doctor for insured events.

9.4. The consequences of the discharge of bacteriological or chemical warfare agents.

9.5. The consequences of earthquakes in Switzerland and the Principality of Liechtenstein.

9.6. Benefits arising from cosmetic or medically essential treatments and operations, as well as any follow-up treatments or operations. The criteria of the Federal Health Insurance Act (KVG) apply.

9.7. The consequences of prior accidents.

9.8. Benefits subject to a reserve which has been notified.

9.9. Relapses occurring following the end of insurance cover within the meaning of Article 12.

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The following may result in a reduction in benefits :

9.10. Accidents occurring during participation in races involving motor vehicles or motorised sailing vessels, or during on-site training for such races.

9.11. Accidents during the use of aircraft and motor vehicles if these accidents result from an intentional breach of legal provisions or if they occur when the insured person is not in possession of the licences and authorisation required by the authorities.

9.12. Accidents resulting from crimes or offences committed by the insured person.

9.13. Generali waives its right to reduce benefits in the event of gross negligence.

10. Insurance case

10.1. Procedures and obligations for obtaining benefits

a) for any insurance case that is likely to be eligible for insurance benefits, the insured person is required to call a doctor to provide the necessary care. The insured person shall comply strictly with the doctor's instructions.

b) Generali must be notified of the incapacity for work within a period of 14 days, at the latest, following expiry of the waiting period. Generali may also require certificates or an expert's report from a medical specialist at any time.
The attending doctor may certify incapacity for work one month in advance, at the earliest.
In the case of maternity allowance, a birth certificate or a copy of the LAPG/EOG maternity allowance statement must be provided.

10.2. Obligation to provide information

The policyholder and the insured person undertake to provide Generali with full and truthful information related to the insurance case. The Company is entitled to ask the doctors who are treating or have treated the insured person for information about his/her state of health, provided that such information is used to determine the scope of the entitlement to benefits. In particular, Generali may require medical certificates and other documents and may instruct doctors, designated by Generali, to perform examinations.

To this end, the insured person shall release said doctors from their professional obligation to maintain confidentiality. Generali undertakes to treat as confidential all information provided to it and all examination results of which it becomes aware.

10.3. Breach of obligations

If the insured person or the policyholder culpably violates their obligations in respect of the provision of information or conduct, the Company may reduce or refuse to provide the benefits or may terminate the contract.

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Other provisions

11. Start of insurance cover for each insured person

11.1. For employees, the insurance cover starts on the first day that his/her contract of employment with the insured company comes into effect and, at the earliest, on the effective date of the contract specified in the policy.

Employees who are partially incapable of working are not insured until the date on which they begin to work in line with the rate of employment contractually agreed with the insured company.

Persons who are partially incapable of working are those who :

a) must partially or totally reduce their working hours for health reasons ;

b) receive compensation for loss of earnings in the event of illness, accident or maternity.

11.2. For employers and other persons indicated by name with prior notice, the definitive insurance cover begins on the effective date specified in the policy.

11.3. The insurance cover remains in force during unpaid leave of up to six months duration provided the employment relationship is not terminated. For more details concerning benefits, see art. 5.4 b).

12. End of insurance cover for each insured person

For each insured person, the insurance cover shall end :

12.1. Upon termination of the insurance policy ;

12.2. 30 days following their departure from the group of people covered by the insurance (31 days for months containing 31 days, provided the contract of employment is terminated at the end of a calendar month).

If the insured person takes up work with another company prior to the end of that period, the insurance cover shall cease on the date he/she starts work for the new employer.

12.3. Insurance cover shall cease on conclusion of regular gainful employment and by the age of 70 at the latest.For more details concerning benefits, see art. 5.4 d).

12.4. Upon termination of the agreed duration of the benefits.

13. Start and end of the contract

13.1. The start and end of the contract are set out in the policy. If the insurance contract is not terminated at least three months before expiry, it shall be tacitly extended from year to year. The termination is valid if notification reaches the policyholder, or Generali, on the last day preceding the start of the three-month notice period.

13.2. Following the occurrence of an insured event giving entitlement to benefits, Generali and the policyholder may terminate the insurance contract. Termination by Generali must take place no later than the date of payment of the benefit, and termination by the policyholder must take place no later than 14 days after learning of this payment. In the event of termination by Generali or by the policyholder, the insurance cover shall end 14 days following notification of the termination to the other party.

13.3. The insurance contract is automatically terminated when the policyholder's business activity ceases definitively. Generali must be informed that the business has ceased operations or filed for bankruptcy, within 30 days.

14. Premiums and basis for calculating premiums

14.1. Premiums are payable in advance, for each insurance period, upon the due date fixed in the contract.

14.2. Unless contractual provisions stipulate otherwise, income earned by the employee in the insured company, as reported to the AVS/AHV, but up to a maximum CHF 300,000.00 per person and per year, is used as the basis for calculation of the premium. Salaries and salary components from which no AVS/AHV contribution is deducted, in accordance with the agreement on the free movement of people concluded with the European Union, pursuant to international agreements on the coordination of social security concluded between Switzerland and other States, or in view of the age of the insured person, are also considered as income.

15. Premium statement

15.1. If calculation of the premium is based on AVS salary (Art. 14.2), the policyholder must pay, at the beginning of each policy year, the provisional premium invoiced to him/her.

