



## LIFE ASSURANCE GENERAL TERMS AND CONDITIONS

### INTRODUCTORY PROVISIONS

#### Article 1

(1) Life Assurance General Terms and Conditions (hereinafter: Terms and Conditions) are the integral part of the Life Assurance Agreement entered into by and between the Policyholder and Dunav Insurance Company a.d.o.

(2) For the purpose of Life Assurance General Terms and Conditions hereof, the following terms shall mean:

- **ASSURANCE AGREEMENT** – contract under which upon the occurrence of the assured event the Insurer shall be obliged to pay to the Insurance Beneficiary a contracted sum assured or a part thereof, and the Policyholder shall be obliged to pay to the Insurer an agreed amount of premium
- **POLICY** – document on concluded Assurance Agreement
- **APPLICATION** – written request of the Policyholder and the Assured, filled out on the Insurer's proposal form, expressing their will to conclude the Assurance Agreement
- **INSURER** – Dunav Insurance Company a.d.o.
- **APPLICANT** – person submitting a written application
- **POLICYHOLDER**- person concluding Life Assurance Agreement
- **THE ASSURED**- person on whose survival or earlier death the contracted sum assured becomes payable
- **BENEFICIARY**- person to the benefit of which the Assurance is contracted
- **SUM ASSURED** – maximum liability of the Insurer specified in the Assurance Agreement and agreed upon by the parties thereto
- **INSURANCE PREMIUM** – amount payable by the Policyholder under Assurance Agreement
- **ASSURED EVENT** - any future event, uncertain and independent of the sole will of the Policyholder and the Assured, for which Assurance Agreement is concluded
- **DECREASED SUM ASSURED (CAPITALISATION)** – amount of contracted sum assured decreased in proportion to the paid premium, according to the Terms and Conditions hereof
- **SURRENDER VALUE** – amount the Insurer is obliged to pay to the Policyholder or other person entitled to surrender in case of early cancellation of the Assurance Agreement, pursuant to the Terms and Conditions hereof.
- **LIFE ASSURANCE LOAN (ADVANCE)** – at the request of the Policyholder, life assurance loan amounting to not more than 85% of the surrender value

### GENERAL PROVISIONS

#### Article 2

- (1) Pursuant to the Life Assurance Agreement, the Policyholder undertakes to pay the premium to the Insurer and the Insurer undertakes to pay the sum assured or a part thereof to the Beneficiary upon the occurrence of the assured event.
- (2) Life assurance under the Terms and Conditions hereof may be stipulated for:
  - death risk (term assurance),
  - earlier death and maturity, which includes term-fix assurance with the predefined term for the payment of sum assured (endowment assurance),
  - survivorship.
- (3) According to the Terms and Conditions hereof, life assurance may be concluded with or without medical examination.

(4) Supplementary Accident Insurance may be stipulated with Life Assurance, with the application of the Special Terms and Conditions for Personal Accident Insurance Supplementary to Life Assurance.

(5) Healthy individuals who have reached 15 to 80 years of age may be assured under the Terms and Conditions hereof, unless otherwise provided for by the Special Terms and Conditions.

(6) Individuals who are not completely healthy can be assured under the Special Terms and Conditions for Aggravated Risks (abnormal risks), apart from the persons who, pursuant to these Terms and Conditions, are not eligible for assurance.

(7) In respective cases of death of an individual younger than 14 and an individual deprived of legal capacity, the Assurance hereof shall be null and void, and the Insurer shall be obliged to return to the Policyholder all the premiums received for the stated persons under the concluded Life Assurance Agreement

(8) For the assurance of death risk of a person younger than 18 to be valid, written consents of both that person and his/her legal guardian shall be required.

(9) If the Assured is diagnosed with any of the following illnesses during the assurance period:

- cerebral organ syndromes,
- schizophrenia,
- manic-depressive disorder, paranoia and the like,

the assurance shall cease to be effective, and the Insurer shall retain the premium paid theretofore, and effect the payment of the mathematical reserve. This provision shall apply only to the assurances that are ceded to reinsurance.

(10) The Insurer shall cancel the Life Assurance Agreement in the events stipulated by the law governing the actions and measures undertaken to prevent and detect money laundering and terrorist financing.

(11) All notices, applications, and claims that the Insurer and the Policyholder are obliged to submit to one another according to the provisions of the Terms and Conditions hereof shall be valid only if confirmed in writing. If a notice or an application is sent by a registered letter, the date of receipt shall be deemed to be the date when the Parties to the Agreement have received such notice, application, or claim.

### CONCLUSION OF ASSURANCE AGREEMENT

#### Article 3

(1) Prior to the conclusion of the Life Assurance Agreement, the Insurer shall hand over to the Policyholder/ Assured the Information for the Policyholder/ Assured prior to the conclusion of the Life Assurance Agreement.

