

**General Terms and Conditions**  
**Collective Insurance in Accordance with the BVG (GTC BVG)**

Version of 01.2022

---

**Contents**


---



---

**0. Insurance policies in accordance with the BVG**


---



---

**1. Contractual basis**


---

- 1.1 Collective insurance contract, terms and conditions of insurance
  - 1.2 Overview of benefits and premiums
- 

---

**2. Management of savings**


---

- 2.1 Minimum BVG retirement assets
  - 2.2 Savings
  - 2.3 Calculation of interest
- 

---

**3. Acceptance for insurance cover**


---

- 3.1 Acceptance process
  - 3.2 Medical examination
- 

---

**4. Insurance cover**


---

- 4.1 Commencement of insurance cover
  - 4.2 Scope of insurance cover
- 

---

**5. Premiums**


---

- 5.1 Premium calculation, premium payment
  - 5.2 Adjustment of the rate schedule
- 

---

**6. Justification of entitlement**


---

- 6.1 Information and documents
  - 6.2 Retirement
  - 6.3 Death
  - 6.4 Incapacity for work/disability
- 

---

**7. Benefit calculation basis**


---

- 7.1 Pension conversion rate for savings within the collective insurance framework
  - 7.2 Conversion into pensions of retirement credits managed outside the collective insurance
- 

---

**8. Benefits**


---

- 8.1 Retirement benefits
  - 8.2 Survivors' benefits
  - 8.3 Disability benefits
  - 8.4 Payment of benefits
  - 8.5 Reimbursement and deduction
  - 8.6 Adjustment of pensions in line with inflation
- 

---

**9. Coordination with other insurers**


---

- 9.1 Waiver of accident cover
  - 9.2 Coordination with other social insurance providers
  - 9.3 Coordination with liability claims
- 

---

**10. Early withdrawal from the group of insured persons**


---

- 10.1 Effects
  - 10.2 Extended cover
  - 10.3 Reduction
  - 10.4 Surrender value on departure
- 

---

**11. Duration and termination of the collective insurance contract**


---

- 11.1 Effects of terminating the contract
  - 11.2 Calculation of the surrender value on contract termination
  - 11.3 Duration of the collective insurance contract
- 

---

**12. Surplus sharing**


---

- 12.1 Surplus calculation
  - 12.2 Principles of surplus distribution
  - 12.3 Surplus allocation and use
- 

---

**13. Miscellaneous provisions**


---

- 13.1 Pledging and assignment
  - 13.2 Notifications, address for notifications
  - 13.3 Breach of contract without culpability
  - 13.4 Place of performance
  - 13.5 Place of jurisdiction
- 

---

**14. Actuarial annex and war clause**


---

- 14.1 Calculation of the value in the event of contract termination
  - 14.2 Net present values of the individual contract components
  - 14.3 Bases
  - 14.4 Interest deduction to calculate the value in the case of contract
  - 14.5 Military service and war
-

## 0. Insurance policies in accordance with the BVG

- <sup>1</sup> These general terms and conditions apply to insurance policies in accordance with the provisions of the BVG, namely policies whose benefits meet or go beyond the requirements of the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG).
- <sup>2</sup> The policyholder alone is responsible for ensuring that the pension provision put in place complies with the principles of reasonableness, collectivity, equal treatment and orderliness as well as the principle of insurance.
- <sup>3</sup> The insurance policies concluded under a collective insurance contract comply with these principles only if Allianz Suisse Life expressly gives assurance of this in the collective insurance contract or in an annex to it.
- <sup>4</sup> Any assurance given by Allianz Suisse Life applies only to the insurance policies at the time of the conclusion of the contract and does not entail an obligation on the part of Allianz Suisse Life to comply with the principles after the conclusion of the contract or to verify or guarantee compliance with them on a continuous basis in the course of fulfilling the contract.
- <sup>5</sup> Any liability of Allianz Suisse Life going beyond this is excluded, provided this is legally permissible.
- <sup>6</sup> The policyholder is always a pension provider entered in the occupational pensions register or whose entry in the register is planned. Any collective insurance claims can only be made by the policyholder, and the insured persons and their survivors can never make claims directly against Allianz Suisse Life.
- <sup>7</sup> The new insurance year is deemed to begin each year on 1 January.

## 1. Contractual basis

### 1.1 Collective insurance contract, terms and conditions of insurance

- <sup>1</sup> Rights and obligations of the contracting parties are specified in the collective insurance contract, its annexes and any subsequent amendments.
- <sup>2</sup> Collective insurance is based on:
  - a) the collective insurance contract and the terms and conditions of insurance mentioned in the collective insurance contract;
  - b) the written applications of the persons to be insured;
  - c) any other written declarations made to Allianz Suisse Life and the examining doctor by the policyholder, the insured person or other persons whose declarations are ascribed to the policyholder or insured person.
- <sup>3</sup> Agreements that deviate from the terms and conditions of insurance must be made in writing. In addition, such agreements are only valid if they have been confirmed in writing by the Directorate of Allianz Suisse Life.
- <sup>4</sup> Unless otherwise agreed, the provisions of the Swiss Federal Act on Insurance Contracts (VVG) and those provisions of the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans

(BVG) that are directly applicable to insurance contracts apply.

- <sup>5</sup> If provisions in the general terms and conditions are incompatible with or contradict legal provisions that are mandatorily applicable to the present collective insurance contract and were in force at the commencement of the contract or that come into force during the term of the contract, the mandatory legal provisions take precedence over these..

### 1.2 Overview of benefits and premiums

- <sup>1</sup> Information is provided annually on the type and level of the insured benefits and on the level of the premiums in an overview of benefits and premiums.
- <sup>2</sup> When a person joins the scheme, and in the event of changes to the insurance benefits in the course of the insurance year, a new overview is created for the person affected.
- <sup>3</sup> The latest annually issued overview of benefits and premiums supersedes the preceding one on the reference date. However, special acceptance terms remain in effect until they are changed in writing by the Directorate.

## 2. Management of savings

Savings are managed for each insured person; they must be at least equal to the statutory retirement assets prescribed by the BVG (minimum BVG retirement assets). If the savings exceed the minimum BVG retirement assets, and a distinction is drawn in the collective insurance contract, an annex of the contract or the other provisions applicable to the insurance relationship in relation to the savings between the minimum BVG retirement assets and the non-mandatory savings, the following ruling applies:

### 2.1 Minimum BVG retirement assets

- <sup>1</sup> The following are included in the minimum BVG retirement assets:
  - a) The statutory BVG retirement credits for the period in which the insured person was actually insured with the policyholder until not later than the normal retirement age. The BVG retirement credits are calculated on the basis of the statutory rates depending on the coordinated salary in accordance

with the BVG.

- b) The statutory BVG retirement assets of the insured person including interest that were transferred to the policyholder from the previous pension fund or a vested-benefits institution to which the insured person belonged and credited to the insured person, equal to the statutory retirement assets in accordance with Article 15 BVG shown in the statement of account of the previous pension fund or vested-benefits institution.
- c) The interest calculated for the minimum BVG retirement assets for the period in which the insured person was actually insured with the policyholder until not later than the normal retirement age. The interest is calculated in accordance with the provisions of the BVG using the applicable minimum interest rate as stipulated by the BVG.
- <sup>2</sup> The minimum BVG retirement assets are not managed as separate savings; instead, they merely form the basis for calculating the statutory BVG minimum benefits

and those benefits defined on the basis of the collective insurance contract or an annex of the contract as well as the subsequent provisions depending on the minimum BVG retirement assets. The list in Section 2.1 paragraph 1 is exhaustive and corresponds to the statutory retirement assets in accordance with Article 15 BVG.

- <sup>3</sup> Deposits are not considered to be part of the minimum BVG retirement assets until and provided it can be verified that they are statutory BVG retirement assets purchased previously by the insured person. If this cannot be verified, all deposits and purchases, regardless of the legal basis and the origin of the funds used, cannot be included in the minimum BVG retirement assets.
- <sup>4</sup> The minimum BVG retirement assets include parts of the BVG retirement assets transferable to the policyholder as a result of pension settlements following divorce or court dissolution pursuant to the PartG and statutory BVG components of a lifelong pension, which the policyholder must accept in favour of the insured person.
- <sup>5</sup> If an early withdrawal was made in the past for home-ownership purposes, and it is verifiable that the withdrawal was made entirely or partially from previously purchased statutory BVG retirement assets, and if the early withdrawal is then paid back entirely or partially, the amount paid back is credited to the minimum BVG retirement assets in the same proportion as the amount originating from the minimum BVG retirement assets in relation to the entire amount of the early withdrawal.
- <sup>6</sup> Voluntary purchases are not credited to the minimum BVG retirement assets.
- <sup>7</sup> Early withdrawals and partial withdrawals of savings for home ownership purposes and in the event of a divorce or the legal dissolution in accordance with the PartG result in a reduction of the minimum BVG retirement assets in as much as the savings as described in Section 2.2 are less after the withdrawal than the minimum BVG retirement assets before the withdrawal.
- <sup>8</sup> In the event of the partial drawing of retirement benefits, early withdrawals and partial withdrawals of savings for home-ownership purposes and divorce or court dissolution of a partnership pursuant to the PartG, the minimum BVG retirement assets are reduced in the same proportion as the amount withdrawn early in relation to the total savings amount as described in Section 2.2.

