

## **General Terms and Conditions of Unit-Linked Life Insurance Policies (UL16/2016)**

Effective from: November 25, 2016

## General Terms and Conditions of Unit-Linked Life Insurance Policies (UL16)

These general terms and conditions of unit-linked life insurance policies (hereinafter: **general conditions**) together with the special conditions shall be read as the policy terms and conditions of the unit-linked life insurance policies (hereinafter: insurance policy) of Generali Biztosító Zrt. (hereinafter: insurance company) provided that any such insurance policy is concluded with reference to both these general conditions and the special conditions.

These general conditions shall be supplemented by the special conditions of the life insurance providing benefits of the policyholder's and the insured's choice specified on the insurance application form (hereinafter: **special conditions of the main policy**) as well as by the **special conditions of optional insurance riders** eligible for unit-linked life insurance policies.

For the purposes of these general conditions, the **special conditions of the main policy** and the **special conditions of insurance riders** eligible for unit-linked life insurance policies shall hereinafter be jointly referred to as special conditions.

All matters not regulated by the general conditions or the special conditions (hereinafter jointly referred to as: policy conditions), will be governed by the provisions of the Hungarian Civil Code or the provisions of other effective Hungarian legislation.

Provisions of the special conditions may derogate from those of the general conditions, in which case the provisions of the special conditions shall prevail.

In the event of discrepancy between the document titled "Customer information and general provisions governing insurance policies" and the policy conditions, the provisions of the policy conditions shall prevail.

### I. Content of the Insurance Policy

Under the insurance policy, the insurance company undertakes to render the investment services and to provide coverage for the insured risks specified in these general conditions and in the special conditions, and to pay the insurance benefit if an insured event occurs; the policyholder, in turn, undertakes to pay the insurance premium.

### II. General Provisions

#### II.1. Parties to the insurance policy (insurance company, policyholder, insured and beneficiary)

II.1.1. **Insurance Company** is a legal entity which, in consideration of the payment of insurance premium, provides coverage for the insured risk and undertakes the obligation to deliver insurance services (pay insurance benefits) set forth in the policy conditions.

II.1.2. **Policyholder** is the party who takes out the insurance policy from the insurance company and agrees to pay insurance premiums. The policyholder may be a consumer or a person or organization who is not a consumer by definition of the law. Consumer shall mean any natural person acting for purposes which are outside his trade, business or profession.

II.1.3. **Insured** is a natural person who is designated in the insurance policy as insured and whose life or health is covered under the insurance policy with respect to specific insured events.

II.1.4. If the policyholder and the insured are different persons, the conclusion or amendment of the insurance policy is subject to the written consent of the insured.

II.1.5. If the policyholder and the insured are different persons, the policyholder is required to inform the insured of all the legal statements he/she is delivered as well as of any modifications of the insurance policy, until an insured event occurs or until the insured becomes the policyholder of the insurance policy.

II.1.6. **If the insured is a minor** and the insurance policy is concluded by a person other than the parent legally representing such minor, the insurance policy, including any and all amendments while the insured is a minor, shall only be deemed valid if the approval of the Children and Youth Services is obtained. The approval of the Children and Youth Services is required even if the insured is a **person of legal age whose legal capacity has been partially limited** in respect of making legal statements relating to property, or **if the insured person is an incompetent adult**.

II.1.7. The insured may withdraw his/her consent to the conclusion of the insurance policy any time in

a written notice. As a result, the insurance policy shall terminate as of the end of the policy period, save for the case when the insured is permitted by the policyholder in a written consent to become the new policyholder of the insurance policy.

II.1.8. If the insurance policy has been concluded by a party other than the insured, the insured may apply for becoming the policyholder of the insurance policy in a written application addressed to the insurance company, subject to the written consent of the policyholder. The insured may enter the insurance policy as a policyholder without the consent of the insurance company. If the policyholder is not alive at the time when the insured's statement of intent to replace the policyholder is delivered to the insurance company, the insured may replace the policyholder in the insurance policy without the consent of the policyholder's heirs.

The insurance company shall be sent written notification if the policyholder changes. When the insured replaces the original policyholder in the insurance policy, he/she will assume all the related rights and obligations therewith.

If the insured becomes the policyholder of the insurance policy, the insured and the original policyholder shall be jointly liable for the payment of premiums due in the current policy period. The insured who enters the insurance policy as a policyholder is required to repay to the original policyholder all costs incurred by the original policyholder in connection with the insurance policy, including the insurance premium.

II.1.9. If both the policyholder and the insured agree in writing, a third party can take the insurance policy over as a new policyholder. The insurance company shall be sent written notification if the policyholder changes.

II.1.10. **Beneficiary** may be any person named by the policyholder and the insured to receive the insurance benefits under the insurance policy.

II.1.11. Subject to the written consent of the insured, the policyholder may designate a beneficiary with respect to such insured or may modify the designation of the beneficiary in a written statement addressed and delivered to the insurance company, at the time when the insurance application is completed or any time throughout the whole duration of the insurance policy in the same manner, provided that such designation or modification is communicated to the insurance company prior to the occurrence of an insured event.

II.1.12. Designation of a beneficiary shall be repealed if the beneficiary dies or is dissolved without succession before an insured event occurs.

II.1.13. If an insurance policy is concluded without the consent of the insured, the part of the insurance policy where the beneficiary is designated shall be null and void, and the insured or the insured's heir shall be the beneficiary of the insurance who shall be required to reimburse the insurance premiums and any other costs paid on the insurance policy to the policyholder.

II.1.14. If no beneficiary is specifically named in the insurance policy, or if the designation of the beneficiary has been repealed or was invalid at the time of the insured event, the beneficiary of all insurance benefits due in the life of the insured shall be the insured himself, and the beneficiary of the death benefit shall be the heir of the insured.

## **II.2. Conclusion of the insurance policy**

II.2.1. The insurance policy is concluded by execution of a written agreement by and between the policyholder and the insurance company.

II.2.2. Any insurance premium or premium installment paid by the policyholder prior to the conclusion of the insurance policy shall be deemed as an advance premium, which the insurance company will handle free of interest.

