

# NEJEDNÁ SE O OFICIÁLNÍ DOKUMENT Allianz pojišťovny, a.s. – URČENO NA PODPORU OBCHODU

## General Conditions of Personal Insurance

### 1. Common Provisions

#### 1.1 Opening provisions

- 1.1.1 Allianz pojišťovna, a. s., as the Insurer, issues these conditions of insurance (hereinafter referred to as the "VPP") in accordance with the Insurance Policy Act (hereinafter referred to as the "Act").
- 1.1.2 Insurance covers pursuant to an insurance policy, which includes these VPP as an integral part, are governed by the legal system of the Czech Republic and any disputes arising hence shall be resolved by courts of the Czech Republic having the appropriate jurisdiction. This also applies to insured risks abroad unless the local legislation stipulates application of local regulations.
- 1.1.3 Should these VPP in legally admissible cases contain provisions different from the Act, the provisions of these VPP and/or the policy shall apply; in other cases the provisions of the Act apply. Rights and liabilities of parties to the personal insurance (hereinafter referred to as the "insurance") not specified in these VPP, the Act or special legal regulations, are governed by the Civil Code.
- 1.1.4 The insurance policy is an agreement on financial services, in which the Insurer undertakes to provide indemnification in case of a chance event in the agreed extent, and the insured undertakes to pay to the Insurer insurance premiums in amounts and terms agreed in the policy. These VPP, special conditions of insurance (hereinafter referred to as the "ZPP"), and/or supplementary conditions of insurance (hereinafter referred to as the "DPP") form integral parts of the insurance policy. The ZPP modify and supplement the VPP; DPP modify and supplement the ZPP.

#### 1.2 Definition of terms

For purposes of insurance the following terms shall have the specified meanings.

- 1.2.1 Accumulation share unit: a share unit purchased for regular premiums after expiration of two years of insurance policy or a share unit purchased for an extraordinary or one-time premium.
- 1.2.2 Allocation ratio: a ratio of distribution of paid premiums among investment funds.
- 1.2.3 Regular insurance premiums: premiums specified for the current policy period.
- 1.2.4 Waiting period: a period during which the Insurer is not liable to provide indemnification for events which would otherwise constitute an insured risk.
- 1.2.5 Investment fund: an internal fund involving various types of investments (portfolio); the fund is the property of the Insurer.
- 1.2.6 Single insurance premium: insurance premium agreed for the whole policy period.
- 1.2.7 Contact office: an office of the Insurer and its branches (regional headquarters).
- 1.2.8 Extraordinary premium: a form of regular premium paid above the agreed premiums for the policy period; it does not affect the liability to pay regular insurance premiums.
- 1.2.9 Costs of medical care: resources expended for indispensable, most effective and economic performances relevant to the medical condition of the insured, in particular preventive, dispensary and medical care; costs of medical care do not include resources expended on spa or nursing-home care and/or spa or nursing-home rehabilitation
- 1.2.10 Purchase price: the price for which the policy holder purchases share units from the Insurer.
- 1.2.11 Illness: a medical disorder, objectively demonstrable through a medical examination.
- 1.2.12 Hospital: a medical centre providing outpatient and inpatient basic and specialised diagnostic and curative care, including essential preventive measures.
- 1.2.13 Immediate beneficiary: a person specified by the policy holder in the policy as a beneficiary in case of the death of the insured.
- 1.2.14 Evaluation day: a day on which the Insurer determines the value of fund assets.
- 1.2.15 Surrender value: a portion of unused premiums deposited by the Insurer as a technical reserve calculated by actuarial methods on the date of expiration of insurance coverage.
- 1.2.16 Authorised person: a person entitled to indemnification in case of an insured risk.
- 1.2.17 Full disability – for purposes of all insurance policies and riders in accordance with these VPP (ZPP, DPP) – a condition of the insured, confirmed by the Insurer, whereby the capability of the insured to consistently perform earning activities decreases on a long-term basis by at least 66 % due to an unfavourable medical condition, which also has a permanent effect on the ability of the insured to perform such activities.

- 1.2.18 Initial share unit: a share unit purchased for a regular premium during the first two years of the policy period.
- 1.2.19 Share in surplus: a share in the difference between the actual return on the investment and the guaranteed return on the investment for the particular insurance policy.
- 1.2.20 Share unit: a share in an investment fund representing the right to a portion of the value of the investment fund.
- 1.2.21 Insurer: Allianz pojistovna, a. s., with registered office at Prague 8, Ke Štvanici 656/3; Reg. No.: 47115971, Czech Republic; licensed to provide insurance services in accordance with the Insurance Act.
- 1.2.22 Insurance policy document: a certificate of conclusion of an agreement in insurance cover with the Insurer.
- 1.2.23 Policy holder: the person who has concluded an insurance policy with the Insurer.
- 1.2.24 Sum insured: an amount agreed in the insurance policy as the maximum amount of indemnification for a single insured risk.
- 1.2.25 Policy period: the period of virtue of the insurance policy.
- 1.2.26 Insured risk: an event that occurs by chance, specified in the insurance policy, ensuing with the liability of the Insurer to provide indemnification; chance events are possible events, that will not certainly occur during the policy period, or which are subject to an uncertain time of occurrence.
- 1.2.27 Insurance premium: payment for the provision of insurance cover.
- 1.2.28 Insurance danger: likely cause of an insured risk.
- 1.2.29 Premium period: time period agreed in the insurance policy for which premiums are paid; the basic premium period is one year, unless agreed otherwise in the insurance policy.
- 1.2.30 Indemnification: payment by the Insurer provided upon an occurrence of an insured risk, in the amount and under conditions agreed in the insurance policy.
- 1.2.31 Insurance risk: the likelihood of occurrence of an insured risk caused by an insurance danger.
- 1.2.32 Insured interest: justifiable need for protection from the consequences of a chance event caused by an insurance danger.
- 1.2.33 Damage insurance: insurance cover taken out in order to receive compensation of damage incurred as a result of an insured risk; and value insurance: insurance cover taken out in order to receive a pre-determined amount, i.e. agreed financial value regardless of the actual damage caused by an insured risk.
- 1.2.34 The insured: a natural person, whose life, health or other values of insured interest are subject to the insurance cover.
- 1.2.35 Insurance broker: a natural person or body corporate carrying out specialised activities aimed at the conclusion of insurance contracts and other related activities; the operation of insurance brokers is specified in the act on insurance brokers and independent insurance adjusters.
- 1.2.36 Insurance fee: a fee paid by the policy holder to the Insurer towards the costs of administration of the insurance cover; the amount of the fee is determined by the Insurer.
- 1.2.37 Authorised medical centre: a medical establishment authorised by the Insurer to request medical records, reports from GPs and to carry out medical examinations and checks.
- 1.2.38 Sale price: the price for which the policy holder sells share units to the Insurer.
- 1.2.39 Group policy: insurance cover provided to a group of insured persons specified in the insurance policy, whose identity is usually unknown at the time of the conclusion of the policy.
- 1.2.40 Occurrence of loss: an event causing damage, which could have caused the right to indemnification to come into force.
- 1.2.41 Technical interest rate: interest rate used by the Insurer for calculations of insurance premiums; the technical interest rate is incorporated in insurance products and represents the rate of evaluation of the premium reserve, to which the policy holder is contractually entitled.
- 1.2.42 Insurance participant: the Insurer and the policy holder, as the contractual parties, and the insured as well as all other persons whose rights or liabilities originate from the insurance policy.
- 1.2.43 Policy holder's account: an account with the Insurer holding share units for each unit-linked insurance.
- 1.2.44 Accident – for purposes of all insurance policies and riders in accordance with these VPP (ZPP, DPP) – unexpected and sudden operation of outside forces or the insured's own bodily force independent of the will of the insured occurring during the policy period and causing bodily harm or the death of the insured.
- 1.2.45 Entry age of the insured: the difference between the calendar year of commencement of the insurance cover and the calendar year of the birth of the insured.
- 1.2.46 Exception from insurance: situations specified

