

Alternative Insurance

**General Insurance Conditions (AVB)
Version 01.2010**

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The insured persons and benefits are set out in the policy, along with the date on which insurance cover begins, the contract term and any special agreements.

The Federal Insurance Contract Act (VVG) applies in addition to these General Insurance Conditions.

1 Insurer

The carrier for insurance plans governed by these General Insurance Conditions is CSS Versicherung AG, Tribsehenstrasse 21, 6005 Lucerne («the insurer»).

2 Supplementary nature of the insurance

All benefits insured are supplementary to the benefits provided under mandatory healthcare insurance (KVG) in particular.

3 Illness, accident, maternity

3.1 Illness is defined as any impairment of physical or mental health which is not the result of an accident and which requires medical examination or treatment or leads to incapacity to work.

3.2 An accident is defined as any sudden, unintentional, harmful effect of an unusual external factor on the human body. The policy shows for each individual benefit whether or not the risk of accident is included. References to illness in the General Insurance Conditions also apply to accidents by analogy.

3.3 The insurer pays the same benefits for maternity (pregnancy, birth, confinement) as for illness.

4 Contract term and cancellation of insurance cover

4.1 The contract term is stated in the policy.

At the end of this term, the insurance renews automatically each year.

4.2 Once the contract term ends, insured persons may terminate the insurance by giving three months' notice to the end of a calendar year. Claims for benefits being processed at the time of cancellation will remain payable. The insurer expressly waives its right to cancel the insurance when the contract expires.

4.3 If an insured event occurs for which the insurer pays benefits, the insured person may cancel the insurance in writing. However, the insurer expressly waives its right to cancel the insurance in the event of a claim.

4.4 In the case of changes in premiums, in the rules governing co-payment and in the General Insurance Conditions, Article 7 applies.

4.5 The insurance expires:

- a) if the insured person becomes legally resident abroad;
- b) during temporary stays abroad of more than one year, with effect from the end of the insurance year.

5 Premium refund

If the contract is cancelled before the expiry date, the insurer will refund the premium paid for the unused policy term on a pro rata basis, unless the insured person cancels the insurance contract during the year immediately following that in which it was concluded (see Art. 42 para. 3 VVG).

6 Substitute policy

If the contract replaces another contract issued previously by the insurer, any benefits subject to limits or restrictions already drawn under the original policy will be offset against future benefits.

7 Payment reminders and arrears

7.1 If the premium is not paid by the deadline indicated on the statement, the insured person will be notified of the con-

sequences of default in writing and requested to pay the outstanding premium within 14 days of the reminder being sent, as required by Art. 21 para. 1 VVG. If this reminder is ignored, the insurer's obligation to pay benefits will be suspended upon expiry of the additional payment deadline.

7.2 Once the additional payment period has elapsed, the insured person must pay the statutory interest on arrears. The costs associated with issuing the payment reminder are payable by the insured person.

7.3 If no legal action is taken to collect the overdue premium within two months of the end of the additional payment period, the insurer will withdraw from the contract without taking any further action and waive payment of the outstanding premiums.

7.4 If the insurer takes legal action to collect the premium or accepts payment at a later date, its obligation to pay benefits will recommence from the date upon which the outstanding premium, including interest and costs, is paid. Even after the outstanding premium has been paid, the insurer will have no obligation to pay benefits in respect of claims arising during the period in which its obligation to pay benefits was suspended.

8 Change in premium rates, rules governing co-payments and the General Insurance Conditions (AVB) for individual benefits

8.1 The insurer may amend the contract if the premium rates or rules governing co-payments (deductible, retention fees) change.

8.2 The insurer is entitled to amend the General Insurance Conditions with regard to individual benefits if the number of service providers increases or new kinds of service provider are established as the result of advances in modern medicine, or if new or more expensive forms of therapy are introduced.

8.3 The insurer will announce the changes to you by 25 days before the end of the insurance year.

If the insured person do not agree to the changes, they may cancel the contract.