If the insurance policy is concluded, the advance premium shall be included in full in the insurance premium. If the insurance policy is not concluded, the insurance company shall refund the advance premium to the policyholder.

**II.2.3. Before approving the policyholder's insurance application the insurance company will carry out underwriting**, and in that context it may put questions to the policyholder and the insured, require that the insured give a medical history statement or take a medical screening, medical tests, a health check, or complete other written declaration forms. The insurance company may require the insured to complete a paper-based or electronic medical history statement, or to make such statement over the phone at a prearranged point of time. If the medical history statement is given over the phone, the telephone conversation is recorded, and the voice recording is retained by the insurance company for as long as a claim may be enforced under the insurance policy, or as long as it is required by law. The insurance company shall be entitled to verify the data so obtained.

**The policyholder is bound by the insurance application for 15 (fifteen) days – or for 60 (sixty) days if medical underwriting is required for the assessment of the application – of the date of the application's submission.**

II.2.4. Declarations made by the policyholder/insured and their answers to the questions raised by the insurance company shall be integral parts of the insurance application.

**II.2.5. Findings of the underwriting procedure shall determine whether the insurance company approves or rejects the insurance application.** The insurance application may be accepted by the insurance company by delivering a certificate of coverage containing terms identical to or different from those specified on the insurance application (hereinafter: certificate of coverage), or by the insurance company's implicit conduct (tacit contract). **If the certificate of coverage is issued with terms identical to those specified on the insurance application, the insurance policy will be concluded as of such issue date.**

II.2.6. **If the certificate of coverage is issued with terms which differ from those on the insurance application, and this difference is not contested by the policyholder without delay, or within a maximum of 15 days, the policy will take effect on the different terms at the time when the certificate of coverage is issued.** If the policyholder rejects (contests to) the derogation within the above timeframe, the insurance policy shall not be concluded. The insurance company shall warn the policyholder of any material derogation in writing at the time when the certificate of coverage is delivered. In the absence of this warning, the policy will enter into force with the terms specified on the application.

II.2.7. **The policy shall be executed – by the insurance company's implicit conduct – on the terms of the application, also if the insurance company fails to respond to the insurance application within fifteen (15) days of its receipt, or sixty (60) days if medical underwriting is required for the assessment of the application,** provided that the application was made on the insurance company's own standard paper-based or electronic application form for the type of policy in question, upon receipt of the relevant statutory information on the policy terms, with the premium rates applicable. In that case, the insurance policy will be concluded on the day following the end of the underwriting period, with retroactive effect to the date when the insurance company was delivered the insurance application.

II.2.8. If a policy which is concluded without the express statement of the insurance company derogates in material terms from the standard insurance terms and conditions, the insurance company will have 15 days of the conclusion of the insurance policy to propose that it be modified according to the standard terms. If the policyholder refuses the proposed modification or fails to respond to it within 15 days, the insurance company may terminate the policy giving 30 days written notice within 15 days upon receipt of the notification of the refusal or modification. (Subsequent cancellation of a contract concluded by implicit conduct (tacit contract).

### **II.3. Commencement of the insurance coverage, waiting period**

II.3.1. If an insurance policy is validly concluded, the insurance coverage shall commence at 0 am of the day following the day when the policyholder has paid the first premium on the insurance policy to the insurance company. The first premium shall be considered paid if it is collected by the tied insurance intermediary and evidenced by a receipt, or in other cases if the payment is credited to the account of the insurance company. The parties may derogate from this provision in a separate agreement.

II.3.2. **The insurance company shall set out a waiting period in the insurance policy, the duration of which shall be 6 (six) months from the conclusion of the insurance policy, except when the parties agree to a shorter waiting period.**

**During the waiting period, the insurance coverage shall be partial, and it only applies to accidents, or insured events in direct causal relationship with accidents.**

**If the insured dies of causes other than accident-related during the waiting period, the insurance company will pay to the policyholder the encashment value of the investment units booked on the account of the policyholder.**

#### **II.4. Policy amendments subject to underwriting**

II.4.1. The insurance company **shall be entitled to carry out underwriting** for any client request to increase the insurance premium to be waived by the insurance company under the waiver of premium rider, to increase the sums insured specified on the insurance policy or include new risks in the coverage (hereinafter: customer requests relating to the insurance policy) during the policy term **or to reject any such request without giving reasons.**

II.4.2. Based on the findings of the underwriting procedure, the insurance company is entitled to approve or deny the request submitted with respect to the insurance policy. The insurance company shall **send written notification to the policyholder** whether the request relating to the insurance policy has been fulfilled or rejected.

II.4.3. If the client request relating to the insurance policy is approved, the **insurance coverage** with respect to the particular insured risk **shall commence on the first day of the month** following the day when all data and documents necessary for the assessment of the request **have been received** by the insurance company.

II.4.4. **If the insurance company agrees to provide coverage against a new life or health insurance risk during the insurance policy's term, the waiting period applicable to such new risk shall be 6 (six) months starting from the commencement of the insurance coverage applicable to the new risks, unless the parties agree to a shorter waiting period.**

#### **II.5. Renewal of the insurance policy**

At the written request of the policyholder and subject to the insured's written consent, the insurance company may renew the insurance policy concluded for a fixed term before the termination date. The policyholder may request a renewal of the insurance policy in writing at least 1 (one) month before the maturity date. Upon receipt of the application for renewal, the insurance company may carry out underwriting and accept or deny the application. The insurance company shall send **written notification to the policyholder** whether the request has been approved or rejected.