- in the insurance policy for which the insurer shall not be liable to provide indemnification.
- 1.2.47 Insurance anniversary: the day of the same date as the date of commencement of insurance cover; if the same date does not occur during the particular year, the immediately preceding day applies.
- 1.2.48 Interested party: a person interested in the conclusion of an insurance policy with the Insurer.
- 1.2.49 Deliveries: all documents and financial amounts forwarded by the insurance participants

### 1.3 Types of insurance

- 1.3.1 The Insurer provides insurance for natural persons for the
- 1.3.2 following types of risks
- death; endurance until specified age or date agreed in the insurance policy as the terminal date of the insurance cover;
  - accident;
  - disability;
  - illness;
  - other risks related to health or personal status of this person.
- 1.3.3 Unless specified otherwise in the policy, all types of insurance covers and riders are taken out as value insurance.

### 1.4 Insured risk, indemnification

- 1.4.1 Indemnification is provided in the domestic currency and within the territory of the Czech Republic, unless agreed otherwise in the insurance policy.
- 1.4.2 The Insurer shall provide indemnification in the amount and under conditions specified in the insurance policy, if the relevant insured risk occurs during the policy period.
- 1.4.3 The Insurer shall provide indemnification to the insured unless specified otherwise in the insurance policy. In case of death of the insured as an insured risk, the Insurer shall provide indemnification to the immediate beneficiary, or to persons specified in Section 51, paragraphs 2 and 3 of the Act if no immediate beneficiary is specified.
- 1.4.4 The insurance policy specifies the forms of indemnification. They can be as follows:
- payment of the policy value as agreed in the insurance policy;
  - payment of a daily allowance as agreed in the insurance policy;
  - payment of annuity as agreed in the insurance policy;

- payment of premiums by the Insurer – waiver of insurance premiums (hereinafter referred to as the “waiver”);
- other forms of indemnification as agreed in the insurance policy.

1.4.5 The annuity is paid in the agreed period, in advance. The first annuity payment is due on the first day of the month following the month in which the relevant insured risk occurred, unless agreed otherwise in the insurance policy. The annuity is paid to the insured or to a person entitled to receive the annuity, for the agreed period. The person entitled to receive annuity shall submit documentation required for payment of the annuity, as requested by the Insurer. The Insurer shall withhold or suspend payment of the annuity until this obligation of the recipient is honoured.

1.4.6 The waiver comes into force on the nearest premium due date after the occurrence of the insured risk.

### 1.5 Main insurance and insurance riders

- 1.5.1 A single insurance policy may contain several types of insurance. In case one of the insurance covers is specified as main insurance, the other covers are provided as riders. The riders terminate, unless agreed otherwise in the policy, upon reduction, paying-up or termination of the main insurance for reasons specified in the Act or agreed in the policy.
- 1.5.2 Termination of an insurance rider does not cause termination of the main insurance, unless agreed otherwise in the policy.
- 1.5.3 In case of modification of the main insurance causing disruption of relations specified in technical and mathematical principles of insurance between the main insurance and the riders, the Insurer becomes entitled to modify the riders in line with the technical and mathematical principles of insurance.
- 1.5.4 In cases where insurance riders contain specified time periods as conditions for the virtues of rights and liabilities of participants of insurance, these time periods commence on the policy date or the date of commencement of the relevant insurance riders.

### 1.6 Conclusion of insurance policy, insurance policy document, commencement and termination of insurance cover

- 1.6.1 Insurance policy is concluded if the interested party accepts the draft policy provided by the Insurer within two months from reception of the draft.
- 1.6.2 The draft insurance policy must be made in

- writing if the insurance cover is taken out for a period exceeding one year.
- 1.6.3 The draft policy cannot be accepted with the payment of insurance premium, unless expressly stated in the draft.
- 1.6.4 Should the returned draft contain modifications, reservations, limitations and/or other changes of the original wording, it shall be considered a new proposal. The new proposal shall be considered rejected if the other party fails to respond to the proposal within one month from the date of reception thereof.
- 1.6.5 Provisions of paragraphs 1.6.1 through 1.6.4 apply correspondingly to proposed modifications of the concluded insurance policy.
- 1.6.6 Insurance cover comes into force on the day following the conclusion of the policy, unless specified otherwise in the insurance policy.
- 1.6.7 Insurance cover taken out for a definite period terminates on the day specified as the day of termination of the insurance.
- 1.6.8 The Insurer shall issue a written insurance policy document to the insured as proof of conclusion thereof.
- 1.7 Policy period and period of premium payment**
- 1.7.1 Insurance premiums are paid in the domestic currency, unless specified otherwise in the insurance policy.
- 1.7.2 The amount of premiums is specified by the Insurer in accordance with tariffs relevant for the individual types of covers.
- 1.7.3 The Insurer becomes entitled to premiums for the first premium period and the one-time premium upon conclusion of the insurance policy, unless specified otherwise in the insurance policy.
- 1.7.4 Single premium and premiums for the first premium period is due on the day of conclusion of the insurance policy.
- 1.7.5 Regular premiums (except the premium for the first premium period) are due on the first day of the premium period. If the regular premiums are paid in premium periods shorter than one year (sub-annual payment periods), the Insurer becomes entitled to increase the premiums by a surcharge. The Insurer is also entitled to charge a fee for a particular payment method (e.g. cash-less payments).
- 1.7.6 The Insurer may decide to extend the premium period for the subsequent payments (i.e. payments of the second and following periods) upon a request from the insured.
- 1.7.7 The regular premiums are paid during the agreed policy period and the Insured is entitled to receive premiums for the full period until the date of termination of the policy, unless specified otherwise in the insurance policy. The Insurer may specify tariffs with shorter premium periods.
- 1.7.8 In case of an insured risk causing a termination of insurance policy, the Insurer is entitled to premiums for the period until the termination of the premium period in which the insured risk occurred; a one-time premium remains the property of the Insurer in full, unless specified otherwise in the insurance policy.
- 1.7.9 The Insurer may modify the amount of paid-up premiums only upon agreement with the policy holder or under conditions specified in the insurance policy. The Insurer shall notify the policy holder of modified premiums no later than two months before the due date for the modified premium payment.
- 1.7.10 Should the policy holder disagree with the modification of premiums as per paragraph 1.7.9 above, the former must express such disagreement within one month from being informed of the modification; in such a case the insurance policy terminates upon expiration of the premium period for which premiums have already been paid, unless specified otherwise in the insurance policy. The Insurer must notify the policy holder of this fact in the notification of the modified premiums.
- 1.7.11 In case of premium waiver claim, the premiums are paid by the Insurer.
- 1.7.12 The Insurer is entitled to include due premiums and other receivables from the concluded insurance policies against the indemnification, except for indemnification for mandatory insurance.
- 1.7.13 Insurance is not suspended due to non-payment of premiums or other reasons, unless specified otherwise in the insurance policy.
- 1.8 Modifications of insurance policy**
- 1.8.1 All modifications of the insurance policy must be made in writing. Changes of insurance proposed by the policy holder through an insurance broker are considered as delivered on the day of their reception by the Insurer, who is entitled to accept or reject such proposals.
- 1.8.2 Unless specified otherwise in the insurance policy, modifications to the insurance policy are acceptable from the date of its coming into force.
- 1.9 Dynamics**

