



AIACE

International Association of Former Staff of the European Union
More than 13.000 members – open to former employees of the EU institutions and bodies



Insurance Group
16/2022

ACCIDENT INSURANCE

A BIT OF HISTORY

Serving staff members of the European Institutions are covered against the risks of accidents and disability (under the provisions of Article 73 of the Staff Regulations).

The statutory cover includes:

1. That part of medical, pharmaceutical and hospitalisation expenses, as well as all similar expenses incurred following an accident and which would not have been reimbursed by the normal regime of the JSIS (RCAM).
2. In the event of death resulting from the accident, payment to the entitled party of a capital equal to a multiple of the annual basic salary of the deceased official.
3. In case of (total or partial) permanent disability, payment of a capital in compensation, based on a multiple of the most recent annual salary and the degree of disability.

It should be noted that neither the spouse, nor the children of the civil servant are covered by these provisions.

When retirement is taken, this cover ceases entirely, and the retired official him/herself is thus no longer covered.

As far back as 1994 our predecessors in AIACE Internationale worried about this loss of cover which concerned more and more retired civil servants. AIACE therefore negotiated, through the broker Van Breda (who has in the meantime become CIGNA) an insurance contract with the company “Royale Belge” which itself became “AXA” later on. Following a call for tender this contract was taken over, in 2012, by CIGNA LIFE INSURANCE COMPANY OF EUROPE S.A. and is now called “Individual Accident Group Insurance”. The corresponding policy number is 719.757.143.

MAIN FEATURES OF OUR (AIACE) GROUP INSURANCE “ACCIDENTS”

1. Depending on the premium paid, the cover can include the staff member's spouse (provided she/he is covered by the JSIS or by another national or international social security scheme) and it can be prolonged, after the official's death, for the surviving spouse. Cover can be extended to include the spouse provided that the former staff member is already insured or introduces the request simultaneously, and the spouse subscribes to the same insurance formula as the former staff member.

15 Sections : Belgique/België – Danmark - Deutschland – Éire/Ireland - España - France – Ελλας/Grèce - Italia – Luxembourg - Nederland – Österreich – Portugal – Suomi/Finland – Sverige - United Kingdom

2. Depending on the premium paid, several options concerning the assured capital are available.

But all the options cover payment to the insured person (or his entitled parties) of all types of medical expenses incurred following the accident and not refunded by the JSIS, and this without any ceiling being applied.

3. It is very important to note that since the launching of this insurance, the Commission has offered an important assistance to the insured pensioners, as it has made it possible for the monthly premiums (expressed as a percentage of the allowance or of the basic pension amount) to be deducted directly (by the Paymaster Office - PMO) at the time of payment of the allowance or the pension, and to be subsequently transferred to the broker CIGNA.

This constitutes an important facility for policy-holders since, once the insurance has been subscribed to, they do not have to worry about the regular payments of the premium anymore. Also whenever their basic pension is modified, the deducted premium will be automatically adjusted.

4. The insurance can be taken out by the pensioner at any moment between the day of retirement and his/her 80th birthday. Cover is then lifelong. Rather logically for an “accident” insurance, no medical questionnaire has to be completed at the time of joining.
5. In case of total or partial permanent disability following the accident, the degree of disability is measured by the “effect on physical-psychological integrity (EPPI)” as fixed by the European disability rating scale. This recent innovation (in the original contract, the Belgian scale (“BOBI”) was used) is a considerable progress because the insured persons, wherever they reside in the European Union, are thus treated in an equivalent way.
6. It should also be noted that this policy covers accidents that the insured persons might suffer in any part of the world.
7. Important remark: whereas Article 2 of this policy stipulates under “Risks Excluded“ : “accidents resulting from war or events of the same nature”, CIGNA has provided written assurances (following the dramatic events that occurred on 22 March 2016 in Brussels and at Zaventem airport) that “ accidents resulting from terrorist attacks are not excluded” from the cover of this insurance.
8. The insurance contract offers the possibility to choose a formula “ with an excess (franchise)” of 5% in respect of the disability capital. In practical terms, this means that in case of disability inferior or equal to 5% no capital sum will be paid. Premiums for the option “with franchise” are consequently of a lower amount.
9. It is worthwhile emphasising the broad range of possible “capital options” this policy offers: taking into account both one’s family situation and financial affairs, one can choose the formula that suits you best. Keeping in mind that this insurance is one of those none of us ever wishes to have to call on, one should nevertheless be

aware that, when a serious accident occurs causing a total (or major partial) permanent disability, the resultant additional costs could be very high (adaptation works at home for example in the event of a significant degree of handicap).

10. As a subscriber to this insurance, if you also wish to have a full complementary cover of medical expenses related to hospitalisation due to illness it is sufficient to subscribe to the “Hospitalisation Insurance” proposed by AIACE, choosing the “without accident cover” option.
11. Policyholders under this “Accident” policy who report a minor accident will most often have their file covered without further red tape. It is only when it becomes apparent that the accident is more serious than initially estimated that additional justifications will be sought.

WHAT ARE THE VARIOUS OPTIONS?

In addition to the full reimbursement of the medical expenses incurred, the amounts payable in the event of an accident occurring are the following:

Payment of a death or disability capital depending on the formula opted for:

A. Formula A

- capital on death: 2,3 times the policyholder's allowance or annual pension;
- capital on disability: 4 times the policyholder's allowance or annual pension;

B. Formula B

- capital on death: 3,5 times the policyholder's allowance or annual pension;
- capital on disability: 6 times the policyholder's allowance or annual pension;

C. Formula C

- capital on death: 5 times the policyholder's allowance or annual pension;
- capital on disability: 8 times the policyholder's allowance or annual pension.

In case of permanent and partial disability, the insured capital is multiplied by the percentage of permanent disability, fixed in accordance with the disability rating scale as laid down in the insurance policy.

As from their 75th birthday, cover is limited for each policy-holder to the benefits guaranteed under formula A, whatever the initially subscribed formula was, and this, obviously, with a corresponding reduction of the premiums to be paid.

WHAT ARE THE PREMIUMS TO BE PAID?

As already noted, the premium is expressed as a percentage of the allowance or basic pension and is deducted each month from the pension or the allowance by PMO.

Former staff member or spouse

	WITHOUT franchise	WITH franchise
Formula A	0,55%	0,47%
Formula B	0,80%	0,68%
Formula C	1,06%	0,91%

Surviving spouse

	WITHOUT franchise	WITH franchise
Formula A	0,61%	0,52%
Formula B	0,87%	0,75%
Formula C	1,17%	1,01%

These premiums are increased by 9,25% to cover taxes and charges.

Here is an example: FORMULA A Without Franchise

For a monthly basic pension of 3.000 €

Monthly premium: 3.000 € X 0,55% = 16,50€ (+ 1,53€) = 18,03 €

Death capital: 3.000 € X 12 X 2,3 = 82.800 €

Total disability capital : 3.000 € X 12 X 4 = 144.000 €

Partial disability capital (e.g. 10%) : 3.000 € X 12 x 4 X 10% = 14.400 €

+ unlimited reimbursement of expenses.

FINAL OBSERVATION

Anyone considering taken out any such policy should study the small print carefully. Some policies increase their premiums in accordance with the age of the policy holder. The AIACE policy covers pensioners at the same premium level whether they are 65 or 100. The only variations in the premium possible are those linked to changes in the pension and a possible increase for all policyholders in the event of significant increases of a European Index of medical costs over and above general inflation. Such an increase would need to be agreed by AIACE though.