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Swiss Life Ltd, Zurich
(Swiss Life)

General Policy Conditions for Group Life Insurance

Effective date: 1 January 2022

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Actuarial basis for calculating the surrender values of disability benefits
valid from 1 January 2022

Art. 1 General

1 - Basis of the contract

The General Policy Conditions for Group Life Insurance (GPC) form an integral part of the group life insurance contract (insurance contract) between the policyholder and Swiss Life.

2 - Specially agreed terms

No specially agreed terms shall be binding unless confirmed in writing by Swiss Life.

3 - Entitlement to benefits

The policyholder is exclusively entitled to benefits under the insurance contract. The insured persons and their survivors are not entitled to benefits from Swiss Life.

4 - Legal basis

The provisions of the Federal Law on Insurance Contracts (VVG) and any other binding stipulations apply to the insurance contract.

Art. 2 Insurance protection

1 - Insurance year

The insurance year shall start on 1 January.

2 - Application

Persons to be insured shall be notified to Swiss Life in the manner provided therefor.

3 - Assumption of liability

Subject to the Conditions of Acceptance for insurance under group life contracts (part of the insurance contract), Swiss Life shall assume liability for benefits as follows:

- under group insurance providing the mandatory minimum benefits in accordance with the Federal Law on Occupational Survivors', Retirement and Disability Pension Plans (BVG), upon commencement of the insurance in accordance with the BVG;
- under other insurance, upon receipt of the application but not earlier than the date stipulated in the insurance contract and always provided that all contractual requirements are met.

4 - Underwriting

If underwriting is required in accordance with the Conditions of Acceptance, the person to be insured must supply complete and truthful answers to the questions asked by Swiss Life regarding his or her state of health. Swiss Life shall be entitled to require an examination by a doctor at its own expense.

5 - Breach of the duty of disclosure

Should any questions remain unanswered or not be answered in conformity with the truth, the consequences of breach of the duty of disclosure as laid down in the VVG shall apply accordingly.

6 - Change in benefits

Persons whose insured benefits are to be modified within the terms of the insurance contract shall be notified to Swiss Life in the manner provided therefor. The provisions on assumption of liability, underwriting and breach of the duty of disclosure shall apply accordingly.

Art. 3 Premiums

1 - Definition

Premiums are understood to include annually recurring premiums or one-off premiums (single premiums). Premiums are charged in the form of savings, risk and cost premiums.

2 - Due date

Notwithstanding any provisions in the insurance contract to the contrary, the premium shall be payable in advance in a single instalment at the beginning of each insurance year. The premium for benefits to be included in the insurance during the course of an insurance year shall become payable at the time of the inclusion.

3 - Calculation

Premiums are calculated on the basis of Swiss Life's group life insurance tariffs valid at the start of the respective insurance year.

4 - Experience rating

Annually payable premiums for disability and death benefits are based on experience rating. They are recalculated every year in accordance with the claims experience.

The basis is provided by the individual customer claims experience, the group claims experience as well as that of the industry to which the insurance contract is allocated.

The group claims experience is based on the claims experience of the group life insurance portfolio in Switzerland.

5 - Settlement

Swiss Life shall establish an interest-bearing current account for the purpose of premium payments. Debit and credit interest shall be determined by Swiss Life in line with market conditions. Any balance in favour of Swiss Life shall be considered as an amount outstanding, to which the consequences of default apply.

6 - Consequences of default

If an amount outstanding is not paid within the stipulated period, Swiss Life shall request settlement of the unpaid premium together with any incidental charges by the party owing the premium within 14 days from the date of sending the reminder notice, while making reference to the consequences of default.

If this amount is not paid within the reminder period, the insurance contract shall nevertheless remain in force to the previous extent until the date specified in the reminder notice, and benefits becoming due shall be paid after deducting the outstanding premium and any incidental charges.

If the payment is not made or not made in full by this date, the insurance shall be converted into paid-up insurance. The consequences of default shall not be removed until all outstanding premiums together with any incidental charges have been paid. Swiss Life reserves the right to collect outstanding premiums and incidental charges by way of legal action. Swiss Life is entitled to cancel the insurance.

7 - Refund of premiums

Premiums paid in respect of any period subsequent to the date of death or to the commencement of disability benefits shall be refunded.

Art. 4 Costs

Swiss Life is entitled to charge the costs listed in the applicable cost agreement.