## 2.2 Savings

The savings consist of the following:

- a) The retirement credits agreed in the pension plan for the period in which the insured person was actually insured with the policyholder until no later than the age of 70.
- b) The value of the assets including interest transferred to the policyholder from the previous pension scheme or vested-benefits institution and credited to the insured person.
- c) All deposits and purchases up to the maximum savings amount, calculated on the basis of the retirement credits including interest in accordance with letter a at the time of calculation, regardless of the legal basis and the origin of the funds used.
- d) The surpluses allocated to the insured person from the surplus sharing allocated to the policyholder's collective insurance contract by Allianz Suisse Life.
- e) The interest for the period in which the insured person was actually insured with the policyholder until no later than the age of 70.

## 2.3 Calculation of interest

The interest referred to in section 2.2 e is calculated as stipulated by the BVG on the basis of the following interest rates:

- a) Up to the level of the minimum BVG retirement assets as described in section 2.1 paragraph 1, the savings earn interest at the applicable minimum interest rate as specified by the BVG.
- b) If the savings exceed the minimum BVG retirement assets as described in section 2.1 paragraph 1, this non-mandatory portion of the savings earns interest at a rate that may be lower or higher than the applicable minimum interest rate as specified by the BVG.

This rate of interest is specified by Allianz Suisse Life in the fourth quarter of each year and is applicable for a year as of the reference date. The interest rate is approved by the Swiss Financial Market Supervisory Authority (FINMA).

## 3. Acceptance for insurance cover

### 3.1 Acceptance process

- <sup>1</sup> The persons to be insured are to be registered with Allianz Suisse Life in the manner it stipulates.
- <sup>2</sup> The application form must be submitted to Allianz Suisse Life before or immediately after the insured person starts work.

### 3.2 Medical examination

On being requested to do so by Allianz Suisse Life, the persons to be insured must make written declarations about their state of health in response to written questions and undergo a medical examination at the expense of Allianz Suisse Life.

## 4. Insurance cover

### 4.1 Commencement of insurance cover

- <sup>1</sup> The insurance cover begins on the day on which the person to be insured starts work or should have started work. In any case, it begins as soon as the person sets off for work. However, the insurance cover is initially subject to the restrictions described in section 4.2 paragraph 1 and 2.
- <sup>2</sup> If the requested information and documents are not sent to Allianz Suisse Life within 90 days, the insured benefits may be reduced to the minimum BVG benefits or the benefits acquired through the vested benefits transferred, if the latter are higher.

### 4.2 Scope of insurance cover

- <sup>1</sup> The insurance cover is initially restricted to the statutory minimum benefits in accordance with the BVG. However, it is applicable to those benefits that can be purchased using the transfer value from previous arrangements in accordance with the collective insurance contract or an annex of the contract, provided that the previous pension fund had not specified any health provisos or provided any period specified for the provisos had elapsed before the commencement of the insurance cover.
- <sup>2</sup> For benefits going beyond this, the insurance cover is initially provisional. The provisional insurance cover is to be understood as follows: Allianz Suisse Life is only required to meet the obligation to provide cover in cases where the policyholder proves that the occurrence of the insured event is not attributable to causes that predate the commencement of the provisional insurance cover.  
The provisional insurance cover expires when the definitive insurance cover commences or is refused. The

definitive insurance cover commences for each insured person at the point in time notified to the policyholder by Allianz Suisse Life. The definitive insurance cover can only be granted within the framework of the provisions on the conditions for entitlement and the scope of the benefits in the collective insurance contract and in the terms and conditions of insurance. Any extension of the definitive insurance cover beyond this is precluded.

Allianz Suisse Life can make the definitive insurance cover conditional on the results of a medical examination. Based on the results of the medical examination, premium supplements may be charged and exclusions or provisos may be applicable, or definitive insurance cover may be refused, unless the law forbids the policyholder from imposing any such restrictions on the insured persons.

- <sup>3</sup> If adjustments such as additional insurance cover are provided for in the contract, Allianz Suisse Life does not provide insurance with higher benefits unless the insured person is fully fit for work. If the person is not fully fit for work, the additional insurance cover is delayed until the person is fully fit for work again. The insurance cover already acquired and the insurance for the statutory minimum benefits in accordance with the BVG remain applicable.
- <sup>4</sup> Allianz Suisse Life can make the additional insurance cover contingent on a new medical examination within the framework of adjustments provided for in the contract in the event of there being additional amounts at risk or restrictive acceptance terms, and within the framework of additional insurance cover requested unilaterally by the policyholder or the insured person, in particular in the event of subsequent purchases being made that result in an increase in the risk benefits insured.

## 5. Premiums

### 5.1 Premium calculation, premium payment

- <sup>1</sup> When a person joins, and in the event of changes to the insurance benefits (new or additional insurance cover), the premiums depend on the collective rate schedule applicable to the collective insurance contract at this point in time.
- <sup>2</sup> For insurance policies with annually recalculated premiums and insurance policies with successive one-off deposits, the rate schedule applicable to the collective insurance contract on the effective date of the calculation is always used.
- <sup>3</sup> Annually recalculated premiums are determined at the start of the contract and on each contractual reference date for a period of one year on the basis of the age reached and the maximum age.
- <sup>4</sup> For insurance policies with contractually agreed flat-rate risk premiums, the premium rate is determined at the start of the contract and then reviewed and redefined if required at least every three years. The rate schedule applicable to the collective insurance contract at this point in time is used.
- <sup>5</sup> Premiums are charged for each insured person. They are subdivided into savings, risk and cost premiums or charged on the basis of a flat premium rate for the risk and cost premiums. The cost premium is obtained from the gross cost premium taking into account the cost

discount in accordance with the collective rate schedule applicable to the collective insurance contract at the time of calculation.

- <sup>6</sup> This is subject to any stipulations to the contrary in the collective rate schedule.
- <sup>7</sup> In addition to the cost premiums, the cost contributions specified in the cost schedule that is applicable on the effective date are charged.  
The cost contributions specified in the cost schedule form part of the collective rate schedule. The cost schedule can be amended and adjusted to suit changing circumstances at any time with the agreement of the authority responsible for approving the rate schedule.
- <sup>8</sup> In addition, the collective insurance contract or an annex of the contract may stipulate that Allianz Suisse Life bears some or all of the costs and charges owed by the policyholder to third parties, and that the policyholder owes Allianz Suisse Life equivalent contributions, which can be charged in advance or in arrears.
- <sup>9</sup> The premiums are due on the reference date and, in the event of any changes, on the day on which the change takes effect. The cost contributions are due thirty days after they take effect.
- <sup>10</sup> The premiums are charged until the end of the month in which the insured person retires at the latest. On the death of the insured person, premiums are charged until the end of the month in which the person dies.

Any premiums paid after that are reimbursed to the policyholder.

<sup>11</sup> If the premiums and cost contributions are not paid in time, Allianz Suisse Life sends a reminder to the policyholder, requesting that the policyholder pay the outstanding amount within 14 days and advising of the consequences of non-payment.

<sup>12</sup> If payment is not received or not received in full within the notice period of the reminder, Allianz Suisse Life can cancel the collective insurance contract on expiry of the period of notice, provided that the policyholder was threatened with this as a consequence of non-payment in the reminder.

## 5.2 Adjustment of the rate schedule

<sup>1</sup> Allianz Suisse Life may, with the approval of FINMA, adjust the collective rate schedule in whole or in part, and may thus unilaterally adjust the premiums and the insured benefits during the term of the current collective insurance contract on the basis of the approved change to the rate schedule.

<sup>2</sup> If the adjustment of the rate schedule results in a significant change to the collective insurance contract, the policyholder must be notified of these changes in writing at least six months before they take effect. The collective insurance contract may be terminated in this case, with a notice period of thirty days, effective on the date when the changes are to come into force.

<sup>3</sup> The following changes are considered to be significant changes to the collective insurance contract:

- a) the increase to those premiums that do not correspond to the savings credits by at least 10 percent within three years, or
- b) a reduction in the conversion rate leading to a reduction in the insured persons' expected retirement benefits by at least five percent, or
- c) other measures with effects that are at least equivalent to those described under letters a and b, or
- d) in the case of collective insurance contracts with full reinsurance cover, the loss of that cover.

<sup>4</sup> A change to the collective insurance contract is not regarded as significant if it is the result of a change to the statutory basis.

## 6. Justification of entitlement

### 6.1 Information and documents

<sup>1</sup> Allianz Suisse Life is entitled to request the information and documents specified in sections 6.2 to 6.4 or obtain them itself.

<sup>2</sup> Allianz Suisse Life is entitled to request from the policyholder or insured person or obtain itself any further documents and information that it considers to be necessary in order to provide insurance. On requesting authorisation, Allianz Suisse Life is to be granted access to the files of public authorities, pension or insurance providers, social insurance providers and other relevant organisations. In cases of inability to work, Allianz Suisse Life can at any time require the insured person to be examined by a doctor of its choosing. In particular, these rights also allow Allianz Suisse Life to establish that any declarations made in order to obtain insurance cover are accurate and complete.