(2) Under the Life Assurance Agreement, the Insurer undertakes to pay to the Beneficiary, upon the occurrence of the assured event, the agreed sum assured or a part thereof and the Policyholder undertakes to pay the agreed amount of premium to the Insurer.

(3) The Life Assurance Agreement shall consist of:

- Insurance Terms and Conditions hereof
- Special Insurance Terms and Conditions, valid for the contracted insurance product
- Special Terms and Conditions for Personal Accident Insurance Supplementary to Life Assurance, if concluded with Life Cover
- insurance policy
- application

### APPLICATION

#### Article 4

(1) The Life Assurance Agreement is concluded upon a written application filled out on a prescribed form of the Insurer, which represents a proposal for the conclusion of Life Assurance Agreement.

(2) The Application contains material elements of the Assurance Agreement. All data and facts in the form that are relevant for the



conclusion of the Assurance Agreement and assessment of the risk to be underwritten must be true, complete and accurate.

(3) The Insurer may require additional information and documents he deems necessary for the conclusion of the Assurance Agreement and risk assessment.

(4) The application for Assurance Agreement shall be binding on the Applicant within 8 days from the date when the Insurer has received the application, unless a shorter period has been determined, and in cases where a medical examination is required, within 30 days.

(5) If the Insurer, within the respective period of time, does not reject the application that does not depart from the terms and conditions governing the proposed assurance, the application shall be deemed accepted and the agreement shall be deemed concluded on the date when the Insurer has received the application.

(6) Should the Insurer ask for additional data or documents after receiving the application, the application shall be deemed received on the date when such additional data or documents have been received by the Insurer. It shall be deemed that the Applicant waived the application i.e. the conclusion of the Assurance Agreement if he fails to provide the Insurer with the requested data or documents within 15 days from the date he has received the notification from the Insurer.

(7) The Insurer shall have the right to reject the application or propose the conclusion of the Assurance Agreement under amended terms and conditions.

(8) In the event that the applicant fails to respond to the written proposal of the Insurer about the amended terms and conditions for the conclusion of the assurance agreement within 8 days from the receipt thereof, it shall be considered that he/she has waived the application.

(9) If the Insurer rejects the application or the Applicant fails to provide his answer in respect of Insurer's proposal for the amended agreement conditions, the application and the supporting documents shall not be returned to the Applicant.

(10) The Applicant and/or the Policyholder shall be entitled to waive the Assurance Agreement within the time limits set out in paragraph 4 of the Article hereof, in which case the Insurer shall return the paid premium.

(11) The application shall constitute an integral part of the Life Assurance Agreement and shall be signed by the Policyholder and the Insurer, respectively.

(12) If the Policyholder and the Assured are not one and the same person, for the validity of the Agreement the signature of the Assured shall also be required.

## POLICY

### Article 5

(1) The life assurance policy is a document evidencing life assurance agreement.

(2) Life assurance policy shall be issued by the Insurer in one copy, based on the data provided in the Application.

(3) Life assurance policy shall contain the following details of:

- the Insurer,
- the Assured (with the date of birth),
- the assured events,
- assurance inception and period,
- sum assured,
- premium,
- the Beneficiary in case of death risk or maturity
- date of policy issue.

(4) The Table of Surrender Values and the Table of Decreased Sums Assured (capitalisation) shall form an integral part of the endowment assurance policy and survivorship insurance.

## PERIOD OF THE ASSURANCE AGREEMENT

### Article 6

(1) The Assurance Agreement begins at 00.00 hours of the first day of the month which is specified in the Policy as the assurance inception date and expires at 00.00 hours of the day specified in the Policy as the date of assurance expiry.

(2) If life assurance has been agreed only in case of death risk of credit beneficiary, the Assurance Agreement begins at 00.00 hours of the day specified in the Policy as the assurance inception date

(3) The Assurance Agreement can be terminated prior to the time limit, in the events regulated by the Terms and Conditions hereof.

## STIPULATION OF THE PREMIUM AND THE SUM ASSURED

### Article 7

(1) The sum assured and premium are mutually agreed upon and established between the Policyholder and the Insurer on the basis of:

- premium tariff
- age
- stipulated assurance period
- minimum amount of premium determined by the Insurer pursuant to its business regulations
- and details relevant for risk underwriting.

(2) When entering into the Life Assurance Agreement, the Insurer shall be entitled to require an increased assurance premium for the assurance of persons who represent an aggravated risk, according to the Special Insurance Terms and Conditions for Aggravated Risks, and other conditions.

(3) The premium and the sums assured may be stipulated in Dinars or foreign currency.