- 1.9.1 If agreed in the insurance policy, the Insurer may offer dynamics of individual types of insurance covers, i.e. adjustment of insurance premiums, and/or policy values, in order to maintain the value of the insurance policy and riders. Increased premiums and policy values come into force on the anniversary of the policy and apply to all insurance covers and riders, unless specified otherwise in the insurance policy.
- 1.9.2 The policy holder is entitled to accept or reject the dynamics offer. The Insurer must receive a written rejection of the dynamics no later than two months before the policy anniversary. Should the policy holder fail to do so, the dynamics offer shall be considered accepted and shall come into force as specified in paragraph 1.8.2 above.
- 1.9.3 The Insurer is not obliged to accept rejection of the dynamics offer received after the period specified above.
- 1.9.4 The Insurer determines the dynamics percentage with respect to the development of the purchasing power index. This percentage is used to increase the premiums. The policy value, if specified, increases in accordance with the technical and mathematical principles of insurance. The Insurer does not offer the dynamics in case of a premium waiver.

**1.10 Insurance of a risk of another, consent of the insured**

- 1.10.1 The policy holder may take out an insurance policy covering the risks of another person.
- 1.10.2 The policy holder shall inform the insured of the contents of the policy value in parts relevant to the insured risks of the insured person.
- 1.10.3 The policy holder may claim indemnification only upon fulfilment of obligations specified in paragraph 1.10.2 and upon production of a written consent of the insured/guardian of the insured if the guardian is not the same as the policy holder. The written consent of the insured/guardian is required also in the case of a change in the person of the immediate beneficiary, a change of shares in indemnification in case of several immediate beneficiaries, payment of the surrender value and purchase of the accumulation share units.
- 1.10.4 If the policy holder is different from the insured person, the former may specify or change the person of the immediate beneficiary, cede or mortgage an insurance receivable with a written consent of the insured only.
- 1.10.5 In case of the death or demise of the policy holder, who had taken out an insurance policy

covering the risks of another, without a legal successor, the insured shall assume the position of the policy holder from the day of such death or demise without a legal successor, unless specified otherwise.

**1.11 Basic rights and liabilities of participants of insurance**

- 1.11.1 The insurance policy contains information which must be conveyed to the interested party, and written enquiries of the Insurer relevant to the insurance in question. The written enquiries of the Insurer include questions on the health condition of the insured and other questions essential for the conclusion of the policy.
- 1.11.2 The policy holder and the insured must reply to all enquiries of the Insurer relevant to the insurance in question truthfully and therefore cannot refer to instructions and information from an insurance broker. The same applies in case of a modification of a current insurance policy.
- 1.11.3 The duty described in paragraph 1.11.2 applies to the Insurer in relation to the policy holder and the insured; this duty may be fulfilled by an insurance broker on behalf of the Insurer.
- 1.11.4 The policy holder shall notify the Insurer without delay of a change or cessation of an insurance risk. In case of the insurance of risks of another, this duty lies with the insured.

**1.12 Rights and liabilities of the participants of insurance in relation to ascertaining and examining the health condition**

- 1.12.1 The Insurer is entitled to request information on the health condition and maintenance of the health of the insured, or on the cause of death of the insured, if reasons for reception of such information exist in relation to determination of the insurance risk, amount of premiums, and investigation of the insured risk, with the explicit consent of the insured/guardian. Ascertaining of the health condition or the cause of death takes place in accordance with medical reports and documentation requested by the authorised medical centre from attending medical doctors, and by a medical examination or check performed by the authorised medical centre if necessary. The insured/guardian shall submit to the Insurer upon request a written documentation of medical expenses (including prescriptions for medications and other medical aids) issued by the health insurer of the insured.
- 1.12.2 The insured/guardian is entitled to revoke the above consent at any time. The insurance policy shall terminate upon the reception of

- the consent withdrawal, unless specified otherwise in the insurance policy. The Insurer is not liable to provide indemnification for claims, unless the consent is reissued.
- 1.12.3 The Insurer may use the information acquired when ascertaining the health condition of the insured for internal use only, otherwise only in accordance with valid legislation or with the consent of the insured/guardian.
- 1.12.4 A person claiming indemnification shall submit all documents and certificates referring to the insurance to the Insurer in the Czech language. If any documents and certificates in a foreign language are submitted, they must be attached with their verified translation into the Czech language.
- 1.13 Rights and liabilities of the participants of insurance in relation to insured risks**
- 1.13.1 The authorised person or a guardian thereof shall notify the Insurer without undue delay of the occurrence of an insured risk, submit a truthful explanation of the occurrence and extent of the consequences of such event, submit supportive documentation and proceed in a manner agreed in the insurance policy.
- 1.13.2 The Insurer shall commence investigation of the event related to an insurance claim without delay in order to determine the extent of the liability to indemnify and complete such investigation within three months from the date of notification. Should the Insurer be unable to complete the investigation within the specified period, the former must notify the person entitled to indemnification of reasons for such delay in completion of the investigation and provide to such a person a reasonable advance upon request. The above specified period for completion of the investigation does not commence if the investigation is prevented and/or hampered by the authorised person, policy holder or the insured.
- 1.13.3 The insured must seek medical assistance from doctors and medical establishments applying generally accepted scientific and diagnostic methods and must observe recommendations of the medical doctors and adopt all reasonable measures supporting successful recovery.
- 1.13.4 The indemnification is due within 15 days after completion of the investigation as per paragraph 1.13.2 above. The day of the termination of the investigation is the day when the Insurer notifies the authorised person of the investigation results.
- 1.13.5 The Insurer shall participate in the covering of the costs of the authorised person related to the application of an insurance claim. The amount of the compensation of claim expenses provided by the Insurer is specified in the insurance policy. Should the costs of the investigation as per paragraph 1.13.2 above incurred by the Insurer be caused by or be increased due to a breach of liabilities by the policy holder, the insured or the authorised person, the Insurer becomes entitled to request reasonable compensation from the liable person. The Insurer is entitled to deduct such costs from the amount of indemnification.
- 1.13.6 In case indemnification is provided to a person not entitled to it in accordance with the insurance policy, the recipient of such indemnification shall refund the indemnification to the Insurer even if the insurance policy has terminated.
- 1.13.7 The insured or authorized person shall enable the Insurer to obtain all health documents that the Insurer may ask in relation to the evaluation of the claim for indemnification.
- 1.14 Consequences of a breach**
- 1.14.1 Should the policy holder or the insured breach any of the obligations specified in the Act and/or the insurance policy when concluding or changing the insurance policy resulting in determination of lower insurance premiums, the Insurer becomes entitled to decrease the policy value accordingly.
- 1.14.2 A reasonable decrease in policy value is a decrease by the ratio between the paid premiums and due premiums.
- 1.14.3 If the breach of legal or contractual liabilities becomes a significant cause of an insured risk, a deterioration of its progress or its consequences, or hinders determination of the indemnification or prevents the submission of documentation demonstrating that damage has been caused by an insured risk in accordance with these VPP, the Insurer becomes entitled to decrease the indemnification in relation to the impact of the breach on the extent of the liability of the Insurer to indemnify.
- 1.15 Exceptions from insurance**
- 1.15.1 Unless specified otherwise in the insurance policy, the Insurer is not liable to provide indemnification for claims:
- 1.15.2 arising from war, invasion, activities of a foreign enemy, military actions (regardless of whether war has been declared or not), civil war, uprising, insurgency, rebellion, tumult, strike, lock-out, civil upheaval, military or other coup, repressive interventions by state authorities and repressive governmental bodies, a group of people with malicious intent, people acting for a political organization

