

Special Terms and Conditions Governing Occupational Incapacity

WIA follow-up insurance and reinsurance, as well as the insurance of the waiver of premiums in the case of occupational incapacity

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as well as the insurance of the waiver of
premiums in the case of incapacitation

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General

These special terms and conditions serve as an addendum to the general terms and conditions. These conditions apply if:

- a. this is stated in your insurance or reinsurance contract;
- b. a participant is insured or reinsured in accordance with the WIA;
- c. a participant has WIA top-up, follow-up gap, foundation or basic insurance or reinsurance, or is insured or reinsured for premium waiver interest; or a combination of the above.

These special terms and conditions prevail over the general terms and conditions. In turn, the relevant insurance or reinsurance contract prevails over the special terms and conditions. The agreement also stipulates whether you have insurance or reinsurance. If “insurance” is mentioned in these terms and conditions, we also mean reinsurance. Where anything applies specifically to reinsurance, this is stipulated.

Article 1 Definitions

These special terms and conditions serve as an addendum to the general terms and conditions. The following are a number of terms that recur frequently in these special terms and conditions. An explanation of precisely what we mean is provided for each term:

1.1 We / us / our:

The insurer: elipsLife AG, established in Triesen, Liechtenstein. The Dutch office is located in Amstelveen.

1.2 You / your:

The policyholder: the legal entity with which we have concluded the insurance contract.

1.3 Participant:

an employee whom you employ and who performs work as agreed with you in a contract. A participant:

- is obliged to be insured under the WIA Work and Income (Capacity for Work) Act [*Wet werk en inkomen naar arbeidsvermogen*];
- has entered into a pension agreement with you. An occupational disability pension and/or waiver of premiums in case of incapacity for work is/are part of this pension agreement.

In these terms and conditions, any reference we make to ‘he’ means ‘the participant’. We do this in order to keep the text easy to read. It goes without saying that a participant can also be a woman.

In the case of reinsurance, an employee who is employed by the employer who is a participant of the fund. A participant:

- a. has a duty to be insured under the WIA Act;
- b. has entered into a pension agreement with an employer affiliated to you. An invalidity pension is covered by that pension agreement.

In these terms and conditions, any reference we make to ‘he’ means ‘the participant’. We do this in order to keep the text easy to read. It goes without saying that a participant can also be a woman.

1.4 Maximum annual WIA benefit basis:

The maximum daily wage under the WIA Act multiplied by 261.

1.5 WIA benefit:

a benefit pursuant to the WIA Act.

The WIA consists of:

- a. the Work Resumption Scheme for Partially Incapacitated Persons [*Regeling werkhervatting gedeeltelijk arbeidsgeschikten*] (WGA) provided for in the WIA Act;
- b. the Fully Incapacitated Persons Income Scheme [*Regeling inkomensvoorziening volledig arbeidsongeschikten*] (IVA) provided for in the WIA Act.

1.6 Pay-related WGA benefit

A participant receives a pay-related benefit if he is partially incapacitated. When determining the amount of any pay-related WGA benefit, the salary which the relevant participant earned before he became incapacitated is examined. A participant receives a pay-related benefit after he has been incapacitated for 104 weeks. A pay-related WGA benefit is based on the WIA Act.

1.7 WGA follow-up benefit:

A participant receives a follow-up benefit if he is partially incapacitated and earn less than half the amount which a labour expert deems he are still capable of earning. A follow-up benefit is based on the minimum wage. A follow-up benefit is based on the WIA Act.

1.8 WIA indexation:

The amount of the WIA benefit may be adjusted every six months. We will also adjust the WGA follow-up gap benefit based on that. Here you can find out more about "indexation" under the WIA Act.

1.9 First day of illness:

The first working day on which a participant has not worked due to being sick. It does not matter whether that is a whole day or if the participant stopped working during the day. The first day of illness is also the first day of the waiting period.

1.10 Reinsurance:

Reinsurance occurs where the pension fund ensures that its participants receive a benefit in the event that he is incapacitated (an invalidity pension and/or non-contributory interest) and if this pension fund insures the financial risks that this involves with another party. This applies in relation to both invalidity pensions and non-contributory interest.

1.11 Qualifying income:

Qualifying income is one's insured annual salary. We act on the basis of the annual salary which applies on 1 January of the year in which the relevant individual's first day of illness occurs and which undergoes a compound increase on 1 January every year in the case of an indexed benefit. Whether or not indexation occurs is stipulated in the relevant insurance contract, as is the associated indexation rate.

1.12 Income:

We work on the basis of income as defined in the General Income Decree for Social Security Laws [*Algemeen inkomensbesluit socialezekerheidswetten*].

1.13 WIA daily wage (uncapped):

We act on the basis of the daily wage (uncapped) mentioned in the award made by the Employee Insurance Agency [Uitvoeringsinstituut Werknemersverzekeringen] (UWV). This is based on the WIA Act.

1.14 Degree of incapacity in practical terms:

The extent to which a participant is actually incapacitated as assessed by us based on the income which someone still actually earns in practice.

Article 2. Insurance in accordance with an insurance contract providing for a WIA top-up pension

2.1 General:

Such an insurance is for those employees whose annual salary exceeds the WIA benefit basis.

This insurance is for those of your employees whose annual salary exceeds the maximum annual WIA benefit basis.