<sup>3</sup> To prevent/combat misuse and unjustified benefit payments, Allianz Suisse Life is to be authorised, in compliance with the principles of proportionality and data protection and in the event of justified suspected misuse, to adopt surveillance and observation measures or to delegate these tasks as required to carefully selected third parties subject to the same business secrecy obligation and have undertaken to uphold the corresponding duty of confidentiality.

<sup>4</sup> Allianz Suisse Life can make the payment of pensions dependent on the provision of an official certificate of life at any time.

<sup>5</sup> Allianz Suisse Life can refuse to pay benefits or discontinue them if contractual or statutory information and reporting obligations are not met, requested information and documents are not provided, authorisation to inspect files is refused, or independent medical examinations cannot be carried out for reasons that are the responsibility of the insured person or the policyholder.

Refused or discontinued benefits can no longer be requested provided that the refusal or discontinuation was threatened in writing with a reasonable period of notice, and the insured person or policyholder can be considered in the circumstances to have failed to meet these obligations.

### 6.2 Retirement

If the insured person has reached the retirement age, Allianz Suisse Life can at any time request an official document that must indicate the insured person's place of residence, age and marital status as well as the names and sex of the person's children.

### 6.3 Death

Allianz Suisse Life must be notified in writing immediately in the event of the death of an insured person. In addition, Allianz Suisse Life must be provided with the following documents:

- a) The official death certificate.
- b) A report by the doctor who most recently treated the person on the occurrence, duration, course and nature of the illness or event that led to the person's death.
- c) If a person is entitled to claim a widow's or widower's pension, a divorcee's survivor's benefit or a lump-sum payment instead of a pension, an official document showing the person's date of birth and marriage must be submitted. In the case of a divorcee, the divorce settlement document must also be provided.
- d) If surviving registered partners are entitled pursuant to the Swiss Federal Partnership Act (PartG) to a partner's pension or a lump-sum payment instead of a pension, the relevant official document containing the person's date of birth and the date on which the partnership was registered or an extract from the civil status register must be submitted.
- e) If a surviving life partner is entitled to a life partner's pension or a single lump-sum payment instead of a pension, an extract from the civil status register must be submitted for both the insured person and the entitled person as well as documents that prove the existence of a cohabitation relationship during the last five years prior to the insured person's death or the entitled person's maintenance obligation towards at least one joint child at the time of the insured person's death.
- f) If there is an entitlement to an orphan's pension, official documents must be submitted to provide



evidence of the dates of birth of the children and any training, education or disability extending beyond the maximum age. The same applies to the completion of vocational training after the agreed maximum age.

- a) Name and address of the doctor providing treatment
- b) Rulings of the Swiss Federal Disability Insurance Office
- c) Changes to the working or employment relationship

#### 6.4 Incapacity for work/disability

Incapacity for work or disability must be reported to Allianz Suisse Life in writing at the latest before the shortest waiting period has elapsed, and at the same time the following information and documents must be submitted:

### 7. Benefit calculation basis

#### 7.1 Pension conversion rate for savings within the collective insurance framework

<sup>1</sup> If Allianz Suisse Life manages savings within the collective insurance framework, the savings are converted into a retirement pension as follows:

- a) The savings at the level of the minimum BVG retirement assets are converted when the normal retirement age is reached at the conversion rate provided for the conversion of the minimum BVG retirement assets into retirement assets in accordance with the applicable collective tariff (conversion rate for minimum BVG retirement assets). The rate may vary depending on whether the insured person is male or female. This conversion rate is adjusted in accordance with the collective rate schedule applicable at the time of the full or partial termination of the insured person's employment relationship (adjusted BVG conversion rate for the minimum BVG retirement assets) if some or all of the retirement pension is drawn early or deferred.
- b) The portion of the savings that lies above the level of the BVG minimum retirement assets is converted at the time normal retirement age is reached using the conversion rate provided for the conversion of this non-mandatory portion of the savings into a retirement pension in accordance with the applicable collective rate (conversion rate for the non-mandatory retirement assets). The rate may vary depending on whether the insured person is male or female. This conversion rate is adjusted in accordance with the collective rate schedule applicable at the time of the full or partial termination of the insured person's employment relationship (adjusted conversion rate for the non-mandatory retirement assets) if some or all of the retirement pension is drawn early or deferred.
- c) The sum of the retirement pensions resulting from the conversion of the minimum BVG retirement assets and the conversion of the non-mandatory retirement assets at the time normal retirement age is reached is in any case at least equal to the retirement pension determined by the shadow calculation resulting from the conversion of the minimum BVG retirement assets at the statutory conversion rate pursuant to BVG applicable at the time of retirement. This conversion rate is adjusted in accordance with the collective rate schedule applicable at the time of the full or partial termination of the insured person's employment relationship (adjusted BVG statutory conversion rate) if some or all of the retirement pension is drawn early or deferred. If a disabled person reaches normal retire-

ment age, the sum of the retirement pensions resulting from the conversion of the minimum BVG retirement assets and the conversion of the non-mandatory retirement assets must be at least equal to the statutory BVG disability pension determined by shadow calculation to which the insured person would still be entitled under the BVG.

<sup>2</sup> If it is agreed in the collective insurance contract or an annex of the contract that the survivor's or disability pensions are calculated depending on the savings, and unless the collective insurance contract or an annex of the contract states otherwise, the pensions are calculated as follows:

- a) The savings at the level of the BVG minimum retirement assets that the insured person has accumulated up to the end of the relevant insurance year plus the value of the statutory BVG retirement credits for the missing years up to the contractual retirement age, without interest, are converted.
- b) If the contractual retirement age is the same as the normal retirement age, the conversion is performed in accordance with letter a using the statutory conversion rate in accordance with the BVG applicable in the corresponding insurance year; otherwise, it is performed with the adjusted statutory BVG conversion rate applicable for the contractual retirement age.
- c) If the savings, which consist of the savings accumulated by the insured person up to the end of the relevant insurance year and the sum of the retirement credits agreed in the insurance plan for the missing years up to the contractual retirement age, without interest, exceed the savings in accordance with letter a, the conversion is carried out at the conversion rate for the non-mandatory retirement assets which is provided for the contractual retirement age in accordance with the collective rate valid in the corresponding insurance year. The rate may vary depending on whether the insured person is male or female.

#### 7.2 Conversion into pensions of retirement credits managed outside the collective insurance

<sup>1</sup> If the collective insurance contract requires the retirement assets accumulated outside the collective insurance agreement to be converted to Allianz Suisse Life retirement pensions, these retirement assets are converted at the conversion rate stipulated in the collective rate schedule applicable on the due date of the retirement assets.

### 8. Benefits

#### 8.1 Retirement benefits

<sup>1</sup> Unless the collective insurance contract or an annex of the contract states otherwise, the insured person

can draw some or all of the retirement benefits early in the event of early retirement, but not before reaching the age of 58. The retirement benefits drawn early must make up at least 20 percent of the total retirement benefits.

- <sup>2</sup> The collective insurance contract or an annex to it may stipulate that the insurance can be continued until the insured person ceases employment, but at the longest until he or she reaches the age of 70.
- <sup>3</sup> Subject to the following paragraphs, the retirement benefits are disbursed in the form of a pension.
- <sup>4</sup> Unless the collective insurance contract or an annex of the contract states otherwise, for an active or disabled insured person who is entitled to retirement benefits from the policyholder, any proportion of the savings used as the basis for calculating the retirement benefits actually drawn can be drawn as a lump sum, provided that the request to do so is made in good time and in the appropriate form.
- <sup>5</sup> In order to withdraw capital, the corresponding declaration must reach Allianz Suisse Life in the form it specifies before the entitlement to retirement benefits takes effect. The declaration is only considered to have been revoked if the revocation reaches Allianz Suisse Life in the required form before the entitlement to retirement benefits takes effect.
- <sup>6</sup> If the insured person is drawing a retirement pension, retired person's child's pensions are paid for every child who would be entitled to an orphan's pension on the insured person's death. The pension ceases when the child's entitlement to a pension ceases, and no later than on the death of the insured person.

## 8.2 Survivors' benefits

### 8.2.1 Entitlement conditions

- <sup>1</sup> Unless stipulated otherwise in the collective insurance contract or an annex to it, entitlement exists if
  - a) the deceased was insured under the collective insurance contract at the time of his or her death, or
  - b) the deceased was being paid a retirement or disability pension under the collective insurance contract at the time of death.
- <sup>2</sup> Unless stipulated otherwise in the collective insurance contract or an annex to it, an entitlement exists for a deceased person who was no longer insured under the collective insurance contract at the time of death if
  - a) the deceased was already insured under the collective insurance contract at the onset of at least 20 percent incapacity for work, the cause of which led to death;
  - b) the deceased suffered from a birth defect or already became disabled as a minor and was therefore at least 20 percent but less than 40 percent incapacitated when first taking up gainful employment, and was already insured under the collective insurance contract when the incapacity which caused his or her death became at least 40 percent.
- <sup>3</sup> The entitlement under paragraph 2 only exists to the extent that the policyholder itself is obliged to pay benefits.
- <sup>4</sup> In all cases, the entitlement shall not exceed the benefits stipulated in the collective insurance contract or an annex to it.