- or in connection with one, conspiracy, nationalisation, confiscation for military purposes, destruction or damage ordered by the government acting de jure or de facto, or another public authority, or caused by nuclear radiation from any source and/or radioactive contamination, use of biological or chemical weapons; the Insurer, however, provides full indemnification if the risk of nuclear radiation is part of treatment under medical supervision;
- 1.15.3 caused in factual relation to the committing of a criminal offence by the insured;
- 1.15.4 arising from events caused by the insured intentionally or by another person enticed by the insured;
- 1.15.5 arising due to an accident within ten days from the commencement of the insurance cover; the Insurer shall, however, provide indemnification for an insured risk occurring within the ten-day period with the Insured having already received the first premium for the insurance cover under which the claim is lodged.

**1.16 Exceptions from accident insurance, disability insurance and illness insurance**

Unless specified otherwise in the insurance policy, the Insurer is not liable to provide indemnification for claims arising from:

- 1.16.1 suicide, attempted suicide or intentional self-harm;
- 1.16.2 an accident incurred during activities of the insured who is a pilot or another member of flight crew on board an aircraft, with the exception of activities on board a transport airplane on regular lines, during a flight accident or in skydiving, including diving from aircraft or elevated points, paragliding, hang-gliding, hot air ballooning and airship flying;
- 1.16.3 an accident incurred during diving, pyrotechnical activities, speleological activities, training of wild animals, or activities of stunts, circus performers or marine activities;
- 1.16.4 an accident incurred during the undertaking of all sports under extreme conditions, full contact sports (boxing and similar), mountain climbing, rafting, motorboat sports, at any level including recreational activities;
- 1.16.5 an accident incurred by the driver, navigator or passenger in a motor vehicle participating in races, rallies and related training runs;
- 1.16.6 an accident incurred during a professional sport undertaking and a sport undertaking at national level, including preparations, training, competitions, races and exhibitions; persons engaged in billiards, golf, skittles, sport fishing, desk and card games are not affected by this

exclusion. A professional sport undertaking is participation in sports activities for remuneration as per an agreement with a sports organisation, or in sports activities from which the person derives the majority of income;

- 1.16.7 bodily harm incurred through an unauthorised performance of an activity requiring a special qualification and/or certificate according to law;
- 1.16.8 hospitalization and diagnostic, curative and preventive medical interventions, which were not performed for purposes of the treatment of an illness, of consequences of an injury, or unauthorised interventions performed or allowed to be performed by the insured on the body of the same;
- 1.16.9 cosmetic interventions;
- 1.16.10 bodily harm due to use, ingestion or application of addictive substances or preparations containing addictive substances; this does not apply to accident insurance;
- 1.16.11 an accident incurred due to alcoholic intoxication with a demonstrated 1.5 per mille of alcohol in the blood; this does not apply to accident insurance.

**1.17 Termination of insurance**

- 1.17.1 Expiration of the policy period
- 1.17.2 The insurance cover terminates upon expiration of the policy period, unless specified otherwise in the insurance policy.
- 1.17.3 Non-payment of insurance premiums
- 1.17.4 The insurance cover terminates the day following the futile expiration of the period specified by the Insurer in a request for payment delivered to the policy holder for payment of the total due premium, unless specified otherwise in the insurance policy.
- 1.17.5 Agreement
- 1.17.6 The Insurer and the policy holder may agree on the termination of the insurance cover.
- 1.17.7 Notice
- 1.17.8 In case of insurance cover with regular premiums, the insurance cover terminates with a notice from the Insurer or the policy holder at the end of the premium period; the notice must be delivered no later than six weeks before expiration of the premium period, or is void. The Insurer may not terminate life insurance in this manner.
- 1.17.9 Two-month notice
- 1.17.10 The Insurer or the policy holder may terminate the policy within two months from the date of conclusion of the policy. An eight-day notice period commences on the day of delivery of the notice, after which the insurance cover

- terminates.
- 1.17.11 Termination after occurrence of insured risk
- 1.17.12 The Insurer or the policy holder may terminate the insurance policy within three months from delivery of notification of the occurrence of an insured risk. A one-month notice period commences on the day of delivery of the notice, after which the insurance cover terminates. The Insurer may not terminate life insurance in this manner.
- 1.17.13 Withdrawal
- Should the policy holder or the insured answer any of the written enquiries untruthfully or incompletely, either intentionally or through neglect, during the conclusion of the insurance policy the Insurer shall become entitled to withdraw the policy if the latter would not conclude it had the enquiries been answered truthfully. The Insurer may exercise this right within two months from the date of discovery of such fact, before this right expires. The same applies in case of a modification of an insurance policy.
  - The policy holder has an equal right to withdraw from the policy, in accordance with provisions of this paragraph, should the Insurer or an agent thereof give untrue or incomplete answers to written enquiries of the former related to the insurance.
- 1.17.14 The withdrawal from the policy cancels the policy from the beginning. The Insurer shall refund all premiums paid without undue delay, but no later than within 30 days from the date of withdrawal, decreased by any provided indemnification. In case of withdrawal of the Insurer, the latter may deduct from the paid premiums costs of origination and administration of the insurance cover. The policy holder or the insured, if different from the policy holder, or the immediate beneficiary, shall refund any indemnification received exceeding the paid premiums, within the same period.
- 1.17.15 Refusal of indemnification
- The Insurer may refuse to provide indemnification if the relevant insured risk has had a cause of which the Insurer learned after the occurrence of the insured risk and which could not be ascertained at the time of the conclusion of the policy or modification thereof, due to untrue or incomplete answers to the written enquiries, either through intent or neglect, and if the Insurer, being aware of such fact, would not have concluded the policy or would have concluded it under different conditions;
  - or the authorised person, when claiming indemnification, states untruthful or grossly misrepresented information related to the extent of the insured risk, or withholds significant information relevant to the insured risk.
- 1.17.16 The insurance terminates on the day of delivery of the notification of refusal of indemnification.
- 1.17.17 Other reasons for termination
- 1.17.18 The insurance cover also terminates on the day of death of the insured natural person, unless specified otherwise in the insurance policy.
- 1.18 Reduction of insurance cover and paid-up insurance**
- 1.18.1 If stipulated in the policy and if the Insurer's technical principles of insurance are met, the insurance cover does not terminate in accordance with paragraph 1.17.3 above, but transforms into insurance with a reduced policy, or into a paid-up insurance.
- 1.18.2 The reduced or paid-up insurance comes into force on the day following expiration of the period which would have otherwise caused termination of insurance due to non-payment of premiums.
- 1.19 Deliveries**
- 1.19.1 For purposes of this insurance, deliveries are all documents and financial amounts forwarded by the Insurer to the policy holder and/or authorised person(s), and by the policy holder and/or authorised person(s) to the Insurer.
- 1.19.2 The Insurer shall forward deliveries addressed to the policy holder to the last known address and for the authorised persons to the addresses submitted to the Insurer in writing. The policy holder shall notify the Insurer of a contact address in the Czech Republic and notify the same of any change of this address. The Insurer may send any financial amounts to a bank account specified by the policy holder and/or the authorised persons. The policy holder and the authorised persons forward their deliveries to the registered office of the Insurer (for purposes of this paragraph, addresses of branch offices can be used as well, i.e. addresses of regional headquarters) and any financial amounts shall be remitted to bank accounts specified by the Insurer. Deliveries shall be made through a holder of a post licence or in person. Financial amounts shall be remitted through financial institutions. The Insurer is entitled to specify a limit for cash disbursements, above which all amounts will be remitted to bank accounts of the appropriate recipients.
- 1.19.3 Documents forwarded to the Insurer are