Notice of cancellation is valid if it is received by the insurer on the last day of the insurance year at the latest.

If notice of cancellation is not received by the insurer within 25 days of having informed the insured person about the change, the insured person will be deemed to have accepted the change in question.

9 Discounts and bonuses

9.1 CSS may grant discounts and bonuses. The loss of discounts owing to non-fulfilment of the conditions of eligibility does not entitle the policyholder to terminate the insurance that has been taken out. The same applies if contractually agreed criteria mean that no bonus is paid out. The reduction of discounts or bonuses by CSS as the result of a rate adjustment and/or the amendment by CSS of the conditions of eligibility for a discount or bonus gives rise to a right to terminate the insurance.

9.2 CSS grants children and young people a family discount up to the end of the calendar year in which the insured person reaches the age of 20. CSS sets out the details of this family discount in a Appendix to the AVB. CSS may amend this Appendix to the AVB unilaterally. Any amendments will take effect at the beginning of the calendar year in each case. The level of the discount depends on the insurance cover of the person of discount (the parent or guardian) and that of the child or young person. It is stated on the policy. Children and young people are eligible for a discount up to the age of 20 providing all of the following conditions are met:

- a) The child is covered by basic insurance with CSS Krankenversicherung AG, Arcosana AG, Sanagate AG or INTRAS Krankenversicherung AG.
- b) An adult parent or guardian (the person of discount) lives in the same household.
- c) The person of discount is covered by basic insurance with CSS Kranken-Versicherung AG, Arcosana AG, Sanagate AG or INTRAS Kranken-Versicherung AG.

9.3 The amount of the discount is calculated on the basis of the net premium, and stated for each product on the policy or premium summary. Sample calculation:

Alternative Insurance with a number of discounts:

Gross premium	CHF	6.00
– discount I (notional) 10%	CHF	0.60
Net premium I	CHF	5.40
– discount II (notional)	CHF	1.10
Net premium II (actual premium due)	CHF	4.30

9.4 CSS will announce changes to discounts and bonuses, and to the conditions of eligibility for a discount or bonus, no later than 30 days prior to the end of the calendar year. If the insured person does not agree to these changes, he can terminate the insurance concerned with effect from the end of the current calendar year by giving notice in writing. Such notice is deemed to be on time if it is received by CSS no later than the last working day of the current calendar year, during normal office hours.

10 Change of residence

10.1 The insurer may adjust its premiums at the start of the following tariff age groups:

0.– 18. age	46.– 50. age
19.– 25. age	51.– 55. age
26.– 30. age	56.– 60. age
31.– 35. age	61.– 65. age
36.– 40. age	66.– n. age
41.– 45. age	

10.2 These premium adjustments entitle the insured person to cancel. Article 8.3 applies by analogy.

11 Change of residence

The insurer must be informed immediately of any change of residence.
If this change leads to a premium adjustment, the insurer will adjust the premiums that subsequently fall due.
An adjustment of this kind does not constitute grounds for cancellation.

12 Scope of benefits

12.1 The insurer pays 80% of the insured cost of outpatient or inpatient treatment performed using alternative methods (such as acupuncture, TCM, osteopathy, kinesiology, Ayurveda), provided it serves to treat an illness or accidental injury and is performed by a doctor or a naturopathic practitioner or therapist recognised by the insurer. The insurer recognises as naturopathic practitioners and therapists people who satisfy the specific recognition criteria drawn up by the insurer in collaboration with doctors and therapists in respect of each form of complementary therapy/measure.

The insurer maintains a list of recognised methods and a list of recognised service providers.
The insured person may ask to see the current list at any time.

12.2 The policy shows the maximum amount insured per calendar year.

13 Benefit restrictions

Benefits which go beyond the level required to serve the insured person's interests or the level required by the purpose of the treatment are not covered by the insurance. If invoices are clearly inappropriate, the insurer will restrict its payment of benefits to the usual rates for the service in question.

