

Individual Daily Indemnity Insurance in accordance with the VVG

General Insurance Conditions (AVB)
Version 08.2010

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I Bases

1 Object of the insurance

CSS Versicherung AG (hereinafter referred to as 'CSS') insures the benefits shown in the policy for the economic consequences arising from illness, accident and, if this has been agreed, from maternity.

2 Bases of the contract

- 2.1 The insurance contract consists of the following components:
- these General Insurance Conditions (AVB);
 - the Special Insurance Conditions (BB);
 - the application signed by the insured person;
 - possible written statements by the applicant or insured person;
 - the policy;
 - any addenda that may apply.
- 2.2 The Federal Insurance Contract Act (VVG) applies in addition to these provisions.
- 2.3 In order to enhance readability, the masculine form is used throughout this text and refers to persons of both genders and to legal entities.

3 Definition

- 3.1 Illness is defined as any impairment of physical or mental health not resulting from an accident and which requires medical examination or treatment, or which leads to work incapacity. Congenital defects are deemed to be illnesses that exist from the time of birth.
- 3.2 An accident is defined as the sudden, unintentional, harmful effect of an unusual external factor on the human body that results in an impairment of physical or mental health or leads to death.
In these AVB the term "illness" also refers to accident by analogy.
- 3.3 Maternity includes the date of childbirth and the mother's postnatal recovery period.(cf. Art. 15).
- 3.4 The minimum daily indemnity is CHF 10.
- 3.5 The maximum insurable daily indemnity is the same as the salary that is subject to contributions under the AHVG.

4 Scope of benefits

- 4.1 In the event of a claim, CSS pays per insured risk (illness, accident) a maximum of 730 daily indemnities minus waiting period and no more than the daily indemnity indicated in the policy.
- 4.2 The cover for births (daily maternity indemnity) is taken out as a supplement to any cover for illness for the same daily indemnity amount, unless agreed otherwise. The daily maternity indemnity is insured and paid out either for a maximum of 98 days or for a maximum of 112 days (cf. Art. 15).

5 Coordination of daily indemnity payments

During the period for which the daily maternity indemnity is paid out, there is no entitlement to further daily indemnity benefits under this insurance (daily sickness indemnities, daily accident indemnities).

6 Territorial validity

The insurance covers insured events that occur in Switzerland or abroad. Benefits abroad are only paid for the duration of hospitalisation as an inpatient in the respective country. The period of hospitalisation abroad must be medically necessary and transport back to Switzerland impossible, unless CSS has given its express approval for the individual case in question.

II Beginning, term and end of insurance

7 Beginning and term of insurance

- 7.1 The insurance begins on the date shown in the policy. Unless otherwise agreed, the insurance year begins on 1 January and ends on 31 December.
- 7.2 The insurance contract is concluded for the period stated in the policy and is then renewed tacitly for a further year at a time.

8 End of insurance

- 8.1 The insurance contract can be terminated by either contracting party with effect from the end of the contract term, subject to a three-month period of notice.
- 8.2 For the insured person, insurance cover lapses when this contract ends. At the same time, CSS's obligation to pay benefits for both pending and new claims ceases in full.
- 8.3 The contract further ends when both the insurance cover and CSS's obligation to pay benefits cease in full at the same time, if:
- the full benefit period indicated in the insurance contract has been completed (exhaustion of the entitlement to benefits);
 - the insured person transfers his residence abroad;
 - the insured person takes a career break or gives up work for at least 6 months and is not entitled to a salary during this period. Insurance cover does not lapse during career breaks resulting from illness, accident, maternity or in the service of the Swiss Army or Swiss Civil Protection Service;
 - the insured person reaches AHV retirement age (cut-off date: end of the month in which AHV retirement age is reached), unless otherwise stated in the provisions of the contract. Insured persons who can be shown to earn an income subject to AHV contributions beyond AHV retirement age, can apply for the insurance cover to be extended until age 70 at the latest. The insured person has until three months before reaching AHV retirement age at the latest to submit an application for the continuation of the Daily Indemnity Insurance; however, there is no entitlement to an extension of the insurance contract. In this case, the benefit period amounts to no more than 180 days from the beginning of AHV retirement age (cut-off date: date of birth). The maximum insurable daily indemnity is CHF 200.
- 8.4 If there is a probability of prolonged overinsurance, the insurance can be adjusted by either contracting party. The adjustment comes into effect at the end of the month in which the corresponding notification is made or in which note is taken thereof. The premiums remain due until the adjustment takes effect.
- 8.5 Notice of termination must be received by the other contracting party within the agreed notice period (cf. Art. 8.1). Notice of termination must be served in writing.