considered delivered on the day when the Insurer confirms the reception thereof. The same applies to documents forwarded via an insurance broker. Financial amounts are considered remitted on the day of the crediting of the amount to the bank account of the Insurer or upon the confirmation of the cash receipt by the Insurer.

1.19.4 Documents forwarded by the Insurer to the policy holder or an authorised person (hereinafter referred to as the "addressee") are considered delivered on the day of their reception by the addressee or on the day when the addressee refused acceptance of such document. In case the addressee could not be reached, documents are deposited with the holder of a post licence who calls on the addressee for the collection of the delivery. The delivery is considered completed on the day of deposition with the licence holder, even if the addressee is not aware of it, or on the day of the returning thereof to the Insurer as undeliverable due to a change of address, of which the Insurer had not been notified; the above does not apply if the addressee demonstrates an inability to collect the delivery or notify the Insurer of the change of address due to hospitalization, a stay abroad or due to other serious reasons. Financial amounts remitted to the addressee are considered delivered on the day of crediting thereof to the bank account of the addressee, or on the day of submission thereof to the holder of a post licence in case of its remittance through such a holder of a post licence.

1.19.5 Deliveries in accordance with paragraphs 1.19.3 and 1.19.4 above apply to certified mail or to personal deliveries. Documents forwarded via a holder of a post licence as regular mail or registered mail are considered delivered only if the sender proves its delivery or if the delivery is confirmed by the recipient.

1.19.6 Deliveries of documents by telegraph, facsimile or electronic means with the effects of delivery as per paragraph 1.19.3 and the first clause of paragraph 1.19.4 above are permissible pursuant to an agreement of the participants of the insurance on the manner of the delivery and the confirmation of the reception of documents, or if confirmed by the addressee in an unquestionable manner (e.g. digital signature).

## **1.20 Processing of complaints**

1.20.1 Complaints of the participants of insurance shall be delivered to the address of the Insurer specified in the insurance policy and shall be made in writing, unless the participants agree otherwise. The above persons are also entitled

to submit their complaints to the Ministry of Finance of the Czech Republic.

## **2. Unit-linked Death or Endowment Insurance (hereinafter referred to as the "unit-linked insurance")**

### **2.1 Basic provisions of unit-linked insurance**

2.1.1 The unit linked insurance can be taken out as a personal insurance in case of death, endurance until a specified age or a date specified as the termination of the insurance cover, or as an insurance of the personal status of the insured.

### **2.2 Insured risk and indemnification under unit-linked insurance**

2.2.1 Insured risks in unit-linked insurance are:

- death of the insured, or
- endurance until specified age or a date specified as termination of the insurance cover.

2.2.2 In case of endurance until the date specified in the insurance policy, the insurance is transformed into paid-up insurance, unless the insured requests indemnification before termination of the insurance policy. The indemnification is provided in an amount equal to the value of share units as determined on the nearest evaluation day, following the occurrence of the specified date.

2.2.3 In case of death of the insured during the virtue of the insurance policy, the Insurer will provide to the authorised person indemnification in the amount of the policy value agreed in the insurance policy for the insured risk of death, or – if more profitable for the authorised person - the value of share units determined on the evaluation day following the notification of the occurrence of the insured risk to the Insurer.

### **2.3 Exceptions from insurance**

2.3.1 In case of suicide of the insured the Insurer is liable to provide indemnification only if the insurance cover has been in place continuously for more than two years immediately preceding the suicide, unless specified otherwise in the insurance policy.

2.3.2 Should the insured die due to suicide in the third or later year of insurance and if less than two years have expired from the last increase of the policy value occurring for reasons other than an increase in the value of share units or dynamics, the Insurer shall pay either the lowest indemnification in case of death as valid in the two years preceding the death of the insured, or if more advantageous for the

person specified in paragraph 2.2.3 above, the Insurer shall pay indemnification in the amount equal to the value of share units determined on the evaluation day following the notification of the death of the insured to the Insurer.

## **2.4 Investment funds, evaluation of fund assets and fund administration**

2.4.1 Individual investment funds (hereinafter referred to as the "funds") involve various types of investments, comprising the value of their assets.

2.4.2 The value of share units is not guaranteed by the Insurer.

2.4.3 The Insurer is entitled to terminate the investment and administration of investments in a fund, in particular when the continuation of such investment is considered derogatory to the value of the share units. The policy holder shall be informed in writing of the termination of the investment in a fund and the transfer of share units into another fund no later than one month before the execution of such decision.

2.4.4 The Insurer evaluates the fund assets at least once a week on a specified day (the evaluation day).

2.4.5 The value of the fund assets is equal to the value of investment in the fund on the specified evaluation day.

2.4.6 The nature of assets in individual funds is specified in the insurance policy.

## **2.5 Calculation of the price of share units**

2.5.1 The sale price of the initial or accumulation share unit of a fund is determined as the ratio of part of the value of the fund assets corresponding to the appropriate share units to the total number of share units of the fund.

2.5.2 The purchase price of a share unit is equal to the sale price increased by the percentage determined by the Insurer in specification of the insurance conditions.

## **2.6 Insurance premiums**

2.6.1 The policy holder is entitled to request an increase or decrease of the regular premium; the Insurer shall apply the modification from the due date of the premium following the reception of the request.

2.6.2 The policy holder may pay an extraordinary premium at any time during the policy period. The Insurer invests the extraordinary premium in accumulation share units.

## **2.7 Allocation (investment) of premium**

2.7.1 The regular insurance premiums paid during the first two years of the policy period are

used to purchase the initial share units. The same procedure applies to the increased portion of regular premium.

2.7.2 Regular premiums and the increased regular premium portion paid after the expiration of two years will be used to purchase accumulation share units.

2.7.3 The extraordinary premium is always used to purchase accumulation share units.

2.7.4 Premiums paid before the commencement of insurance shall be used to purchase share units for a purchase price valid on the nearest evaluation day after commencement of the insurance cover. If the premium is paid before the relevant due date, it shall be used to purchase share units for a purchase price valid on the nearest evaluation day after the premium due date.

2.7.5 Accumulation share units purchased for extraordinary premiums are acquired for the purchase price valid on the evaluation day immediately following the crediting of the extraordinary premium to the bank account of the Insurer.