Where reinsurance is involved, we mean the fund's participants when we refer to employees.

2.2 Purpose of the insurance:

A participant will receive a benefit if he becomes incapacitated.

If a participant loses income due to becoming incapacitated, he will receive a benefit to top up his income. That is the purpose of this insurance contract. This insurance only pays out if the relevant participant is incapacitated to the extent of no less than 35% after the waiting period and does so during the period in which he are incapacitated.

2.3 Waiting period:

The waiting period for the WIA top-up pension is no less than 104 weeks.

This waiting period is the same as that for the WIA benefit.

- a. If the waiting time via the WIA Act is shorter, the participant will not receive an earlier payment from this insurance.
- b. If the waiting period is voluntarily longer, the participant will only receive a payment on the date on which the WIA benefit commences. He cannot receive an earlier payment via this insurance.

2.4 WIA top-up pension benefit:

We calculate a WIA top-up pension on an annual basis using this formula:

benefit rate x pension rate x (pensionable annual salary - maximum annual WIA benefit basis).

We use the benefit rate stipulated in the table for the purposes of calculation.

This table shows which benefit rate applies in relation to the degree of incapacity.

Degree of incapacity determined by the UWV	The insured's benefit rate WIA top-up pension
Less than 35%	0%
35 to 45 %	40%
45 to 55%	50%
55 to 65%	60%
65 to 80%	72.5%
80 to 100%	100%

Ensure that we receive a copy of the award decision

If we think that a participant is entitled to WIA top-up pension, we will comply with the UWV's award in accordance with the WIA Act. You or the fund will ensure that we receive a copy of it as soon as possible.

The pension rate amounts to no more than 80%.

You will find the pension rate in your insurance contract. This is the rate at which the insured pensionable annual salary exceeds the basis for calculating an individual's maximum annual WIA benefit basis. In this respect we act on the basis of the sum which the relevant participant would receive from you or the pension fund assuming that he was fully incapacitated in accordance with the pension promised him.

One's pensionable annual salary is one's insured annual salary.

You will find your pensionable annual salary in your insurance contract. In this respect we act on the basis of the salary which is applicable on 1 January of the year in which the relevant individual's first day of illness occurs. In the case of reinsurance one's pensionable salary is stipulated in the pension regulations.

The basis for calculating the maximum WIA benefit is annual:

In this respect our starting point is the legal basis which is applicable on 1 January of the year in which the relevant individual's first day of illness occurs.

2.5 Raising the incapacity rate

We calculate a WIA top-up pension on an annual basis in the case of an increase.

If the incapacity rate increases in the case of partially incapacitated participants and his first day of illness occurs during the term of the insurance contract, then we calculate the WIA top-up pension which we pay out as follows on an annual basis.

- a. We first calculate the WIA top-up pension as though the relevant participant is fully incapacitated. We take 1 January of the year in which his first day of illness occurs as the date of calculation.
- b. Then we multiply the sum which this yields with the difference between:
 - the benefit rate corresponding to the relevant individual's existing incapacity rate;
 - the benefit rate corresponding to the relevant individual's increased incapacity rate;

If the insurance contract stipulates a different calculation because of your or the fund's pension commitments, then what is stipulated in that contract will apply.

2.6 Benefit rate in the case of income

In case of an income, we calculate the benefit percentage differently

If an incapacitated participant receives an income, and the UWV does not reduce his incapacity rate, then we calculate his degree of incapacity in practical terms as follows:

$$\frac{\text{Uncapped WIA daily wage} \times 21.75 - \text{monthly income}}{\text{Uncapped WIA daily wage} \times 21.75} \times 100\%$$

The rate may be less than that applicable in the case of the UWV.

If the result of this formula is less than the incapacity rate determined by the UWV, then our pay out is based on that lower rate.

Degree of incapacity in practical terms as determined by elipsLife	The insured's benefit rate WIA top-up pension
Less than 35%	0%
35 to 45 %	40%
45 to 55%	50%
55 to 65%	60%
65 to 80%	72.5%
80 to 100%	100%

The participant must provide us with all the information about his income

For example, we may ask for a copy of his income tax return. The participant must then give this to us.

2.7 Measures taken by the UWV

A participant will receive a smaller or no WIA top-up pension in the case of any measure.

The UWV may impose a measure on a participant in accordance with the WIA Act or the Social Security Measures Decree [*Maatregelenbesluit socialezekerheidswetten*]. A participant will receive a partial WIA benefit or none at all as a result of such measure. This would be the case, for example, if the relevant participant fails to comply with his reintegration obligations. We use the period and size of the measure imposed by the UWV as a basis. We also adjust the pay out of the WIA top-up pension accordingly.

The relevant participant will notify us of the measure.

If a measure has been imposed on a participant, you or he will notify us accordingly. You will do this within one week of the UWV imposing such measure.

2.8 Waiver of premiums in case of incapacity for work

A participant may be exempted from the payment of premiums in respect of a WIA top-up pension which has commenced.

If a participant receives a benefit based on this insurance because he is incapacitated, he need not pay any premiums in respect of that part of the WIA top-up pension which he receive.

2.9 Start of the payment entitlement

Entitlement to a WIA top-up pension will come into effect 104 weeks after the relevant individual's first day of illness.