III Premiums

9 Premiums and premium adjustment according to tariff age groups

- 9.1 The premiums are shown in the policy.
- 9.2 On reaching the maximum age for a specific tariff age group, the insured person is automatically assigned to the next higher tariff age group at the beginning of the following calendar year. The applicable premium rate is that for the tariff age group.

The tariff groups:

0–18 years old	46–50 years old
19–25 years old	51–55 years old
26–30 years old	56–60 years old
31–35 years old	61–65 years old
36–40 years old	66–70 years old
41–45 years old	

- 9.3 If the premium is adjusted because the insured person is assigned to a higher tariff age group, he is entitled to terminate the insurance by analogy with Art. 10.2.

10 Rate structure, changes in rate structure and premiums

- 10.1 The rate structure provides for a scaling of premiums in particular according to age, gender, occupation, nationality and status as smoker or non-smoker. Depending on how the product develops, CSS is entitled to adjust this structure with effect from the next insurance year. If the insured person's occupation, nationality or status as smoker/non-smoker changes, CSS must be notified immediately in writing.
- 10.2 CSS has the right to adjust the premiums to the circumstances of the contract. CSS informs the insured person of the change at the latest 30 days before it comes into effect. If the insured person does not agree to the changes, he may terminate the contract in writing. Notice to terminate the insurance is valid if it is received by CSS at the latest on the last working day before the premium adjustment comes into effect. If CSS has not received any notice of termination by this date, the premium adjustment will apply.

11 Arrears in payment by the insured person/offsetting

- 11.1 If CSS does not receive the premiums on time, the insured person will be sent a written reminder, setting a final two-week deadline for payment. CSS's obligation to pay benefits ceases at the end of this extension period and the insurance contract is cancelled.
- 11.2 CSS is entitled to charge CHF 50 per reminder for administrative costs and collection costs and to claim an additional CHF 100 per debt collection, and to charge the statutory interest on arrears.
- 11.3 CSS is entitled to offset outstanding premiums against any entitlement to benefits of the insured person. The insured person is not entitled to offset payments against claims on CSS.

12 Premium refund

- If the insurance contract is terminated before the expiry date, CSS refunds the unused premium to the insured person unless:
- the insured person terminates the contract in the first insurance year following a claim for benefits.

IV Benefits

13 Duties of conduct and obligations in the event of a claim

- 13.1 The insured person must notify CSS of any work incapacity and loss of earnings, providing the respective documentary evidence (e.g. confirmation of loss of salary from the employer, AHV statement, extract from the tax return, etc.), and must claim any insured benefits. The insured person sends, within five days of expiry of the agreed waiting period but no later than 30 days following the beginning of work incapacity, a certificate of work incapacity from the attending doctor to CSS and claims the daily indemnity. If the insured person is in breach of his duty to notify, he will be liable for the resulting damage/loss; entitlement to the insured benefits starts at the earliest from the date when this notification is received.
- 13.2 In the case of prolonged periods of work incapacity, an interim medical certificate must be submitted to CSS every month in addition to the documents mentioned in Art. 13.1.
- 13.3 The insured person must comply with the following duties of conduct:
- If it seems likely that an illness will lead to an entitlement to benefits, the insured person must obtain expert medical treatment without delay. He must follow the instructions given by the attending doctor. CSS reserves the right to submit the insured person additionally to a medical examination by a doctor acting on its instruction or to arrange a visit by a care provider to whom the insured person must provide the information required to clarify the obligation to pay benefits;
 - the insured person must follow the instructions of CSS;
 - the insured person must release the attending doctors from their duty of confidentiality towards CSS. CSS will handle all medical information confidentially;
 - the insured person must do everything in his power to aid his recovery and refrain from doing anything that would delay it; he is subject to a comprehensive obligation to mitigate loss (see VI Appendix).
- 13.4 If the obligations or rules of conduct are breached in connection with a claim, CSS is free to reduce or refuse benefits at its own discretion (cf. Art. 17.3).

14 Daily sickness and accident indemnity

- 14.1 The Individual Daily Indemnity Insurance in accordance with the VVG is a form of insurance against loss of income. CSS covers the documented loss of earnings resulting from an insured work incapacity, however at most up to the insured maximum daily indemnity.
- 14.2 CSS's obligation to pay benefits starts when the contractually agreed waiting period ends. The waiting period is valid per claim and per insured risk and counts towards the period in which benefits are paid. Days of partial work incapacity count as full days when calculating both the waiting period and the benefit period. The benefit period is not extended when benefits are coordinated with those of other insurers.
- 14.3 Benefits are paid on condition that the medically confirmed work incapacity is at least 25 per cent. CSS prorates the insured daily indemnity in accordance with the degree of work incapacity.
- 14.4 For persons who are partially unemployed in accordance with Art. 10 AVIG, CSS pays the full daily indemnity if work incapacity exceeds 50 per cent.
- 14.5 An ill insured person who is eligible for benefits and travels abroad without CSS's prior authorisation is not entitled to claim benefits during the length of his stay abroad.