#### **II.6. Termination of the insurance policy**

Unless otherwise stipulated in the special conditions, the insurance policy terminates under any one of the following conditions:

- a) the insurance company has paid out the insurance benefits in accordance with the policy conditions at the end of the agreed policy term;
- b) the insured dies and the insurance company has paid out the death benefit in accordance with the policy conditions, or it has made a payout in accordance with Clause II.3.2, XI.2.3 or XII.1 of these general conditions;
- c) the premiums of the policy have been waived and the insured is not alive, at the end of the term specified in the insurance policy, when the insurance company has paid out the insurance benefits in accordance with the policy conditions;
- d) if the premium was not paid, in accordance with Clause IV.2 of these general conditions and the provisions of the special conditions of the main policy;
- e) the insurance policy is canceled by policyholder for convenience in accordance with Clause II.6.1. of these general conditions,
- f) the insurance policy is canceled by a consumer policyholder for cause within 30 days after the receipt of the certificate of coverage in accordance with Clause II.6.2. of these general conditions, on the workday following the day when insurance company receives the cancellation notice;
- g) if the policy is terminated for cause by the policyholder due to a modification of the risk premium within the meaning of Clause V.3 of these general conditions;
- h) if the policy is terminated for cause by the policyholder due to the modification of certain costs by the insurance company as set out in these general conditions;

- i) in the event of the subsequent termination of a policy concluded by implicit conduct (tacit policy) (Clause II.2.8), or if material circumstances relevant to the insurance policy change, and the insurance company becomes aware of them, at the end of a 30-day notice period (Clause II.8.3.). In such cases the insurance company shall pay the encashment value of the investment units held on the policyholder's account to the policyholder. Save for the cases set out in Clause II.8.3, the insurance company cannot cancel the life insurance policy.
- j) if the insured withdraws in writing his/her consent to the conclusion of the insurance policy in accordance with Clause II.1.7. of these general conditions, except if the insured becomes the policyholder of the insurance policy pursuant to a written consent of the policyholder;
- k) if the cash surrender value of the policyholder's investment units bought from regular or single premiums is not positive, the insurance policy will terminate without a payout;
- l) in the event of the impossibility of performance, or lapse of interest (II.6.3).

### II.6.1. Cancellation for convenience by the policyholder

The policyholder may cancel the insurance policy any time by delivering a written notice to the insurance company.

Termination for convenience (surrender):

- If the insurance policy **has a surrender value** at the time when it is cancelled, the insurance company shall pay to the policyholder the cash surrender value as of the cancellation date in accordance with Clause IX.4. of these general conditions. The insurance policy will be terminated on the workday following the day when insurance company receives the cancellation notice.  
**If an insurance policy is terminated in this manner, the insurance company cannot reinstate the insurance coverage, i.e. the insurance policy may not be reactivated.**
- If the insurance policy **has no surrender value** at the time when it is cancelled, the insurance policy will be terminated without a payout as of the date until which all insurance premiums have been duly paid.
- If there is over-payment on the insurance policy (more premiums were paid on the policy than what was due), the insurance company will refund the excess amount to the policyholder.

### II.6.2. Cancellation for cause by the policyholder within 30 days after receipt of the certificate of coverage

With the exception of mortgage payment protection life insurance, a consumer policyholder may cancel an insurance policy **within 30 days after receiving** a certificate of coverage delivered to prove that the insurance has been concluded (hereinafter: first certificate of coverage) **in a written notice without giving reasons**. Within 30 days following receipt of the cancellation, the insurance company will settle all payments made by the policyholder on the insurance policy using the price valid as of the valuation date following the date when the cancellation notice was received by the insurance company. **If the insurance policy is canceled by the policyholder within the meaning of this clause, all investment risks related to the insurance policy are borne by the policyholder.** Accordingly, **if the insurance policy is cancelled for cause**, the insurance company **will pay to the policyholder the encashment value of insurance premiums paid on the insurance policy less costs**. The issue cost of the certificate of coverage is specified in the effective Indicative Terms and Conditions, attached to the special conditions as its schedule.

The policyholder cannot validly waive the right to cancel the policy within the meaning of this Clause.

**If an insurance policy is terminated in this manner, the insurance company cannot reinstate the insurance coverage, i.e. the insurance policy may not be reactivated.**

### II.6.3. Impossibility of performance and lapse of interest

If an insured event occurred, or its occurrence has become impossible or the insurable interest has ceased to exist prior to the commencement of the insurance coverage, the policy – or a relevant part thereof – will terminate.

If the occurrence of an insured event becomes impossible or the insurable interest ceases to exist during the term of insurance coverage, the policy – or a relevant part thereof – will terminate.

## **II.7. Geographical limit of the insurance policy**

The insurance provides worldwide coverage which means the whole world.

## **II.8. Rights and obligations of the parties to the insurance policy**

### **II.8.1. Rights and obligations of policyholder and insurance company**

II.8.1.1. Pursuant to the provisions of the policy conditions, the policyholder is required to pay the insurance premium and - unless otherwise set out in the policy conditions - is entitled to make legal statements required for the insurance policy pursuant to the written consent of the insured.

II.8.1.2. **The insurance company may require that the policyholder, insured, beneficiary/party entitled to receive the insurance benefit may appear in person before approving any request notified to the insurance company.**

### **II.8.2. Duty of the policyholder and of the insured to disclose information and notify changes**

The policyholder and the insured are required to comply with their duty to disclose information and notify changes.

#### **II.8.2.1. The duty of the policyholder and the insured to provide information**

Pursuant to their duty to disclose information, **when taking out the insurance, applying for insurance riders, or requesting the increase of the sums insured, as well as when filing an insurance claim under the insurance policy, the policyholder and the insured are required to disclose every matter** known to them or that they know to be **relevant to the insurance company's decision to accept the risk or assess the claim.** The parties have complied with their obligation to provide information by giving complete and true answers to the questions of the insurance company, and by making true and accurate declarations on the standard forms of the insurance company and/or voice recordings. Not answering all questions shall not, in itself, be a breach of the disclosure obligation.

The policyholder and the insured are equally bound by the duty to provide information and notify changes; therefore, they may not rely on a fact which they failed to disclose or notify to the insurance company, although they should have reasonably known about and should have been required to notify them.

Subject to the consent of the insured, the insurance company may verify any disclosed information, and for that purpose it may raise further questions about the health, activities (occupation, job, sports activities, other) and life circumstances of the insured person, or even require medical examinations and/or tests or a health check.

