



Luxembourg - Disability Benefits

Provided through Foyer Vie, GEB's Network Partner in Luxembourg

Foyer Vie has been a member of the GEB network since 1990. Foyer Vie offers life, disability and pension products, insuring more than 130,000 households in the Luxembourg market. Foyer Vie's products also include Advantis Confort, offering businesses and employees a supplementary retirement savings plan combined with protection in the event of death or disability.

Causes of Disability

Luxembourg enjoys a life expectancy higher than the EU average.¹ Healthcare spending per capita is the highest in the EU while out-of-pocket health costs are relatively low.²

Health risk factors including smoking and alcohol use are on the decline. The rate of daily tobacco smoking in particular has decreased significantly in recent years. While this is positive news, smoking continues to be among a group of leading risk factors including high blood pressure, poor diet and alcohol abuse which are responsible for over 30% of the disease burden in Luxembourg.³ These diseases can lead to disability, overall poor health or premature death.

Many causes of disability can be managed through early intervention, education and lifestyle changes. For disorders that progress to disability and eventual absence from work, Foyer Vie offers Disability benefits.

Disability Products

Foyer Vie offers Long Term Disability (LTD) for the local market. Following is a description of standard product features:

Definition of Disability: Physiological disability is defined as a loss of physical integrity of the individual, objectively verifiable through medical examination, as the result of the after-effects of an accident or illness. It may be permanent or temporary, partial or total. Occupational disability is a loss of the individual's capacity to conduct their work or any other occupational activity consistent with their training, qualifications, professional experience and retraining capabilities.

For the individual to be entitled to the benefit and to retain this entitlement, the physiological disability degree and the occupational disability degree must reach at least 25%. The disability rate taken into consideration corresponds to the disability degree for either the physiological disability or the occupational disability, whichever is higher. When the degree of disability is equal to or greater than 67%, the disability is considered to be total (at 100%) and the expected pension is calculated at the full rate.

Benefits structure: LTD benefits are typically calculated as X% of S1 and Y% of S2. S1 corresponds to the gross annual reference salary, limited to the cap applied by the CNAP (please see social parameters of the Social Security Ministry). S2 corresponds to the portion of the gross annual reference salary above the CNAP cap.

Waiting Period, Elimination Period, Duration of cover: Claimants must first satisfy a Waiting Period before coverage begins under the LTD policy. After the Waiting period, an Elimination period must also be satisfied before claiming for benefits. The standard Elimination period for LTD is 3 months. As long as the insured employee is in service with his/her employer, the Disability coverage remains in force.

Claims process: Submitting a disability claim should be done as soon as reasonably possible to avoid delays in receiving benefits.

1-State of Health in the EU: Luxembourg Country Profile (2017), Page 2: Health in Luxembourg, https://www.euro.who.int/_data/assets/pdf_file/0011/355988/Health-Profile-Luxembourg-Eng.pdf; 2-Ibid, Page 1 Highlights: Health System, https://www.euro.who.int/_data/assets/pdf_file/0011/355988/Health-Profile-Luxembourg-Eng.pdf; 3-GBD: Global Burden of Diseases, Injuries and Risk Factors Study (2010), Page 3: Risk Factors, http://www.healthdata.org/sites/default/files/files/country_profiles/GBD/ihme_gbd_country_report_luxembourg.pdf
Note: When moving contracts, past liabilities and associated reserves remain with the prior insurer.

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