
Salary KVG

Voluntary daily benefits insurance pursuant to the Swiss Federal Health Insurance Act (KVG/LAMa)

General terms of insurance

September 2006 edition (amended 2014)

Insurance carrier: Sanitas Grundversicherungen AG

sanitas

Scope of insurance

1 Basis of contract

- 1 The basis of the contract is all representations made in writing by the insured (person to be insured) or his representatives in the application and further written documents, and medical reports.
- 2 The rights and obligations of the contracting parties are laid down in the policy and any addenda, in the general terms of insurance and any special terms.
- 3 The basis of these general terms of insurance is the Swiss Federal Health Insurance Act (KVG/LAMal) and the Swiss Federal Act on the General Part of Social Insurance Law (ATSG/LPGA) in conjunction with the related ordinances.
- 4 Subsidiary to the legal bases mentioned above, the Swiss Code of Obligations (OR/CO) shall apply.
- 5 In this document the masculine form refers to both genders.

2 Object of the insurance

Sanitas Grundversicherungen AG (hereinafter "Sanitas") insures the financial consequences of incapacity to work resulting from illness, maternity and accidents. The coverage includes the risk of accident if this is specified in the insurance policy.

3 Definitions

- 1 Illness is defined as any impairment to the physical, mental or psychological health that is not the consequence of an accident and which requires a medical examination or treatment or results in incapacity for work.
- 2 Maternity includes pregnancy and childbirth and the mother's postnatal recovery period.
- 3 An accident is defined as the sudden, unintentional, harmful influence of an exceptional external force on the human body, resulting in the impairment of physical, mental or psychological health, or death. Occupational illnesses and accident-like events are deemed to be equivalent to an accident. The provisions of the Swiss Federal Accident Insurance Act (UVG/LAA) apply.

- 4 Incapacity to work is defined as the complete or partial inability to perform such duties as may reasonably be expected in one's previous profession, trade or area of responsibility as a result of physical, mental or psychological health conditions. In protracted cases, the insured person's ability to perform such duties as may reasonably be expected in another profession, trade or area of responsibility will also be taken into account.
- 5 Incapacity to earn a living is defined as the complete or partial loss of possibilities to earn a living in a suitable area of a balanced employment market as a result of physical, mental or psychological health conditions, and after reasonable treatment and integration efforts.

Benefits

4 Benefits in Switzerland

- 1 In the event of the insured person's incapacity to work, Sanitas will pay the agreed daily benefits once the defined waiting period has elapsed.
- 2 Daily benefits will be paid for one or more insured events for a maximum of 720 days within a period of 900 days. It is not permitted to prevent exhaustion of the maximum benefit period by temporarily waiving payment of daily benefits.
- 3 In the event of partial incapacity to work, insured persons are entitled to daily benefits corresponding to their degree of incapacity for the period mentioned in para 2 above if their degree of incapacity is at least 50%. Insurance coverage for the remaining capacity to work is retained.
- 4 If the degree of incapacity changes while the insured person is receiving daily benefits, the benefits will be recalculated with effect from the day the change took place.
- 5 For the purposes of calculating the waiting period, days with a degree of partial incapacity to work of at least 50% are counted as full days. With the exception of the two-day waiting period, the waiting period will only be counted once in any given calendar year. Waiting periods of 30 or more days are counted towards the maximum benefit period.
- 6 Within the scope of the law, in the event of maternity daily benefits will be paid for 16 weeks, but will not be counted towards the period of entitlement to draw benefits. Entitlement commences at the earliest 2 weeks before childbirth. Incapacity to work resulting from complications in pregnancy is treated as equivalent to illness as per point 3 para 1 above, and is not counted towards the 16-week benefit period.

- 7 Full daily benefits will be paid to insured persons who are deemed to be unemployed under the terms of the Swiss Federal Law on Obligatory Unemployment Insurance and Compensation in Cases of Insolvency (AVIG/LACI) if their degree of incapacity to work is more than 50%.

5 Benefits outside Switzerland

- 1 If the insured person becomes incapacitated during a stay abroad, in the foreign country he is entitled to the insured daily benefits only during hospitalisation.
- 2 No daily benefits will be paid if an insured person who is entitled to daily benefits goes abroad without the consent of Sanitas.

6 Overcompensation

- 1 Daily benefits must not lead to overcompensation under the terms of Art. 69 of the Federal Act on the General Part of the Social Insurance Law (ATSG/LPGA). If reduced daily benefits are paid because of overcompensation, the benefit period will be extended until the benefits correspond to the total amount that would have been paid if full daily benefits had been granted. The exception to this is benefits in the event of maternity, which will not be paid for a period of more than 16 weeks.
- 2 In cases where there is entitlement to maternity benefits in accordance with the Federal Law on Income Compensation for Persons Serving in the Army, Civilian Service and Civil Defence and for Expectant Mothers (Income Compensation Law, EOG/LAPD), Sanitas will reduce its benefits in accordance with point 4 para 6 above as per Art. 69 of the Federal Act on the General Part of the Social Insurance Law (ATSG/LPGA). The insured person must send Sanitas copies of statements from the social security office responsible for maternity benefits.