Attending a medical examination and/or a health check shall not release the policyholder and the insured from their duty of disclosure.

#### **II.8.2.2. Obligation of the policyholder and the insured to report changes**

During the policy term, the policyholder and the insured are required to report any change in relevant material circumstances disclosed on the insurance application form and included in the insurance policy within 5 workdays; the policyholder is required, furthermore, to report any changes to his/her own identification data or to the identification data of the ultimate beneficial owner within 5 workdays. Therefore, they may not rely on a fact which they failed to disclose or notify to the insurance company, although they should have reasonably known about and should have been required to notify them.

**Relevant material circumstances** shall be all circumstances which the insurance company raised questions about, and which the policyholder or the insured are required to disclose information about, including particularly the policyholder's and the insured's name, address, mailing address, as well as the insured's activities (occupation, job, sports, other) and their change. **The insured is not required to communicate changes in his/her health or medical conditions to the insurance company.**

### **II.8.3. The insurance company's right to terminate or amend the insurance policy if new, relevant material circumstances arise or if the insured risk significantly increases**

II.8.3.1. If the insurance company becomes aware of **certain material circumstances or is**

**advised of a change to material circumstances regarding the policy** only after the policy has been concluded, and **pursuant to the insurance company's assessment these circumstances bring about a considerable increase in the insured risk, within fifteen (15) days of gaining knowledge of the new circumstances the insurance company shall be entitled to propose that the policy be amended or that the policy be terminated by serving a thirty (30) day written cancellation notice.**

A considerable increase in the insurance risk shall, in particular, include cases when had the insurance company known about the material circumstance, it would have applied surplus premium or exclusions during the underwriting, or it would have denied the coverage.

II.8.3.2. If the policyholder does not accept the proposed modification or does not respond to it within 15 days of its receipt, the insurance policy or the provisions proposed to be modified (additional risk) will terminate on the 30th day after notification of the proposal for modification was given, provided that the insurance company has advised the insured of this legal consequence when sending out the notification.

II.8.3.3. If the policy covers multiple insured persons and the considerable increase in the insured risk only applies to some of them, the insurance company may not exercise its rights set out in Clauses II.8.3.1. and II.8.3.2. with respect to the other insured persons.

### **III. Investment Services**

**The insurance company shall allocate the insurance premium paid by the policyholder into unit-linked funds (investment funds) in accordance with the provisions of the policy conditions, and pursuant to the instructions of the policyholder. The investment risk arising from price fluctuations of UL Funds is borne by the policyholder.**

#### **III.1. The purpose and operation of eligible unit-linked funds**

In connection with the performance of unit-linked life insurance policies, the insurance company creates **unit-linked funds (UL funds)**. UL funds are assets (e.g. securities) shown separately from the assets of the insurance company, the value of which shall determine the insurance proceeds payable under unit-linked life insurance policies.

**Investment units** are theoretical settlement components representing identical shareholding from the investments of a particular unit-linked fund.

##### **III.1.1. Purpose of unit-linked funds**

**The purpose of unit-linked funds is to increase their value in the long term.** The investment performance will affect the value of UL funds, and therefore the value of the investment units purchased by the policyholder which are linked to UL funds.

UL funds may be different in terms of the underlying investment types, the associated risk and, in whether or not there is a capital or return guarantee or capital/return protection built into the insurance policy. In this context, they may also differ in what yields they are expected to deliver.

The Schedule titled "Unit-Linked Funds, their Composition and Investment Principles" (hereinafter: Prospectus of UL Funds) shall be an integral part of the special conditions of the main policy.

##### **III.1.2. Forming, launching, suspending, dissolving and modifying unit-linked funds**

The insurance company is entitled to form, temporarily suspend, or dissolve UL funds and to modify their operating rules pursuant to these policy conditions.

###### **III.1.2.1. Forming and launching unit-linked funds**

**The insurance company is entitled to extend the list of UL funds offered with a type of insurance policy by modifying the Prospectus of UL Funds, provided that no existing provisions on UL funds are modified or amended. In such cases, the insurance company is required to inform the customers of the extension of the list of UL Funds offered with the policy, the description of the new UL Funds as well as of any related regulations before they become effective. The modified Prospectus of UL Funds is published on the insurance company's corporate website and is made available in its Customer Service Offices.**

### **III.1.2.2. Suspension and demerger of unit-linked funds**

**III.1.2.2.1.** For the purposes of suspending and demerging UL funds, illiquid assets shall include all assets in the fund whose value may not be determined, including in particular cases when market pricing information relevant for the valuation of the fund is not fully available due to the suspension of asset trading, asset distribution or public price offering.

**III.1.2.2.2.** To protect the interests of its customers, the insurance company can suspend the trading of investment units underlying a unit-linked fund (hereinafter: suspension of UL fund) offered with unit-linked life insurance policies if the net asset value of the UL fund, and accordingly the price of investment units may not be determined because some or all of the assets underlying the UL fund have become illiquid. The insurance company is required to suspend the UL fund promptly after it becomes aware of any circumstance which calls for a suspension, with retroactive effect to the valuation date (hereinafter: start date of the suspension of a UL fund) which is closest to the last valuation date when the net asset value of the UL fund could be determined.

**III.1.2.2.3.** While a UL fund is suspended, no customer instructions affecting the suspended fund (in particularly, conversion, regular cash withdrawal, and partial surrender) may be executed by the insurance company, with the exception of redirection of insurance premiums from the suspended fund. If the period of the suspension of an UL fund exceeds 30 days, the insurance company is required to send verifiable written notification within 35 days following the start date of the suspension of the UL fund, to all policyholders who have submitted instructions in relation to the suspended UL fund, informing them that the insurance company may only execute these instructions when the UL fund is no longer suspended and the policyholder submitted the instructions once again after the suspension of the UL fund is terminated. The insurance company is required to promptly notify all customers who submit instructions with respect to a suspended UL fund while the fund is suspended, of the procedure put in place for customer instructions.

