

Questions and Answers LOT 2

N°	Reference	Questions	Answers
1	Terms of Reference - Work Incapacity and Disability Insurance	It is stated : "2023-2026: 1 on-going case of work incapacity (no disability claim yet), which has a total financial provision of 2.45 million € until the staff reaches 65 years of age. For the sake of clarity, this is a possible financial liability as projected by the insurer and is not an expressed payment or total liability, pending the duration of the work incapacity/disability." Can you please provide further information regarding this on-going case ? Including : - Date of occurrence of the claim - Age / date of the bith of the insured - Salary of the insured - Level of incapacity - Claims already paid for this case by the current insurer Do you confirm that the awarded Provider will be required to take over from the previous Provider the payment of this incapacity pension ?	Personal, medical and payment details cannot be disclosed for confidentiality reasons. If the case remains eligible at the start of the new contract, the awarded Provider will take over the pension, with continuity ensured during the transition.
2	Annex 1 - Terms of reference - Lot 2 - 1) Life insurance	Could you please provide the 2026 anonymised annual salary list (of of 2025 with the average salary increase) per member staff to estimate the risk exposure?	No individual salary list will be provided for confidentiality reasons. For pricing, assume an aggregate monthly salary of EUR 2.04 million for 235 staff members from 2028—approximately EUR 8,681 per month or EUR 104,170 per year per staff member on average.
3	Annex 1 - Terms of reference - Definitions	"Occupational Disease - Means any disease in the official table of occupational diseases in Luxembourg and any disease that is predominantly caused by the work of the member of staff for the ESM, and as confirmed by the ESM advisor" - Could you please provide us a copy of the table occupational diseases in Luxembourg? - For each case of occupational disease, could you please confirm that the elements on which the ESM Medical advisor relies to make its opinion are shared with the Insurer?	The official list is Luxembourg's table of occupational diseases published by the Association d'assurance accident (AAA). The insurer will receive the determination and information necessary to assess coverage, but underlying medical records will be shared only where necessary and in compliance with confidentiality and data-protection requirements.
4	Annex 1 - Terms of reference - Lot 2 - 1) Life insurance	Demographics (Census) for Death, incapacity/disability pricing : Can you please provide a detailed census head by head (ESM staff members Only) by Date of Birth, Gender(Male/Female) ,Marital Status(Single/Married), Number of Child, Host Country, Annual Salary (EUR) ?	No head-by-head census will be provided for confidentiality reasons. As at 31 March 2026, there were 231 main insured persons, with an average age of 43.2 years and a gender split of 60% male and 40% female. All staff are based in Luxembourg. For 2028 pricing, assume 235 staff and aggregate monthly salaries of EUR 2.04 million.

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5	Annex 1 - Terms of reference - Lot 2 - 1) Life insurance - Free cover limit	- Are the free cover limits cumulative for Death and incapacity/disability? - Are there any individual specific conditions of coverage applied in the current policy? - Have there been medical questionnaire filled by the persons entitled to a capital higher than 1,5 m€ in the current policy? - Are there any additional loading applied in the current policy? - In this case, are the additional premiums paid only by the insured concerned or are the additional premiums smoothed and paid by the whole population covered? - In case there would be no additional premium for persons presenting sickness or health troubles, how does the "free cover limit" apply? Does it correspond to a death capital ceiling in case of bad health and for persons presenting higher risks of death?	The EUR 1.5 million free-cover limits apply separately to Life Insurance and Work Incapacity/Disability Insurance; they are not cumulative. The limit is an underwriting threshold, not a benefit ceiling. ESM could require medical formalities within one month of affiliation, and the insurer could request further examinations; this is NOT currently the practice in which no medical questionnaire is filled by staff upon joining. No loading is currently applied. Individual underwriting decisions are not disclosed. Candidates proposing loadings must explain their criteria, formula and process in the Commercial Response.
6	Annex 1 - Terms of reference - Lot 2 - 1) Life insurance - claims	For the lonely death claim since 2013, what was the capital paid?	A life-insurance lump sum of EUR 1,070,653 was paid on 7 June 2019.
7	Annex 1 - Terms of reference - Lot 2 - 1) Life insurance	In case the head by head information would not be provided for quotation of the life risk, hypothesis shall be taken that could increase the premium rate. However, in this case, could you please at least indicate us: the proportion of persons by duty station? the highest wage for 2026 or 2028? Many thanks	All staff have the same duty station at ESM's sole office in Luxembourg. A current highest individual salary for 2026 or 2028 is not provided. For pricing, use the 2028 assumption of EUR 2.04 million in aggregate monthly salaries for 235 staff members—approximately EUR 8,681 per month or EUR 104,170 per year per staff member on average.
8	Annex 1 - Terms of reference - Lot 2 - 1) Life insurance - Premiums	Could you please confirm the monthly sum of salaries of 2.04 m€ is a 2028 projection?	Yes. EUR 2.04 million is the projected monthly salary sum for 235 staff members from 2028.
9	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance - Eligibility	- Are the medical documents shared by the ESM medical advisor with the insurer? - Is a dispute by the insurer allowed? - Is medical control by the insurer allowed?	Underlying medical records are not shared by the ESM Medical Adviser. The Provider's medical advisers or medical board may review, medically assess and control a claim, subject to confidentiality and data-protection requirements. The medical board provides a short determination summary without medical data, covering acceptance or rejection, partial or total status, temporary or permanent status and any review date. A disagreement must be handled through the contractual review or dispute procedure and/or ideally a third-party medical expert opinion.
10	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance - Payment of the work incapacity / disability pension	- In case of the contract between the member of staff and the ESM terminates, the Insurer keeps paying only the rental to the insured? - Can the Insurer provide a table to calculate the level of disability?	If employment ends and the person remains eligible, the disability pension is paid directly to the insured person. Work Incapacity and Disability benefits may be partial and are prorated according to the assessed degree. Candidates may provide a medical assessment table; For pricing purposes, Candidates should assume a minimum degree of Work Incapacity/Disability of 25%.
11	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance	Do the work incapacity and disability benefits have changed since 2013?	No significant changes to the Work Incapacity and Disability benefits have been identified since the insurance began in May 2013.
12	Annex 1 - Terms of reference - Lot 2 - 1) Life insurance	Where are the staff located? Are they all located in the same building in Luxembourg?	All staff are located at ESM's sole office: 6a, Circuit de la Foire International, L-1347 Luxembourg.

