

# Payment Protection Insurance for Visa and MasterCard Credit Cards issued by Cornèr Bank Ltd.

General Terms of Insurance (GTI) – AIG Life Insurance Company (Switzerland) Ltd and Chartis Europe S.A., Courbevoie, Zurich branch – 01.2011 edition

## Amounts insured per billing unit pursuant to Art. 6 GTI

	Gold Card	Classic Card
<b>Temporary total incapacity for work and permanent total disability as well as involuntary loss of employment</b>	max. CHF 15,000	max. CHF 10,000
<b>Death</b>	max. CHF 40,000	max. CHF 10,000

### Billing unit

Deemed billing unit are all credit cards listed by Cornèr Bank Ltd. in the same monthly statement of a Cardholder. Principal and supplemental cards are not administered in the same billing unit. The same applies to cards of different categories (e.g. Classic/Gold cards, Miles&More cards) are administered in the same billing unit.

### Insured persons

All holders of a principal or supplemental card, provided that both have each concluded a payment protection insurance. The insurance does not apply to Business/Company/Corporate, Intercard, Visa Classic Prepaid, Visa easyTravel and MasterCard Electronic Cards.

### Insurance carrier

#### For death cover:

AIG Life Insurance Company (Switzerland) Ltd, via Camara 19, 6932 Breganzona

#### For all other cover:

Chartis Europe S.A., Courbevoie, Zurich branch, Gutenbergstrasse 1, 8027 Zurich

### Claims office:

Cornèr Banca SA, Cornèrcard (Collection and Credit Management)  
Via Canova 16, 6901 Lugano, tel. +41 (0)91 800 33 40

All terms in these GTI refer to both male and female persons.

Please keep the letter from Cornèr Bank Ltd. confirming your insurance cover in a safe place together with your General Terms of Insurance and other insurance documents.

### 1. Contracting parties

As the holder of a one or more credit cards issued by Cornèr Bank Ltd. (hereinafter referred to as the "Card"), and after effectively joining the payment protection insurance scheme within your billing unit you enjoy life cover under framework agreement no. CL 0073 and sickness, accident and unemployment cover under framework agreement no. 75.627A. The policyholder is Cornèr Bank Ltd. and the insurers are AIG Life Insurance Company (Switzerland) Ltd and Chartis Europe, Courbevoie, Zurich branch. Any insurance claims submitted by you are claims against the insurers only. The insured has no claims against Cornèr Bank Ltd.

### 2. Basis of the contract

- The credit card agreement entered into between you and Cornèr Bank Ltd.;
- your application to join the payment protection insurance scheme;
- these General Terms of Insurance;
- the framework agreements mentioned in Art. 1;
- the Swiss legislation (in particular the provisions of the Federal Law on Insurance Contracts of 2 April 1908 (VVG).

### 3. Beginning, duration, end and territorial validity of the insurance cover

#### 3.1 Beginning

Insurance cover begins when all the following conditions have been fulfilled:

- You have concluded a valid credit card agreement with Cornèr Bank Ltd.
- You have confirmed to join the payment protection insurance scheme and fulfill all personal conditions mentioned in the application (the date of the letter confirming your insurance cover is relevant).

#### Deferral of coverage

However, insurance cover against the involuntary loss of employment pursuant to Art. 4.1 D only takes effect after a deferral period of 60 days following the beginning of the insurance. If you receive notice of termination of employment within this time, you are not insured.

#### 3.2 Duration and end

The insurance remains valid only if the premiums that become due are paid and your credit card has not been definitely blocked (due, for example, to pending collection or bankruptcy proceeding). In addition, cover ends upon the termination and return of all cards included in the same billing unit and upon full payment of any outstanding balance. Your insurance cover automatically expires on your 75th birthday, however, it expires on your 65th birthday in the event of incapacity for work, disability or loss of employment, but no later upon termination of the framework agreements mentioned in Art. 1.

#### 3.3 Termination

You can terminate the insurance at any time with immediate effect by sending a written notice of termination to Cornèr Bank Ltd.