**III.1.2.2.4.** If any insurance premium is instructed to be invested in a suspended UL fund, the insurance company is required to keep separate records of such insurance premium, unless otherwise instructed by the policyholder. In such a case if the period of the suspension of an UL fund exceeds 30 days, the insurance company is required to send verifiable written notification within 35 days following the start date of the suspension of the UL fund to the policyholder that the insurance premium received and held separately during the suspension of the UL fund will be redirected to another UL fund, unless otherwise instructed by the policyholder, with effect from the 45<sup>th</sup> day of the suspension of the original UL fund.

**III.1.2.2.5.** When an endowment benefit, maturity benefit or policy surrender is claimed on an insurance policy or if the policy is canceled by the policyholder while a UL fund is suspended, the insurance company will calculate the encashment value of the policy disregarding the investment units allocated to any suspended UL fund. In the above cases, unless the condition set out in Clause III.1.2.2.8. of these general conditions is fulfilled, the insurance company is required pay the encashment value of investment units allocated to the policyholder's account from the investment units of the suspended UL fund, or their cash surrender value (within the meaning of Clause IX.4 of these general conditions), calculated at the first price published after the end of the suspension of the UL fund, within 15 days after the UL fund is no longer suspended.

**III.1.2.2.6.** The suspension of a UL fund shall affect the payment of a death benefit on the policy only in so far as the insurance company will determine the encashment value of the insurance policy on the basis of the last known price applicable to investment units in the suspended UL fund prior to the suspension of the UL fund. Nevertheless, the insurance company is required to make benefit payments on insurance policies subject to the above provisions even while a UL fund is suspended on the understanding that this obligation is limited to HUF 30 million for each insured with respect to the investment units held in the suspended UL fund. When the suspension of an UL fund is over, the insurance company recalculates the part of death benefit affected by investment units in the suspended UL fund within 15 days following the end of the suspension, using the first known price, and if the recalculated death benefit is higher than the earlier payment, the insurance company pays the difference ex post. If the condition in Clause III.1.2.2.8. of these general conditions is fulfilled, the insurance company recalculates the

benefit and pays the difference as a part of the settlement procedure described in Clause III.1.2.2.8. of these general conditions.

III.1.2.2.7. Any period of suspension of an UL fund shall be no longer than 1 year, and renewable for no more than an additional year by the insurance company, if reasonably required. The insurance company is required to publish a public warning on its corporate website and place a printed warning in its customer service offices with the announcement that the suspension of the UL fund will be extended, no later than within 15 days before the suspension of the UL fund would be over.

The insurance company is required to promptly end the suspension of the UL fund:

- a) at the end of the period permitted for the suspension of the UL fund,
- b) as soon as the insurance company is made aware that the circumstances which required the suspension of the UL fund no longer exist, or
- c) if it is ordered in the ruling of the Financial Supervision.

III.1.2.2.8. If the net asset value of a UL fund, and accordingly the price of the related investment units still cannot be determined at the time when the suspension of the UL fund is ended in accordance with Clause III.1.2.2.7 of these general conditions, because all or some of the assets underlying the UL fund are still illiquid assets, the insurance company will dissolve the UL fund and shall give account of the investment units to the customers on the basis of the market conditions prevailing as of the date of the dissolution.

III.1.2.2.9. To ensure the equal treatment of policyholders and to enhance the insurance company's continuous service provision with respect to the UL fund, the insurance company will separate the illiquid assets from other non-illiquid assets underlying the UL fund within 30 days after the start date of the suspension of the UL fund (the UL fund will be demerged into successor funds with illiquid asset and with non-illiquid assets, hereinafter: demerger) if no more than 75% of the last known net asset value of assets underlying the UL fund have become illiquid. At the same time when the demerger is executed, the suspension of the successor UL fund with non-illiquid underlying assets will terminate, and the UL fund will continue to be operated as a separate UL fund. If the UL fund is offered with capital and/or return guarantee, the whole UL fund will be suspended, irrespective of the proportion of illiquid assets. In such a case the insurance company is required to account for the investments with the customers when the guarantee is no longer offered.

III.1.2.2.10. In the event of a demerger, illiquid assets are required to be kept separately as a separate UL fund with a continuous suspension pursuant to the provisions of Clauses III.1.2.2.2.–III.1.2.2.8. of these general conditions, on the understanding that the start date of the suspension of the successor UL fund shall be the start date of the suspension of the original UL fund. As a result of the demerger the original UL fund will be terminated, and the investment units underlying the original UL fund will be allocated to the successor UL funds with illiquid assets and non-illiquid assets in the same proportion as the proportion of the last known net asset value of illiquid assets and non-illiquid assets was within the original UL fund. When a demerger is executed, a warning on the demerger is added to the disclosure obligation referred to in Clauses III.1.2.2.3. and III.1.2.2.4. of these general conditions.

III.1.2.2.11. Subject to the provisions of Clause III.1.2.2. of these general conditions, a suspension or a demerger of a UL fund will not affect the policyholder's obligation to pay the insurance premiums or the insurance company's obligation to pay insurance benefits on the policies affected.

III.1.2.2.12. The insurance company is required to notify policyholders in the manner described in Clause III.1.2.2.13. of these general conditions

- a) about the statutory ground, execution and reasons for the suspension of a UL fund or its demerger, the start date of the suspension, the implications of the above measures on the insurance policy and the performance of the underlying obligations, including in particular any change in the investment risks borne by customers, and in the rules of the enforcement of costs and fees; and
- b) about the termination of the suspension of a UL fund, its reasons and the implications of the termination on the insurance policy and the performance of the underlying obligations.

