Daily allowance insurance: the optimal solution

Protection and reliability

As an employer, you are legally required to continue to pay your employee's salary in case of illness. The same applies to pregnancies. Transfer this risk to your insurer by taking out insurance for loss of income in case of illness.

### Daily allowance in case of illness

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Beginning of the incapacity for work</th>
<th>365 days</th>
<th>730 days</th>
<th>Retirement (AVS/AHV age)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily allowance benefits</td>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Occupational benefits</td>
<td></td>
<td>90%</td>
<td>80%</td>
<td>60%</td>
</tr>
<tr>
<td>LPP/BVG</td>
<td></td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>AVS/AHV</td>
<td></td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Benefits in % of the salary**

- **Beginning of the incapacity for work**: 100%
- **365 days**: 100%
- **730 days**: 90%
- **Retirement (AVS/AHV age)**: 80%

**AI/IV**

- **Starting salary**: 100%
- **AVS/AHV**: 90%
- **Occupational benefits**: 80%
- **LPP/BVG**: 60%
The prolonged absence of an employee generates significant and unexpected direct costs (salary of the absent employee) as well as indirect costs (training of the replacement).

If one of your employees is absent because of illness, you are required to pay his salary according to the rules of the Swiss Code of Obligations (the Bernese reference scale, collective labour agreement, etc.). Afterwards, your employee will most often end up without an income until the payment of AI/IV or LPP/BVG benefits. Therefore, a number of months may go by without any salary being paid.

**Consequences of illness-related absence**

- Illness or illness/accident risk.
- 80% to 100% of the insured salary subject to AVS/AHV.
- Maximum insurable salary: CHF 250,000.
- A number of waiting periods to choose from (3, 7, 14, 30, 60 or 90 days).
- Maternity allowance supplemental to LAPG/EOG.

**Coverage**

- Extensive range of LCA/VVG and LAMal/KVG insurance solutions.
- Premiums can be paid in installments at no additional cost.
- Waiver of our right to termination in case of a claim.
- CorporateCare: management of absence-related costs with the help of our experts (www.corporatecare.ch).
- State-of-the-art additional coverage: rehabilitation.

**Examples**

Thanks to daily allowance in case of illness, your employees’ income is protected since their salary is paid (or supplemented) until they receive an AI/IV or LPP/BVG pension.

Their salary is paid (or supplemented) until the start of the disability (AI/IV) pension or occupational benefits (LPP/BVG), or until the benefits are exhausted.

**No daily allowance insurance: lack of coverage**

- Obligation to continue paying your employee’s salary (Bernese reference scale)
- Duration of the benefit (in months)
- Payment of the salary
- Lack of coverage
- AI/IV or LPP/BVG pensions

<table>
<thead>
<tr>
<th>Duration of employment</th>
<th>Duration of benefits</th>
<th>Payment of the salary</th>
<th>Lack of coverage</th>
<th>AI/IV or LPP/BVG pensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1 year</td>
<td>12</td>
<td>3 weeks</td>
<td>-</td>
<td>6 months</td>
</tr>
<tr>
<td>Up to 2 year</td>
<td>6</td>
<td>1 month</td>
<td>-</td>
<td>6 months</td>
</tr>
<tr>
<td>Up to 4 year</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Up to 8 year</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Up to 14 year</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Up to 19 year</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>From 20 year</td>
<td>24</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Duration of the obligation to continue paying your employee’s salary (Bernese reference scale)**

- Payment of the salary
- Lack of coverage
- AI/IV or LPP/BVG pensions

- Beginning of the incapacity for work
- 365 days
- Retirement (AVS/AHV age)

- Obligations to continue paying the salary
- Obligations to pay benefits
- Obligations to pay benefits up to the legal age