Restrictions to insurance coverage

7 Cessation of benefits

No daily benefits will be paid:

- For illnesses and conditions resulting from an accident that are excluded from coverage by a restriction or would be excluded from coverage by a restriction if the insured person had not failed to disclose the illness or condition resulting from an accident
- For illnesses and accidents resulting from military service abroad
- To compensate for reductions in benefits from other insurance policies

8 Reduction of or refusal to pay benefits

Daily benefits will be reduced, or in particularly serious circumstances completely withheld:

- If an insured event occurs as a result of intent or negligence, unless the insured person was acting in a state of complete unsoundness of mind
- In the event of illnesses and accidents resulting from fights, riots, acts of war, terrorist acts and illegal acts of all sorts and the measures taken to counteract them, unless the insured person was injured as an innocent bystander or in the process of assisting a defenceless person
- For participation in a risky undertaking, although attempts to rescue people are covered even though they can be viewed as risky undertakings in themselves.

A risky undertaking is defined as behaviour by which a person exposes himself to particularly serious danger without taking or being able to take measures to reduce the risk to a reasonable degree.

9 Third-party benefits

- 1 The insured person must inform Sanitas without delay of all benefits provided by third parties (e.g. under accident, liability, military or disability insurance) as well as of any agreements regarding lump sum settlements if Sanitas is liable to pay benefits for the same insurance claim.
- 2 If Sanitas pays benefits on behalf of a third party, the insured person must assign his claims to Sanitas to the amount of the benefits Sanitas is obliged to pay.
- 3 Agreements between the insured person and third parties are not binding on Sanitas.

10 General obligations

- 1 The insured person is obliged to comply with the instructions of doctors or other service providers and make reasonable efforts of his own to bring about an end to his incapacity to work.
- 2 In particular, the insured person is obliged to undergo reasonable treatment and measures to reintegrate him into employment if this could result in a material improvement in his capacity to earn a living or a new possibility of earning a living.

11 Establishment of claims

- 1 In the event of incapacity to work, Sanitas must be notified within 6 days of the waiting period elapsing. To this end, the original copy of a medical certificate of incapacity, specifying the degree of incapacity to work, must be submitted.
- 2 If the medical certificate of incapacity is submitted late, the insured shall not be entitled to daily benefits until it is submitted at the earliest.
- 3 If required by Sanitas, written evidence of loss of earnings must be provided.
- 4 If daily benefits are claimed as the result of an accident, the accident report form must be submitted.

12 Assignment and pledging of benefits

The insured person may neither assign nor pledge claims on Sanitas without the permission of Sanitas.

13 Violation of obligations

If the insured person violates his obligations towards Sanitas in the event of a claim, benefits may be reduced or refused.

Commencement and end of insurance coverage

14 Acceptance

- 1 In signing the application for insurance, the person to be insured authorises medical doctors consulted by him, previous insurers and other insurance carriers to pass on to Sanitas and its medical officers such information on the insured person's state of health or the course of an illness or accident as is required to assess the application for insurance and define benefits.
- 2 If Sanitas has not received the information required for the daily benefits insurance applied for within three months, the application lapses.
- 3 Sanitas may require that the insured undergo a medical examination at the expense of the policyholder (premium payer). Sanitas may have a say in the choice of doctor.

- 4 Sanitas may impose a restriction excluding illnesses and conditions resulting from an accident that pre-existed at the time of admission. This also applies to earlier illnesses or conditions resulting from an accident that experience shows to be subject to relapse. The restriction ceases to apply after five years at the latest. Before this period has elapsed, the insured person may present evidence that the restriction is no longer justified.

- 5 If at the time the contract was concluded the insured person has withheld or misrepresented a material fact (existing conditions, conditions from which he has recovered, and/or conditions resulting from an accident) about which he knew or should have known, Sanitas may impose a restriction retroactively within 4 weeks of becoming aware of this fact. All benefits falling under this restriction paid since the contract commenced will be reclaimed.

- 6 Voluntary daily benefits insurance pursuant to the Swiss Federal Health Insurance Act (KVG/LAMa) can be taken out by persons between the ages of 16 and 65 who are resident or work in Switzerland. New insurance can only be taken out with a daily benefit of CHF 10. The exception is special agreements as part of group insurance plans.

15 Commencement of insurance

Coverage commences on the date specified in the policy or on the acceptance slip.

16 Amendments to the contract

- 1 The insured person must submit a new application for amendments to the contract. The terms of point 14 of these general terms of insurance apply.
- 2 Irrespective of their state of health, insured persons who are deemed to be unemployed under the terms of the Swiss Federal Law on Obligatory Unemployment Insurance and Compensation in Cases of Insolvency (AVIG/LACI) can convert their existing daily benefits insurance into insurance with a 30-day waiting period and the same benefits. The premium will be adjusted accordingly.