**III.1.2.2.13. The insurance company is required to fulfill its disclosure obligation referred to in Clause III.1.2.2.12. of these general conditions by disclosing a public warning on its corporate website and by placing a printed warning in its customer service offices at the time when the suspension of the UL fund or its demerger is executed, or when the suspension of the UL fund is ended, and by keeping the warning up to date. The insurance company is also required to send a copy of the warning to the Supervision.**

#### **III.1.2.3. Dissolving unit-linked funds**

When a **unit-linked fund is to be dissolved**, the insurance company is **required to notify the policyholder in a postal mail or in an e-mail subject to a preliminary consent**, at least **60 days in advance before dissolving the unit-linked fund** and shall offer a free conversion of investment units in the unit-linked fund subject to dissolving into investment units of any other unit-linked fund offered for the particular insurance policy. **If the policyholder fails to select a new UL fund/funds instead of the UL fund which will be dissolved within the prescribed time limit (or gives instructions on conversion, redirection), the insurance company shall convert the investment units linked to the UL funds which will be dissolved, into investment units of a UL fund of its choice at a bid price valid as of the day when the particular UL fund is dissolved, and shall perform the redirection into such fund.**

#### **III.1.2.4. Amendments affecting unit-linked funds**

The schedule titled "Unit-Linked Funds, their Composition and Investment Principles" attached to the special conditions of the main policy (hereinafter: Prospectus of UL Funds), and in particular the description of UL Funds offered with the policy **may be modified by the insurance company in the cases listed in the clause**. No modification may be made, however, to the risk level and primary objective of the UL Fund listed in the guide.

**The Prospectus of UL Funds may only be modified in the following cases:**

- Only the name of the UL Fund is modified.
- The asset manager or the issuer of an instrument of any underlying fund of a UL Fund listed in the Prospectus of UL Funds has changed, or the instruments managed in the UL Funds have changed.
- The investment policy of any UL Funds listed in the Prospectus of UL Funds may only be modified if the implementation of the original investment policy is no longer possible due to changes in the investment environment or in the availability or suitability of the underlying instruments.

Such cases include in particular:

- the instruments specified in the investment policy and managed in any underlying fund or in the UL Fund are no longer traded,
- administrative changes, including changes of the relevant legislative environment,
- the impossibility of performance of the investment policy, partially or as a whole
- cancellation of the reference index or the change of its composition.

**In these cases the insurance company will inform policyholders of the modification at least 60 days prior to the effective date of the modification in a public announcement: in a notice made available at the company's customer service offices and published on the insurance company's website.**

**The insurance company will send written notification to all policyholders who have investment units in the UL Fund concerned or have instructed the insurance company to allocate payments to the UL Fund concerned, at least 60 days prior to the effective date of the modification in a postal mail, or in an e-mail if the policyholder has consented to electronic communication.**

**If the circumstances entailing the modification of a UL Fund do not allow for the notification to be sent out at least 60 days prior to the effective date of such modification, the insurance company will comply with its obligation to inform and notify customers within 5 workdays of the date of such change.**

**When a UL Fund is modified and the policyholder does not intend to keep its savings in the UL Fund after the modifications take effect, the policyholder will have 60 days following receipt of the notification to convert or redirect his/her savings in the UL Fund concerned to any other available UL Fund free of charge.**

### **III.1.2.5. Costs associated with UL Funds**

Third parties engaged in the management or execution of investments (including asset management companies, custodians, securities trading companies) charge costs for the management of investments which are directly associated with the particular UL Funds.

Costs associated with the UL Funds may be the following:

portfolio management fee,  
custodian fee,  
commission on securities trading.

The asset management company managing the UL Funds is paid a portfolio management fee, specified as a percentage of the value of the UL Fund, which is deducted on each valuation date of the particular UL fund in proportion to the number of days from the previous valuation date. The annual rate of the portfolio management fee is different for each UL Fund.

The custodian performing custody services is paid a custodian fee, specified as a percentage of the value of the UL Fund, which is deducted on each valuation date of the particular UL fund in proportion to the number of days from the previous valuation date. The custodian fee is paid in consideration of the delivery of the following services: custody of securities, clearing of securities transactions, managing company law events, issuing documentation for representation at general meetings, managing accounts related to investments, collecting income/return on securities, preparing sales reports, using the bank's electronic system, tax-related services, calculating duties on financial transactions, net asset value, monitoring limits.

Fees associated with securities trading: fees (broker commission) charged on the sales of securities in the UL Fund; the fee is payable upon the financial settlement of the trading. Its rate depends on the type and market of the securities concerned.

Cost rates may be different for each UL Fund. The current rates of the portfolio management fee and the custodian fee are published for each UL Fund on the insurance company's website (generali.hu).

### **III.1.3. Splitting and merging investment units**

The insurance company is entitled to split or merge investment units in a UL fund, which will result in a change in the total number of investment units in the fund, and accordingly in their price. This transaction, however, will not affect the total value of the units in the unit-linked fund or the value of the investment units on the policyholder's account.

## **III.2. Valuation of UL funds, method and frequency of policyholder notifications**

III.2.1. The valuation date is the day when the insurance company **values the UL funds** it founded in order to determine the price of investment units. The prices of investment units valid as of the given valuation date are determined on the basis of prices listed at stock exchanges, government bond markets or foreign currency markets, retroactively until the previous valuation date.

The price of a unit-linked fund applicable to a particular valuation date is determined on the workday when the prices of all underlying investment instruments applicable to the particular valuation date and used for the valuation are available to the insurance company. **Whenever possible, valuation is executed every weekday but at least once a calendar week.**

The value of unit-linked funds is difference between the total value of the fund's underlying invested assets and the liabilities imposed on unit-linked funds.

Fees charged on UL funds are recognized on a pro rata basis and are deducted from the asset value of the UL funds at their due date.

**The net asset values of UL Funds as of the valuation dates are disclosed on the insurance company's website.**

### **III.2.2. Rules to be applied in the event of a calculation error of the net asset value of the UL Fund**

If an error is made in the calculation of the net asset value of a UL Fund and the error exceeds one thousandth of the net asset value of the UL Fund, the insurance company corrects the calculation error and recalculates the net asset value on the first valuation date after the error has been identified, with retroactive effect to the date when the error was made. The insurance company modifies the net asset value for each subsequent day affected by the identified calculation error using the correct value determined to be valid as of the date when the error was made. The insurance company discloses all corrections made to net asset values.

Errors do not include misstatements of market prices and disclosures through no fault or neglect of the insurance company, the portfolio manager or the custodian, as long as they have taken reasonable care to ensure that net asset values are correctly calculated.