### 8.2.2 Premium calculation based on the collective method

The collective method is applied to all insured persons subject to the collective insurance contract. Extended cover is

applied to widow's, widower's, partner's and life partner's pensions.

### 8.2.3 Surviving spouses' (widows' and widowers') pensions

- <sup>1</sup> A widow's or widower's pension is paid to the surviving spouse regardless of age, the length of the marriage or the number of children until, at the latest, the surviving spouse remarries or enters into a registered partnership pursuant to the PartG, assuming this happens before reaching the age of 45.
- <sup>2</sup> In the event of remarrying or entering into a registered partnership pursuant to the PartG before reaching the age of 45, the surviving spouse is entitled to a lump-sum payment equal to three years of pension instead of the pension.
- <sup>3</sup> Instead of a widow's or widower's pension, a lump-sum payment can be requested in the event of death following an illness. The request must be submitted before the first pension payment is received. Provided that the amount of the pension is non-trivial, the lump sum is reduced by 3 percent for every whole year or part of a year by which the person's age is less than 45. In the event of a reduction, at least four years of unreduced pension payments are payable. If the amount of the pension is trivial, its net present value is payable.
- <sup>4</sup> After the death of the insured person, the divorced spouse is equated with the surviving spouse provided that the divorced spouse was awarded a pension or lump sum for a lifelong pension in the divorce settlement and provided that the marriage lasted at least ten years before the divorce.  
The benefit paid to the divorced spouse is always limited to the mandatory BVG minimum benefits and covers, in terms of the amount and time involved, at most that portion of the entitlement from the divorce settlement that is not already covered by the payments of other insurers (AHV and IV, in particular).

### 8.2.4 Pensions for surviving registered partners pursuant to the PartG (partner's pensions)

- <sup>1</sup> A partner's pension is paid to the surviving partner, regardless of his or her age, the length of the registered partnership or whether he or she has to support a child, until he or she dies or until, at the latest, the surviving partner marries or enters into a new registered partnership, provided that this happens before the age of 45.
- <sup>2</sup> If the surviving partner remarries or enters into a registered partnership before reaching the age of 45, he or she is entitled to a lump-sum payment equal to three years of pension instead of the partner's pension.
- <sup>3</sup> Instead of the partner's pension, a lump-sum payment can be requested in the event of death following an illness. The request must be submitted before the first pension payment is received. Provided that the amount of the pension is non-trivial, the lump sum is reduced by 3 percent for every whole year or part of a year by which the person's age is less than 45. In the event of a reduction, at least four years of unreduced pension payments are payable. If the amount of the pension is trivial, its net present value is payable.
- <sup>4</sup> After the death of the insured person, a partner whose registered partnership with the insured person pursuant to the PartG had been legally dissolved is equated with the surviving registered partner, provided a pension or lump-sum payment for a lifelong pension was awarded by the court in the settlement and the dissolved registered partnership lasted at least ten years. The benefit paid in this case is always limited to the mandatory BVG minimum benefits and covers, in

terms of the amount and time involved, at most that portion of the entitlement from the court settlement that is not already covered by the payments of other insurers (AHV and IV, in particular).

#### 8.2.5 Pensions for surviving life partners of a cohabitation relationship (life partner's pensions)

<sup>1</sup> The surviving life partner in a cohabitation relationship is entitled to a life partner's pension if the insured person dies before reaching normal retirement age and all the conditions listed below are met at the time of death:

- a) the surviving life partner cohabited with the insured person at the time of the insured person's death
- b) aa) the cohabitation relationship existed without interruption for the last five years of the insured person's life, or  
bb) the surviving life partner is responsible for the maintenance of at least one joint child at the time of the insured person's death
- c) there were no legal obstacles to the marriage of the surviving life partner and the insured person or to the registration of a partnership between them pursuant to the PartG
- d) at the time of death neither the surviving life partner nor the insured person was married or a member of a registered partnership pursuant to the PartG;
- e) the surviving life partner is not receiving an occupational survivor's pension (widow's/widower's pension, partner's pension, life-partner pension) and is not otherwise entitled to pensions of a similar nature from domestic or foreign insurers
- f) the surviving life partner who is supposed to be entitled to a pension was notified to the policyholder by the insured person prior to the latter's death. The "Notification of life partner" form must have been signed by the insured person.

<sup>2</sup> In the event of death after the normal retirement age, the entitlement only exists if the deceased was drawing a retirement pension until his or her death and the conditions for entitlement pursuant to paragraph 1 a to f are met at the time of death.

<sup>3</sup> Unless stated otherwise in the collective insurance contract or an annex of the contract, the annual life partner's pension on the death of the insured person before the retirement age is equal to the insured spouse's pension. On the death of a person receiving a retirement pension, this amounts to 60 percent of the retirement pension.

<sup>4</sup> The claim must be duly submitted to the policyholder by the surviving life partner by the applicable deadline in accordance with the policyholder's regulations. If the claim is not submitted to the policyholder within this period, or if evidence that the conditions for entitlement have been met is not duly submitted to the policyholder by the applicable deadline, there is no entitlement to a life partner's pension.

<sup>5</sup> If the insured person notified the policyholder successively of multiple cohabitation relationships, all except the last are deemed to have been dissolved. Notification of multiple cohabitation relationships is not permitted.

<sup>6</sup> The life partner's pension ceases upon marriage or entry into a registered partnership in accordance with the PartG, provided that this occurs before the age of 45. In the event of marrying or entering into a registered partnership pursuant to the PartG before reaching the age of 45, the surviving life partner is entitled to a lump-sum payment equal to three years of pension instead of the pension. The life partner's pension also

ceases upon the death of the surviving life partner.

<sup>7</sup> A lump-sum payment can be requested instead of the life partner's pension. The request must be submitted before the first pension payment is received. Provided that the amount of the pension is non-trivial, the lump sum is reduced by 3 percent for every whole year or part of a year by which the person's age is less than 45. In the event of a reduction, at least four years of unreduced pension payments are payable. If the amount of the pension is trivial, its net present value is payable.

<sup>8</sup> All circumstances leading to the cessation of the entitlement must be reported to Allianz Suisse Life without delay.

#### 8.2.6 Pension reductions

<sup>1</sup> If the person entitled to a pension is more than 10 years younger than the insured person, the widow's or widower's pension, partner's pension and life partner's pension are reduced by one percentage point for each whole year or part of a year by which the age difference exceeds 10 years.

<sup>2</sup> If the insured person married or entered into a registered partnership pursuant to the PartG after reaching the age of 65, the pension is reduced to the following percentage rates:

- a) Marriage/registration of partnership between the ages of 65 and 66: 80%.
- b) Marriage/registration of partnership between the ages of 66 and 67: 60%.
- c) Marriage/registration of partnership between the ages of 67 and 68: 40%.
- d) Marriage/registration of partnership between the ages of 68 and 69: 20%.
- e) If the insured person married or entered into a registered partnership pursuant to the PartG after reaching the age of 69, there is no entitlement.

The pensions thus reduced are further reduced as described in paragraph 1.

<sup>3</sup> If the insured person married or entered into a registered partnership pursuant to the PartG after reaching the age of 65 while suffering from a serious illness of which he or she was aware or must have been aware, no pension is payable if the insured person dies of that illness within two years of marrying or entering into the registered partnership pursuant to the PartG.

<sup>4</sup> The rules on reduction set out in paragraphs 2 and 3 also apply to life partner's pensions, with the date of marriage or registration under the PartG being replaced by the date on which the cohabitation relationship commenced.

<sup>5</sup> However, the amounts of pensions for surviving spouses, registered partners and life partners cannot be less than the statutory minimum widow's or widower's pension or lump-sum payment according to the BVG in the event of a reduction in accordance with the above paragraphs.

<sup>6</sup> If the marriage or registration in accordance with PartG took place after the insured person reached the age of 65 and the surviving spouse, partner or partner in accordance with PartG would have been entitled to a partner's pension at the time of the death of the insured person without the marriage or registration in accordance with PartG, the pension for the surviving spouse (widow's/widower's pension), the surviving partner or partner (partner's pension) corresponds to the amount of this partner's pension.