(4) The Policyholder shall choose the currency within the meaning of the previous paragraph upon signing the assurance application and it shall remain unchanged during the period of Assurance Agreement.

## PREMIUM PAYMENT

### Article 8

(1) The premium shall be paid in advance, within the agreed periods.

(2) The Policyholder shall pay the assurance premium and the Insurer shall accept the premium from any person having a legal interest in the premium payment.

(3) Premium shall be payable as agreed: monthly, quarterly, semi-annually, annually, and as a single payment.

(4) Premium shall be paid to the account of the Insurer through a bank or a post office. The premium shall be deemed paid at 24:00 hours of the date when it has been credited to the account of the Insurer. If the premium is paid by deduction from payroll, it shall be deemed paid on the date when it has been credited to the Insurer's account.

(5) The first premium shall be paid in advance, upon signing the application, and the remaining premiums shall become due on the last day of the current period according to the agreed payment schedule (annually, semi-annually, quarterly, monthly), for the following period. If the Life Assurance Agreement is not concluded, the full amount of the first advanced premium shall be returned to the Applicant.

(6) Premium payment shall be effected until the expiry of the agreed assurance period, and if the Assured's death occurs during the assurance period, the final premium shall be paid for the period in which the Assured's death has occurred, depending on the agreed payment schedule (monthly, quarterly, semi-annually, annually).

(7) Upon payment, the Insurer shall be entitled to deduct any due outstanding premium from the stipulated amount of his liability.

## ONSEQUENCES OF PREMIUM NON-PAYMENT

### Article 9

(1) The Policyholder shall duly effect the payment of premium, when due, and the Insurer shall not seek collection before the court, but shall invite the Policyholder, in a registered letter, to pay the due premium.

(2) If upon receiving the invitation for payment of due premium from the Insurer, the Policyholder neither pays the due premium within the period which cannot be less than 30 days from the date when the registered letter of the Insurer with the request for payment has been received, nor has the payment been effected by any other interested party, the Insurer shall, in respect of endowment assurance and survivorship insurance:

- cancel the Assurance Agreement, in case when the premium has been paid for the period of less than two years, without returning the premium paid theretofore,
- notify the Policyholder that the sum assured shall be decreased, in accordance with the Table of Decreased Sums Assured



(capitalisation) if the premium has been paid for the period of at least two years.

In this case, the assurance shall be valid with such decreased sum assured, without any further payment of the premium.

In case the assurance is cancelled or the sum assured decreased (capitalisation), the supplementary insurance, if stipulated with the endowment assurance and survivorship insurance, shall cease to be effective.

(3) In endowment assurance and survivorship insurance, if the death of the Assured occurs within the period defined in the sent request for payment of due and outstanding premium, the Insurer shall meet the obligation regulated in the Terms and Conditions hereof and in the Special Terms and Conditions, provided that the due premium has been paid.

(4) In endowment assurance and survivorship insurance, if the death of the Assured occurs in the course of the Agreement termination procedure or decrease in the sum assured, it shall be deemed that the sum assured is decreased i.e. that the Agreement is terminated, depending on whether the premium has been paid for the period of at least two years.

(5) In assurance of death risk (term assurance), if upon receiving the request for payment from the Insurer the Policyholder fails to pay the due premium within the period referred to in paragraph 2, the Insurer shall cancel the Assurance Agreement, and the right to return of the premium paid theretofore shall not exist, whereas the supplementary insurance, if stipulated, shall cease to be effective.

(6) In term assurance, if the assured event occurs within the period defined in the sent request for payment of due premium, the Insurer shall be obliged to pay the sum assured to the assurance Beneficiary, provided that due premium has been paid, and if the assured event occurs in the course of the Agreement termination procedure, the Agreement shall be deemed cancelled.

(7) In the supplementary insurance, if the assured event occurs within the period defined in the sent request for payment of due premium, the Insurer shall be obliged to pay the sum assured to the assurance Beneficiary, provided that due premium has been paid, and if the assured event occurs in the course of the Agreement termination procedure, the Agreement shall be deemed cancelled.

## OBLIGATION OF THE POLICYHOLDER

### Notification of the circumstances material for the risk assessment

#### Article 10

(1) When concluding the Life Assurance Agreement, the Policyholder shall report to the Insurer all circumstances which are material for the risk assessment.

(2) Material circumstances shall be those relating to the questions in the application, asked by the Insurer.

(3) If the Policyholder has intentionally made an incorrect application or intentionally failed to disclose any material circumstances of such nature that would have prevented the Insurer to conclude the Agreement had he known of the actual state of facts, the Insurer shall request the Agreement to be terminated during the first year of assurance period, or shall deny the payment of the sum assured for the actuation of the death risk of the Assured, if his death occurred in the said period as a consequence of such undisclosed material circumstance. If the death of the Assured occurs upon the expiry of the first year, as a consequence of undisclosed material circumstance, the Insurer shall pay out the mathematical reserve.