17 Suspension

Voluntary daily benefits insurance pursuant to the Swiss Federal Health Insurance Act (KVG/LAMal) will be suspended for insured persons who become eligible for military insurance for more than 60 consecutive days. Sanitas must be notified at least 8 weeks before the insured person commences military service. If Sanitas is not notified until after this deadline, coverage will be suspended with effect from the next possible date, but in any case no later than 8 weeks after notification. Sanitas will refund any premiums already paid or credit them against subsequent premiums. For his part, the insured person is obliged to notify Sanitas if his military service comes to an end prematurely. In this case the duration of the suspension will be reduced accordingly.

18 End of insurance coverage

Insurance coverage ends:

- If the insured person terminates the insurance as per point 19 of these general terms of insurance
- If the insured person leaves employment or his place of residence in Switzerland
- Once the maximum benefits as per point 4 of these general terms of insurance have been exhausted
- On the death of the insured person.

19 Termination

- 1 The insured person may terminate the contract with effect December 31 subject to three months' notice.
- 2 An insured person may also terminate his insurance with effect from the end of the month before a newly announced premium takes effect; in this case termination is subject to one month's notice. Such announcements generally take effect on January 1.
- 3 If the insured person transfers to a daily benefits scheme provided by his employer or ceases employment, the insurance can be terminated with effect from the end of the month.

Premiums

20 Payment of premiums and due dates

- 1 Premiums are due on the first day of the month in question. Payments may be made on an annual, semiannual, quarterly, bi-monthly or monthly basis, with the insurance year beginning on January 1. If bills are sent to an address outside Switzerland, payments may only be made on an annual, semiannual or quarterly basis.
- 2 If the contract is terminated prematurely, the premium due for the unused period of insurance will be refunded.
- 3 The insured person may not offset premiums due against benefits due.

21 Payment reminders and consequences of default in payment

- 1 If premiums that are due are not paid in time, Sanitas reminds the insured person to pay within 14 days of dispatch of the reminder, and refers to the penalties for default. If there is no reaction to the reminder, Sanitas waives the outstanding premium and withdraws from the contract, or institutes legal proceedings to collect the outstanding amounts plus the reminder costs, interest on arrears and debt enforcement costs.
- 2 The insured person may submit a written request for the reinstatement of the insurance contract without a new risk assessment within 4 months of the reminder period expiring. He must undertake to pay all outstanding amounts without interruption. In this case the entitlement to benefits is reinstated for insured events occurring from the day on which Sanitas receives payment. The request can be rejected without explanation.
- 3 Sanitas will charge reasonable fees and interest on arrears for payment reminders and debt enforcement proceedings.

Miscellaneous

22 Acceptance of policy

If the contents of the insurance policy or the supplements thereto do not coincide with the agreements reached, the policyholder must ask for a correction within four weeks of receipt of the policy, failing which the contents shall be deemed to have been approved by him.

23 Data capture and processing

- 1 Sanitas ensures compliance with the data protection provisions of Swiss law, in particular the Swiss Federal Law on Data Protection.
- 2 Within the limits of the statutory provisions, Sanitas may obtain information required for the provision of insurance coverage, process this information electronically, and forward it to third parties for processing.

24 Payment of benefits

- 1 Sanitas transfers benefits to the insured person's bank or postal account. If other forms of payment are requested, Sanitas may charge a fee to cover the extra expense involved. Payments will be made to addresses in Switzerland, or to addresses in EU or EFTA states provided that Basic insurance coverage is also included in the same policy.
- 2 Sanitas may deduct monies owed by the insured person from the benefits paid out.

25 Notifications/contact addresses

- 1 Changes in names or addresses, and contact addresses, must be notified to Sanitas in writing within 30 days. All deliveries to the last known address shall be considered to be legally effective.
- 2 Insured persons who are absent from Switzerland for more than three months must provide Sanitas with a contact address in Switzerland. This does not apply to changes in civil law domicile to an EU or EFTA state provided that Basic insurance coverage is also included in the same policy.

26 Amendments to the terms of insurance

Amendments to these general terms of insurance, as well as all other binding information, shall be communicated to the insured person in writing or published in the customer magazine.

27 Legal recourse

- 1 If an insured person does not agree with a decision by Sanitas he may, within 90 days, demand that Sanitas issue a written decision, within 30 days, including reasons and an explanation of rights of appeal.
- 2 An objection to a written decision may be lodged with Sanitas within 30 days. Sanitas shall review this objection and issue a written appeal decision including reasons and an explanation of rights of appeal.
- 3 An appeal against the appeal decision issued by Sanitas may be lodged with the competent cantonal insurance court – the insurance court in either the canton of residence of the insured person or the canton of residence of the third party filing the appeal – within 30 days.
- 4 An appeal may also be lodged if Sanitas fails to issue a written decision or appeal decision in response to a request or demand that has been made.
- 5 An appeal against the ruling of a cantonal insurance court may be filed with the federal court pursuant to the Swiss Federal Supreme Court Act.

