



**Loss of salary insurance VVG
General insurance conditions (GIC)**

2014 edition

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Loss of salary insurance VVG

1 Basis of insurance

1.1 Loss of salary insurance

Loss of salary insurance for companies is a form of indemnity insurance and provides cover for the economic consequences of illness within the scope of the benefits agreed in the insurance policy.

Cover for loss of salary following childbirth and daily accident benefits for persons with a fixed salary amount can be included.

1.2 Insurance carrier

The insurance carrier is Sympany Versicherungen AG, Basel (hereinafter «Sympany»).

1.3 Policyholder

The policyholder is the legal entity or natural person that concludes the insurance contract.

1.4 Insurance contract

The insurance policy, the Special conditions (SC) contained in the policy and the prevailing General insurance conditions (GIC) form the basis of the insurance contract.

The contract is subject to the Federal Act on Insurance Contracts (Bundesgesetz über den Versicherungsvertrag, VVG).

1.5 Geographical scope

The insurance applies worldwide.

For employees deployed abroad, the insurance shall apply for a period of 24 months from the time of deployment.

2 Commencement, term and termination of insurance contract

2.1 Commencement of insurance contract

The insurance contract shall commence on the date stipulated in the insurance policy.

2.2 Term of insurance

The insurance contract shall be concluded for the term stipulated in the insurance policy.

Once the agreed term of insurance has expired, the contract shall be renewed automatically for a further year provided it has not been terminated in advance subject to the stipulated notice period.

2.3 Termination of insurance contract

2.3.1 Termination on expiry

The insurance contract may be terminated by either contractual party with written notice of three months to the end of a calendar year.

The insurance contract may not be terminated for the first time until the expiry date stipulated in the insurance policy.

2.3.2 Lapse of insurance contract

The insurance contract shall lapse with immediate effect in the following cases:

- If the policyholder gives up their business activities;
- If the policyholder moves their head office abroad;
- If bankruptcy proceedings are instigated against the policyholder.

2.3.3 Cancellation by Sympany

Sympany is not bound to the contract and may cancel it for the following reasons:

- If the policyholder falls behind on their premiums in accordance with the provisions governing the reminder process and its consequences;
- If, on conclusion of the insurance contract, the policyholder incorrectly notifies or fails to notify a major potential risk of which they were or should have been aware, or if during the course of the insurance contract they incorrectly notify or fail to notify facts that would void or reduce Sympany's obligation to provide benefits.

2.3.4 Termination on premium adjustment

The policyholder shall be entitled to terminate the insurance contract to the end of the calendar year within 30 days of being notified of the premium adjustment.

2.3.5 Waiver of termination in case of entitlement to benefits

Sympany shall expressly waive its legal right to terminate the contract in the event of entitlement to benefits.

3 Group of insured persons

The list below is a summary. The benefit conditions outlined in the relevant articles of these General insurance conditions (GIC) shall apply.

	Employees	Persons with fixed salary amount
Insured persons	The persons or groups of persons stipulated in the insurance policy	Insofar as mentioned by name in the insurance policy: Owners of sole proprietorships or associates of partnerships as well as family members working at the company
Applicable salary	Salary subject to AHV The insured salary is limited to CHF 300,000 per person, per year	The agreed fixed salary amount

3.1 Employees

The insurance covers the natural persons or group of persons listed in the insurance policy that are in a contractual employment relationship with the policyholder and are subject to Old Age and Survivors Insurance (Alters- und Hinterlassenenversicherung, AHV).

Trainees are included in the insurance subject to the same conditions.

Persons who continue to work after reaching AHV age shall remain part of the group of insured persons until their 70th birthday provided that they were already employed by the policyholder and were fully able to work on attaining AHV age.

3.2 Persons with fixed annual salary amount

Owners of sole proprietorships or associates of partnerships are only insured insofar as they are mentioned in the insurance policy by name and with a fixed salary amount. Family members working at the company who are not included in payroll accounting shall be deemed equivalent to the said persons.

The standard salary for the location and industry shall constitute the upper limit for the insurance.

3.3 Non-insured persons

The following are excluded from the insurance:

- a) Staff loaned to the policyholder by third-party companies;
- b) Persons who work for the insured company as per a contractual relationship between principal and agent.