#### 3.4 Territorial validity

The insurance is valid worldwide. However, incapacity for work or disability as defined for the purposes of these general insurance provisions only begins on the day on which the incapacity for work or disability is certified by a physician authorized to practice in Switzerland. Unemployment cover only applies to loss of employment that is covered by the unemployment insurance law in Switzerland.

### 4. Insurance cover

4.1 Subject to the provisions of Art. 5 and 6 pertaining to residual debt insurance and the insured benefits, the insurer grants the following insurance cover in the following events:

#### A. Death

In the event of death due to sickness or accident, the insurer pays the insured residual debt pursuant to Art. 5 in one payment up to the maximum amount set out in Art. 6.

#### B. Temporary total incapacity for work

If you are temporarily totally unable to work as a result of sickness or accident for more than 60 consecutive days, the insurer pays 10% of the insured residual debt (monthly instalment) pursuant to Art. 5 for a maximum of 10 months plus the accrued debit interest on the insured balance by way of a final additional monthly instalment within the limits of the minimum and maximum amounts set out in Art. 6 for every subsequent 30-day period during which you are unable to work. The first 60 days are deemed to be the waiting period during which no insurance benefits are paid. Incapacity for work is considered to be the temporary total inability to exercise your profession. This insurance cover is subject to the condition that you were employed or self-employed until the day on which the insurance claim arises and that a physician has certified that you are temporarily totally unable to work.

#### C. Permanent total disability

If you are permanently totally disabled as a result of sickness or accident, the insurer pays the insured residual debt pursuant to Art. 5 in one payment up to the maximum amount set out in Art. 6. Disability is considered to be the permanent total inability to exercise your profession or to do another job. This insurance cover is subject to the condition that you were employed or self-employed until the day on which the insurance claim arises and that a physician has certified that you are permanently disabled. If you are totally unable to work as a result of sickness or accident but have not yet been certified permanently disabled, you are insured in accordance with Art. 4.1 B.

#### D. Involuntary loss of employment

If you involuntarily lose your employment and remain unemployed for more than 60 consecutive days, the insurer pays 10% of the insured residual debt (monthly instalment) pursuant to Art. 5 for a maximum of 10 months plus the accrued debit interest on the insured balance by way of a final additional monthly instalment within the limits of the minimum and maximum amounts set out in Art. 6 for every subsequent 30-day period during which you are unemployed. The first 60 days are deemed to be the waiting period during which no insurance benefits are paid. This cover is subject to the condition that you were employed by the same employer for at least six months and had worked for at least 16 hours per week prior to the termination of employment. In addition, you must have received benefits from the Swiss unemployment insurance for at least 60 consecutive days and must be able to document that you are actively engaged in finding alternative employment.

#### 4.2 Effective date of the insured event:

- insurance cover in accordance with Art. 4.1 A: date of death;
  - insurance cover in accordance with Art. 4.1 B and C: the first day of temporary total incapacity for work or permanent total disability as certified by the physician;
  - insurance cover in accordance with Art. 4.1 D: date of notification of termination.
- Insurance cover does not apply to purchases made by credit card on or after the date on which the insured event occurred.

### 5. Insured residual debt

The insurance benefits are calculated on the basis of the insured residual debt. This insured residual debt comprises:

- for insured who pay by instalments: the total outstanding amount owed to Cornèr Bank Ltd. on your billing unit plus accrued interest on the day prior to the occurrence of the insured event;
- for insured who pay the entire credit card balance every month: the average of the amounts of the monthly statements issued in the past six months owed to Cornèr Bank Ltd. on your billing unit plus accrued interest on the day prior to the occurrence of the insured event;
- for insured who pay the entire credit card balance every month and who have concluded a credit card agreement with Cornèr Bank Ltd. less than six months prior to the occurrence of the insured event: the average amount of all monthly statements issued owed to Cornèr Bank Ltd. on your billing unit plus accrued interest on the day prior to the occurrence of the insured event.