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13	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance - AMOUNT OF THE WORK INCAPACITY/DISABILITY PENSION	Could you please confirm whether the following is correct or not: - During the incapacity/disability and as long as the insured is employed by the ESM, the insurer only pays the ESM 70% of the salary of the staff member as incapacity/disability benefits? - In case the member of staff terminates his contract with the ESM, the Insurer shall pay additional 23,33% of the monthly salary of the staff member multiplied by the number of months of incapacity/disability indemnified to the ESM retirement plan? - What happens in case the member of staff retires during its incapacity / disability: shall the insurer pay the additionnal 23,33% as well to the ESM? - In case the member of staff returns to work (end of incapacity/ disability), the insurer does not pay the additionnal 23,33% to the ESM? - Shall this 23,33% of salary paid retroactively include the medical inflation rate of Luxembourg over the period (as per "ESCALATION OF THE WORK INCAPACITY / DISABILITY PENSION")? - Depending on the answer to the question concerning the "transition between providers" (if the answer is "yes"): Could you please confirm that the New Insurer would pay the additionnal 23,33% of indemnity to ESM for the opened cases during the transition period?	Under the current ToR, while the member remains employed, the 70% Work Incapacity pension is paid to ESM. The 23.33% Salary component for the ESM Retirement Plan becomes payable when employment ends, provided the person remains eligible for Disability benefits, until retirement age. If the person returns to work and is no longer eligible before employment ends, that component is not payable. If retirement terminates employment while the Disability benefit ends as a whole as the end of the eligibility is the retirement age. The Work Incapacity/Disability pension is indexed under the ToR. Following a provider transition, the incoming insurer assumes obligations for an ongoing eligible case.
14	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance - CLAIMS HISTORY	Concerning the 2018-2022 claim, could you please provide: the date of birth of the insured, the date of incapacity, the date when the indemnification begun and the payments details (were the additional 23,33% paid?)?	The 2018–2022 Work Incapacity claim totaled EUR 84,372, arose on 5 February 2020 and was paid from 5 June 2020 to 31 October 2021. The insured persons' date of births cannot be disclosed but no additional 23.33% was paid, as it was stated that this was only a work incapacity payment, and did not result in disability payments.
15	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance - CLAIMS HISTORY	Concerning the 2023-2026 claim, could you please provide: the date of birth of the insured, the date of incapacity (occurrence), the date when the indemnification begun, the payments details since the beginning and the salary of the insured? Do you have an idea of the probability that this incapacity converts into a disability? We need to estimate the provision as well on our side to compare the current insurer's provision with our own estimation	For 2023–2026, the ToR confirms one ongoing Work Incapacity case, no Disability claim yet, and a projected provision of EUR 2.45 million until age 65. Personal, salary, occurrence and payment details cannot be disclosed. ESM cannot provide a probability of conversion to Disability; Candidates should state their own actuarial assumptions based on the published information.
16	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance - FREE COVER LIMIT	Could you please confirm that the "free cover limit" is materialized through a medical questionnaire to the staff member when he becomes employee of the ESM? What are the consequences of the "free cover limit" application for the insured and the one hand and for the ESM on the other hand? and for the insurer?	The free-cover limit is the amount insured without individual medical underwriting; it is not automatically a benefit ceiling. ESM could require medical formalities within one month of affiliation, with further examinations requested if necessary. For cover above EUR 1.5 million, the Provider may request medical evidence and propose acceptance, loading or other terms.