4 Insurance options

4.1 Cover coordinated with BVG

Sympany shall pay the agreed daily allowance during the period of incapacity to work as certified by the physician for a maximum of 730 days less the agreed waiting period until benefits become payable under the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge, BVG).

4.2 Full cover

Sympany shall pay the agreed daily allowance during the period of incapacity to work as certified by the physician for a maximum of 730 days within 900 days (or 720 days within 900 days) less the agreed waiting period.

	Cover coordinated with BVG	Full cover
Case reported	Within 5 days of expiry of contractual waiting period, at the latest 30 days following onset of incapacity to work	
Requirement	Incapacity to work due to illness of at least 25%	
Amount	Insured daily allowance, proportional to the level of incapacity to work	
Duration	Max. 730 full or partial daily allowances per case, less the agreed waiting period until benefits become payable under BVG	Max. 730 full or partial daily allowances within 900 days for one or multiple illnesses less agreed waiting period
Interim cover	Persons who are fully or partially unable to work at the point when the employment relationship is terminated shall be entitled to benefits until the end of the benefit case	
Death of employee	If an employee dies from the repercussions of an illness for which we provide benefits, Sympany shall assume the posthumous salary payments to the survivors in accordance with the Swiss Code of Obligations (Obligationenrecht, OR) for a maximum of two months.	

5 Commencement, term and termination of insurance cover

5.1 Commencement of insurance cover

Insurance cover for employees shall commence on the day on which they start work in full with the policyholder or at the time stipulated in the employment contract, but no earlier than on the contract start date specified in the insurance policy.

Persons who are in receipt of a pension under Disability Insurance (Invalidenversicherung, IV) are only insured within the scope of their part-time employment level with the insured company, at the most however for their residual capacity to work in accordance with the applicable IV ruling.

The health impairment for which the pension is paid out is not insured.

Persons who insure a fixed salary amount must apply for admission to the insurance on an individual basis by means of an application for admission and a health questionnaire. The insurance cover shall commence only once Sympany has confirmed this admission in writing.

Should insured persons be entitled to more favourable conditions on the basis of the agreement on freedom of movement, these conditions shall take precedence.

5.2 End of insurance cover

For insured persons, the insurance cover shall end subject to the following:

- a) On termination of the employment relationship with the policyholder;
- b) On retirement;
- c) On turning 70 years of age in the case of continued employment after attaining AHV age;
- d) On interruptions to employment without entitlement to salary, with the exception of absences due to illness, accident, pregnancy, during the period of unpaid leave (see Art. 5.4), and service in the Swiss army or in civil defense
- e) On the death of the insured person;
- f) On termination of the insurance contract;
- g) During suspension of the obligation to provide benefits after the policyholder has fallen into arrears on their premiums.

5.3 Insurance cover after exhausting maximum duration of benefits

The insurance cover shall only apply to the new illness-related incapacity to work if – after exhausting the maximum duration of benefits – the insured person

- a) is still employed with the policyholder, and
- b) has regained their ability to work.

5.4 Insurance cover during a period of unpaid leave

The insurance cover during a period of unpaid leave extends for up to 210 days, provided that the employment relationship remains intact. There shall be no entitlement to benefits and no premiums shall be owed during the scheduled period of unpaid leave.

Should the insured person fall ill during the period of unpaid leave, the days from the onset of the incapacity to work to the planned resumption of work shall be added to the waiting period and duration of benefits. The duties to cooperate in the event of entitlement to benefits as defined in these GIC shall apply.

5.5 Transfer to individual insurance

5.5.1 Right of transfer

Every insured person resident in Switzerland may take out daily sickness benefits insurance until they reach regular retirement age provided that this is done within three months of the end of the insurance cover.

The individual insurance shall begin one day after termination of the insurance cover under the group insurance.