Art. 5 Duty to inform; establishment of entitlement

1 - Duty to inform

The policyholder shall report to Swiss Life without delay any occurrences material to a claim of entitlement to benefits arising or lapsing and supply such information and evidence as Swiss Life may require to determine its obligation to pay benefits and the type of benefits.

Swiss Life may request the policyholder or those persons for whom benefits are claimed to supply the information and documentary evidence it deems necessary for the verification of its liability. This shall apply in particular to any relevant rulings available from the AHV, IV, accident insurers and Military Insurance. Swiss Life shall have the right to obtain such information and evidence directly from third parties.

2 - Certificate of life

Swiss Life is entitled to demand proof at any time that the persons for whom benefits are to be provided are alive on the due of those benefits. It may require that an official certificate of life be produced before benefits are provided.

3 - Disability

If disability benefits are claimed, the documents to be furnished to Swiss Life shall include reports of the physicians who are attending or have attended the insured person on the cause, the onset and the course of disability, a statement regarding the occupation followed by the insured person prior to the onset of disability, and any rulings available from the IV, accident insurer or Military Insurance. Swiss Life must be notified immediately of any change in the degree of or recovery from disability.

If disabled person's children's benefit, retired person's children's benefit or orphan's benefit is claimed grounds that the child is disabled, the relevant IV decision or a medical report on their disability is to be submitted.

4 - Death

If an insured person dies, Swiss Life must be notified of the death immediately. If death benefits are claimed, the policyholder must indicate the cause of death and submit an official death certificate. If benefits are claimed for surviving spouses or partners, the age of the spouse or partner and the length of the marriage or partnership must be evidenced by official documents. In the case of a surviving divorced spouse or partner in a dissolved partnership, the legal divorce decree or legal dissolution of partnership agreement and documentation concerning benefits from other insurances, especially from the AHV and IV are also to be provided. If, in accordance with the insurance contract, higher benefits are to be paid for full orphans than for half-orphans, an official death certificate must be presented as proof of the parents' death.

Swiss Life must be notified immediately of the death of persons for whom benefits are paid, and likewise of the marriage or registration of a partnership or continuation of a new marriage-like relationship for a minimum of five years of persons for whom a spouse's or unmarried partner's pension is being paid.

5 - Children in continuing education

In order to claim disabled persons' children's benefits, retired persons' children's benefits or orphan's benefit for children in continuing education, periodic confirmation of the educational establishment and, if applicable, notification of the completion of education shall be supplied in addition to an official

certificate proving their age (family certificate, etc.). In order to claim benefits for foster children, an official certificate shall be submitted showing that the qualifying conditions are met.

Art. 6 Subrogation

If third parties are liable for an insured event which is covered by the insurance contract, the policyholder must require in good time that the insured person's or his/her survivors' claims against the liable third party are assigned to it. The policyholder must ensure that these claims do not lapse. Those claims assigned to the policyholder shall be ceded to Swiss Life. Swiss Life can defer payment of benefits until the claims are assigned. Swiss Life can reject or reduce the payment of benefits if the policyholder is responsible for the claims not being assigned in time or not being enforceable against third parties.

Art. 7 Bonus

1 - Bonus distribution

The policyholder participates in the surplus from the Swiss group life insurance portfolio.

2 - Calculation of the bonus

The surplus in an insurance year available to policyholders in the field of occupational provisions is calculated on the basis of the operating result of the Swiss group life insurance portfolio and the statutory regulations on bonus distribution. The surplus is allocated to the bonus reserve.

3 - Bonus reserve

The bonuses to be allocated to the policyholders are taken from the bonus reserve. Funds allocated to the bonus reserve shall be allocated to policyholders within a maximum period of five years.

4 - Bonus allocation

The funds accumulated in the bonus reserve are allocated to policyholders in accordance with recognised actuarial methods up to a maximum amount of two-thirds of the bonus reserve per year. Bonuses are allocated to policyholders on an annual basis. If there is a negative balance on the operating account for the group life insurance portfolio in Switzerland, no bonuses shall be allocated for the year in question. This does not apply to policyholders with special insurance contracts.

Payment of bonuses is conditional upon the contractual obligation to pay premiums being met.

5 - Entitlement to participation in surplus

Entitlement arises when the insurance contract comes into force and ceases when the contract is terminated. Bonuses accruing in any one year shall be payable at the beginning of the following insurance year.

The bonus due for the previous insurance year after taking account of the termination of the contract shall be payable at the beginning of the calendar year following termination.