(4) Provisions of paragraphs 1, 2 and 3 of the Article hereof shall also apply to Assurance Agreements concluded upon the insurance surrender.

(5) In the event of cancellation of the Agreement for the reasons specified in paragraph 3, the Insurer shall retain the premium collected and shall be entitled to request the payment of premium for the assurance period in which he has requested the cancellation of the Agreement.

(6) The Insurer's right to request the cancellation of the Assurance Agreement shall cease if he fails to notify the Policyholder about his intent to exercise his respective right, within three months from the date he has learned about the incorrect application or undisclosed material circumstances.

(7) In the event that the Policyholder has unintentionally provided incorrect details or failed to duly notify, the Insurer may, at his own discretion, within one month from the date when he has learned about the incorrectness or incompleteness of the application, declare that he shall

cancel the Agreement or propose an increase of the premium in proportion to the higher risk.

(8) Within the meaning of paragraph 7 of the Article hereof, the Agreement shall cease to be effective upon the expiry of the 14th day from the date when the Insurer notified the Policyholder about the cancellation of the Agreement. In the event the Insurer proposes an increase of premium, i.e. the amended terms and conditions for assurance conclusion, the cancellation shall become effective, pursuant to the law, unless the Policyholder accepts the proposal within 14 days of its receipt.

(9) Should the Agreement be cancelled pursuant to paragraph 8 of the Article hereof, the Insurer shall return to the Policyholder the mathematical reserve.

(10) In case of occurrence of the insured event prior to establishing the incorrectness or incompleteness of the application or thereafter, but prior to the Agreement cancellation i.e. prior to reaching an agreement on the increase of premium, the sum assured shall be decreased in proportion between the paid premium and the premium that should have been paid according to the actual risk. In case the Insurer would not have concluded the Assurance Agreement had he known about the actual state of facts, he shall be obliged to pay out the mathematical reserve.

(11) The Insurer who, at the time of concluding the Agreement, knew or should have known about the circumstances which have been incorrectly reported or undisclosed by the Policyholder and which are material for the risk assessment, may not claim the incorrectness of the notification or intent of the Policyholder not to disclose the circumstances relevant for the risk assessment.

(12) In the event that the Policyholder and the Assured are not one and the same person, the provisions of the Article hereof shall also apply to the Assured.

### Notification of the change of place of residence

#### Article 11

(1) In the event of change of address, the Policyholder shall inform the Insurer thereof within 8 days, in writing. If he fails to do so, the Insurer shall send all notifications by registered mail to the latest available address, and the Policyholder shall be deemed to have received such notifications.

(2) In the event that the Policyholder moves abroad, he shall be obliged to appoint his authorised representative in the Republic of Serbia. Until he does so, the Insurer shall send all notifications to the latest available address, pursuant to paragraph (1) of the Article hereof.

### Misrepresentation of the Assured's age

#### Article 12

(1) When concluding the Agreement, if the age of the Assured has been misrepresented and his actual age exceeds the age threshold according to which the Insurer accepts to conclude life assurance under his terms and conditions and tariffs, the Assurance Agreement shall be null and void and the Insurer shall, in any case, return all premiums received.

(2) If the Assured is older than the age declared when concluding the Agreement, and his age does not exceed the age threshold according to which the Insurer accepts to conclude Life Assurance, the Agreement shall be valid, and the sum assured shall be calculated according to the actual age at entry.

(3) If the Assured is younger than the age declared when concluding the Agreement, the premium shall be decreased to a corresponding amount, and the Insurer shall return the balance between the received premium and the premium he is entitled to receive.

### COMMENCEMENT AND TERMINATION OF THE INSURER'S LIABILITY

#### Article 13

(1) The liability of the Insurer to pay the agreed sum assured commences at 00, 00 hours of the day designated in the Policy as the date of assurance inception date, if the first premium has been paid by that date.



(2) If the first premium has not been paid by the day designated in the Policy as the date of assurance inception, the Insurer's liability shall commence at 00, 00 hours of the day following the date when the first premium has been paid in full.

(3) The Insurer's liability to pay the agreed sum assured or return the full amount of the premium paid in the event of death of the Assured, provided that the survivorship assurance with premium return in the event of Assured's death during the assurance period has been agreed, shall terminate once the liability has been discharged within the assurance agreement period or when the sum assured has been paid upon assurance expiry.