Entitlement to the disbursement of a WIA top-up pension will apply as the first day on which the relevant participant receives a WIA benefit. This will occur after 104 weeks following the relevant participant's first day of illness at the earliest.

2.10 End of the benefit payment

Payment of a WIA top-up pension will stop on:

- a. the day on which entitlement to a WIA benefit ceases to apply;
- b. the date on which a measure is imposed on the relevant participant in accordance with the WIA Act or the Social Security Measures Decree. We also take account of the period and extent of the measure;
- c. On the day on which this insurance stops. Article 17 ("Payment after termination of the contract") of the general terms and conditions governing the insurance of incapacity interest (AO-R) will continue to apply. Where reinsurance is involved, Article 16 of the general terms and conditions governing the reinsurance of incapacity interest or capital (AO-H) will apply;
- d. the day after the agreed date on which the relevant participant's cover expires. That expiry date is stipulated in the insurance contract;
- e. the date on which the relevant participant dies;
- f. the date on which the relevant participant receives an income which exceeds the qualifying income.

2.11 No entitlement to the benefit

A participant is not entitled to a benefit if:

- a. his first day of illness occurs before the date on which this insurance began to apply in relation to that participant. In this respect we will have regard to Articles 5.1 and 5.2 of the general terms and conditions;
- b. you have not paid all of the premiums for this insurance until the time when the WIA top-up pension commences;
- c. the participant is subject to a waiting period and fails to comply with his obligations (in relation to reintegration or otherwise). In that case he will not be entitled to salary in accordance with the Dutch Civil Code. He has these obligations in accordance with:
 - the Dutch Civil Code [*Burgerlijk Wetboek*]
 - the Eligibility for Permanent Incapacity Benefit (Restrictions) Act [*Wet verbetering Poortwachter*]
 - the Work and Income (Capacity for Work) Act [*Wet Werk en Inkomen naar Arbeidsvermogen*]
 - the Sickness Benefit Act [*Ziektewet*]
- d. The relevant participant ceases to be employed before the end of the waiting period. A court of law has set aside his contract. Alternatively, he has resigned himself.
- e. The grounds for exclusion stipulated in the WIA Act apply.

2.12 Maximum compensation

We will top up the income until no more than the qualifying income.

A participant will have his foregone income topped up to no more than the qualifying income. Our calculation will be based on all of his income.

Article 3. Insurance in accordance with an insurance contract providing for a WIA foundation pension

3.1 General:

This insurance covers that part of one's salary up to no more than the maximum WIA benefit basis. In this respect we act on the basis of an employee's insured annual salary. It does not matter what the value of the insured annual salary is in this respect. Where reinsurance is involved, we mean the fund's participants when we refer to employees.

3.2 Purpose of the insurance:

A participant will receive a benefit if he becomes incapacitated.

If a participant loses income due to becoming incapacitated, he will receive a benefit to top up his income. That is the purpose of this insurance contract. This insurance only pays out if the relevant participant is incapacitated to the extent of no less than 35% after the waiting period and does so during the period in which he is incapacitated.

3.3 Waiting period:

The waiting period for the WIA foundation pension is no less than 104 weeks.

This waiting period is the same as that for the WIA benefit.

- a. If the waiting time via the WIA Act is shorter, the participant will not receive an earlier payment from this insurance.
- b. If the waiting period is voluntarily longer, the participant will only receive a payment on the date on which the WIA benefit commences. He cannot receive an earlier payment via this insurance.

3.4 WIA foundation pension benefit:

We calculate a WIA foundation pension on an annual basis using this formula:

benefit rate x pension rate x pensionable annual salary.

We use the benefit rate stipulated in the table for the purposes of calculation.

This table shows which benefit rates applies in relation to the degree of incapacity.

Degree of incapacity determined by the UWV	The insured's benefit rate WIA foundation pension
Less than 35%	0%
35 to 45%	40%
45 to 55%	50%
55 to 65%	60%
65 to 80%	72.5%
80 to 100%	100%

Ensure that we receive a copy of the award decision

If we think that a participant is entitled to a WIA foundation pension, we will comply with the UWV's award in accordance with the WIA Act. You or the fund will ensure that we receive a copy of it as soon as possible.

The pension rate amounts to no more than 10%.

You will find the pension rate in your insurance contract. In this respect we act on the basis of the sum which the relevant participant would receive from the policyholder or the pension fund assuming that he was fully incapacitated in accordance with the pension promised him.

One's pensionable annual salary is one's insured annual salary (or part of it).

You will find your pensionable annual salary in your insurance contract. In this respect we act on the basis of the salary which is applicable on 1 January of the year in which the relevant individual's first day of illness occurs. In the case of reinsurance one's pensionable salary is stipulated in the pension regulations.

The basis for calculating the maximum WIA benefit is annual:

In this respect our starting point is the legal basis which is applicable on 1 January of the year in which the relevant individual's first day of illness occurs.

3.5 Raising the benefit rate

We calculate a WIA foundation pension on an annual basis in the case of an increase.

If the benefit rate increases in the case of partially incapacitated participants and his first day of illness occurs during the term of the insurance contract, then we calculate the WIA foundation pension which we pay out as follows on an annual basis..