6 - Information

Swiss Life shall make the legally prescribed information for calculating the bonus available to policyholders in a suitable form.

Art. 8 Premature withdrawal from the portfolio of insured persons

1 - Termination of the insurance

If an insured person leaves the group of insured persons before reaching retirement age, and there is no entitlement to insurance benefits, the respective insurance relationship is terminated.

2 - Surrender value

Swiss Life pays the policyholder as surrender value the savings capital accumulated on the date of termination and the unused premiums as well as any accumulated mathematical reserve for future benefits.

3 - Extension

Death and disability benefits insured at the time of termination of employment shall continue to be insured to the previous extent until commencement of a new employment

relationship, however for a maximum period of one month, with no premium being charged for such period. Benefits under claims arising during such period shall only be granted if any surrender value already paid out is paid back in the amount required, or is deducted from the amount to be paid.

Art. 9 Termination of insurance contract

1 - Termination of the insurance

Upon notice of termination by the policyholder or by Swiss Life, the surrender value of the insurances of the active insureds and the recipients of disability benefits shall be paid. This also applies to disability cases in which the onset of disability occurs after termination of the insurance contract, but the incapacity to work that led to the disability arose before termination of the insurance contract.

Insurances of recipients of retirement and survivors' benefits are not affected. The insurance contract remains in force for this group of persons.

2 - Partial termination

Surrender of the insurance for a generally defined portfolio of insured persons as well as surrender of the insurance as a consequence of the restructuring of the employer's business shall, insofar as the employees continue in service, be treated as a partial termination of contract. The provisions of this article shall apply accordingly to partial termination. The provisions on premature withdrawal from the portfolio of insured persons shall not be applicable.

3 - Surrender value

The calculation of the surrender value does not depend on which contracting party cancels the insurance contract. It is calculated on the date on which the termination of contract is to become effective according to the terms of the insurance contract. Any outstanding sums are deducted from the surrender value and any balances are credited.

The surrender value corresponds to the mathematical reserve available on the date of the contract termination less any deduction due to the interest rate situation. The mathematical reserve corresponds to the savings capital and the cash value of current disability benefits and any accumulated mathematical reserve for future benefits.

The actuarial basis for calculating the cash values of current disability benefits is shown in the supplementary sheet.

4 - Deduction due to the interest rate situation

An amount is deducted due to the interest rate situation if the interest rate for new investments at the time of the contract termination exceeds the average interest rate on the investment portfolio. It is, however, no more than 8% of the mathematical reserve on the date the contract is terminated. If the contractual relationship lasted at least five years and the policyholder is an employee benefits institution subject to the Federal Law on Vested Benefits (FZG), no deduction is made. If, due to the interest rate situation, the total amount of deductions for all contract terminations reported on the last stock exchange day in the second month preceding the contract termination is low, no deduction is made.

The deduction due to the interest rate situation corresponds to six times the amount of annual interest calculated on the mathematical reserve. The interest rate used is the difference between the interest rate for new investments on the date of contract termination and a possible lower average interest rate for the investment portfolio on the same date.

The interest rate for new investments corresponds to the spot rate for Swiss Confederation bonds with a residual maturity of ten years, which was set by the Swiss National Bank for the last stock exchange day in the second month preceding the contract termination.

The average interest rate for the investment portfolio corresponds to the mean of the previously described interest rate for new investments during the last six years.

Art. 10 Insurance tariffs

1 - Guarantee of insurance tariffs

One-year insurance tariffs (premium rates) are used for endowment insurance (savings and risk insurance). These are guaranteed during the insurance year.

2 - Modification of the insurance tariffs

If Swiss Life changes the insurance tariffs, the modified tariffs are applied to the insurance year following the change. This can mean a change in the premium and in the GPC. Changes to the GPC by Swiss Life are always possible when tariff adjustments require changes in the text of the GPC. Changes in the insurance tariff and the GPC require the prior approval of the supervisory authority.

In the case of current benefits the above principles apply to subsequent benefits or benefit increases.

3 - Collective and individual insurance tariffs

The following principles apply if the insurance contract provides for term life insurance (lump-sum death benefits, spouses' pensions, unmarried partners' pensions) in accordance with the collective or individual method:

- With the collective method, these benefits are insured for all insured persons irrespective of their civil status. The calculation of premiums is based on statistical average values rather than the individual case.
- With the individual method, these benefits are insured in accordance with the civil status of the insured persons. Changes in civil status and the establishment or dissolution of a marriage-like relationship of all persons included or to be included in such benefits are to be immediately reported to Swiss Life.