14 Benefit reductions

14.1 If the insurance cover lasts for less than one calendar year, the maximum amount insured will be reduced on a pro rata basis.

14.2 The insurer waives its right to reduce insurance benefits in the event of gross negligence.
However, no payments will be made to substitute for benefit reductions from other insurance plans.

15 Non-insured benefits

The following benefits are not insured:

- 15.1 statutory benefits, in particular those in accordance with the KVG and UVG;
- 15.2 benefits that are unsuitable, uneconomical and not officially recognised in accordance with Art. 11, unless the AVB expressly states otherwise;
- 15.3 benefits for maternity and related illnesses if already pregnant before the beginning of the insurance;
- 15.4 hospital stays that do not serve to improve or maintain the state of health (chronic illnesses);
- 15.5 withdrawal treatment;
- 15.6 cosmetic treatment;
- 15.7 cellular therapy;
- 15.8 illnesses and accidents resulting from violations of neutrality, warlike events and the use of nuclear energy for military purposes in times of peace or war;
- 15.9 accidents resulting from earthquakes or premeditated crimes and offences by the insured person;
- 15.10 illnesses and accidents resulting from acts of daring, extreme sports and hazardous activities;
- 15.11 co-payments, patient's share of costs and expenses;
- 15.12 benefits where the insured person ignores the instructions of doctors and other service providers.

Benefit restrictions:

- 15.13 The insurer pays benefits abroad only if and for as long as the insured person cannot reasonably be expected to return to Switzerland.
The insurer pays benefits, for which the insured person must present proof, up to the amount indicated on the policy that would be due at the insured person's place of residence in Switzerland.

16 Insured event, notification, claiming benefits

16.1 Insured event:

An insured event is defined as an invoice issued by a service provider indicating the charges for contracted services provided within a maximum period of three months. If the contract ends, benefits must be claimed within three months at the latest.

16.2 Notification:

If the insured person is hospitalised, the insurer must be informed immediately. The insurer will issue a commitment to provide cover within the scope of the insured benefits on request.

16.3 Claiming benefits:

To claim benefits, the original invoices indicating the precise services provided and their justification must be submitted to the insurer.

17 Contracts with service providers

The insurer reserves the right to enter into tariff agreements and other service agreements for the benefit of the insured person.

18 Coordination of benefits with social insurers and other insurers

18.1 If an accident insurer (UVG), a health insurer (KVG), the Federal military insurance (MV) or Federal disability insurance (IV) is liable to pay benefits for a claim, the insurer will pay only that part of the insured benefits due which are not covered by these insurers.

18.2 In the case of double or multiple insurance, the insurer will prorate its benefits in accordance with the statutory provisions.

19 Place of jurisdiction

If legal disputes arise, the insured person can take action against the insurer at the court with jurisdiction at their place of residence in Switzerland or in the city of Lucerne.

Appendix**20 Family discount**

As a family insurer, CSS Versicherung AG grants attractive family discounts for children and young people on premiums for supplementary insurance under the VVG.

20.1 Eligibility for premium discounts on supplementary insurance

The cumulative conditions of eligibility for the family discount are set out in paragraph 9.2 of the General Insurance Conditions (AVB).

20.2 Discount and maximum age

Discount: 20%

Maximum age: up to age 20

The amount of the discount is calculated on the basis of the net premium, and stated for each product on the policy or premium summary for the child or young person.

Sample calculation: Alternative Insurance with a number of discounts¹:

Gross premium	CHF	6.00
– discount I (notional) 10%	CHF	0.60
Net premium I	CHF	5.40
– family discount 20%	CHF	1.10
Net premium II (actual premium due)	CHF	4.30

¹The insured person is 5 years old. The premium stated here is purely for illustration purposes and does not correspond to the actual premium.

Translation: Only the original German text approved by the Swiss Supervisory Authority is binding.