2.7.6 Each purchase of share units is performed in accordance with the allocation ratio determined by the policy holder. The policy holder is entitled to one change of the allocation ratio per year free of charge.

## **2.8 Transfer of share units**

2.8.1 The policy holder is entitled to one free transfer of the allocation ratio between individual funds per year. The policy holder is also entitled to a free transfer of share units should the Insurer decide to terminate investment in and administration of a specific fund.

2.8.2 When transferring share units between individual funds, the sale and purchase price applied is determined on the nearest evaluation day following the reception by the Insurer of a written request to conduct such a transfer.

## **2.9 Policy holder account**

2.9.1 The total number of initial and accumulation share units multiplied by the sale price of the share units in each fund forms the policy holder account, administered by the Insurer.

2.9.2 The policy holder account is used for payments of premiums for insurance covers (riders) taken out in relation to the unit-linked insurance, if so agreed in the insurance policy.

2.9.3 The policy holder account is also used for payments of administration fees as agreed in the insurance policy.

2.9.4 In case of the transfer of insurance to paid-up

insurance, the value of the initial share units will be used to purchase accumulation share units according to the ratio of current sales values of the share units.

## **2.10 Purchase of share units**

2.10.1 The policy holder may request the purchase of a portion of share units from their account, if so stipulated in the insurance policy.

## **2.11 Surrender value**

2.11.1 If regular premiums of unit-linked insurance have been paid for at least 12 months prior to the date of the termination thereof, or if the insurance cover is provided for a one-time premium, or in the case of paid-up insurance the policy holder is entitled to request the surrender value from the Insurer, unless specified otherwise in the insurance policy. In case of a premium payment shorter than 12 months the surrender value may be requested only if an extraordinary premium was paid prior to the termination of the insurance cover. In the case of a regular premium, the time period concerned does not include premiums paid for the period after the termination of the insurance. The surrender value is due within three months from the day of reception of the request for the surrender value. The insurance terminates upon payment of the surrender value.

2.11.2 The policy holder is entitled to request from the Insurer at any time information on the prospective surrender value. The Insurer shall inform the policy holder of the surrender value within one month from the date of reception of the inquiry.

2.11.3 The Insurer determines the surrender value according to the value of share units determined on an evaluation day following the termination of the insurance.

## **2.12 Paid-up insurance**

2.12.1 Paid-up insurance is an insurance cover without further payments of premiums. Insurance may be transformed into paid-up insurance upon a request from the policy holder or for reasons specified in paragraphs 1.17.3 and 1.17.1.

2.12.2 In case of the death of the insured as an insured risk, the Insurer will provide indemnification from the paid-up insurance equal to the value of the share units determined on the evaluation day following the day of notification of the occurrence of the insured risk.

2.12.3 After the transformation of the insurance into the paid-up insurance, the policy holder may purchase accumulation units for an

extraordinary premium at any time.

2.12.4 Should the transformation of insurance into paid-up insurance cause a decrease in the value of the share units on the policy holder account below the minimum value specified by the Insurer, the insurance shall terminate. The Insurer will pay to the policy holder the surrender value in accordance with calculation principles and the evaluation day following the date of the insurance termination.

## **2.13 Specification of insurance conditions**

2.13.1 Specifications of insurance conditions are kept at the contact offices of the Insurer. The specifications of insurance conditions include namely the fees applicable to the unit-linked insurance and the sales and to the purchase prices of the share units valid for the current period and all insurance policies regardless of the time of their conclusion. The Insurer is entitled to modify and/or amend the insurance conditions specifications.

# **3. Life Insurance**

## **3.1 Basic provisions of life insurance**

3.1.1 Life insurance can be taken out as a personal insurance in case of death, endurance until a specified age or a date specified as the termination of the insurance cover, or as an insurance of the personal status of the insured.

## **3.2 Types of life insurance**

3.2.1 Under the life insurance, the Insurer provides the following insurance covers:

- death,
- endowment,
- death or endowment,
- dread disease,
- other risks specified in the insurance policy.

## **3.3 Insured risk and indemnification**

3.3.1 Insured risks in the life insurance are:

3.3.2 Death of the insured

- In case of the insurance against death or the death or endowment insurance, the Insurer shall indemnify the authorised person with the payment of the policy value in case of the death of the person specified in the insurance policy.
- in case of the endowment insurance, the Insurer shall indemnify the authorised person by payment of the sum of premiums paid to date, increased by any share in surplus. Death of the insured within two months from the date of the insurance policy shall not be

considered an insured risk; the previous clause does not apply in case of the death of the insured due to an injury. In the dread disease insurance, death is not considered an insured risk.

3.3.3 Endurance until a date specified in the insurance policy as the date of termination of the insurance cover

- In case of endowment, or death or endowment insurance, the Insurer shall indemnify by payment of the sum agreed as the endowment increased by any share in surplus.

3.3.4 Diagnosing of one of the dread diseases or the performance of a surgery specified in the insurance policy (hereinafter referred to as the "dread disease")

- Under the dread disease insurance, the Insurer shall indemnify by payment of an amount specified in the insurance policy for dread disease. A dread disease discovered within six months of the date of the insurance policy shall not be considered an injured risk. The Insurer will indemnify only if the insured remains alive for at least 30 days after diagnosing one of the specified dread diseases.

### **3.4 Exception in the case of suicide and decrease of indemnification, exception in case of death of child under three years of age**

3.4.1 In case of the suicide of the insured the Insurer is liable to provide indemnification only if the insurance cover has been in place continuously for more than two years immediately preceding the suicide, unless specified otherwise in the insurance policy.

3.4.2 Should the insured die due to suicide in the third or later year of insurance and if less than two years expired from the last increase of the policy value occurring for reasons other than an increase in the value of share units or dynamics, the Insurer shall pay the lowest indemnification in case of death as valid in the two years preceding the death of the insured.

3.4.3 In case of the endowment insurance provisions of paragraphs 3.4.1 and 3.4.2 shall not apply. The Insurer shall provide an indemnification equal to the surrender value.

3.4.4 In case of death or endowment insurance, the provisions of paragraph 3.4.1 apply as follows: if the insurance cover had been in place for less than two years immediately preceding the suicide, the Insurer shall provide indemnification equal to the surrender value.

3.4.5 The Insurer shall provide no indemnification in case of the death of a child before the third year of age; this does not apply in the case of endowment insurance and death or endowment insurance, when the Insurer

indemnifies in case of the death of the child within this age by payment of a sum equal to the surrender value.

3.4.6 The Insurer is entitled to decrease indemnification by up to one half if the insured risk occurs due to intoxication with alcohol or addictive substances, or preparations containing addictive substances by the insured during activities in which abuse of alcohol and/or addictive substances increase the risk of the occurrence of the insured risk; the decrease of indemnification shall apply only in cases when the insured risk occurs through acts of the insured causing serious bodily harm or death to another.

### **3.5 Stating wrong date of birth or wrong sex**

3.5.1 Should the policy holder state the wrong date of birth or the wrong sex of the insured causing an inaccurate determination of premiums, the Policy period, premium period and/or the policy value by the Insurer, the Insurer becomes entitled to lower the indemnification under such policy in the ratio of the paid premiums to the premiums that would have been determined had the policy holder given the correct date of birth or sex of the insured.