#### **INSURER'S LIABILITY**

##### **Article 14**

(1) Under the Life Assurance Agreement, the Insurer shall be obliged:

1. In case of agreed life assurance of death risk (term assurance), concluded without medical examination, to pay to the Beneficiary::

a) 50% of the sum assured if the death of the Assured occurs as a result of an illness within the first 6 months of the assurance period,  
b) the whole sum assured if the death of the Assured occurs as a result of an illness after the first 6 months from the beginning of the assurance period;

2. For the endowment assurance, concluded without medical examination, to pay to the Beneficiary:

a) 50% of the sum assured, if the death of the Assured occurs as a result of an illness within the first 6 months of the assurance period,  
b) the whole sum assured, if the death of the Assured occurs as a result of an illness after the first 6 months from the beginning of the assurance period, and  
c) the sum assured in case of maturity, if the Assured survives the contracted term

3. For agreed life assurance for two persons (mutual assurance), concluded without medical examination, to pay to the other Assured:

a) 50% of the sum assured, if the death of one Assured occurs as a result of an illness within the first 6 months of the assurance period,  
b) the whole sum assured, if the death of one Assured occurs as a result of an illness after the first 6 months from the beginning of the assurance period, and  
c) the sum assured in equal portions to both Assureds, if both of them survive the expiry of contracted term, in case the endowment assurance is agreed,

d) in case of simultaneous deaths of both Assureds, the compensation hereunder shall be effected to the Beneficiary named in the policy or to the legal successors, in case there is no appointed Beneficiary.

By discharging the liability referred to in the paragraph hereof, the assurance shall cease to be valid.

4. For life assurance agreement with fixed payment term (term fix), to pay the contracted amount according to item 2 of the paragraph hereof and paragraph 3 of the Article hereof, only upon the expiry of the contracted assurance period.

5. For life assurance agreement in case of survivorship, to meet the obligation stipulated in the Special Terms and Conditions.

(2) If endowment assurance is concluded with single premium payment, in case of death of the Assured as a result of an illness within the first 6 months of the assurance period, mathematical reserve shall be paid to the Beneficiary.

(3) For agreed life assurance with medical examination, to pay to the Beneficiary the whole sum assured if the death of the Assured occurs due to illness, regardless of the assurance period.

(4) The Insurer shall also pay the whole sum assured for assurance without medical examination if the death of the Assured occurs within the first 6 months of assurance period as a result of:

1. accident, pursuant to the Special Terms and Conditions for Personal Accident Insurance Supplementary to Life Assurance, and  
2. pregnancy or childbirth.

(5) The Insurer shall pay the whole sum assured if the death of the Assured occurs due to illness within the first 6 months of the assurance period for new life assurance policies written without medical examination, provided that not more than one month has passed between the expiry of the previous policy and the beginning of the newly concluded policy or that they are concluded in the month of insurance surrender.

(6) If the assured event occurs, the Assured, that is, the Beneficiary shall be entitled to receive the sums assured in accordance with all life assurance agreements concluded with the Insurer.

#### **EXCLUSION AND LIMITATION OF INSURER'S LIABILITY**

##### **Article 15**

##### **Exclusion of Insurer's liability**

(1) The Insurer shall not effect the payment of the sum assured for death risk:

- if the Assured commits suicide or dies as a result of attempted suicide during the first year of assurance period,
- if death occurs within the first seven years of assurance period as a consequence of illness caused by HIV, if life assurance was concluded with medical examination and the Assured did not take HIV test,
  - due to the use of narcotics or alcohol. The Assured shall be deemed to be under the influence of alcohol if he has higher blood alcohol concentration than prescribed under the positive legal regulations applicable at the moment of the occurrence of the insured event,
- if the Assured operates an aircraft, motor vehicle or watercraft without proper driving license.

##### **Limitation of Insurer's liability**

(2) The Insurer shall not be liable to pay the sum assured for the death risk, however, he shall pay the mathematical reserve, if the death of the Assured occurs as a direct consequence of the following:

- if the Assured commits suicide or dies as a result of attempted suicide during the second or third year of assurance period. Upon the expiry of the third year of assurance period, the Insurer shall pay the agreed sum assured.
- due to execution of death penalty during the assurance period,
- while preparing, attempting or committing criminal act, as well as while escaping after such act,
- due to the fact that the Policyholder deliberately caused the death of the Assured, if at least three annual premiums have been paid until then,
- the Insurer shall not be obliged to pay to the Beneficiary the sum assured if the latter deliberately caused the death of the Assured. If at least three annual premiums have been paid until then, the Insurer shall be obliged to pay the mathematical reserve to the Policyholder, and if he/she is the Assured, to his/her successors,
- as a result of war (officially declared or not), internal riots, rebellions, terrorism and the like,
- due to natural catastrophe and acts of god (volcanic eruption, earthquakes, floods, and the like), environmental disasters (nuclear accident, spill of toxic substances into the soil, water and air),
- as a result of performing any of the following professional activities: stuntman, blaster, circus performer, (acrobat, trapeze artist without a safety net and animal tamer), bodyguard and all security services, the army, journalist, reporter, photographer, cameraman located in the areas affected by war, civil war, revolution and the like, professional racing driver in the capacity of a member of the armed forces,
- due to aircraft accident, if the Assured is on board as a crew member (as a pilot, stewardess, steward etc.), on both civil and military flights. The assurance shall be effective if the Assured is flying as a passenger on scheduled flights with public navigation and on airplanes with several engines owned by companies or individuals and operated by professional pilots,
- due to practising extreme sports (alpinism, acrobatic skiing, jumping - with a parachute, off the boards, ski jumps, bungee jumping, paragliding, diving, speleology, rafting), and all other extreme sports in general.