The differentiation between insured who pay by instalments and insured who pay the balance every month is based on the following definition:

Deemed an insured who pays the entire credit card balance is the person who has paid the full amount (i.e. the insured did not make use of the credit option by paying instalments) of at least 4 monthly statements during the six months prior to the

occurrence of the insured event (which supposes at least one transaction per month) on the due date pursuant to the general terms and conditions for Visa and MasterCard cards of Cornèr Bank Ltd. If this is not the case, the insured is considered a person who pays by instalments. New customers who concluded a credit card agreement with Cornèr Bank Ltd. less than six months prior to the occurrence of the insured event are considered insured who pay the credit card balance in full.

### 6. Benefits paid by the insurer

In the event of death, the insurer pays the insured residual debt up to a maximum of CHF 10,000 (Gold Card CHF 40,000), and in the event of permanent total disability the insurer pays the insured residual debt up to a maximum of CHF 10,000 (Gold Card CHF 15,000). The maximum insured amount is understood per billing unit. In the event of temporary total incapacity for work or involuntary loss of employment, the insurer pays 10% of the insured residual debt per month up to a maximum of CHF 1,000 (Gold Card CHF 1,500) per month, plus accrued debit interest. The minimum monthly payment by the insurer in the event of a claim is CHF 100 per month. If the monthly benefit is less, several monthly benefits will be combined until the sum of CHF 100 is reached.

The insurer will cease to pay monthly instalments or benefits if:

- you no longer provide proof of continued incapacity for work or if you are no longer entitled to Swiss unemployment benefits;
- you resume or would be able to resume a part-time or full-time professional activity;
- you take retirement or early retirement;
- the sum of all payments by the insurer amounts to CHF 10,000 (Gold Card CHF 15,000);
- the insured residual debt has been paid in full; or
- your insurance cover lapses for one of the reasons mentioned in Art. 3.

### 6.1 Multiplication and repetition of insured events

If you repeatedly become incapacitated for work, the insurer pays a total of 30 monthly instalments for all these events together; following this period, the insurer no longer pays any benefits for incapacity for work. The same applies to repeated loss of employment, whereby at least six months must elapse between the end of one period of unemployment and the beginning of the next period of unemployment.

If several insured events occur together (e.g. death or permanent disability following temporary incapacity for work or incapacity for work during unemployment or upon notification of termination), insurance benefits continue to be calculated on the basis of the insured residual debt at the time the first insured event occurred. In this case the insurer pays the difference between the insured residual debt and the monthly instalments that have already been paid by the insurer.

### 7. Exclusions

#### 7.1 Exclusions to insurance cover under Art. 4.1 A, B and C:

The insurance does not cover the consequences of:

- sickness or accident for which you received medical treatment during the last 12 months before you applied for insurance cover;
- diseases that are a direct or indirect consequence of HIV/AIDS;
- active participation in acts of war, civil unrest, terrorist attacks, sabotage or assassination attempts; or
- self-inflicted injuries (subject to Art. 7.2).

#### 7.2 Additional exclusions to insurance cover under Art. 4.1 A:

The insurance does not cover suicide within the first two years after commencement of the insurance.

#### 7.3 Additional exclusions to insurance cover under Art. 4.1 B:

The insurance does not cover the consequences of:

- pregnancy, abortion or any complications thereof; or
- abuse of alcohol, drugs or medication.

#### 7.4 Exclusions to insurance cover under Art. 4.1 D:

The insurance does not cover the following events or their consequences:

- termination of employment within the first six months after taking up a new job;
- unemployment that was reported before or during the first 60 days after commencement of the insurance (deferral of coverage);
- natural expiration or termination of a fixed-term employment relationship;
- short-time work or unemployment for which no benefits are due from the federal unemployment insurance;
- early retirement, even if benefits are paid by the federal unemployment insurance;
- job cut or dismissal if the employer is a relative of the insured as defined by the Swiss Civil Code;
- termination of employment by the insured;
- termination of self-employment;
- illegal strike or participation in illegal action;
- dismissal as a result of a violation of professional obligations;
- part-time work of less than 16 hours per week and seasonal or casual work.