3.5.2 Should the incorrectly stated date of birth and/or sex of the insured result in the payment of higher premiums, the Insurer shall adjust the premiums beginning at the beginning of the following premium period after discovering the payment of the wrong premium amounts. Premiums for the subsequent periods are decreased by the excess payment. In case of a one-time premium, the Insurer shall refund the excess payment to the policy holder without undue delay.

3.5.3 Should the Insurer discover during the policy period that the policy holder had stated a wrong date of birth, the former becomes entitled to withdraw the policy if the policy would not have been concluded with the policy holder under the given conditions had the latter given the correct date of birth of the insured.

### **3.6 Surrender value**

3.6.1 If regular premiums of life insurance have been paid for at least 12 months prior to termination of the policy and a positive reserve has been created, or in case of a one-time premium policy with a policy period longer than one year, or in case of an insurance with a reduced policy value, the policy holder becomes subject to surrendering the value upon request, unless specified otherwise in the insurance policy. In the case of insurance with

regular premiums, the considered period does not include premiums paid for the period after termination of the policy. The insurance cover terminates upon payment of the surrender value. The surrender value is due within three months from the date of reception of the request by the Insurer.

- 3.6.2 The policy holder is entitled to request from the Insurer at any time information on the prospective surrender value. The Insurer shall inform the policy holder of the surrender value within one month from the date of reception of the inquiry.
- 3.6.3 Unless specified otherwise in the insurance policy, the policy holder shall not be entitled to the surrender value in case of death insurance taken out for a specified period or another type of insurance where an annuity is paid, if such annuity has already been paid.
- 3.6.4 The entitlement to the surrender value as specified in paragraph 3.6.1 comes into force also in the case of the termination of insurance due to the withdrawal of consent of the insured as per paragraph 1.12.2 or due to the death of the insured due to suicide as per paragraphs 3.4.3 and 3.4.4, or due to the termination of the policy by agreement between the policy holder and the Insurer.
- 3.6.5 The surrender value is not equal to the sum of premiums paid but to a decreased premium reserve in accordance with the calculation principles of the Insurer, which are available to the policy holder upon request.

#### **4. Accident Insurance**

##### **4.1 Basic provisions of accident insurance**

- 4.1.1 Accident insurance can be taken out as a personal insurance for the case of an accident.
- 4.1.2 An accident for the purposes of insurance is understood as an unexpected and sudden operation of outside forces or the insured's own bodily force independent of the will of the insured occurring during the policy period and causing bodily harm or death of the insured.
- 4.1.3 Types of accident insurance
- 4.1.4 The Insurer provides the following covers under accident insurance:
- death due to accident,
  - permanent consequences of an accident,
  - treatment of consequences of accident,
  - full disability due to an accident,
  - other risks specified in the insurance policy.
  - Insured risk
  - An insured risk for purposes of the accident insurance is an injury of the insured

##### **4.2 caused by an external force, or**

- 4.2.1 dislocation of joints, laceration or rupture of muscles, tendons, ligaments or joint capsules due to a sudden deviation from normal movement of joints.
- 4.2.2 The Insurer indemnifies in particular for bodily harms incurred in accidents which are
- loss of body parts or function thereof,
  - fractures, dislocations, contusions, sprains, lacerations or ruptures of muscles, tendons, ligaments or joint capsules,
  - laceration wounds and cuts,
  - damage to internal organs.
- 4.2.3 The Insurer shall indemnify for bodily harms incurred by the insured due to
- an illness contracted exclusively as a consequence of an accident,
  - deterioration of accident consequences due to a previous condition of the injured,
  - local purulence after penetration by germs into an open wound caused by an accident,
  - tetanus or rabies infection contracted due to accident,
  - diagnostic, curative and/or preventive measures performed as part of the treatment of the consequences of an accident,
  - unexpected and continuous influence of high or low external temperatures, gasses, fumes, electric current and poisonous substances (with the exception of microbial poisons and immuno-toxic substances).

##### **4.3 Exceptions from accident insurance**

- 4.3.1 Unless specified otherwise in the insurance policy, the Insurer shall not be liable to indemnify for
- 4.3.2 Formation and/or deterioration of hernias, tumours of all types and origins, formation and/or deterioration of aseptic inflammations of tendon sheaths, muscle attachments, bursae and epicondylitis, sudden vascular accidents;
- 4.3.3 Injuries of the spine, except injuries resulting in damage to the spinal chord or fracture of a vertebra;
- 4.3.4 Contagious disease even if contracted through the injury (except tetanus and rabies), illnesses and occupational illnesses;
- 4.3.5 Deterioration or manifestation of an illness due to an accident;
- 4.3.6 Mental disorders and alterations of psychic condition regardless of the cause, except for cases of organic damage to the central nervous system due to the accident;
- 4.3.7 Accidents occurring due to an epileptic seizure or loss of consciousness, sudden vascular

- accident or another spasm;
- 4.3.8 Pathological fractures due to osteoporosis;
- 4.3.9 Accidents incurred due to intoxication with solid or liquid substances; this exception does not apply to children under the age of ten, except for food poisoning;
- 4.3.10 Damage of pathologically malformed muscles, tendons or capsules due to exerted internal muscle force.

#### **4.4 Limitation of indemnification liability**

- 4.4.1 The Insurer is entitled to decrease the indemnification by up to one half:
- 4.4.2 If the accident occurs due to intoxication with alcohol or addictive substances, or preparations containing addictive substances by the insured, and the circumstances of the accident substantiate it. Should such an accident result in the death of the insured, the Insurer shall decrease the indemnification only if the accident had been caused by acts of the insured causing bodily harm or death to another; this does not apply if the substances mentioned in the first clause of this paragraph had been contained in medications prescribed to the insured by a doctor and the insured had not been warned by the doctor or the medication manufacturer that the use of such medications was incompatible with activities which had caused the accident.
- 4.4.3 In case of a traffic accident in which the insured committed a serious breach of traffic rules, such as speeding, jumping a red light, not giving right of way, etc.;
- 4.4.4 If the accident occurred during acts for which the insured has been rightfully convicted of a criminal offence due to negligence.

### **5. Disability Insurance**

#### **5.1 Basic provisions for disability insurance**

- 5.1.1 The disability insurance can be taken out as a personal insurance in particular for cases of full disability of the insured.
- 5.1.2 For purposes of these conditions of insurance, full disability is a condition of the insured whereby the capability of the insured to consistently perform earning activities decreases on a long-term basis by at least 66 % due to an unfavourable medical condition, which also has a permanent effect on the ability of the insured to perform such activities.

#### **5.2 Types of disability insurance**

- 5.2.1 The Insurer provides the following covers under the disability insurance:
  - full disability insurance,
  - other risks specified in the insurance policy.

#### **5.3 Insured risk**

- 5.3.1 The risk insured under the disability insurance is full disability of the insured, confirmed by the Insurer, due to
  - illness, which occurred no sooner than on the day following the date of commencement of the insurance when the insured risk occurs after expiration of two years from the insurance commencement date, or
  - injury, which occurred no sooner than on the date of commencement of the insurance; in such a case the claim for indemnification is evaluated within the meaning of the provisions of paragraphs 4.1.2, 4.2, 4.3 and 4.4 of these VPP.
- 5.3.2 The Insurer determines full disability in accordance with the submitted documentation. The insurer in particular takes into account the degree of capacity of the insured to perform continuous earning activity, including alternative activities with respect to the knowledge, education, experience, age and the degree of limitation due to the prolonged unfavourable medical condition.
- 5.3.3 In case of the declaration of disability of the insured by a government authority, the insured shall submit such a declaration to the Insurer without delay.
- 5.3.4 The date of occurrence of the insured risk is the date on which the Insurer declared disability, even retroactively. If the Insurer confirms full disability declared by a government authority, the date of virtue of such a declaration by a government authority shall be considered the date of occurrence of the insured risk. The declaration of disability by a government authority in itself does not constitute the insured risk, unless specified otherwise in the insurance policy.