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17		Referring to Lot 2: Risk Plan - 2. Working Incapacity and Disability Insurance – a. Could the ESM clarify how the continuous 16-week absence period should be calculated, including how partial returns to work, attempted returns, annual leave or other interruptions during the absence period should be treated? b. Could the ESM provide the definitions and assessment criteria to be applied when determining working incapacity and disability? Should the assessment be based on the member's ability to perform their own role, or any suitable role within the ESM, and is a different assessment approach expected during the initial working incapacity period compared to longer-term disability? c. Could the ESM please clarify whether the exclusion relating to "crime or tort" applies solely where the insured person has actively committed or participated in such conduct, or whether it also extends to circumstances in which the insured person is the victim of, or otherwise affected by, such conduct? d. In addition, could the ESM confirm whether attempted suicide falls within the scope of this exclusion and is therefore excluded from coverage?	a. The 16-week period means 16 consecutive weeks of medically certified absence due to the same accident or illness, as confirmed by the ESM Medical Adviser. Annual leave taken during an ongoing certified incapacity does not interrupt the period; as it is disregarded and treated as sick leave. A full return to work normally ends the continuous absence; a partial or attempted return will be assessed case by case by the ESM Medical Adviser. b. Eligibility is assessed on medical and functional evidence by the ESM Medical Adviser and the Provider's medical advisers or medical board. The assessment considers the member's capacity to perform their ESM duties, including whether a return on reduced hours is possible. The ToR does not establish a separate "any suitable occupation" test or different criteria for the initial incapacity and longer-term disability periods; the distinction concerns the payment recipient and duration, not the medical definition. c. The "crime or tort" exclusion applies where the incapacity or disability results from the insured person's own active commission of, or participation in, such conduct. It does not apply merely because the insured person is the victim of, or otherwise affected by, a crime or tort. d. Attempted suicide is not included within the "crime or tort" exclusion. It may fall within the separate exclusion for a deliberate act, subject to the medical circumstances, applicable law and the assessment of the ESM and Provider medical advisers.
18	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance - AMOUNT OF THE WORK INCAPACITY/DISABILITY PENSION	Since the beginning of coverage in May 2013, has there been a minimum of disability rate applied for the payment of the disability pension?	No specific historical minimum disability rate applied since May 2013 has been identified. Under the current Terms of Reference, Work Incapacity and Disability benefits may be partial and are prorated according to the assessed degree. For pricing purposes, Candidates should assume a minimum degree of Work Incapacity/Disability of 25%.
19	Annex 1 - Terms of reference - Lot 2 - 2) Work incapacity and disability insurance - AMOUNT OF THE WORK INCAPACITY/DISABILITY PENSION	Shall we consider that a person in disability terminates its contract with the ESM? Consequently, our understanding is that his incapacity pension is of 70% of the salary and the disability pension is of 70% + 23,33% of his salary paid respectively to the insured and to the ESM. Is that right?	No. Recognition of Disability does not automatically terminate the member's employment contract. While employment continues, the 70% Work Incapacity pension is paid to ESM. If employment ends and the person remains eligible for Disability benefits, the 70% pension is paid directly to the insured person and the additional 23.33% Salary component is paid to the ESM Retirement Plan until the applicable retirement age. Therefore, the 70% plus 23.33% structure applies only after employment ends while Disability eligibility continues, not merely upon recognition of Disability.

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20		Referring to Lot 2 : Risk Plan – 1. Life Insurance – a. Could the ESM clarify how beneficiary entitlement is determined for life insurance claims and whether beneficiary designations will be maintained by the ESM or by the selected insurance provider? b. Could the ESM clarify which salary should be used for benefit calculation purposes (e.g., salary at date of death, last salary paid, or another reference point)? c. Could the ESM confirm how affiliation of Dependents to the ESM Social Security Scheme will be communicated to the selected insurer for life insurance benefit determination purposes? In particular, should the insurer rely on regular eligibility files provided by the ESM, or will separate confirmation of dependent affiliation be provided at the time of claim? d. Could the ESM clarify whether determinations made by the ESM Medical Advisor regarding Occupational Disease are binding on the selected insurer for the purpose of assessing Life Insurance and Disability benefits? e. The Terms of Reference state that exclusions are limited to death resulting from active participation in war or war-like operations. Could the ESM confirm whether this is intended as a mandatory and exhaustive list of exclusions, or whether insurance providers may propose additional market-standard exclusions, provided any deviations from the Terms of Reference are clearly identified and explained in the proposal?	a. Beneficiary entitlement will be determined by any valid beneficiary designation made by the ESM staff member or, in the absence of such a designation, in accordance with the statutory order of succession applicable in Luxembourg. ESM will confirm the applicable beneficiary information with the Provider when a claim arises. b. The benefit must be calculated using the member's gross annual basic salary applicable at the date of death, calculated as 12 times the applicable monthly gross basic salary. c. Dependents' affiliation is relevant only where required to determine beneficiary entitlement. ESM will provide the Provider with the necessary confirmation when a claim arises; no separate reliance on regular eligibility files is required for this purpose. d. A determination by the ESM Medical Adviser will form the basis of the assessment. If the Provider's medical board disagrees, the Provider must propose an independent third-party review procedure before a final determination is made. e. The exclusions stated in the ToR constitute the required basis of cover. Additional exclusions are not accepted automatically. Any proposed deviation must be clearly identified and justified in the Proposal and will be subject to ESM's assessment and express agreement. Candidates must therefore price their Proposals on the basis of the exclusions stated in the ToR.