## 8.2.7 Orphans' pensions

- <sup>1</sup> The following children are entitled to a pension, provided that they have not yet reached the agreed maximum age:
  - a) the children of the insured person pursuant to Article 252 ZGB; these are equated with adopted children and children born out of wedlock under the previous legislation;
  - b) the foster children of the insured person, who are entitled to an AHV orphan's pension on the death of the insured person;
  - c) step-children supported entirely or primarily by the insured person.
- <sup>2</sup> Single orphan's pensions are paid for each child entitled to a pension who survives the insured person on his or her death.
- <sup>3</sup> If full orphan's pensions are insured in the collective insurance contract, these are paid for each child entitled to a pension if
  - a) the insured person dies, and the other parent is already dead;
  - b) the insured person is already dead, and the other parent then dies as well.
 Any single orphan's pensions currently being paid are replaced by the full orphan's pension.
- <sup>4</sup> Maximum age and extent of the pension entitlement
  - a) The pensions are paid until the agreed maximum age or until the child's death if he or she dies before reaching the agreed maximum age.
  - b) Pensions are paid beyond the maximum age if the child entitled to a pension is in education or at least 40 percent disabled, but in both cases up to a maximum age of 25.
  - c) A minimum degree of disability higher than 40 percent may be provided for in the collective insurance contract. A child is not regarded as being in education if he or she earns an average monthly income that is higher than the maximum full AHV retirement pension.

## 8.3 Disability benefits

### 8.3.1 Entitlement conditions and benefit amounts

- <sup>1</sup> Unless stipulated otherwise in the collective insurance contract or an annex to it, an entitlement exists if
  - a) the insured person becomes disabled at the applicable minimum rate (40 percent in accordance with Section 8.3.5 paragraph 2 e or 25 percent in accordance with Section 8.3.5 paragraph 3 b) and is insured under the collective insurance contract at the onset of the disability
  - b) the insured person entitled under a is still insured under the collective insurance contract in the event of a later increase
- <sup>2</sup> Unless stipulated otherwise in the collective insurance contract or an annex to it, entitlement exists for an insured person who was no longer insured under the collective insurance contract when he or she became disabled if:
  - a) the insured person was insured under the collective insurance contract at the onset of the incapacity of at least 20 percent that was due to the same cause as his or her disability;
  - b) the insured person, who suffers from a birth defect or was already disabled when a minor and was therefore at least 20 percent but less than 40 percent incapacitated when first taking up gainful employment, becomes at least 40 percent disabled and was insured under the collective insurance contract when his or her degree of incapacity that was due to the same cause as his or her disability increased to at least 40 percent.

<sup>3</sup> However, the entitlement pursuant to paragraph 2 only exists to the extent that the policyholder is obliged to pay benefits.

<sup>4</sup> In all cases, the entitlement shall not exceed the benefits provided for in the collective insurance contract or an annex to it.

### 8.3.2 Definition of incapacity for work

Incapacity for work is the full or partial inability of a person to perform reasonable work in his or her current profession or area of activity as a result of damage to his or her physical, mental or psychological health. In the event of protracted incapacity, account is also taken of reasonable activity in a different profession or area of activity.

### 8.3.3 Definition of disability

Disability means total or partial incapacity that is of such a nature and degree as to justify entitlement to a pension under federal disability insurance (IV) and is expected to be permanent or protracted.

### 8.3.4 Definition of inability to work

<sup>1</sup> Inability to work is defined as the total or partial loss of the possibility to pursue gainful employment in the relevant balanced labour market due to a medically ascertainable impairment of physical, mental or psychological health and persisting after reasonable treatment and rehabilitation efforts.

<sup>2</sup> A person is deemed to suffer from a permanent inability to work if evidence is provided that a continuation of medical treatment cannot be expected to bring about a substantial improvement in his or her ability to work and that the inability to work is expected to last for his or her whole life.

### 8.3.5 (Partial) inability to work

<sup>1</sup> The level of the benefits paid is determined on the basis of the degree of inability to work, which cannot exceed the degree of disability set by the IV.

<sup>2</sup> The benefits are graduated as follows:

- a) disability of 70 percent or more: full benefits
- b) disability of at least 50 percent but less than 70 percent: the percentage share equals the degree of disability
- c) disability of at least 40 percent but less than 50 percent: in this case, the percentage shares in the following table are applied:

Degree of disability in %	Percentage share
49	47.5
48	45
47	42.5
46	40
45	37.5
44	35
43	32.5
42	30
41	27.5
40	25

d) disability of less than 40 percent confers no entitlement to benefits

<sup>3</sup> Instead of the benefit graduation in paragraph 2 c) and d), the following benefit graduation can be specified in the collective insurance contract or an annex to it:

- a) degree of disability of at least 25 percent but less than 50 percent: in this case, the percentage shares for degrees of disability of between 40 and 49 percent in the following table are applied:

Degree of disability in %	Percentage share
49	47.5
48	45
47	42.5
46	40
45	37.5
44	35
43	32.5
42	30
41	27.5
40	25

The percentage share for degrees of disability between 25 and 39 percent is 25 percent.

- b) disability of less than 40 percent confers no entitlement to benefits
- <sup>4</sup> In deviation from the benefit graduation presented in paragraphs 2 and 3, the following shall apply to disability pensions running on 1.1.2022:
- a) For persons receiving a disability pension who were born in or before 1966, the pension shall be based on the benefit graduation that previously applied to this pension until the end of the obligation to pay benefits.
  - b) For persons receiving a disability pension who were born in or after 1967, the pension shall be based on the benefit graduation that previously applied to this pension until the end of the obligation to pay benefits, provided there is no reason for revision according to Article 17 (1) of the Federal Act on the General Part of Social Insurance Law (ATSG). If such a reason for revision does arise, the pension is to be based on the benefit graduation in accordance with paragraph 2 or 3. However, if a pension revision results in a lower pension despite an increase in the degree of disability, or results in a higher pension despite a reduction in the degree of disability, the disability pension shall continue to be based on the benefit graduation that previously applied to this pension.
  - c) As of 1.1.2032, pensions of persons receiving a disability pension who were born in the years from 1992 to 2003 shall automatically be based on the benefit graduation valid at that time, irrespective of whether or not there is a reason for revision according to Article 17 (1) ATSG. If this results in a lower pension amount, the previous pension shall continue to be paid until a reason for revision according to Article 17 (1) ATSG arises

### 8.3.6 Commencement of the obligation to pay benefits

- <sup>1</sup> An entitlement to benefits exists as soon as the effective duration of incapacity for work or inability to work with the same cause exceeds the waiting period stipulated in the collective insurance contract or an annex of the contract and, in the case of a lump-sum disability benefit, the inability to work is also permanent.
- <sup>2</sup> If the waiting period is 12 months or less, the disability benefits (pension and premium waiver) start at the latest on commencement of the entitlement to an IV pension.
- <sup>3</sup> If there is an interruption in a person's incapacity for work or inability to work, the waiting period is calculated on the basis of the total duration of all periods of incapacity or inability to work due to the same cause. If an interruption in a person's incapacity or inability to work lasts longer than one third of the agreed waiting period, the waiting period starts again. A reduction in the degree of incapacity or inability to work to less than the minimum rate (40 percent in accordance with Section 8.3.5 paragraph 2 c or 25 percent in accordance

with Section 8.3.5 paragraph 3 a) is deemed to be an interruption.

- <sup>4</sup> Incapacity or inability to work due to a different cause always counts as a new event, and a new waiting period applies. This applies, in particular, even if the condition of a claimant already suffering from inability to work deteriorates owing to a new cause, increasing his or her degree of inability to work.
- <sup>5</sup> The right is reserved to increase the degree of inability to work that is relevant to IV cover before the expiry of the new waiting period. until the expiry of the new waiting period such increase is limited to the minimum compulsory benefits in accordance with BVG regulations.
- <sup>6</sup> If an insured person who received disability benefits in the past and subsequently fully resumed gainful employment suffers from incapacity or inability to work due to the same cause within one year, disability benefits are payable again without a new waiting period, provided that the person concerned is still insured at this point in time.
- <sup>7</sup> The waiting period does not start during rehabilitation, particularly during retraining by the IV, and any waiting period that has already started is suspended. No benefits are paid with the exception of the premium waiver.

### 8.3.7 End of the obligation to pay benefits

If the insured person who meets the conditions for entitlement is no longer a member of the group of insured persons, or if the collective insurance contract is annulled, the following ruling applies, unless the collective insurance contract or an annex of the contract contains any relevant provisions:

- a) If the degree of inability to work remains as it was prior to this point, the obligation to pay benefits continues unchanged.
- b) If the existing degree of inability to work does not increase until after this point, the obligation to pay benefits continues to be determined by the prior degree of inability to work. Where there is an increase in the degree of inability to work due to the same cause, there is only an entitlement up to a maximum of the adjusted minimum BVG benefits if these are higher than the benefits under the collective insurance contract before the increase.
- c) If the degree of inability to work falls below the minimum rate (40 percent in accordance with Section 8.3.5 paragraph 2 c or 25 percent in accordance with Section 8.3.5 paragraph 3 a) but then rises again to the minimum rate for reasons that are undoubtedly closely connected to the original inability to work in terms of both time and causation, there is only an entitlement to the mandatory minimum benefits in accordance with BVG regulations.

- <sup>2</sup> In any case, the obligation to pay benefits in the event of the death of the insured person or at the point in time when the degree of inability to work falls lastingly under the minimum rate (40 percent in accordance with Section 8.3.5 paragraph 2 c or 25 percent in accordance with Section 8.3.5 paragraph 3 a) or at the latest when the insured person reaches the retirement age stipulated in the collective insurance contract.