The final premium is calculated at the end of the year on the basis of the insured salary as defined in Art. 14.2. To perform this calculation, Generali shall send the policyholder the relevant form, which must be duly completed and returned.

If Generali has not received this form by its specified deadline, the final premium shall be fixed based on an estimate.

15.2. Any premium supplements or refunds resulting from the final premium statement are due upon notification to the policyholder. Differences of less than CHF 20 are not taken into consideration.

15.3. Generali may, at any time, check on information supplied by the policyholder, verify the accuracy of estimated figures and consult the policyholder's books and other documents, or it may refer directly to third parties (in particular the AVS/AHV Compensation Fund) to obtain the required information. If the policyholder opposes this or deliberately supplies inaccurate information, Generali shall cease to be bound by the insurance contract.

15.4. Generali may adjust the provisional premium, at any time, depending on the final premium.

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16. Premium adjustment

Generali has the right to adjust the premium rates once a year. In such case, it must notify the policyholder of the new contractual provisions at least 30 days before the end of the insurance year. The policyholder then has the right to terminate the insurance contract at the end of the current insurance year. In order to be valid, the termination must be received by Generali on the last day of the current year of insurance, at the latest. If notice of termination is not submitted, the policyholder will be deemed to have accepted the contract modification.

17. Participation in premium surpluses

17.1. If participation in premium surpluses has been agreed, the policyholder shall be entitled to a proportion of any possible surplus generated by their insurance contract. The statement shall be drawn upon expiry of the agreed period.

17.2. The surplus is calculated by deducting the amount of the benefits paid from the amount of the premiums taken into account and indicated in the policy, for insurance cases arising over the course of the statement period and those taken over from the previous insurer. The policyholder shall participate in any possible surplus in the percentage amount stipulated in the policy.

17.3. The statement shall be drawn up from the moment when the premiums relating to the statement period are received and the associated insurance cases are liquidated. Any possible loss is not carried over to the following statement period.

17.4. The right to surplus participation shall lapse if the insurance policy is terminated before the statement period expires.

18. Salary insurance in case of death

If the insured person dies as a result of an insured illness, Generali shall pay the salary due to the policyholder's survivors in accordance with Art. 338 paragraph 2 of the Swiss Code of Obligations (CO), for the full duration of benefits, in accordance with Art. 5. section 3. This benefit is paid to the policyholder. However, it is not due if the insured person had reached the AVS/AHV retirement age at the time of death.

19. Continuation of insurance cover on an individual basis for employees

19.1. Persons resident in Switzerland and in the Principality of Liechtenstein are entitled to continue their insurance cover as individual members if they leave the group of insured persons and if they are considered unemployed within the meaning of Article 10 of the Swiss Law on Unemployment Insurance (LACI).

19.2. The insured person must exercise their right to vested benefits within 90 days of his/her departure from the insured company, failing which, the right shall lapse.

19.3. There is no entitlement to continue insurance cover on an individual basis for the following persons and in the following cases :

- employers;
- employees who change employer and join the new employer's insurance scheme;
- who live abroad unless they remain subject to Swiss social insurance legislation due to intergovernmental agreements;
- persons who are definitively ceasing all professional activities;
- when the group contract is cancelled by the policyholder;
- employees who become self-employed;
- persons who have reached the AVS/AHV retirement age or who take up early retirement.
- employees engaged for a period of less than three months and those whose employment was terminated during or on completion of the probationary period.
- when the entitlement to benefits is exhausted.

19.4. If the insured person is incapable of working at the time of leaving the insured company, all insurance benefits are charged to the group insurance policy. Relapses occurring following the end of insurance cover within the meaning of Article 12, are chargeable to individual insurance.

19.5. The policyholder is obliged to notify an employee leaving the company, on his/her last day of work at the latest, of his/her entitlement to vested benefits and of the period available to him/her to assert such entitlement.

20. Change in type of company or activity; takeover by another company

If the type of company, the business activity or domicile of the company changes, the policyholder must inform Generali of the change, within 14 days of its occurrence, so that the insurance policy may be altered to reflect the new circumstances. Generali reserves the right to refuse to continue insurance cover. If no such notification is received, Generali is no longer bound by the contract.

21. Conclusion of other policies for the same risk

If, during the duration of the contract, the policyholder takes out insurance covering the same risk (loss of earnings) with other insurers, Generali must be informed of this within 14 days.

If no such notification is received, Generali is no longer bound by the contract.

22. Information for insured persons

The policyholder must inform insured persons of their rights and obligations pursuant to the insurance policy and, in particular, of the possibility of continuing insurance after their departure from group insurance or following termination of the insurance policy.

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23. Communication and information point

All announcements and communications from the policyholder or the insured persons must be addressed either to Generali's head office or to the branch indicated in the policy or to a branch otherwise designated as responsible.

24. Contractual bases

24.1. The following documents form an integral part of the insurance contract :

- these General Terms and Conditions of Insurance (GTCI)
- any supplementary or specific conditions
- customer information
- the insurance proposal and the other written statements from the policyholder
- the policy and any amendments thereto, as well as any other information documents intended for the policyholder.

24.2. For all facts which are not governed by the General Terms and Conditions of Insurance, the Federal Insurance Contracts Act (LCA) of 2 April 1908 shall prevail.

25. Place of jurisdiction

The policyholder, insured person or beneficiary may choose between the normal place of jurisdiction or that of their place of residence in Switzerland.

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