(3) Insurer's obligation to pay mathematical reserve pursuant to the Article hereof and Article 10 of the Terms and Conditions hereof shall apply to endowment assurance.



(4) If the assured event occurs and the Policyholder has failed to provide correct information on the occupation and/or sport the Assured engages in i.e. on a journey to risk zones in respect of which additional premium is paid according to the List of Professions, Sports and Risk Zones subject to additional premium payment, the Insurer shall pay the sum assured decreased in proportion to the paid premium. This provision shall be applicable only to assurances ceded to reinsurance.

## RIGHTS UNDER ASSURANCE

### Article 16

- (1) The Policyholder shall have all the rights arising from the Life Assurance Agreement until the occurrence of the assured event.
- (2) If life assurance of death risk, life assurance on earlier death and on maturity, and survivorship of a third person is contracted, his/her written approval for exercising such rights within the meaning of paragraph 1 of the Article hereof shall be required.
- (3) All representations and requests of the Policyholder pursuant to paragraphs 1 and 2 of the Article hereof shall be binding on the Insurer, provided that they have been delivered to the Insurer in writing, before the occurrence of the assured event.
- (4) If the appointed beneficiary dies before the occurrence of the assured event, his/her successors shall not be entitled to the sum assured, but the secondary beneficiary shall be entitled to such sum, and if such beneficiary is not named, such sum shall belong to the Policyholder's property.
- (5) The Beneficiary can transfer his/her rights to the sum assured to another person even before the occurrence, but only with the prior written approval of the Policyholder stating the name of the person to whom rights are transferred, and if the assurance covers the life of any other person, the approval of such person shall also be required.

## RIGHTS OF THE POLICYHOLDER BEFORE OCCURRENCE Life assurance loan (advance)

### Article 17

- (1) (1) The eligibility for granting the life assurance loan shall be determined according to the business policy of the Insurer and upon the request of the Policyholder.
- (2) (2) Upon the request of the Policyholder of endowment assurance or assurance on survival, the Insurer may grant a loan per policy amounting to not more than 85% of the surrender value, in accordance with the Table of Surrender Values, if by then the premiums have been paid for at least three years, and if at least three years have passed since the insurance inception, and the Policyholder shall repay life assurance loan with the interest within the agreed period. (3) For the received advance the Policyholder shall pay interest. In the event of a default or failure to pay the due interest, it shall be considered that the Policyholder has requested surrender. (4) In the event of the occurrence of the assured event in the period from the moment of payment until the moment of life assurance loan repayment with accrued interest, the sum assured shall be reduced by the amount of advance with interest, and in the event of failure to pay the premium, the surrender value shall be reduced by the amount of advance with interest. (5) The conditions for granting the loan under the policy, the level of interest rate, possibility for loan repayment, and consequences of non-payment of due interest shall be specified in the policy. (6) The repayment of loan under the policy shall not be possible for life assurance for death risk only (term life) and for assurance where capitalisation took place.

## Insurance surrender

### Article 18

- (1) Upon the request of the Policyholder of endowment assurance or survivorship assurance, the Insurer shall be obliged to pay the surrender value of the policy, according to the Table of Surrender Values, if by then the premiums have been paid for at least three years, and if at least three years have passed since assurance commencement.

- (2) In case when the Policyholder has concluded assurance with a single premium payment, the Insurer shall, upon the Policyholder's request, pay the surrender value in the amount of mathematical reserve, however not prior to the expiry of three years from the insurance inception date.
- (3) The surrender value is lower than the amount of paid premiums.
- (4) Neither the creditors of the Policyholder nor the Beneficiary shall have the right to request surrender.
- (5) Exceptionally from the previous paragraph, the policy surrender can be requested by the creditor to the benefit of which the policy was pledged, if so specified in the policy, and if the debt thus secured has not been paid when due.
- (6) The Insurer's liability regarding surrender shall cease at 00.00 hours on the date when the surrender value has been paid.
- (7) The Payment of the surrender value shall be effected within 14 days from the date of submission of the request for surrender of the assurance agreement, i.e. from the date of submission of complete requested documents together with the said request.