If the investment unit's value is determined using the incorrect net asset value, the difference between the incorrect and the correct net asset value must be settled with the policyholder within thirty days following the identification of the calculation error, save for the case when

- a) the price difference of any one investment unit arising from the calculation error of the net asset value is less than one thousandth of the price of any one investment unit determined with the correct net asset value, or than a lower value if the Prospectus of UL Funds sets out a lower limit in respect of the fund,
- b) the price difference arising from calculations with the incorrect and the correct net asset values is less than one thousand HUF, or than a lower amount if the Prospectus of UL Funds sets out a lower limit in respect of the fund, or
- c) in respect of its settlement obligation related to the price difference of investment units arising from the correction of any error in the calculation of the net asset value, the insurance company decides not to claim a refund from the policyholder, on the understanding that the loss of assets in the UL Fund shall be compensated for by the insurance company, the portfolio manager or the custodian.

### **III.3. Price of investment units**

**III.3.1. The price of the investment units in a unit-linked fund shall be the quotient of the then current value of the unit-linked fund and the then current total number of investment units in the unit-linked fund.**

III.3.2. The insurance company converts insurance premiums paid by the policyholder into investment units using the current prices of investment units.

When making a benefit payout on the policy or when deducting policy expenses, the insurance company uses the current price of the investment units for the calculation of their encashment value.

### **III.4. The account of the policyholder, crediting the premium, distribution of the insurance premium among unit-linked funds, and the allocation of the payments into investment units, account statement**

#### **III.4.1. Account of the policyholder**

The insurance company keeps separate records of investment units for each insurance policy (hereinafter: the account of the policyholder).

#### **III.4.2. Converting insurance premiums into investment units – premium credit**

The insurance company buys investment units for the benefit of the policyholder from the insurance premiums paid. The insurance company credits these investment units to the account of the policyholder (premium credit) and maintains up-to-date records of them.

**III.4.2.1. The advance premium** paid up at the time when the insurance application is submitted is **credited at the price valid at the valuation date following the later of the dates when the first**

**policy is issued or when the advance premium payment** with suitable identifying data (name, address, proposal number) **is received on the insurance company's account.**

III.4.2.2. **Single or regular premiums** paid while the insurance policy is in force **are credited at the price effective on the valuation date following the day when the premium payment is received on the insurance company's account**, with the required identification data (name, policy number).

III.4.2.3. Any **top-up insurance premium is credited at the price valid as of the valuation date following the date when the premium payment** with the required identification data (name, policy number, premium distribution instructions for the top-up premium) **is received on the insurance company's account.**

### **III.4.3. Distribution of insurance premium among unit-linked funds**

The policyholder must specify the allocation ratio (percentages) of **regular premiums**, or in the case of a single premium insurance policy, of the **single premium** for buying investment units in certain eligible UL funds at the time when the insurance policy is concluded.

When completing a premium distribution instruction form, no lower percentage can be specified than the minimum percentage set forth in the effective Indicative Terms and Conditions.

**Every time** when a top-up premium is paid, at the time when paying the top-up premium, the policyholder shall also **fill in an instructions form** as to **what percentage** of the payment should be spent on purchasing investment units linked to certain eligible UL funds.

If the written instructions of the policyholder on the distribution of top-up premiums are not received by the insurance company within 5 workdays following receipt of the top-up premium, the top-up premium shall be allocated among UL funds at the price effective on the **6<sup>th</sup> workday** following its receipt **in accordance with the premium distribution instruction applicable to single and/or regular premiums.**

In respect of single premium policies, if any of the UL funds selected at the time when the insurance was taken out for the allocation of the single premium payment is dissolved, and the policyholder fails to give instructions about the reallocation of the premium payment, the insurance company will select another UL fund to replace the dissolved fund in accordance with the applicable provisions (III.1.2.3).

### **III.4.4. Maintaining records of investment units**

The number of investment units on the policyholder's account is entered into the records of the insurance company to 3 (three) decimal places.

### **III.4.5. Account statement, account statement issue cost**

**Once a policy year the insurance company sends an annual account statement to inform the policyholder about the number and encashment value of the investment units in the selected unit-linked funds on his/her account.**

The account statement issue cost is specified in the currently effective Indicative Terms and Conditions. **The insurance company may modify the cost of account statements no more than once a calendar year but only if the consumer price index changes.**

On any one occasion, charges may not be modified by more than the consumer price index pertaining to the period which passed from the last modification of the account statement issue cost, but maximum the last 3 years, to be determined by the insurance company by multiplying monthly or annual consumer price indexes published by the Central Statistical Office as percentage values for the given period.

When deducting the account statement issue cost, the insurance company reduces the number of investment units held on the policyholder's account in a manner that the proportion of investment units – affected by the deduction of charges (units purchased from regular, single or top-up premium payments) – allocated to the different UL funds would remain unchanged after the deduction. In respect of insurance policies with regular premium payment, this deduction is made from investment units purchased from regular premium payment; in respect of single premium insurance policies, the deduction is made from investment units generated from the single premium payment.

**Any modification of the account statement issue cost shall be communicated to the policyholder no later than within 30 days before the effective date of such modification in a postal mail, or in an electronic mail if the policyholder has consented to electronic communication.**

**When the account statement issue cost is modified, the policyholder is entitled to cancel the insurance policy for cause. If the policyholder does not intend to maintain the insurance policy after the insurance company communicated the modification, the policyholder may cancel the insurance policy with effect from the last day of the policy year by serving a written notice to the insurance company within 5 days prior to the effective date of the policy modification. In that case the insurance company pays the policyholder the surrender value of the insurance policy.**

**If the policyholder fails to cancel the insurance policy within the prescribed deadline, the insurance policy will remain in force with the modified conditions.**

#### **IV. Provisions on the Insurance Premium, Missed Premium Payments and Different Portions of the Insurance Premium**

##### **IV.1. Premium of the insurance policy**

IV.1.1. The insurance premium is received in consideration of the obligations undertaken by the insurance company. The insurance premium is required to be paid by the policyholder.