- a. We first calculate the WIA foundation pension as though the relevant participant is fully incapacitated. We take 1 January of the year in which his first day of illness occurs as the date of calculation.
- b. Then we multiply the sum which this yields with the difference between:
 - the benefit rate corresponding to the relevant individual's existing incapacity rate;
 - the benefit rate corresponding to the relevant individual's increased incapacity rate;

If the insurance contract stipulates a different calculation because of your or the fund's pension commitments, then what is stipulated in that contract will apply.

3.6 Benefit rate in the case of income

In case of an income, we calculate the benefit percentage differently

If an incapacitated participant receives an income, and the UWV does not reduce his incapacity rate, then we calculate his degree of incapacity in practical terms as follows:

$$\frac{\text{Uncapped WIA daily wage} \times 21.75 - \text{monthly income}}{\text{Uncapped WIA daily wage} \times 21.75} \times 100\%$$

The rate may be less than that applicable in the case of the UWV.

If the result of this formula is less than the incapacity rate determined by the UWV, then our pay out is based on that lower rate.

Degree of incapacity in practical terms as determined by elipsLife	The insured's benefit rate WIA top-up pension
Less than 35%	0%

35 to 45 %	40%
45 to 55%	50%
55 to 65%	60%
65 to 80%	72.5%
80 to 100%	100%

The participant must provide us with all the information about his income

For example, we may ask for a copy of his income tax return. The participant must then give this to us.

3.7 Measures taken by the UWV

A participant will receive a smaller or no WIA foundation pension in the case of any measure.

The UWV can impose a measure on a participant in accordance with the WIA Act or the Social Security Measures Decree [*Maatregelenbesluit socialezekerheidswetten*]. A participant will receive a partial WIA benefit or none at all as a result of such measure. This would be the case, for example, if the relevant participant fails to comply with his reintegration obligations. We use the period and size of the measure imposed by the UWV as a basis. We also adjust the pay out of the WIA foundation pension accordingly.

3.8 Waiver of premiums in case of incapacity for work

A participant may be exempted from the payment of premiums in respect of a WIA foundation pension.

If a participant receives a benefit based on this insurance because he is incapacitated, he need not pay any premiums in respect of that part of the WIA foundation pension which he receives.

3.9 Start of the payment entitlement

Entitlement to a WIA foundation pension will come into effect 104 weeks after the relevant individual's first day of illness.

Entitlement to the disbursement of a WIA foundation pension will apply as of the first day on which the relevant participant receives a WIA benefit. This will occur after 104 weeks following the relevant participant's first day of illness at the earliest.

3.10 End of the benefit payment

Payment of a WIA foundation pension will stop on:

- a. the day on which entitlement to a WIA benefit ceases to apply;
- b. the date on which a measure is imposed on the relevant participant in accordance with the WIA Act or the Social Security Measures Decree. We also take account of the period and extent of the measure;
- c. On the day on which this insurance stops. Article 17 ("Payment after termination of the contract") of the general terms and conditions governing the insurance of incapacity interest (AO-R) will continue to apply. Where reinsurance is involved, Article 16 of the general terms and conditions governing the reinsurance of incapacity interest or capital (AO-H) will apply;
- d. the day after the agreed date on which the relevant participant's cover expires. That expiry date is stipulated in the insurance contract;
- e. the date on which the relevant participant dies;
- f. the date on which the relevant participant receives an income which exceeds the qualifying income.

3.11 No entitlement to the benefit

A participant is not entitled to a benefit if:

- a. his first day of illness occurs before the date on which this insurance began to apply in relation to that participant. In this respect we will have regard to Articles 5.1 and 5.2 of the general terms and conditions;
- b. you have not paid all of the premiums for this insurance until the time when the WIA foundation pension commences;
- c. the participant is subject to a waiting period and fails to comply with his obligations (in relation to reintegration or otherwise). In that case he will not be entitled to salary in accordance with the Dutch Civil Code. He has these obligations in accordance with:
 - the Dutch Civil Code [*Burgerlijk Wetboek*]
 - the Eligibility for Permanent Incapacity Benefit (Restrictions) Act [*Wet verbetering Poortwachter*]
 - the Work and Income (Capacity for Work) Act [*Wet Werk en Inkomen naar Arbeidsvermogen*]
 - the Sickness Benefit Act [*Ziektewet*]
- d. The relevant participant ceases to be employed before the end of the waiting period. A court of law has set aside his contract. Alternatively, he has resigned himself.
- e. The grounds for exclusion stipulated in the WIA Act apply.

3.12 Maximum compensation

We will top up the income until no more than the qualifying income.

A participant will have his foregone income topped up to no more than the qualifying income. Our calculation will be based on all of his income.

Article 4. Insurance in accordance with an insurance contract providing for a WGA follow-up gap

4.1 General:

This insurance is for those participants with a WGA follow-up benefit.

A participant will receive this benefit if he utilises less than 50% of his residual earning capacity. This residual earning capacity is the amount that a participant is still capable of earning in spite of his partial incapacitation.

4.2 Purpose of the insurance

A participant will receive a follow-up gap benefit if he becomes incapacitated.

If a participant is incapacitated and he does not earn enough with his residual earning capacity, a gap will arise between his former salary and the WGA follow-up benefit. In this case he will receive a WGA follow-up gap pension to top up his income. That is the purpose of this insurance contract.