Spouse's and unmarried partner's pensions are insured depending on the age of the spouse or unmarried partner. Entitlement to a spouse's or unmarried partner's pension shall lapse in the event of dissolution of a marriage or registered partnership as a result of divorce, dissolution of a partnership agreement, annulment or death, or if a marriage-like relationship is dissolved voluntarily or as the result of death. In the event of divorce or annulment of the marriage or partnership or the voluntary dissolution of the marriage-like relationship, the unused premium shall be refunded to the policyholder.

Disabled person's children's benefit, retired person's children's benefit and orphan's benefit are insured on a collective basis for all insured persons irrespective of their civil status. All children are automatically included in the insurance. If the above-mentioned children's benefit and orphan's benefit is not insured on a collective basis under the insurance contract, there is only an entitlement to children's benefit and orphan's benefit if they are individually notified for the respective insurance with their date of birth.

Art. 11 Further provisions

1 - Gross negligence

Swiss Life waives the right conferred upon it by law to reduce the insured benefits on account of the insured event being caused through gross negligence.

2 - Suicide

In the case of suicide, the insured death benefits shall be paid in full.

3 - Communications to Swiss Life

No notice given to Swiss Life shall have legal effect unless it is communicated to Swiss Life in writing.

4 - Change of address

The policyholder shall notify Swiss Life in writing of any change of address. Any notice communicated to the policyholder at the last address in Switzerland known to Swiss Life shall be legally valid.

5 - Place of performance and jurisdiction

Contractual obligations shall be performed in Switzerland. As place of jurisdiction, the policyholder shall have the option of either Zurich or their domicile in Switzerland. The place of jurisdiction for Swiss Life shall be the Swiss domicile of the defendant.

Art. 12 War clause

(Standard for all life insurance companies operating in Switzerland)

1 - Active service to protect Swiss neutrality or for the maintenance of internal peace and order, both without warlike actions, is regarded as military service in time of peace and is therefore covered by the insurance contract in accordance with the General Policy Conditions.

2 - If Switzerland is involved in a war or warlike actions, a one-time war contribution, due from the date marking the start of war, becomes due one year after the date marking the cessation of war. Whether the insured person takes part in the war or whether they are in Switzerland or abroad is irrelevant.

3 - The war contribution serves to cover losses caused directly or indirectly by the war, if these affect the insurance contracts to which these Conditions apply. Determination of such losses and of the funds available for coverage, together with calculation of the war contribution and the options for its payment - if necessary by reduction of the insured benefits - shall be undertaken by Swiss Life in agreement with the Swiss supervisory authority.

4 - If benefits from the insurance contract become due prior to determination of the war contribution, Swiss Life is entitled to withhold an appropriate portion of such benefits up to one year after cessation of the war. The withheld portion of benefits and the interest rate on it shall be determined by Swiss Life in agreement with the Swiss supervisory authority.

5 - The dates which are regarded as marking the start and the end of the war for the purposes of the preceding provisions shall be determined by the Swiss supervisory authority.

6 - If the insured person takes active part in a war or warlike actions, without Switzerland itself being involved in the war or warlike actions and dies during the war or within six months of the conclusion of peace or the end of hostilities, Swiss Life shall be liable for an amount corresponding to the mathematical reserve as calculated at the date of death of the insured person, but not exceeding the death benefit insured. Where survivors' pensions are insured, the liability shall be for pensions corresponding to the mathematical reserve as calculated at the date of death and in no case exceeding the pensions insured.

7 - Swiss Life reserves the right to modify the provisions relating to coverage in the event of war, in agreement with the Swiss supervisory authority. Any such alterations would apply to this contract. This contract is also subject to any official or legislative measures decreed in connection with a war, in particular to those relating to surrender of the insurance contract.

Appendix

Supplementary sheet to the General Policy Conditions for Group Life Insurance

Actuarial basis for calculating the surrender values of disability benefits valid from 1 January 2022

The cash values for current disability benefits are calculated according to the GIM/F 1115 actuarial principles with a technical interest rate of

- 1.50% if the incapacity to work, the cause of which led to the disability, occurred on or after 1 January 2018,
- 1.75% if the incapacity to work, the cause of which led to the disability, occurred on or after 1 January 2005, but before 1 January 2018,
- 2.00% if the incapacity to work, the cause of which led to the disability, occurred prior to 1 January 2005.

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