## Capitalisation

### Article 19

- (1) The Policyholder may submit a written request for capitalisation of the endowment assurance or survivorship assurance, without any further payment of the premium, if at least two years have passed from the assurance commencement and the premiums have been paid for that period.
- (2) If the Policyholder has paid the premium for at least two years and then ceased to make any further payments, i.e. if the consequences of premium non-payment occur pursuant to Article 9 of the Terms and Conditions hereof, the Insurer shall effect capitalisation (decrease of the sum assured according to the premium amount paid up to that time) even without any special request made by the Policyholder.
- (3) If Supplementary Accident is concluded with endowment assurance or survivorship assurance, in case of decrease of the sum assured (capitalisation) this assurance shall cease to be effective.

## Policy pledge

### Article 20

- (1) The assurance policy may be pledged.
- (2) Policy pledge shall be effective only if the Insurer has been notified in writing that the policy was pledged to a particular Creditor.
- (3) When the policy is made out to order, it is pledged by endorsement.

## Renewal of assurance agreement

### Article 21

- (1) Endowment assurance and survivorship assurance, which is, according to Article 9 of the Terms and Conditions hereof, cancelled, that is, transformed into assurance with decreased sum assured without further premium payment (capitalisation), may be renewed upon the Policyholder's written request.
- (2) The renewal request may be submitted within 12 months at the latest, reckoning from the first day upon the expiry of the period for which the last premium has been paid.
- (3) Life assurance of death risk (term life) may be renewed, and the request for renewal may be submitted not later than within 6 months from the first date upon the expiry of the period for which the last premium has been paid.
- (4) In endowment assurance, the Insurer's liability for the renewed life assurance commences at 00.00 hours of the day following the day when he has confirmed his acceptance of renewal request in writing, provided that the due premium for life assurance has been paid for the period from the last paid premium until renewal and that the Assured's medical condition is eligible for endowment assurance; in survivorship assurance, the assurance agreement may be renewed regardless of the medical condition of the Assured.
- (5) The Insurer shall accept or reject renewal request, within 14 days from the date he has received such request and provided that the conditions for renewal have been met. If the Insurer does not reach a decision within that period, the request shall be deemed accepted.
- (6) If renewal request is submitted within 3 months from the termination date of the assurance agreement, that is, from the capitalisation of the sum assured, the Insurer shall accept the request,



regardless of the Assured's medical condition. Upon the expiry of this period the Assured shall be obliged, in addition to the renewal request, to complete the Health Declaration as well as to undergo a medical examination and provide any other information at the Insurer's request. This provision shall not apply to survivorship assurance.

(7) If within a year after the assurance renewal the Assured dies due to the illness he had when submitting the renewal request, except in the case of acceptance of the renewal request regardless of his medical condition, which both the Policyholder and the Assured failed to disclose, the Insurer shall pay the decreased (capitalised) sum assured, not taking into account the premium for the assurance agreement renewal, provided that prior to renewal the agreement was changed into assurance with the decreased sum assured (capitalisation). If assurance was terminated prior to renewal and/or if the premium was paid for less than two years, the liability of the Insurer shall not exist.

(8) If the Assured commits suicide within three years upon assurance renewal, provisions of Article 15, paragraphs 1 and 2 of the Terms and Conditions hereof pertaining to suicide shall apply.

(9) If Personal Accident Insurance Supplementary to Life Assurance is stipulated with life cover and terminated according to Article 9 of the Terms and Conditions hereof, it shall be renewable based on a written request of the Policyholder for the renewal of life assurance, but not earlier than as of the commencement of the contracted premium payment period following the period in which the request has been submitted. Insurer's liability shall commence at 00.00 hours of the day following the date of assurance renewal, provided that the first premium for renewed assurance has been paid.

## PROFIT SHARE

### Article 22

(1) If the Insurer realizes net profit on the account of life assurance lines, the Assured, that is, the Beneficiary of endowment assurance and of survivorship assurance shall have the share in profit.

(2) The decision on share in realized profit shall be made by the Insurer.

(3) Realized profit shall be calculated each year as at 31<sup>st</sup> December for all endowment assurances and survivorship assurances that were active at the end of the business year for which the profit is calculated. Realized profit is allocated in the form of additional sums assured.

(4) The basis for the calculation of the additional sum assured is mathematical reserve, adjusted by the amount of prepayment and arrears.

(5) Profit is paid along with the contracted sum assured, upon the occurrence of the assured event.

(6) The Insurer shall annually inform the assured persons of the profit share, in writing, within 30 days from the date of the decision as per paragraph 2 of the Article hereof.