4.3 Commencement of benefits:

The WGA follow-up gap pension commences simultaneously with the WGA follow-up benefit.

A WGA follow-up benefit commences after a pay-related WGA benefit.

4.4 WGA follow-up gap benefit

We calculate a WIA follow-up gap pension on an annual basis using this formula:

benefit rate x (indexed salary - minimum salary) x 70%..

We use the benefit rate stipulated in the table for the purposes of calculation.

This table shows which benefit rates applies in relation to the degree of incapacity.

Degree of incapacity determined by the UWV	The insured's benefit rate WGA follow-up gap pension
Less than 35%	0%
35 to 45%	40%
45 to 55%	50%
55 to 65%	60%
65 to 80%	72.5%

Ensure that we receive a copy of the award decision

If we think that a participant is entitled to a WIA follow-up gap pension, we will comply with the UWV's award in accordance with the WIA Act. You or the fund will ensure that we receive a copy of it as soon as possible.

A capped annual salary is indexed annually.

An individual's indexed salary is his insured annual salary which applied on his first day of illness. This amounts to no more than his maximum annual WIA benefit basis on his first day of illness. We index annual salaries on 1 January every year after the relevant individual's first day of illness. Indexation occurs in respect of the period following the participant's first day of illness until and including the first occurrence of 1 January after his first day of illness.

We increase an individual' annual salary by no more than 3% every year.

We use a participant's annual salary for the purposes of calculating his benefits. This is raised in accordance with the WIA indexation rate every year after the relevant individual's first day of illness. The increase amounts to no more than 3% per annum. Where a participant is not yet entitled to a WGA follow-up gap pension, the increase simply goes ahead.

The legally stipulated salary, including holiday bonus, represents the minimum salary.

This refers to the gross monthly minimum youth salary calculated on an annual basis. In this respect we act on the basis of the salary which is applicable on 1 January of the year in which the relevant participant receives a benefit under this insurance. We check the relevant participant's age on that date.

4.5 Benefit rate in the case of income

In case of an income, we calculate the benefit percentage differently

If an incapacitated participant receives an income, and the UWV does not reduce his incapacity rate, then we calculate his degree of incapacity in practical terms as follows:

Uncapped WIA daily wage x 21.75 – monthly income
 ----- x 100%
 Uncapped WIA daily wage x 21.75

The rate may be less than that applicable in the case of the UWV.

If the result of this formula is less than the incapacity rate determined by the UWV, then our pay out is based on that lower rate.

Degree of incapacity in practical terms as determined by elipsLife	The insured's benefit rate WIA top-up pension
Less than 35%	0%
35 to 45 %	40%
45 to 55%	50%
55 to 65%	60%
65 to 80%	72.5%
80 to 100%	100%

The participant must provide us with all the information about his income

For example, we may ask for a copy of his income tax return. The participant must then give this to us.

4.6 Measures taken by the UWV

A participant will receive a smaller or no WIA follow-up gap pension in the case of any measure.

The UWV can impose a measure on a participant in accordance with the WIA Act or the Social Security Measures Decree [*Maatregelenbesluit socialezekerheidswetten*]. A participant will receive a partial WIA benefit or none at all as a result of such measure. This would be the case, for example, if the relevant participant fails to comply with his reintegration obligations. We use the period and size of the measure imposed by the UWV as a basis. We also adjust the pay out of the WGA follow-up gap pension accordingly.

4.7 Waiver of premiums in case of incapacity for work

A participant may obtain a waiver of premium payments upon the commencement of his WGA follow-up benefit.

The date of the commencement of the WGA follow-up gap pension is the same as the date on which the WGA follow-up benefit starts. Once the date of commencement occurs, the relevant participant will pay the proportionate premiums listed in the following table.

Degree of incapacity determined by the UWV	Proportion of premiums still to be paid
35 to 45%	45%
45 to 55%	31%
55 to 65%	17%
65 to 80%	0%

Where a participant's salary has been topped up, he will nevertheless still pay premiums.

If a participant's salary has been topped up to the equivalent of the WIA benefit basis, he will still pay premiums from the salary that he actually earn with his residual earning capacity. This will apply instead of the table above.

4.8 Start of the payment entitlement

Entitlement to a WGA follow-up gap pension will apply when the relevant participant becomes entitled to a WGA follow-up benefit.

If a participant is entitled to a WGA follow-up benefit, he will also be entitled to a WGA follow-up gap pension as of the date concerned.

4.9 End of the benefit payment

Payment of a WGA follow-up gap pension will stop on:

- a. the day on which entitlement to a WIA benefit ceases to apply;
- b. the date on which a measure is imposed on the relevant participant in accordance with the WIA Act or the Social Security Measures Decree. We also take account of the period and extent of the measure;
- c. On the day on which this insurance stops. Article 17 ("Payment after termination of the contract") of the general terms and conditions governing the insurance of incapacity interest (AO-R) will continue to apply. Where reinsurance is involved, Article 16 of the general terms and conditions governing the reinsurance of incapacity interest or capital (AO-H) will apply;
- d. the day after the agreed date on which the relevant participant's cover expires. That expiry date is stipulated in the insurance contract;
- e. the date on which the relevant participant dies;

- f. the date on which the relevant participant receives an income which exceeds the qualifying income.