There shall be no right of transfer in the following cases:

- a) If the insured person changes to a new employer and transfers to their loss of income insurance;
- b) If the policyholder has concluded a new insurance contract for this group of persons with another insurer and has to continue to provide insurance cover in accordance with the agreement on freedom of movement;
- c) If the insured person is no longer pursuing gainful employment and is not receiving a daily allowance from unemployment insurance;
- d) If the insured person is retired, at the latest upon attaining AHV retirement age;

- e) If the insured person is resident abroad;
- f) Once the maximum duration of benefits pursuant to this insurance has been exhausted;
- g) In the event of insurance fraud committed or attempted by the insured person.

5.5.2 Duty to provide information on the part of the employer

The policyholder must notify the insured person on their right of transfer and the associated transfer deadline at the time the employment relationship is terminated.

5.5.3 Scope of continued insurance

- a) The conditions, tariffs and benefits relating to the individual insurance applicable at the time of transfer shall apply.
- b) The daily allowance shall be limited to the current income from employment or benefits from Unemployment Insurance (Arbeitslosenversicherung, ALV), at the most however the benefits insured up to that point or the maximum insurable daily allowance relating to the individual insurance.
- c) For unemployed persons within the meaning of Art. 10 of the Unemployment Insurance Act (Arbeitslosenversicherungsgesetz, AVIG), the provisions of Art. 100 para. 2 VVG also apply.

5.5.4 Offsetting of benefits already drawn

Benefits that have already been drawn from this group insurance or with earlier insurance carriers shall be offset against the duration of benefits relating to the individual insurance.

6 Benefits

6.1 Principle

Sympany shall provide the insured benefits for the period, and to the amount, stipulated in the insurance policy, at the most however until termination of the insurance contract.

The provisions relating to additional cover remain reserved (see Section 6.7).

Unless agreed otherwise, the benefit prerequisites and the provisions of the VVG/Federal Act on the General Part of Social Insurance Law (Bundesgesetz über den Allgemeinen Teil des Sozialversicherungsrechts, ATSG), as they are applied in practice, shall apply mutatis mutandis.

Should an additional entitlement to benefits arise during a current entitlement to benefits, the daily allowance that has already been drawn in the first case shall be offset against the duration of benefits in the second case.

6.2 Incapacity to work

Incapacity to work shall be present if the insured person is fully or partially unable to carry out their job or another reasonable form of gainful employment. Partial incapacity to work shall be present when there is an incapacity to work of at least 25 percent.

Daily allowance benefits require a medical certificate attesting to insured person's incapacity to work. This certificate may only be backdated by up to three days.

6.3 Waiting period

The benefits shall begin after expiry of the agreed waiting period. The waiting period shall commence on the first day of the incapacity to work as attested by medical certificate, but no earlier than three days before the first medical treatment.

The waiting period shall be calculated individually for each case giving rise to an entitlement to benefits, unless agreed otherwise in the insurance policy.

Days of partial incapacity to work shall count as whole days when measuring the waiting period.

6.4 Relapse

The renewed occurrence of an instance of incapacity to work shall be deemed a relapse if the insured person was not able to work for more than twelve months since the previous occurrence of the same illness. If the relapse is recognized, the daily allowance benefits that were previously paid out will be taken into account and the waiting period will not be deducted afresh.

6.5 Differing duration of benefits

6.5.1 Duration of benefits at AHV age

Insured persons who remain in gainful employment beyond AHV retirement age shall be entitled to the insured daily allowance for the full 180 days, at the most however until they turn 70 years of age.

6.5.2 Reduced duration of benefits

The reduced duration of benefits is applied in the following cases according to the table below:

- a) For insured persons with an employment contract limited to three months or less;
- b) During a medical epidemic.

Duration of employment	Duration of benefits
Up to 12 months	3 weeks
Up to 3 years	9 weeks
Up to 9 years	13 weeks
Up to 15 years	17 weeks
Up to 20 years	22 weeks
Up to 25 years	27 weeks
Up to 30 years	31 weeks
Over 30 years	36 weeks

6.5.3 Posthumous salary payment

If an employee dies as a consequence of an illness for which we provide benefits, Sympany shall assume the posthumous salary payments to the survivors in accordance with the Swiss Code of Obligations (Obligationenrecht, OR) for a maximum of two months.

6.6 Offsetting on transfer of contract

Benefits that have already been drawn from previous insurance carriers shall be offset against the duration of benefits in the event of transfer/renewal of contract.