## ACCUMULATION OF COMPENSATION AND THE SUM ASSURED

### Article 23

(1) The Insurer shall not be entitled to receive any compensation from the third party responsible for the occurrence, however, that right shall exclusively belong to the Assured, that is, the Beneficiary, regardless of his/her entitlement to the sum assured.

## NOTIFICATION OF OCCURRENCE

### Article 24

(1) In case of occurrence, the person who is entitled to the sum assured under the Assurance Agreement shall submit a written claim to the Insurer.

(2) In addition to the claim referred to in the previous paragraph, he/she shall be obliged to submit the following documents:

- policy,
- photocopy of a personal document/read identity card
- evidence that the Beneficiary is entitled to the sum assured in case of the Insured's death (birth/marriage certificate, valid decision on inheritance etc.),
- death certificate and medical certification of death, in case of death of the Assured,

- medical documentation (initial and final doctor's report, medical records, autopsy report etc.), as well as other required documentation,

- other evidence as requested by the Insurer, for the purpose of determining the basis, scope and amount of liability.

## PAYMENT OF THE SUM ASSURED

### Article 25

(1) In case of an occurrence, the Insurer shall be obliged to pay a part or the whole sum assured determined under the Agreement, within 14 days from the date when the Insurer receives the claim, that is, notification of the occurrence.

(2) If certain time is required for the determination of Insurer's liability and amount of liability, that period commences on the date when existence of liability and amount of liability are determined, that is, on the date when the Insurer receives the last evidence.

(3) When the Insurer pays the sum assured to a person that would have been entitled to such sum if the Policyholder had not appointed the Beneficiary, the Insurer shall be exempt from liability under the assurance agreement if at the time of effected payment he did not know or could not have known that the Beneficiary had been appointed by the last will and testament or some other document that was not delivered to him/her.

(4) The Beneficiary shall be entitled to request the return of the sum assured from the person that has received it.

(5) The sum assured is paid to the current account of the Assured / Beneficiary, and it shall be deemed effected at the moment when it is transferred to the current account of the Assured/Beneficiary.

## DETERMINING THE INSURANCE BENEFICIARY

### Article 26

(1) The Policyholder may determine in the Agreement, or by any other subsequent legal act, including the last will and testament, the person in whom the rights under the Agreement shall be vested.

(2) If the Assurance covers the life of any other person, the written approval of such person shall be required prior to determining Beneficiary.

(3) The Beneficiary need not be designated by name. Instead, it is sufficient that the document contains data necessary to determine the Beneficiary.

(4) When children or descendants are named as Beneficiary, those born later shall also benefit from the assurance.

(5) When children, descendants or other successors are named as Beneficiary and the Policyholder has not specified how the division among them should be made, it shall be made in proportion to their respective share in the inheritance.

(6) When the spouse is named as Beneficiary, the benefit belongs to the person who was at the time of the Assured's death married to, or in permanent common-law marriage with the Assured.

(7) When the insurance Beneficiary is a minor, the sum assured shall be paid to his/her parent or guardian.

(8) The sum assured payable to the Beneficiary shall not be included in the inheritance of the Policyholder, even when the successors thereof have been named as Beneficiaries.

(9) Only the Beneficiary shall be entitled to the sum assured as of the conclusion of the Assurance Agreement, regardless of how and when he was named as Beneficiary and regardless of whether he has declared his acceptance prior to or after the death of the Assured.

## CONSIDERATION FOR SERVICES

### Article 27

(1) Policyholder shall be obliged to pay, in consideration of all the services specifically requested from the Insurer, the amount set forth in the General Act of the Insurer.

(2) The Policyholder, Assured, and Beneficiary shall be obliged to pay all the taxes imposed by appropriate regulations.



**INSURER'S POLICY ON PERSONAL DATA**

**Article 28**

In respect of personal data of the Policyholder, Assured and Beneficiary that are processed for the purpose of conclusion and performance of the Assurance Agreement, the Insurer shall act in accordance with the law and internal regulations governing personal data protection.

**STATUTE OF LIMITATIONS**

**Article 29**

- (1) Outstandings under the Life Assurance Agreement shall become statute barred according to the Law of Contract and Torts.

**CLOSING PROVISIONS**

**Article 30**

- (1) Provisions of the Law of Contract and Torts shall apply to all matters not regulated under the Terms and Conditions hereof.

**Article 31**

- (1) The General Terms and Conditions hereof shall come into force on the day following the date of their publishing in the Company Journal, and shall be applied to the concluded assurance agreements with the insurance inception date as of 1 June, 2017.

THIS ISSUE OF THE TERMS AND CONDITIONS SHALL BE EFFECTIVE AS OF 1 JANUARY 2022.