4.10 No entitlement to the benefit

A participant is not entitled to a benefit if:

- a. his first day of illness occurs before the date on which this insurance began to apply in relation to that participant. In this respect we will have regard to Articles 5.1 and 5.2 of the general terms and conditions;
- b. you have not paid all of the premiums for this insurance until the time when the WGA follow-up gap pension commences;
- c. a participant who is subject to a waiting period fails to comply with his obligations (in relation to reintegration or otherwise). In that case he will not be entitled to salary in accordance with the Dutch Civil Code. He has these obligations in accordance with:
 - the Dutch Civil Code [*Burgerlijk Wetboek*]
 - the Eligibility for Permanent Incapacity Benefit (Restrictions) Act [*Wet verbetering Poortwachter*]
 - the Work and Income (Capacity for Work) Act [*Wet Werk en Inkomen naar Arbeidsvermogen*]
 - the Sickness Benefit Act [*Ziektewet*]
- d. The relevant participant ceases to be employed before the end of the waiting period. A court of law has set aside his contract. Alternatively, he has resigned himself.
- e. The grounds for exclusion stipulated in the WIA Act apply.

4.11 Maximum compensation

We will top up the income until no more than the qualifying income.

A participant will have his foregone income topped up to no more than the qualifying income. Our calculation will be based on all of his income.

Article 5. Insurance in accordance with an insurance contract providing for the waiver of premiums for old age and surviving dependent pension premiums in the case of incapacity

5.1 General:

This insurance is for those employees who are participants of a pension plan.

This refers to a pension plan for an old age or surviving dependent's pension. If a fund is a policyholder, we mean the participants of that fund when we mention participants.

5.2 Purpose of the insurance

A participant will have his premiums waived if he is incapacitated.

If a participant loses income due to incapacity, he will have his premiums for his old age and/or surviving dependent's pension(s) waived as provided for in the insurance contract. This insurance will only pay out provided that the participant is still incapacitated for no more than 35% after the waiting period, and for the period during which he is incapacitated for work. A pay out under this insurance must be used to pay for the relevant participant's pension facility.

5.3 Waiting period

The waiting period for premium waiver interest is no less than 104 weeks.

This waiting period is the same as that for the WIA benefit.

- a. If the waiting time via the WIA Act is shorter, the participant will not receive an earlier payment from this insurance.
- b. If the waiting period is voluntarily longer, the participant will only receive a payment on the date on which the WIA benefit commences. He cannot receive an earlier payment via this insurance.

5.4 Disbursement of premium waiver interest

We calculate premium waiver interest on an annual basis using this formula:

benefit rate x annual premiums to be waived

We use the benefit rate stipulated in the table for the purposes of calculation.

This table shows which benefit rate applies in relation to the degree of incapacity.

Degree of incapacity determined by the UWV	The insured's benefit rate premium waiver interest
Less than 35%	0%

35 to 45 %	40%
45 to 55%	50%
55 to 65%	60%
65 to 80%	72.5%
80 to 100%	100%

The annual premiums that are to be waived are equivalent to the annual premiums which are required for the pension facility.

This refers to the insured annual premiums which are required to pay for the pension facility. In this respect our starting point is the premiums which are applicable on 1 January of the year in which the relevant individual's first day of illness occurs.

We do not always include an increase in entitlements.

When we mention "entitlements" we mean the right to future benefits. If a participant receives premium waiver interest, we will not include any increase in entitlements. This refers to entitlements which are the result of the annual premiums. We only include an increase if it is due to a scale.

5.5 Benefit rate in the case of income

In case of an income, we calculate the benefit percentage differently

If an incapacitated participant receives an income, and the UWV does not reduce his incapacity rate, then we calculate his degree of incapacity in practical terms as follows:

$$\frac{\text{Uncapped WIA daily wage} \times 21.75 - \text{monthly income}}{\text{Uncapped WIA daily wage} \times 21.75} \times 100\%$$

The rate may be less than that applicable in the case of the UWV.

If the outcome of this formula is less than the incapacity rate determined by the UWV, we pay out on the basis of the lower rate.

Degree of incapacity in practical terms as determined by elipsLife	The insured's benefit rate WIA top-up pension
Less than 35%	0%
35 to 45 %	40%
45 to 55%	50%
55 to 65%	60%
65 to 80%	72.5%
80 to 100%	100%

The participant must provide us with all the information about his income

For example, we may ask for a copy of his income tax return. The participant must then give this to us.

5.6 Your obligations and those of a participant (not in the case of reinsurance)

These are your and participants' obligations in case of incapacity for work

You must cooperate in order to encourage the recovery and/or the reintegration of the incapacitated participant, for example, by adapting or changing the work activities. Do not do anything which stands in the way of recovery or reintegration.

Ensure that the UWV and/or expert service provides support to incapacitated participants during reintegration. Comply with the obligations laid down in the Working Conditions Act [*Arbowet*], the Eligibility for Permanent Incapacity Benefit (Restrictions) Act (Dutch Civil Code) [*Wet verbetering poortwachter (Burgerlijk Wetboek)*], the Sickness Benefits Act [*Ziektewet*] and the WIA Act.

Comply with our recommendations in relation to reintegration.

5.7 Your obligations

You will provide us with all the information that we need.