6.7 Interim cover

Persons who are fully or partially unable to work at the point when the employment relationship is terminated shall be entitled to benefits until the end of the benefit case giving rise to the interim cover, at the longest however until expiry of the agreed duration of benefits. Relapses shall not give rise to any entitlement to additional benefits. Interim cover shall not apply in the following cases:

- a) If another insurer has to take over responsibility for providing the daily allowance benefits due to the agreement on the freedom of movement;

- b) In the event that the employment relationship is terminated during the probationary period or in the event of an employment contract of limited duration;
- c) On retirement;
- d) For employees living abroad (does not apply to cross-border commuters).

If interim cover is not applicable, the provisions governing the transfer to the individual insurance shall apply.

6.8 Calculation and payment of daily allowance benefits

6.8.1 Employees

For employees, the calculation basis for the daily allowance shall be the salary subject to AHV that was last drawn from the policyholder before the occurrence of the insured event, including any salary components to which there is a legal entitlement but which have not yet been paid out.

For persons not subject to AHV, the agreed gross salary shall apply in place of the AHV salary.

Any earnings from other activities shall not be taken into account. If the earnings are subject to heavy fluctuations (e.g. commissions, profit sharing, irregular temporary jobs, etc.), the salary earned over the last twelve months prior to the onset of the incapacity to work is divided by 365 in order to calculate the daily allowance.

Salary adjustments as a result of changes to the level of employment or salary increases of a general nature are only taken into consideration if these have already been contractually agreed prior to the onset of incapacity to work.

The insured salary is limited to CHF 300,000 per person, per year.

6.8.2 Persons with fixed salary amount

For persons mentioned by name in the insurance policy who have an insured fixed salary amount, the calculation basis shall be the fixed salary amount agreed in advance divided by 365.

6.9 Payment of daily allowance

The daily allowance shall be paid out once the insured person has regained their ability to work on the basis of the medical certificate. If the incapacity to work lasts longer than one month, the daily allowance shall be paid out on a monthly basis in arrears. The daily allowance benefits shall be paid out to the policyholder for onward disbursement to the insured persons provided that these are still employed by the policyholder.

6.10 Refunds

Benefits that have been drawn in error or unjustly must be returned to Sympany.

6.11 Limitation of benefits

There shall be no entitlement to insurance benefits in the following cases:

- a) For the consequences of accidents or occupational illnesses that are to be covered by another insurer;
- b) In the case of involvement in warlike activities;
- c) As a result of the active participation in criminal acts, affrays and other violent activities;
- d) If the insured person deliberately draws or tries to draw benefits to which they are not entitled;

- e) In the event of impairments to health resulting from ionising radiation, with the exception of health impairments due to radiation treatments prescribed by a physician;
- f) If the insured person leaves Switzerland temporarily during a period of incapacity to work without approval from Sympany, until their return to Switzerland. For cross-border commuters, this restriction applies only if they stay outside of their place of residence or immediate environment.

7 Benefits from third parties

7.1 Coordination

7.1.1 General

If, in the case of an entitlement to benefits for which Sympany has an obligation to provide benefits, the insured person also has a legal or contractual entitlement to benefits from social insurance institutions, occupational insurance policies or a liable third party, Sympany shall supplement these benefits within the scope of its personal obligation to provide benefits up to the amount of the insured daily allowance. Sympany shall be under no obligation to provide benefits pursuant to these GIC to the extent of the benefits owed by third parties.

7.1.2 Multiple insurances

If the insured person receives benefits from another private daily allowance insurance, Sympany shall contribute proportionately to these benefits. This shall also apply if the benefit obligation of the other insurer exists only on an excess basis.

7.1.3 Waiver of benefits

If the insured person waives benefits due from third parties, either in full or in part, without the prior agreement of Sympany, the obligation to provide benefits pursuant to these GIC shall lapse. The commutation of benefit entitlements and the failure to assert claims with third parties shall also be deemed equivalent to a waiver of benefits, especially if the insured person does not apply for disability insurance when requested by Sympany to do so.