### 8.3.8 Disabled person's child's pensions

If the collective insurance contract or an annex to it provides for disabled person's child's pensions, every child entitled to an orphan's pension upon the death of the insured person is entitled to a disabled person's child's pension on the basis of the entitlement to the disability pension.

### 8.3.9 A change in the degree of inability to work

- <sup>1</sup> Allianz Suisse Life must be notified immediately if there is a change in the degree of inability to work or the circumstances on the basis of which that degree of inability to work is determined.
- <sup>2</sup> Allianz Suisse Life may assess and redefine the degree of inability to work at any time, even if the circumstances on the basis of which the degree of inability to work is determined have not changed.
- <sup>3</sup> Even in cases in which the permanent inability to work has been accepted, Allianz Suisse Life reserves the right to review and reset the extent of the obligation to pay benefits at any time.

### 8.3.10 Expiry of the insurance cover

The cover expires

- a) subject to Section 8.3.7 a to c, if the collective insurance contract is terminated or the insured person is no longer a member of the group of insured persons
- b) if the insured person leaves gainful employment without becoming unable to work
- c) when the insured person reaches the normal retirement age
- d) if the insured person takes part in a war or warlike actions without Switzerland itself conducting war or being drawn into warlike actions

## 8.4 Payment of benefits

- <sup>1</sup> The insurance benefits commence when the reason for the entitlement becomes effective. They are payable at the latest four weeks after all the documents requested by Allianz Suisse Life are provided and at the earliest when continued payment of the full salary ceases.
- <sup>2</sup> They cease on the last day of the month in which the reason for the end of the entitlement becomes effective.
- <sup>3</sup> Pensions are paid in partial amounts in advance at the beginning of each insurance quarter. If necessary, the first and last pension payments are calculated pro rata.
- <sup>4</sup> If the collective insurance contract provides for the conversion of a lump-sum benefit into a pension, this conversion is carried out using the collective rate schedule applicable on the due date of the lump-sum payment.
- <sup>5</sup> If the collective insurance contract requires the conversion of savings capital accumulated outside the collective insurance contract, the retirement savings of the unmarried men and women are also to be included in the insurance at the retirement age. The net present values are calculated based on the collective rate schedule applicable on the due date of the savings capital.
- <sup>6</sup> Unless the collective insurance contract or an annex of the contract states otherwise, a lump sum is paid out instead of a pension if a retirement pension or an entire disability pension is worth less than 10 percent of the minimum single AHV retirement pension, if a widow's or widower's pension, partner's pension or life partner's pension is worth less than 6 percent, and if an orphan's pension is worth less than 2 percent.
- <sup>7</sup> The settlement value for the widow's or widower's pension, partner's pension or life partner's pension is equal to the actuarial reserve based on the individual method. In the case of extended BVG plans, the existing retirement assets are paid out as a minimum.

- <sup>8</sup> The settlement value for the disability pension consists of the net present value of a lifelong disability pension and - for those who are married - the net present value of a deferred widow's or widower's pension based on the collective method. In the case of extended BVG plans, the statutory retirement assets are paid out as a minimum. The lump-sum payment also covers the deferred retirement and survivors' benefits and current disabled person's child's pensions.
- <sup>9</sup> The settlement value for the orphan's pension is equal to the one-off contribution for an orphan's pension commencing immediately in accordance with the collective rate schedule.

## 8.5 Reimbursement and deduction

- <sup>1</sup> If the insured person fails to meet his or her disclosure obligation to the policyholder, and consequently the policyholder does not have to provide the insured benefits, Allianz Suisse Life is relieved of its obligations under the collective insurance contract to the same extent. Any benefits already paid must be reimbursed to Allianz Suisse Life in the same way that the person for whom the benefit was paid is obliged to reimburse the policyholder.
- <sup>2</sup> If Allianz Suisse Life provided benefits to a beneficiary with no entitlement or only a small entitlement to them, the surplus benefits paid must be reimbursed to Allianz Suisse Life regardless of whether it was the fault of the policyholder. Repayment may be waived if the policyholder was not at fault, and the person to whom the benefit was paid acted in good faith, and repayment would cause the person to suffer severe hardship.
- <sup>3</sup> Allianz Suisse Life is entitled to offset the repayment claim with future benefit claims of the policyholder.
- <sup>4</sup> If one children's pension is superseded by another one, the excess amount paid for the first pension is taken into account in the second one. Survivors' benefits triggered by the death of the insured person are reduced by those portions of the pension that have to be repaid.

## 8.6 Adjustment of pensions in line with inflation

### 8.6.1 Object

- <sup>1</sup> In accordance with the statutory provisions of the BVG, current disability and survivors' pensions are adjusted in line with inflation by means of pension increases.
- <sup>2</sup> The adjustment depends on that part of the insured pension that is owed solely due to the minimum requirements of the BVG.

### 8.6.2 Conditions for entitlement

- <sup>1</sup> Pension increases are granted under the following conditions:
  - a) in the case of a disability pension and pensions for the children of disabled persons, only if an entitlement exists in accordance with the BVG;
  - b) in the case of a widow's or widower's pension or partner's pension and in the case of a pension for a divorced spouse, if there is an entitlement to a pension in accordance with the BVG, but not if a pension is paid in accordance with the insurance contract but under the BVG there would only be an entitlement to a lump-sum payment;
  - c) in the case of an orphan's pension, only if an entitlement exists in accordance with the BVG.
- <sup>2</sup> If a lump sum is paid instead of pensions, there is no entitlement to a lump-sum payment for future pension

increases.

#### 8.6.3 Commencement and cessation of entitlement

- <sup>1</sup> A pension increase is granted for the first time when on 1 January a period of three full calendar years has elapsed since the year in which the following point in time falls:
  - a) in the case of a disability pension or pensions for the children of disabled persons, the day after which a year has elapsed since the onset of the inability to work, at the latest on the commencement of the entitlement to an IV pension;
  - b) in the case of survivors' pensions, the day on which the insured person died.
 The point in time at which further pension increases occur depends on the relevant provisions within the framework of the BVG.
- <sup>2</sup> If survivors' pensions become due on the death of a person who suffers from inability to work, a current disability pension is reset due to the change to the degree of disability, or if, in addition to a disability pension, there are also associated pensions for the children of a disabled person, the time that has elapsed since the beginning of the period specified in paragraph 1 a and the level reached by the disability pension at the time are taken into account.
- <sup>3</sup> Subject to paragraph 4, pension increases for pensions for the children of disabled persons and orphan's pensions are granted for as long as an entitlement to such a pension exists under the collective insurance contract.
- <sup>4</sup> In no circumstances are pensions increased if an entitled person has reached the retirement age. Further pension increases are not paid in the case of a widow's or widower's pension if the entitlement in accordance with the BVG expires due to remarriage, but under the

collective insurance contract the pension continues to be paid.

#### 8.6.4 Extent

The extent of the pension increase depends on the relevant provisions within the framework of the BVG.

#### 8.6.5 Premiums

- <sup>1</sup> In order to adjust the pensions in line with inflation, a premium is set as a percentage of the coordinated salary in accordance with the BVG. This is to be paid unless insured persons are exempted from paying premiums due to inability to work. The premium due at the start of the insurance year depends on the rate schedule applicable at the time.
- <sup>2</sup> If the policyholder no longer pays any premiums, further pension increases do not take place in future unless the cessation of premium payments is due exclusively to the occurrence of insured events.

#### 8.6.6 Contract annulment/repurchase/cancellation of the insurance of the indexation of pensions in line with prices

- <sup>1</sup> If the collective insurance contract, insofar as it concerns cover within the framework of the BVG, is annulled, all insurance relationships that are the object of the insurance of the indexation of pensions to prices within the framework of the BVG are cancelled.
- <sup>2</sup> In order to determine the surrender value of current pensions, all of the pension increases that have occurred within the framework of this insurance are taken into account and calculated on the basis of the collective rate schedule.
- <sup>3</sup> Under no circumstances is there an entitlement to the reimbursement of the paid premiums for the pensions indexation insurance within the framework of the BVG.

## 9. Coordination with other insurers

### 9.1 Waiver of accident cover

- <sup>1</sup> Allianz Suisse Life is not obliged to provide benefits beyond the statutory minimum benefits in accordance with the BVG subject to any provisions to the contrary in the collective insurance contract or an annex of the contract if the insured person's death or inability to work is attributable to an accident or an event for which benefits are provided or should be provided from the mandatory accident or military insurance. In the event of death before the retirement age, however, the existing retirement assets are reimbursed.
- <sup>2</sup> If, in the event that a person insured under the Federal Accident Insurance Act (UVG) or the Federal Military Insurance Act (MVG) dies in an accident, the surviving spouse, the partner pursuant to the PartG or the life partner is not entitled to a pension from the accident insurer and neither the collective insurance contract nor an annex to it provide for accident coverage, Allianz Suisse Life shall pay the partner's pension insured under the pension plan (spouse's, partner's or life partner's pension) notwithstanding paragraph 1, less any benefits from the accident insurer (e.g. lump-sum payment pursuant to Article 32 UVG).
- <sup>3</sup> An accident is defined as the sudden, unintentional damaging effect of an unusual external factor on the human body that results in the impairment of physical, mental or psychological health or in death.
- <sup>4</sup> The following are also defined as accidents:
  - a) bodily injury as a result of breathing in gases or vapours that suddenly escape;

- b) poisoning or injury as a result of inadvertently ingesting poisonous or corrosive substances;
- c) involuntary drowning.