- Please send us all the documents relevant to incapacity which you have received from the UWV. This includes the confirmation from the UWV of the WIA incapacity percentage or WIA benefit percentage at the end of the waiting period. Authorise the UWV and other advisers to send this information to us.
- Let us know if anything changes in situation of the incapacitated participant, for example, if the participant's obligations under the WIA Act change. Send us all the documents related to this.
- Let us know if the incapacitated participant recovers. It does not matter whether he has made a full or partial recovery. You should also let us know if the participant starts working again, including partially.

- d. If you are a self-insurer, let us know immediately if the UWV imposes fines or other measures on you or the incapacitated participant.

5.8 Participant's obligations

The incapacitated participant must cooperate in his recovery

The participant must do his utmost to recover as quickly as possible. Everything he does must be focused on starting work again as soon as possible. He must therefore do nothing that stands in the way of recovery or reintegration. If we ask him, the participant must also do the following:

- a. The participant must provide us with all the information we need, for example income data and all relevant benefit documents that he receives from the UWV. The participant must give us permission to share that information with experts we choose. The participant must also give us the authorisations we need.
- b. The participant must inform us immediately if he recovers. It does not matter whether he has made a full or partial recovery. He must also inform us immediately if he resumes his work (partially or otherwise).
- c. The participant must inform us immediately if he starts working more or less.
- d. The participant must inform us of any changes to his home address and/or his bank account number.

5.9 Changes to the WIA benefit rate

In the event of a change to the WIA benefit rate, the waiver of premium payments will also vary. The waiver of premium payments will change on the date on which the WIA benefit rate alters. We will adjust the new rate. In this respect we will have regard to Article 5.12.

5.10 Waiver of premiums in case of incapacity for work

A participant may obtain a waiver of premium payments.

If a participant receives a benefit pursuant to this insurance because he is incapacitated, he need not pay those premiums which have been waived.

A participant may obtain an exemption in respect of any premium waiver interest.

If a participant receives a benefit or a waiver of premiums in accordance with this insurance, because he is incapacitated, he need not pay any premiums in respect of the premium waiver interest which he receives. You will find the relevant rates in Table 5.4.

Ensure that we receive a copy of the award decision

If we think that a participant is entitled to a full or partial waiver of premiums, we will comply with the UWV's award decision in accordance with the WIA Act. You or the fund will ensure that we receive a copy of it as soon as possible. The waiver has retroactive effect to 12 months before the date on which we receive the award decision.

5.11 Incapacity for work when the insurance contract stops

Incapacitated participants will continue to be insured if this insurance contract stops

This applies only to participants whose first day of illness is within the contract period. Those participants will remain entitled to a waiver of premium payments even after the termination of the insurance contract.

5.12 Waiver of premiums after the insurance contract stops

A waiver of premiums after the insurance contract has stopped is subject to the same rules

- a. These benefits are no longer subject to any changes in the WIA Act. We act on the basis of the WIA Act applicable at the time when the insurance contract terminated.
- b. The obligations in these insurance terms and conditions continue to apply to incapacitated participants who receive a waiver of premiums.
- c. We only take changes in the WIA benefit percentage into account if it decreases, or if the waiver of premiums stops completely.

5.13 Measures taken by the UWV

A participant will receive no, or less in the way of, premium waiver interest in the case of any measure.

The UWV can impose a measure on a participant in accordance with the WIA Act or the Social Security Measures Decree [*Maatregelenbesluit socialezekerheidswetten*]. A participant will receive a partial WIA benefit or none at all as a result of such measure. This would be the case, for example, if the relevant participant fails to comply with his reintegration obligations. We act on the basis of the term and extent of the measure imposed by the UWV and we adjust the payment of the premium waiver interest accordingly.

5.14 End of the benefit payment

Payments of premium waiver interest will cease on:

- a. the day on which entitlement to a WIA benefit ceases to apply;
- b. the date on which a measure is imposed on the relevant participant in accordance with the WIA Act or the Social Security Measures Decree. We also take account of the period and extent of the measure;

- c. On the day on which this insurance stops. Article 17 ("Payment after termination of the contract") of the general terms and conditions governing the insurance of incapacity interest (AO-R) will continue to apply. Where reinsurance is involved, Article 16 of the general terms and conditions governing the reinsurance of incapacity interest or capital (AO-H) will apply;
- d. the day after the agreed date on which the relevant participant's cover expires. That expiry date is stipulated in the insurance contract;
- e. the date on which the relevant participant dies;
- f. the date on which the relevant participant receives an income which exceeds the qualifying income.

5.15 No entitlement to premium waiver interest

A participant is not entitled to premium waiver interest if:

- a. his first day of illness occurs before the date on which this insurance began to apply in relation to that participant. In this respect we will have regard to Articles 5.1 and 5.2 of the general terms and conditions;
- b. you have not paid all of the premiums for this insurance until the time when the premium waiver comes into effect;
- c. the participant is subject to a waiting period and fails to comply with his obligations (in relation to reintegration or otherwise). In that case he will not be entitled to salary in accordance with the Dutch Civil Code. He has these obligations in accordance with:
 - the Dutch Civil Code [*Burgerlijk Wetboek*]
 - the Eligibility for Permanent Incapacity Benefit (Restrictions) Act [*Wet verbetering Poortwachter*]
 - the Work and Income (Capacity for Work) Act [*Wet Werk en Inkomen naar Arbeidsvermogen*]
 - the Sickness Benefit Act [*Ziektewet*]
- d. The relevant participant ceases to be employed before the end of the waiting period. A court of law has set aside his contract. Alternatively, he has resigned himself.
- e. The grounds for exclusion stipulated in the WIA Act apply.