#### **5.4 Indemnification**

- 5.4.1 In case of the occurrence of the insured risk, the insured becomes entitled to indemnification on the nearest due date of the premium after the occurrence of the insured risk. A recurring indemnification (annuity) and a waiver of premiums are provided for a period of one year, unless specified otherwise in the insurance policy. The annuity and entitlement to the premium waiver is renewed for another year if the full disability of the insured persists.
- 5.4.2 The insured or the policy holder shall demonstrate a continuing disability upon a request from the Insurer at any time, and the Insurer shall be entitled to review the disability of the insured at any time. The Insurer determines fulfilment of the full disability

conditions in accordance with medical documentation. In case of termination of full disability the entitlement to the annuity also terminates, on the last day of the month in which the full disability ceased to exist. In the case of a premium waiver, the obligation to pay the premium is restored on the first day of the following premium period. The policy holder shall submit to the Insurer a certified copy of the decision of the relevant government authority on the cessation of the disability within ten days of the reception of the decision. Should non-observance of the notification duty in accordance with the previous clause result in the provision of indemnification for another period, the policy holder and the insured become liable to refund such an indemnification to the Insured.

- 5.4.3 The claim to a premium waiver terminates no later than upon the termination of the insurance to which it has been added.

## 6. Illness Insurance

### 6.1 Basic provisions for illness insurance

- 6.1.1 The illness insurance can be taken out as a personal insurance in case of incapacity for work, hospitalization, and/or other events related to the health of the insured.
- 6.1.2 The waiting period is three months from the commencement of the insurance; the waiting period is eight months in case of labour, psychotherapy, application of dental or orthopaedic prosthetics; the waiting period is three years from commencement of the insurance in case of nursing insurance, unless specified otherwise in the insurance policy. The waiting period does not apply to injuries; in such a case the claim for indemnification is evaluated within the meaning of the provisions of paragraphs 4.1.2, 4.2, 4.3 and 4.4. of these VPP.
- 6.1.3 In case of the modification of the insurance policy, the corresponding waiting periods apply to the newly added insurance covers.
- 6.1.4 The Insurer is entitled to review the periods necessary for the curing of an illness or the consequences of an injury with respect to the time necessary in relation to the nature and extent of the deterioration of the health status of the insured, as well as the medicinal and economic efficacy of the therapy.

### 6.2 Types of illness insurance

- 6.2.1 The Insurer provides the following covers as part of illness insurance:
- work incapacity due to an illness or an injury,
  - hospitalization of the injured due to an illness or an injury,

- other risks specified in the insurance policy.

### 6.3 Insurance of work incapacity due to illness or injury (hereinafter referred to as the "PPN")

#### 6.3.1 Insured risk and indemnification under PPN

- The Insurer shall pay to the insured the daily allowance agreed in the insurance policy, up to the amount specified in the ZPP, if the insured is temporarily incapable of working in accordance with a medical report and does not perform the regular job or earning activity or another earning activity, and has received a medical certificate to this effect.
- The daily allowance is provided from the date of incapacity for work specified in the insurance policy, for up to 366 days for a single insured risk.
- Indemnification can be provided only after the expiration of the waiting period as per paragraph 6.1.2 above. In case of work incapacity occurring after the commencement of insurance but before expiration of the waiting period, the daily allowance is provided only for days of work incapacity after the expiration of the waiting period.
- Recurring incapacity for work due to treatment of the same illness or consequences of the same injury is considered the same insured risk. In case of incapacity for work due to several illnesses or consequences of an injury, the agreed daily allowance is provided once only.

#### 6.3.2 Limitation of territorial scope

- 6.3.3 The insurance cover is effective within the territory of the Czech Republic; in case of a stay abroad in Europe, the daily allowance is provided only in cases of acute illness and/or injuries suffered abroad, for a period of necessary hospitalization.

#### 6.3.4 Exceptions from insurance under PPN

- 6.3.5 Unless specified otherwise in the insurance policy, the Insurer is not liable to provide indemnification for:

- Work incapacity of the insured if the latter was unemployed at the time of the insured risk and therefore had no income, or received income from work agreements outside regular employment or had not been duly registered for income tax as an entrepreneur or had been a co-operating person in terms of the Income Tax Act,
- The time of incapacity for work for which the insured is entitled to compensation of the difference between the regular salary and the health benefits (occupational injury, etc.), or for the time of incapacity for work when the insured is entitled to full pay (police force, military personnel, etc.),

- Incapacity for work due to illness or injury occurring before the insurance policy date, and for which the insured had been treated, medically monitored or the symptoms of which appeared within five years prior to the insurance policy date, and of which the Insurer had not been notified prior to the policy date,
- Incapacity for work due to treatment of any addiction, including detoxification treatments,
- Incapacity for work due during treatment in spas and nursery homes, as well as rehabilitation treatments, with the exception of medically indicated cases that are effective and favourable to the improvement of the health status in an objectively demonstrable manner and to which the Insurer has issued written consent,
- Incapacity for work due to a mental disorder or change in psychic condition, unless resulting from organic damage to the central nervous system after an injury; the corresponding diagnoses are Nos. F 00 through F 99 in accordance with the international illness classification,
- Incapacity for work due to treatment of an illness occurring as a direct consequence of abuse of alcohol and/or addictive substances.

#### **6.4 Insurance of daily allowance in case of hospitalization due to illness or injury (hereinafter referred to as the "PvN")**

- 6.4.1 Insured risk and indemnification under PvN
- The insured risk under this insurance is medically indispensable hospitalization of the insured exceeding three days for illness or injury. Occurrence of the insured risk commences with an admission for inpatient treatment, the number of days of hospitalization is equal to the number of midnights spent in the hospital. The daily allowance is provided from the first day of hospitalization in the amount agreed in the insurance policy.
  - Partial hospitalization (daily or nightly) or hospitalization due to a dependency on another, including social considerations (hospices), shall not be considered hospitalization for the purposes of this insurance. The same applies to hospitalization in institutions performing therapies and treatments as part of convalescence, unless the daily allowance is approved by the Insurer prior to such hospitalization.
  - The daily allowance is provided for hospitalization upon submission of a medical certificate from the hospital stating the duration of hospitalization and reasons thereof (anamnesis) for up to one year for one insured

risk.

6.4.2 Limitation of territorial scope

6.4.3 The insurance cover is effective within the territory of the Czech Republic; in case of a stay abroad in Europe, the daily allowance is provided only in cases of acute illnesses and/or injuries suffered abroad, for a period of necessary hospitalization.

6.4.4 Exceptions from insurance under PvN

6.4.5 Unless specified otherwise in the insurance policy, the Insurer is not liable to provide indemnification for hospitalization due to a mental disorder or a change in the psychic condition, unless resulting from an injury.

### **7. Final Provisions**

7.1.1 These VPP become valid on 1 January 2010.