### 9.2 Coordination with other social insurance providers

- <sup>1</sup> The benefits of Allianz Suisse Life are reduced if, together with the benefits of domestic and international social insurance providers and pension funds that are paid to the person with a claim against the policyholder as a result of the damaging event as well as any earned or substitute income the insured person has received or continues to receive, they exceed the limit for overpaid benefits applicable for the policyholder.
- <sup>2</sup> If the insured person is entitled to benefits from mandatory accident or military insurance, the benefits of Allianz Suisse Life are limited to the statutory minimum benefits stipulated by the BVG.
- <sup>3</sup> If there are a number of different causes of damage involved, the pensions are paid only for those damage causes for which the accident or military insurer is not liable.
- <sup>4</sup> If the accident or military insurer is not obliged to provide benefits in the event of intent, gross negligence or a risk, or if the accident or military insurer cuts its benefits, Allianz Suisse Life provides the benefits as if the accident or military insurer were obliged to provide the benefits in full.
- <sup>5</sup> Allianz Suisse Life can refuse to provide, cut or withdraw its benefits except for the statutory minimum benefits according to the BVG if the person with a claim



against the policyholder was grossly at fault in bringing about his or her death or inability to work or if the insured person refuses to undergo a rehabilitation measure. The statutory minimum benefits according to the BVG cannot be reduced unless the AHV or IV also refuses to provide, cuts or withdraws its benefits.

- <sup>6</sup> If a case of disability or death can give rise to an entitlement to benefits from the mandatory accident or military insurance or the mandatory occupational pension scheme in accordance with the BVG, but there are doubts as to whether the policyholder or the accident or military insurer or another pension provider is obliged to provide benefits, Allianz Suisse Life may provide the statutory minimum benefits according to the BVG as prior indemnification if the policyholder is legally obliged to make prior indemnification payments and has submitted a corresponding request. If Allianz Suisse Life has provided prior indemnification payments, these must be reimbursed to Allianz Suisse Life as soon as it becomes clear that the accident or military insurer or another pension fund is obliged to provide benefits or that its obligation to provide them takes precedence over any obligation on the part of the policyholder.

### 9.3 Coordination with liability claims

## 10. Early withdrawal from the group of insured persons

### 10.1 Effects

- <sup>1</sup> If an insured person withdraws from the group of insured persons, the insurance for this person is cancelled.
- <sup>2</sup> If the insured person already suffers from incapacity or inability to work, the degree of this pre-existing inability to work reached by the end of the extended cover period (Section 10.2) remains insured. Increases in the degree of inability to work that occur after the end of the extended cover period are no longer insured subject to Section 8.3.7 b and c, and there is no entitlement to increased benefits from the insurance for inability to work.

### 10.2 Extended cover

The insured death and disability benefits remain insured until the insured person concludes a new insurance contract with a different provider, but not for longer than a month after the departure of the insured person unless an additional risk premium is paid.

### 10.3 Reduction

## 11. Duration and termination of the collective insurance contract

### 11.1 Effects of terminating the contract

- <sup>1</sup> On termination of the collective insurance contract, all insurance policies of all active insured persons in relation to the active component are terminated on the effective date of the termination.
- <sup>2</sup> The following arrangement is applicable to insurance policies with current pensions:
- a) Insurance policies with current disability pensions and premium waivers are terminated on the effective date of the termination.

- <sup>1</sup> To the extent that the law prescribes that the policyholder succeeds to the claims of the insured person and his or her survivors vis-à-vis third parties with liability for the insured event or by meeting its obligation to provide benefits, or to the extent that these claims are transferred to the policyholder by legal transaction, the policyholder has to cede these claims to Allianz Suisse Life wherever and to the extent that the insured event is covered by the collective insurance contract.
- <sup>2</sup> If the law does not prescribe that the policyholder succeeds to the claims vis-à-vis third parties with liability for the insured event, the policyholder must request in good time the transfer of the claims from the insured person or his or her survivors and ensure that these claims do not expire.
- <sup>3</sup> Allianz Suisse Life is entitled to defer its benefits until the claims vis-à-vis the third party with liability are transferred to it. Allianz Suisse Life can withhold or reduce its benefits if the transfer does not take place in good time or the claims cannot be asserted against the third party and the policyholder is at fault for this.
- <sup>4</sup> If the policyholder can take into account liability claims vis-à-vis third parties that it is not required to succeed to by law in its obligation to provide benefits to the insured person or his or her survivors, and if it can cut its benefits accordingly, the benefits of Allianz Suisse Life are also cut accordingly.

If an insurance benefit is claimed from the extended cover, the surrender value already paid out for the relevant person must be reimbursed. If reimbursement is not made or not within the period set by Allianz Suisse Life, the benefits are reduced.

### 10.4 Surrender value on departure

- <sup>1</sup> The surrender value on the withdrawal of an insured person from the group of insured persons corresponds to the sum of the existing savings or 100 percent of the actuarial reserve. The surrender value must not be less than the minimum amount pursuant to Article 17 FZG (Swiss Federal Act on Vesting in Pension Plans) and the minimum BVG retirement assets pursuant to Article 18 FZG.
- <sup>2</sup> In the cases described in Section 10.1 paragraph 2, the surrender value corresponds to the active component of the savings or actuarial reserve. The active component corresponds to the component that is not applicable to the inability to work, which is obtained on the basis of the scale used to calculate the benefits in the event of inability to work (Section 8.3.5).

Passive insurance policies with current waiting periods are terminated on the contractually stipulated expiry of the longest waiting period.

- b) The other insurance policies with current pensions are not terminated.
- <sup>3</sup> The collective insurance contract or an annex to it may contain an arrangement for the termination of insurance policies with current pensions that deviates from paragraph 2 a.
- <sup>4</sup> Allianz Suisse Life owes the surrender value of all terminated insurance policies as a lump sum and a share of the surpluses.



## 11.2 Calculation of the surrender value on contract termination

- <sup>1</sup> In the event of the termination of the collective insurance contract, the surrender value is equal to the value that Allianz Suisse Life would require as a deposit – on the basis of its rate schedule applicable at the time of the contract termination – for all terminated insurance policies if the contract with the same set of insured persons and pensioners and paying the same benefits were newly concluded at the time of termination, without regard to origination costs, but including a deduction to account for interest rate risk (interest rate deduction).
- <sup>2</sup> The value is calculated as specified in the actuarial annex.
- <sup>3</sup> The technical interest rate used to calculate the value may not exceed the upper limit specified in Article 8 of the Vested Benefits Ordinance (FZV). The minimum BVG retirement assets pursuant to Article 15 of the BVG may not be reduced by the interest rate deduction. If the annulled contract was in effect for at least five years or the interest rate deduction calculated for

the contract according to the rate schedule is a negligible amount, no interest rate deduction will be applied.

## 11.3 Duration of the collective insurance contract

- <sup>1</sup> Unless stipulated otherwise in the collective insurance contract, the collective insurance contract is entered into for a fixed term.
- <sup>2</sup> Unless stipulated otherwise in the collective insurance contract or an annex to it, the duration of the contract shall be extended tacitly for a period of one year, starting on expiry of the fixed duration and thereafter on expiry of each one-year extension period.
- <sup>3</sup> The policyholder and Allianz Suisse Life have the right to reject the extension of the collective insurance contract by sending a written notification to the other contracting party. Unless stipulated otherwise in the collective insurance contract or an annex to it, this notification must reach the other contracting party no later than six months before the beginning of the extension. If the extension is rejected on time, the collective insurance contract shall be terminated as of the date on which the rejected extension would have taken effect.

## 12. Surplus sharing

### 12.1 Surplus calculation

- <sup>1</sup> The policyholder, as prescribed by law and the surplus allocation plan, is entitled to a share of Allianz Suisse Life's surpluses in the occupational pension business.
- <sup>2</sup> These surpluses are determined by Allianz Suisse Life at least once per year, usually at the end of each calendar year, for the entire occupational pension business as prescribed by law. When calculating the allocation of surpluses, a distinction is drawn, as prescribed by law, between savings, risk and cost processes on the basis of the occupational-pensions operating accounts.
- <sup>3</sup> Surpluses determined in this way are allocated to the legally prescribed purposes in line with the legally prescribed minimum quota. To the extent that the minimum quota cannot be appropriated for legally prescribed purposes, it is used, in accordance with the business plan of Allianz Suisse Life approved by the responsible authority, to form reserves, to cover the costs of additional risk capital raised with official approval and to increase the surplus fund.

which is submitted to FINMA.