7.1.4 Advance payments and regress

Sympany may make advance payments in the place of a liable third party provided that the insured person has made a reasonable – albeit unsuccessful – effort to assert their claims and that they cede to Sympany their claims vis-à-vis the third party to the extent of the benefits provided.

7.2 Overcompensation

7.2.1 Principle

If the insured person receives benefits from third parties, Sympany shall reduce the daily allowance benefits up to the amount of the insured daily allowance. Days with partial or no benefits following a reduction due to an entitlement to third-party benefits shall count as full days for the purpose of calculating the duration of benefits and the waiting period.

If Sympany has provided benefits, it shall request retroactive payments from social insurance (in particular, disability insurance) in favour of the insured person directly from the social insurance institution concerned. The amount reclaimed shall be equivalent to the extent of the overcompensation.

7.2.2 Daily allowance insurances with other insurers

The policyholder is obliged to notify Sympany without delay of any existing or newly concluded daily allowance insurances with other insurers.

8 Duties to cooperate

8.1 Duties in case of entitlement to benefits

If an instance of incapacity to work is likely to lead to insurance benefits, the following applies:

- a) The insured person or the policyholder must notify Sympany of this within five days, using the form provided. If the waiting period exceeds 21 days, the notification must be provided within no more than 30 days of the onset of the incapacity to work. At the same time as the notification, the medical certificate stating the degree and duration of the incapacity to work must be submitted to Sympany. If notification is delayed without adequate reasons, Sympany shall grant benefits only from the point in time when the notification is received. Any reduction in the degree of incapacity to work must be notified to Sympany immediately. If the incapacity to work lasts longer than one month, the insured person is obliged to submit a medical certificate of incapacity to work every four weeks.
- b) Professional medical treatment must be arranged as soon as possible. The physician's instructions must be followed.
- c) Sympany may require that the insured person undergo examinations by physicians commissioned by Sympany. Sympany shall pay the costs of any such examinations.
- d) The insured person is obliged to notify the relevant office of any as yet unclarified entitlements to benefits under the terms of the Federal Act on Accident Insurance (Bundesgesetz über die Unfallversicherung, UVG), the Federal Act on Disability Insurance (Bundesgesetz über die Invalidenversicherung, IVG) or the Federal Act on Compensation for Loss of Income (Bundesgesetz über den Erwerbsersatz für Dienstleistende und bei Mutterschaft, EOG).

8.2 Loss mitigation

The insured person must take all measures that could help to diminish benefits. Insured persons who are likely to remain fully or partially unable to work in their original profession shall be obliged to make use of their remaining capacity to work in another profession or area of activity or they must apply for unemployment insurance. Sympany shall require the insured person to adjust their current activity or change their job/profession subject to a reasonable deadline. The insured person shall be obliged to report a likely claim for benefits to the IV (pension, retraining, occupational measures). If the insured person refuses to report the claim to the IV after being requested to do so by Sympany, daily allowance benefits may be temporarily suspended.

8.3 Duty to provide information

In all cases where a claim for benefits is asserted against Sympany, the insured person or the policyholder shall provide Sympany with all information required in order to assess the benefit obligation, the benefit amount or the benefit duration.

The insured person shall release the physicians and other medical staff treating them from the confidentiality obligation in respect of Sympany. As necessary, Sympany may obtain information from other insurance carriers.

Without being requested to do so, the insured person and the policyholder shall issue information to Sympany regarding all benefits from third parties in connection with illness, accidents and disability. Financial statements from third parties must be submitted to Sympany on request.

The policyholder must enforce the duty to provide information that is incumbent upon the insured person.

In all cases, Sympany may review the incapacity to work and the uninsured loss of earnings, and may institute suitable monitoring measures where appropriate.

8.4 Violation of duties to cooperate

Insurance benefits shall be temporarily or permanently reduced, or, in serious cases, refused, in the event of the following:

- a) If the insured person or the policyholder inexcusably violates the obligations arising from these GIC;
- b) If the insured person repeatedly and seriously contravenes rulings by Sympany or instructions from the physician;
- c) If the documentation needed to determine the insurance claim is not, despite a written reminder, submitted within four weeks.

8.5 Withholding tax

If daily allowance benefits are paid to the policyholder for forwarding to the insured person, the policyholder shall be responsible for ensuring that withholding tax is calculated and passed on as required by law.