15 Daily maternity indemnity

- 15.1 CSS pays a daily maternity indemnity, as a supplement to the mandatory maternity insurance in accordance with the Loss of Earnings Compensation Act, provided the mother has been insured with CSS under the present insurance at least for the risks of illness and maternity for at least 730 days at the time of the birth.
- 15.2 The agreed daily maternity indemnity will be paid out from the date of giving birth. The daily maternity indemnity is calculated on the basis of the actual loss of earnings.
- 15.3 When claiming daily maternity indemnities, a confirmation of birth, the corresponding documents proving the loss of earnings in accordance with Art. 13.1 and a copy of the EO statement must be submitted to CSS, unless otherwise agreed.
- 15.4 The other provisions of these AVB also apply in the case of daily maternity indemnities.

16 Calculation of daily indemnities

The salary-related daily indemnity amounts are calculated as follows:

- Basis is the most recent salary subject to AHV received before the illness started, including any outstanding salary components to which there is a legal entitlement and which are covered by the insurance. The salary is annualised and then divided by 365;
- For insured persons whose salary varies strongly, the calculation is based on the average of the last 12 months prior to work incapacity.

17 Benefit reductions

- 17.1 If only illnesses are insured, and if the work incapacity can only be partly ascribed to the illness, CSS pays only a corresponding portion of the benefits.
- 17.2 CSS waives its right to reduce the insurance benefits if an event is caused by gross negligence.
- 17.3 If duties of conduct or obligations (see in particular Art. 11, 13, 18 and the duties to mitigate loss included in VI Appendix) are culpably breached, CSS is free to reduce the benefits at its own discretion, however by at least 20%.

18 Non-smoker declaration

- 18.1 The insured person has the opportunity under this insurance to sign a non-smoker declaration.
- 18.2 A non-smoker declaration can be signed by each insured person who has not consumed any cigarettes, cigars, pipes or any other smoking products in the last 365 days prior to signing the non-smoker declaration. CSS is entitled, both when the contract is concluded and in the event of a claim, to arrange the examinations necessary to determine the insured person's smoking habits. In the event of a positive result, the costs of these examinations will be charged to the insured person.
- 18.3 If an insured person who has signed a non-smoker declaration starts smoking during the contract term (cf. Art. 18.2), CSS must be notified immediately. The premiums will be adjusted accordingly. Failure to notify CSS in good time will result in only 50% of the insured benefits being paid in the event of a claim. If the notification is made too late but before a claim for benefits, the premiums will be adjusted retrospectively to the date when the insured person started smoking.
- 18.4 Upon application, an insured person who satisfies the requirements under Art. 18.2 during the contract term (i.e. has not consumed any smoking products during at least a year), will be given the opportunity to sign a non-smoker declaration. If the requirements are seen to be satisfied, the premiums will be adjusted from the date of receipt of the corresponding application.

19 Exclusions

- 19.1 Benefits as a result of violations of neutrality and warlike events and the use of atomic or radioactive materials for military or private purposes in times of peace and in times of war;
- 19.2 Benefits as a result of earthquakes;
- 19.3 Benefits as a result of premeditated crimes or offences committed by the insured person;
- 19.4 Benefits as a result of incurring exceptional risk and engaging in hazardous activities. The rules of the social accident insurance serve as evaluation criteria;
- 19.5 Benefits for the period preceding late notification of the claim for no valid reason;
- 19.6 Benefits arising from failure to follow the instructions of a doctor, other service provider and CSS;
- 19.7 Benefits as a result of participation in fights and brawls, except when administering aid as a bystander;
- 19.8 Benefits for accidents, occupational diseases and accident-like injuries that are insured in accordance with the UVG;
- 19.9 Benefits as a result of cosmetic treatments and operations and their consequences. The criteria of the social health insurance apply;
- 19.10 Benefits as a result of non-vital medical operations and their consequences. The criteria of the social health insurance apply.