### 12.3 Surplus allocation and use

- <sup>1</sup> The first share of the surplus only becomes due for offsetting with the premiums on the commencement of the first year of the contract and becomes due for payment or offsetting with the premiums at the latest at the end of one full insurance year on commencement of the following year of the contract. If the premium is only charged for part of the year in the first year of the contract, the first share of the surplus may only relate to the corresponding portion of the first year of the contract; the surplus rates for the benefits insured during this period must be applied.
- <sup>2</sup> Irrespective of the above, a surplus share for pensions that commence immediately may already be paid from the start of the first year of the contract.
- <sup>3</sup> The surplus allocation to the policyholders takes place on a flat-rate basis per contract, as a rule with effect from the following year's reference date. The insured persons and pensioners have no direct entitlement to the surpluses allocated to their contract.
- <sup>4</sup> In the case of collective insurance contracts with full insurance, the surpluses allocated to the contract are credited to the savings managed by Allianz Suisse Life.
- <sup>5</sup> The policyholder may request that the surpluses allocated to the contract that have not yet been credited to the savings be paid out to the policyholder or to any pensioners.
- <sup>6</sup> In the case of collective insurance contracts with current pensions only, the surpluses allocated to the contract are paid out to the pensioners.
- <sup>7</sup> The surpluses allocated to annulled insurance contracts are transferred as a lump sum to the provider that has been the policyholder thus far or the provider superseding it.
- <sup>8</sup> Allianz Suisse Life provides the policyholders with an annual statement for each contract, showing how the surpluses are calculated and setting out the principles behind the allocation.

### 12.2 Principles of surplus distribution

- <sup>1</sup> Surplus sharing for policyholders is funded exclusively from the surplus fund. Allianz Suisse Life shall ensure that an appropriation to the surplus fund is distributed within five years at the latest.
- <sup>2</sup> If the occupational pensions operating account exhibits a negative balance after funding of provisions and despite increasing the distribution ratio up to 100%, no share in surplus may be paid out to the policyholders for the year in question.
- <sup>3</sup> Surpluses accumulated in the surplus fund are distributed to the policyholders in accordance with recognised actuarial methods, but these must not amount to more than two-thirds of the fund in any one year.
- <sup>4</sup> Surpluses are distributed to the policyholders in proportion to the actuarial reserve, claims experience relating to the risks covered and administrative costs incurred. The distribution criteria and methods are set out in detail by Allianz Suisse Life in the surplus allocation plan and in an annual report ("surplus report")

## 13. Miscellaneous provisions

### 13.1 Pledging and assignment

The entitlements of the policyholder under the collective insurance contract cannot be pledged or assigned.

### 13.2 Notifications, address for notifications

- <sup>1</sup> All notifications are to be made in writing to the Directorate of Allianz Suisse Life in Wallisellen.
- <sup>2</sup> The notifications of Allianz Suisse Life will be deemed to have been duly served if sent to the last known address of the policyholder in connection with the individual collective insurance contract.

### 13.3 Breach of contract without culpability

If it has been agreed between Allianz Suisse Life and the policyholder that the policyholder has suffered legal prejudice or loss of rights due to a breach of an obligation, this does not apply if the policyholder proves that the breach is to be regarded as being without culpability. In the event of non-culpable failure to observe a deadline, immediate action

has to be taken to do what was supposed to be done within the relevant time period.

### 13.4 Place of performance

The place of performance for the obligations of the policyholder is the office of Allianz Suisse Life in Wallisellen, and for the obligations of Allianz Suisse Life it is the office of the policyholder in Switzerland.

### 13.5 Place of jurisdiction

- <sup>1</sup> The place of jurisdiction – subject to special binding provisions in other laws – is in accordance with the Swiss Civil Code of Procedure.
- <sup>2</sup> Legal action can be taken against Allianz Suisse Life at the office of Allianz Suisse Life and against the policyholder at its office.

## 14. Actuarial annex and war clause

### 14.1 Calculation of the value in the event of contract termination

- <sup>1</sup> The value for active insurance policies is equal to the actuarial reserve on departure, taking into account the deduction under Section 14.3.
- <sup>2</sup> For insurance policies with current disability pensions and premium waivers and passive insurance policies with current waiting periods, the SIA's "Guidelines for the transfer of incapacity cases in the event of a change of pension fund" (SIA Agreement) are always applied and the principles set out therein followed during the calculation of the actuarial reserve.
- <sup>3</sup> The net present value of the disability pensions, disabled person's child's pensions and premium waivers is the underwriting net present value of a temporary pension paid in advance with the probability of departure due to death and reactivation added annually in accordance with the approved rate schedule, the interest rate approved for the values and the constant cost surcharge factor of the rate schedule.
- <sup>4</sup> In the case of current pensions, the level of the benefit is equal to the annual pension owed, in the case of deferred pensions, it is equal to the annual pension on the occurrence of the insured event, and in the case of premium waivers it equals the annual premium paid by the company at the time of the entitlement in order to continue to cover the underwriting risk or to continue to build up the retirement assets.
- <sup>5</sup> The net present values are defined for ages in whole years, the maximum age and the benefit period. Linear interpolation is carried out for values that are not integers.

### 14.2 Bases

- <sup>1</sup> The benefit period used for the calculation is the benefit period provided for by the rate schedule at the time at which the entitlement to the benefit occurred. In the case of children's pensions, this period is limited by the maximum age of the child provided for in the rate schedule. In the case of disabled person's child's pensions, the benefit period of the children's pension must not exceed the benefit period of the disability pension of the insured person.
- <sup>2</sup> The values that were valid based on the approved rate schedule for the corresponding cover at the time of the entitlement are used as departure probabilities.
- <sup>3</sup> Net present values for periodic benefits that are not paid annually in advance are adjusted in accordance with the net present values for premium calculation. Monthly payments are calculated in the same way as quarterly payments.
- <sup>4</sup> For pension benefits in the waiting period, the net present value of a pension that begins immediately is taken, and the net present value of a temporary benefit with a benefit period until the beginning of the pension is deducted from it.

### 14.3 Interest deduction to calculate the value in the case of contract annulment

- <sup>1</sup> The interest deduction is equal to six times the amount of annual interest calculated on the basis of the total value at contract annulment. The difference between the mean interest rate for new investments at the time of the contract annulment and a lower average interest rate for the existing investments at the same point of time is used to obtain the interest rate. The corresponding interest rates are calculated as described in paragraph 2. The maximum interest deduction is 8 percent of the actuarial reserve.
- <sup>2</sup> The following is applicable for the calculation of the interest rates in accordance with paragraph 1:
  - a) The interest rate for new investments at the time of the contract annulments is equal to the mean
    - I of the average interest rate of eight-year cash bonds of the cantonal banks

- II of the yield on 10-year Swiss government bonds
- III of the average interest rate of first mortgages with variable interest rates

The corresponding figures are taken from the monthly report of the Swiss National Bank.

This interest rate is calculated on a monthly basis and used for contract annulments in the month after the next one.

- b) The average interest rate for existing investments at the time of the contract annulment is equal to the mean interest rate for new investments in accordance with a over the last six years. This interest rate is calculated to the end of each calendar quarter and is used for contract annulments in the calendar quarter after the next one.

---

#### 14.4 Military service and war

---

- <sup>1</sup> Active service in defence of Swiss neutrality and to maintain domestic tranquillity and order, in both cases without warlike acts, constitutes peacetime military service and, as such, is covered by the insurance under the General Terms and Conditions of Insurance.
- <sup>2</sup> If Switzerland wages a war or is drawn into warlike actions, a one-time war levy is payable, due one year after the end of the war. Whether or not the insured person takes part in the war and whether he or she is in Switzerland or abroad is immaterial.
- <sup>3</sup> The war levy serves to cover losses caused directly and indirectly by war and affecting the insurance policies to which these provisions apply. Allianz Suisse Life, in consultation with the Swiss supervisory authorities, will determine these war losses and the available funds to cover them, as well as the amount of the war levy and the options for settling it (by reduction of insured benefits if applicable).
- <sup>4</sup> If insurance benefits fall due before the war levy is established, Allianz Suisse Life is authorised to postpone a reasonable portion of the payment for up to one year after the end of the war. The postponable portion of the benefit and the applicable interest rate for this portion are determined by Allianz Suisse Life in coordination with the Swiss supervisory authorities.
- <sup>5</sup> The dates of the start and end of the war for purposes of the above provisions are set by the Swiss supervisory authorities.
- <sup>6</sup> If the insured person takes part in a war or warlike actions without Switzerland itself conducting war or being drawn into warlike actions, and if the insured person dies during such a war or within six months after peace is achieved or after the end of hostilities, Allianz Suisse Life is liable to pay out the actuarial reserve calculated as at the date of death, but not exceeding the sum insured in case of death. If the insurance includes survivors' pensions, the pensions corresponding to the actuarial reserve calculated as at the date of death take the place of the actuarial reserve, but may not exceed the insured pensions.  
Allianz Suisse Life reserves the right to amend the provisions of this section in consultation with the Swiss supervisory authorities; such modifications shall apply to this insurance policy. Moreover, statutory and administrative measures adopted in connection with a war, particularly those concerning redemption of the policy, are expressly reserved.