### 8. Claims

#### 8.1 Obligation to report and medical examinations

You must report every claim without delay to Cornèr Bank AG, tel. +41 (0) 91 800 33 40. The insurer has outsourced certain activities including claim management to Financial & Employee Benefits Services AG (Febs), Römerstrasse 18, 8402 Winterthur. Febs will send you a claims form which you must complete. The claim must be submitted to Febs accompanied by the following documents:

- In the event of death:
  - official death certificate
  - doctor's certificate confirming the cause of death and the beginning and the course of the illness or injury which led to death.
- In the event of temporary total incapacity for work: certificate issued by the physician who ordered you to stop working, indicating the cause and the expected duration of the incapacity for work.
- In the event of permanent total disability: doctor's certificate confirming the cause and the total and permanent nature of the disability.
- In the event of involuntary loss of employment:
  - copy of the employment contract and notice of termination from the employer containing the date of the first notice of termination, the reason for dismissal and the date on which the termination of employment takes effect
  - proof of registration as an unemployed person in search of a new job with the respective unemployment office
  - proof of payment of benefits by the unemployment insurance from the first day.

The insurer has the right to request further information or documents. You also agree to undergo a medical examination by a physician appointed by the insurer.

#### 8.2 Continued accountability

In the event of temporary total incapacity for work or unemployment, you are obliged to voluntarily and continuously provide the insurer with proof of continued incapacity for work or unemployment and receipt of monthly unemployment benefits.

#### 8.3 Release from confidentiality

You herewith release all physicians who have treated you during your illness or after the accident from their obligation to maintain medical confidentiality to enable the insurer to obtain the information it requires to settle the claim. You also release all government agencies, employers, other insurers with regard to the insurer as well as any third party appointed by the insurer (such as service providers for claim processing) from their obligation to maintain confidentiality or secrecy.

#### 8.4 Consequences of a breach of obligations

If the insured culpably breaches the obligations set out in Art. 8.1 to 8.3, the insurer is entitled to reduce or refuse the benefits. If you are unable to fulfill your obligations in the event of a claim, your family members or surviving dependants are responsible for fulfilling these obligations.

#### 9. Payment of benefits

The insurance benefits are paid to Cornèr Bank Ltd. and are used exclusively to pay the insured residual debt on your billing unit.

#### 10. Monthly premium

The premium is calculated by Cornèr Bank Ltd. and debited directly to your billing unit. The monthly premium amounts to 0.49% (including all statutory levies - status as per December 2010 of the outstanding monthly balance on your billing units on the date on which the monthly statement is issued.

#### 11. Obligation to pay premiums and premium refund

If an insured event causes the insurer to pay monthly instalments, the insured's liability to pay premiums lapses for the period during which the instalments are paid by the insurer for the insured residual debt. The premium continues to be charged during the claim period. A refund of the premium charged for the insured residual debt is posted to your billing unit at the time of final payment when the insurer's obligation to pay has ended.

#### 12. Data protection

Any personal information made available to Cornèr Bank and the insurers in connection with this insurance policy and any data submitted in connection therewith shall be used exclusively for the purpose of concluding and processing the insurance contract. The insured understands that any relevant personal data (including the data as per your credit card agreement) may be used not only by the insurer itself, but also by any third party mandated by the insurer to process the insurance contract, and that the data may be forwarded to such a third party. Data may also be transferred abroad, provided that the foreign country has data protection legislation on a par with Swiss legislation. You can request notification and correction of any information pertaining to you which may be maintained by the insurer, its representatives and/or the insurance industry's professional association. This right can be exercised by writing to Chartis Europe.

#### 13. Place of jurisdiction

Any litigation arising from or in connection with this agreement shall be subject exclusively to the jurisdiction of the courts at the place of residence or registered office of one of the parties.