

Unemployment – loss of earnings due to illness – vested benefits in collective health insurance

Mr Chevalier, a watchmaker, 55 years old, who is drawing unemployment insurance benefits following his redundancy from the company where he had worked for many years, has the following question for us:

Can I acquire insurance to cover lost earnings due to illness while I am unemployed?

Jean-Marc Hofer, federally certified expert in private insurance, specialised in corporate clients of ASSIDU SA, replies:

When the insured is unemployed and ready for work should a suitable opportunity arise, he is entitled to transfer his vested benefits from the collective health insurance to an individual policy at the company where his ex-employer was covered.

The advantage for Mr Chevalier lies in the fact that the transfer to individual cover would not require him to complete a health questionnaire (there won't be any medical issues arising from his state of health).

On the other hand, the insurance premium is often high, but this solution provides access to cover which, at the age of 55, is not available from other insurers (with the exception of maybe one or two companies at the most).

It is up to the employer to keep its employees informed and the employer may be liable for any losses arising from a lack of communication within the deadlines specified in the insurance contract (which vary from 30 days to three months from the insured persons' departure depending on the conditions).

The company is, as regards the terms of the individual insurance provisions, obliged to guarantee the insured party leaving the collective insurance cover, the same benefits as under the collective policy, on the condition that the insured can define a loss of earnings.

The waiting period remains the same as under the collective insurance, but at least 30 days for unemployment (the first 30 days are covered by the unemployment insurance).

Our advisors will be pleased to assist you further.