20 Coordination with third-party benefits

- 20.1 If the insured person receives benefits under Swiss social insurance, an equivalent foreign insurance, or from a liable third party, CSS supplements the documented loss of income not replaced by these insurances once the waiting period expires, however at most up to the daily indemnity amount insured under the contract.
- 20.2 If the insured person receives benefits from another private insurer, CSS prorates its benefits accordingly.
- 20.3 The insured person must inform CSS about all social and private insurers that pay benefits in this connection and about any liable third parties and the benefits they pay. In cases of wilful or grossly negligent omissions, CSS can refuse to pay benefits.
- 20.4 Days on which partial benefits are paid as a result of curtailment count as full days towards completion of the waiting period and calculation of the benefit period.
- 20.5 If CSS pays benefits instead of a liable third party, the insured person must assign his claims to CSS up to the amount of the benefits it paid.
- 20.6 CSS can claim the benefits it has paid directly from the competent social insurer or liable third party.

Art. 21 Assignment, pledging, and other agreements

- 21.1 Insurance benefits from CSS may neither be assigned nor pledged without the permission of CSS.
- 21.2 Agreements on settling amounts with other insurers or liable third parties are of no consequence for CSS unless CSS has approved them in advance.

V Final provisions

22 Notifications

- 22.1 Notifications to the insured person are sent to the most recent address known to CSS. CSS should be informed immediately in writing of any change of address. If a change of address leads to a change in premiums, CSS adjusts the premiums on the date the address changes. Such a change does not justify termination.
- 22.2 Notifications to CSS must be sent to the address indicated in the policy.

23 Place of jurisdiction

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

VI Appendix

Abroad

All states except Switzerland.

Accident

See Art. 3.2 AVB

The occupational diseases listed in the Ordinance on Accident Insurance (UVV) are deemed equivalent to accidents. Provided they are not clearly attributable to an illness or degenerative condition, the bodily injuries listed exhaustively in Art. 9 para 2 of the UVV are classified as accidents even when not due to an unusual external effect.

AHVG

Federal Act on Old-Age and Survivors' Insurance.

AVIG

Federal Act on Unemployment Insurance and Insolvency Compensation.

Claim for benefits

Any event resulting in entitlement to benefits. A new illness that sets in before a claim is settled counts as a new claim for benefits, provided that no causal relationship exists with the first claim. An illness that is medically connected with an earlier illness (relapse) counts as a new claim only if the insured person did not receive medical treatment for this illness during the 12-month period after the earlier claim was settled. A new claim marks the beginning of a new waiting period.

Doctor

Person holding a federal diploma authorising him to exercise this profession. The terms also refers to other persons who are authorised by the canton to exercise a medical profession on the basis of an academic certificate of competency.

Earnings incapacity

Earnings incapacity is the total or partial loss of an insured person's capacity for gainful employment in a balanced labour market and in his field of activity resulting from an impairment of physical or mental health which persists after reasonable treatment and rehabilitation.

EOG

Loss of Earnings Compensation Act.

Hazardous activities

Actions through which the insured person exposes himself to particularly great danger by failing or being unable to take precautions to reduce the risk to a reasonable level.

Illness

See Art. 3.1 AVB.

Loss-of-income insurance

The insurance covers the documented loss of earnings resulting from illness; benefits of other insurers or persons liable to pay are offset. In an insured event, payment of the insured benefits is dependent on whether and to what extent the insured person has suffered damage/loss as the result of the claim for benefits. The ban on overcompensation applies.

Maternity

See Art. 3.3 AVB

Obligation to mitigate loss

The insured person has the following duties, among others:

- he must comply within a given period if medically necessary operations, therapies or other measures are recommended by a doctor (reasonableness);
- he must report to the competent IV office in his canton of residence if a doctor or CSS advises him to do so;
- he must promptly take part in potential retraining courses with the IV;
- he must accept lighter, suitable work, possibly in another professional field, within the scope of his current or remaining capacity for work;
- he must comply with the going-out times recommended by the doctor.

The obligation to minimise loss is subject to the criteria that apply under social insurance law.

Social insurances

- Old Age and Survivors' Insurance
- Federal disability insurance IV
- Loss of Earnings Compensation Ordinance EO
- Federal unemployment insurance and Insolvency Compensation AVI
- Occupational Benefit Plans BV
- Ordinance of family allowances in the agricultural sector FL
- Cantonal family allowance rules FAK
- Accident insurance UV
- Mandatory healthcare insurance KV
- Federal military insurance MV

Terms

These terms form an integral part of the AVB.

UVG

Federal Accident Insurance Act.

VVG

Insurance Contract Act.

Work incapacity

Exists if the insured person is temporarily or permanently unable to engage in his own occupation or to perform any other work which could reasonably be expected of him and this is confirmed by a doctor. He can be reasonably expected to perform other work if it matches the knowledge, skills and previous status of the insured person as well as his state of health.

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



CSS

Insurance