9 Premium

9.1 Calculation of premium

The calculation of premiums is governed by the insured company's gross payroll subject to AHV.

The insured salary is limited to CHF 300,000 per person, per year.

The gross salaries of persons not subject to AHV are also used to calculate the premiums.

If a fixed salary amount was agreed for persons mentioned by name in the insurance policy, this shall serve as the basis for calculation.

9.2 Premium payment

9.2.1 Invoicing and due dates

Sympany shall issue an invoice for payment in advance to the policyholder on a quarterly, semi-annual or annual basis.

The premiums are due from the policyholder in advance, and must be paid at the due time and date stated in the insurance policy.

9.2.2 Final invoice

Sympany shall issue a declaration form to the policyholder after expiry of the calendar year. The policyholder must return the salary amount declaration together with the requisite documents (AHV declaration, list of insured persons, salary statements, etc.) within the space of one month. Sympany uses this information to calculate the definitive premium amounts and draws up a corresponding final invoice. If the balance is below CHF 20, no retroactive payments or refunds shall be due.

If the policyholder fails to make a report as required through the salary amount declaration or if no figures are available for the previous year, Sympany may define the definitive final invoice and future advance payment premium contributions by means of estimates.

9.2.3 Inspection of payroll accounting

Sympany has the right to inspect the policyholder's payroll accounting.

9.2.4 Premium reimbursement

Should the insurance contract be cancelled for legal or contractual reasons before expiry of the agreed contract period, Sympany shall reimburse the premium proportionately on the basis of the salary amount declaration submitted. The premium for the current insurance period shall be owed in full if the policyholder terminates the contract in the case of entitlement to benefits and the contract has been in effect for less than one year at the time it is terminated.

9.3 Reminders and consequences thereof

If the premium remains unpaid after a prior written reminder, Sympany shall set an additional grace period of 14 days. If the reminder produces no result, the insurance cover shall be suspended (break in cover).

On full payment of the outstanding premiums including interest and expenses, the insurance contract may be brought back into force. No retroactive insurance cover is provided for the period of the break in cover.

The insurance contract shall lapse after two months from the end of the additional grace period unless Sympany initiates legal proceedings to collect the outstanding premium.

9.4 Premium adjustment

Premium adjustments shall be notified to the policyholder no later than 30 days prior to the end of a calendar year. The policyholder has the right to terminate the insurance contract as of the time and date when such premium adjustments would become effective. Absence of notice to terminate shall be deemed consent to adjust the premium.

10 Additional provisions

10.1 Additional provisions for accident cover

If daily benefits insurance with accident inclusion has been agreed, the benefit reductions and exclusions shall apply mutatis mutandis in accordance with the UVG.

10.2 Additional provisions for birth benefits

If birth benefits are included in the insurance, the duties to cooperate and benefits conditions outlined in these GIC shall apply mutatis mutandis.

The entitlement to birth benefits arises with the entitlement to maternity benefits in accordance with the EOG. No benefits shall be paid if the employment relationship of the insured person is terminated before the child's birth.

The insured daily allowance shall be paid for a maximum of 112 days following the child's birth less any maternity benefits. The entitlement to birth benefits shall lapse in any case if the insured person recommences employment before the end of the benefit period.

11 Final provisions

11.1 Assignment and pledging

The assignment and pledging of insurance benefits provided by Sympany is not permitted without Sympany's written consent.

11.2 Limitation

The policyholder's/insured person's entitlement to benefits from Sympany shall lapse two years after the occurrence of the factual circumstance which provides the reason for Sympany's benefit obligation.

11.3 Notifications

Notifications from Sympany shall be served with legal validity when submitted in writing to the insured person or policyholder. Changes that are critical to the insurance, especially changes relating to the composition of the group of insured persons, the Collective Labour Agreement (Gesamtarbeitsvertrag, GAV) or the provisions of the BVG must be reported to Sympany in writing within 30 days.

11.4 Place of jurisdiction

In the case of disputes arising out of the insurance contract, the claimant shall have the choice between bringing the case before the court at their Swiss place of residence, at their Swiss place of work or at Sympany's head office.