5.16 Maximum compensation

We will top up the income until no more than the qualifying income.

A participant will have his foregone income topped up to no more than the qualifying income. Our calculation will be based on all of his income.

Article 6. Insurance in accordance with an insurance contract providing for a WIA basic pension

6.1 General:

This insurance is for those employees with an insured annual salary.

It does not matter what the value of the insured annual salary is in this respect. Where reinsurance is involved, we mean the fund's participants when we refer to employees.

6.2 Purpose of the insurance

A participant will receive a benefit if he becomes incapacitated.

If a participant loses income due to becoming incapacitated, he will receive a benefit to top up his income. That is the purpose of this insurance contract. This insurance only pays out provided that the relevant participant is still incapacitated to the extent of between 15% and 35% after the waiting period and does so during the period in which he is incapacitated. In the event that the UWV has not stipulated a percentage, a medical adviser will determine the degree of incapacity.

6.3 Waiting period

The waiting period for the WIA basic pension is no less than 104 weeks.

This waiting period is the same as that for the WIA benefit.

If the waiting time via the WIA Act is shorter, the participant will not receive an earlier payment from this insurance.

If the waiting period is voluntarily longer, the participant will only receive a payment on the date on which the WIA benefit commences. He cannot receive an earlier payment via this insurance.

6.4 WIA basic pension benefit:

We calculate a WIA basic pension on an annual basis using this formula:

benefit rate x pensionable annual salary.

We use the benefit rate stipulated in the table for the purposes of calculation.

This table shows which benefit rate applies in relation to the degree of incapacity.

Degree of incapacity determined by the UWV	The insured's benefit rate WIA basic pension
Less than 15%	0%
15 to 35%	20%
35% or more	0%

Ensure that we receive a copy of the award decision

If we think that a participant is entitled to a WIA basic pension, we will comply with the UWV's award in accordance with the WIA Act. You or the fund will ensure that we receive a copy of it as soon as possible.

One's pensionable annual salary is one's insured annual salary.

You will find your pensionable annual salary (or part of it) in your insurance contract. In this respect we act on the basis of the salary which is applicable on 1 January of the year in which the relevant individual's first day of illness occurs.

6.5 Waiver of premiums in case of incapacity for work

A participant may be exempted from the payment of premiums in respect of a WIA basic pension.

If a participant receives a benefit based on this insurance because he is incapacitated, he need not pay any premiums in respect of that part of the WIA basic pension which he receives. You will find the relevant rates in Table 6.4.

6.6 Start of the payment entitlement

Entitlement to a WIA basic pension will come into effect 104 weeks after the relevant individual's first day of illness.

Entitlement to the disbursement of the WIA basic pension will apply no sooner than 10 weeks after the relevant participant's first day of illness.

6.7 End of the benefit payment

Payment of a WIA basic pension will stop on:

- the day on which entitlement to a WIA benefit ceases to apply;
- the date on which a measure is imposed on the relevant participant in accordance with the WIA Act or the Social Security Measures Decree. We also take account of the period and extent of the measure;
- On the day on which this insurance stops. Article 17 ("Payment after termination of the contract") of the general terms and conditions governing the insurance of incapacity interest (AO-R) will continue to apply. Where reinsurance is involved, Article 16 of the general terms and conditions governing the reinsurance of incapacity interest or capital (AO-H) will apply;
- the day after the agreed date on which the relevant participant's cover expires. That expiry date is stipulated in the insurance contract;
- the date on which the relevant participant dies;
- the date on which the relevant participant receives an income which exceeds the qualifying income.

6.8 No entitlement to the benefit

A participant is not entitled to a benefit if:

- his first day of illness occurs before the date on which this insurance began to apply in relation to that participant. In this respect we will have regard to Articles 5.1 and 5.2 of the general terms and conditions;
- you have not paid all of the premiums for this insurance until the time when the WIA basic pension commences;
- the participant is subject to a waiting period and fails to comply with his obligations (in relation to reintegration or otherwise). In that case he will not be entitled to salary in accordance with the Dutch Civil Code. He has these obligations in accordance with:
 - the Dutch Civil Code [*Burgerlijk Wetboek*]
 - the Eligibility for Permanent Incapacity Benefit (Restrictions) Act [*Wet verbetering Poortwachter*]
 - the Work and Income (Capacity for Work) Act [*Wet Werk en Inkomen naar Arbeidsvermogen*]
 - the Sickness Benefit Act [*Ziektewet*]
- The relevant participant ceases to be employed before the end of the waiting period. A court of law has set aside his contract. Alternatively, he has resigned himself.
- The grounds for exclusion stipulated in the WIA Act apply.

6.9 Maximum compensation

We will top up the income until no more than the qualifying income.

A participant will have his foregone income topped up to no more than the qualifying income. Our calculation will be based on all of his income. In some cases we ask for a copy of his income tax return. The participant must then give this to us.

Disclaimer

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