

## Tip 1

Ask the insurance advisor of your life insurer about general **financial planning advice**. You will not only find out what coverage you can expect of compulsory insurance (Old-age and Surviving Dependents' Pension Scheme (AHV) and Disability Insurance Scheme (IV), pension fund, accident insurance), you will also learn whether your private provident coverage (e.g. saving by way of cash value insurance and bank savings plans, etc., or risk insurance policies taken out by you) suffices to fill the gaps in your personal financial planning.

## Tip 2

**Illnesses** frequently have more serious **financial consequences** than accidents. Frequently one is underinsured for illness whereas one may even be overinsured when it comes to accidents. Good coverage of the risk posed by extended temporary disability can be provided for the event of illness via disability income insurance. This will supplement the (non-compulsory) daily sickness benefits provided by the insurance coverage of your employer which are disbursed in addition to the benefits of the Disability Insurance Scheme (IV) and occupational pension scheme benefits.

## Tip 3

If your employer has taken out voluntary accident insurance (i.e. extending beyond the compulsory insurance specified by law) which provides for generous benefits to survivors, an **accident exclusion rider** can be considered when taking out term life insurance, which would result in a reduction in premiums.

## Tip 4

**Home owners** can use mixed life insurance **to pay off a second mortgage**. This may result in attractive tax advantages.

## Tip 5

In most life insurance policies you have a contractually guaranteed right to **participating policy dividends** (also called with-profits bonuses). The future amount of bonuses cannot be guaranteed at the time the policy is taken out; your insurance advisor can only give you a tentative projection.

## Tip 6

If possible, you should not cash in your mixed insurance policy or other cash value life insurance in order to take advantage of the **cash surrender value** offered by it. There are better options for obtaining financial relief (e.g. extending the policy period, drawing of advance payments or obtaining a loan up to

the amount of the current surrender value in exchange for pledging the insurance benefits; using the with-profits bonuses to reduce premium payments; reducing the face value or coverage, possibly combined with dispensing with the payment of further premiums or temporarily suspending premium payments). Certain changes to policies may be subject to the payment of stamp duty.

## Tip 7

Like with every other type of insurance, you should have your life insurance coverage **reviewed regularly so that it can be adapted to accommodate for changes** in your family, financial or occupational situation.

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