IV.1.2. The insurance policy may be taken out with regular annual premium payment or with single premium payment, at the option of the policyholder. The regular annual premium applicable to the policy year may be settled in monthly, quarterly, or half yearly installments. Special provisions governing the payment of insurance premium on the insurance policy are set forth in the special conditions of the main policy.

IV.1.3. The policyholder may choose the type of the premium payment (regular or single) and when selecting regular premium payment, the frequency arrangement of the payment as well, at the time when applying for insurance. **The policyholder can change the frequency arrangement of premium payment with effect from the next due payment date, provided that his/her intention to modify the arrangement is communicated to the insurance company in a written notice not later than 30 days before the next due date.**

IV.1.4. The technical commencement of the premium payment shall be the date designated as such on the insurance application and the certificate of coverage. This date, however, may not be earlier than the first day of the month in which the insurance application is executed. That date shall also be the renewal date of the insurance.

IV.1.5. The policy period shall be one year, each time starting on the renewal date and lasting for one year from then on (hereinafter: policy year).

IV.1.6. The first insurance premium is due at the date agreed by the parties, and in the absence thereof, at the date when the insurance policy is concluded. All later regular premiums are due on the first day of the premium payment period (year, half-year, quarter, month) which they are payable for. Single premium payment shall be due on the day of concluding the policy. The first premium (or the whole of the single premium payable on single premium policies) shall also cover the period from the inception date of the insurance policy to the technical commencement of premium payment.

IV.1.7. Subject to the provisions of the special conditions of the main policy, the policyholder shall have an option to pay so-called **top-up premiums** in addition to paying regular/single premium. The minimum payable top-up premium shall be specified in the effective Indicative Terms and Conditions. The insurance company may modify the minimum limit for top-up payments not more than once a calendar year.

**IV.1.8. If an insured event occurs and the policy terminates, the insurance company may demand the payment of the risk premium for the whole current policy period. In other cases of policy termination, the insurance company may demand payment of the risk premium due for the period until the end of the insurance coverage. If the balance exceeds the amount of the pro-rata risk premium, the insurance company refunds the amount of the excess.**

#### **IV.2. Consequences of missed premium payment**

If the policyholder fails to settle the regular or the single insurance premium by the set due date, the insurance company will send the policyholder a written payment reminder with at least an additional thirty-day deadline including advice on the legal consequences of payment default.

**If the policyholder fails to comply with his/her payment obligation within the additional period, the insurance company shall proceed in accordance with the provisions set out in the special conditions of the main policy.**

**On regular premium insurance policies**, the policyholder may request that an **insurance policy terminated without a payout due to the payment default be reinstated (reactivation)** within 6 months of the due date of the first unpaid insurance premium, provided that all unpaid insurance premiums have been settled. In that case the insurance company shall be entitled to carry out underwriting once again, and conditionally, accept or deny the request without giving reasons.

The insurance company may initiate a judicial procedure to collect the insurance premiums for the whole policy period; subsequently this right may only be exercised if the policyholder has already commenced premium payment, i.e. the parties have agreed on the a deferred payment plan.

#### **IV.3. Portions of the insurance premium: risk premium, portion of the premium invested, premium collection cost**

The annual amount of the regular premium and the amount of the single premium is composed of a risk premium, an annual portion of the premium invested as well as the annualized premium collection cost.

**IV.3.1. The annual risk premium** is the total of risk premiums payable in consideration of the life, accident and health insurance coverage provided under the insurance policy.

**IV.3.2.** The portion of the **premium invested** is specified by the policyholder in the insurance application. The portion of the premium invested is the basis of the policyholder's savings.

**IV.3.3.** The **premium collection cost** is the cost arising from invoicing and collecting the insurance premium as well as from depositing it on the policyholder's account.

##### **IV.3.3.1. Premium collection cost**

The premium collection cost rate depends on the selected payment period (frequency) and the method of payment. The premium collection cost is specified in the currently effective Indicative Terms and Conditions.

**The insurance company may modify the premium collection fee maximum once a calendar year but only if the consumer price index changes.**

**On any one occasion, charges may not be modified by more than the consumer price index pertaining to the period which passed from the last modification of the charge concerned, but maximum the last 3 years, to be determined by the insurance company by multiplying monthly or annual consumer price indexes published by the Central Statistical Office as percentage values for the given period.**

**Any modification of the premium collection cost shall be communicated to the policyholder no later than within 30 days before the effective date of such modification in a postal mail, or in an electronic mail if the policyholder has consented to electronic communication.**

**When the premium collection cost is modified, the policyholder is entitled to cancel the insurance policy for cause. If the policyholder does not intend to maintain the insurance policy after the insurance company communicated the modification, the policyholder may cancel the insurance policy with effect from the last day of the policy year by serving a written notice to the insurance**

**company within 5 days prior to the effective date of the policy modification. In that case the insurance company pays the policyholder the surrender value of the insurance policy.**

**If the policyholder fails to cancel the insurance policy within the prescribed deadline, the insurance policy will remain in force with the modified conditions.**

**The insurance company does not charge premium collection costs on single premium insurance policies, and this feature may not be modified.**

#### **IV.3.3.2. Charging the premium collection cost**

In respect of regular premium insurance policies, the insurance company deducts premium collection cost from the policyholder's account balance each month.

When deducting the premium collection cost, the insurance company reduces the number of investment units held on the policyholder's account in a manner that the proportion of investment units – affected by the deduction of charges (units purchased from regular, single or top-up premium payments) – allocated to the different UL funds would remain unchanged after the reduction. The insurance company shall use the price valid on the first workday of the month to determine the number of investment units required to cover monthly charges. In respect of insurance policies with regular premium payment, this deduction is made from investment units allocated from regular premium payment.

When the investment units allocated on a regular premium life insurance policy from regular premium payments are not sufficient to cover these charges at their due date, the insurance company will keep a record of any uncollected charges, and will deduct them as soon as the value of the investment units allocated from regular premiums is adequate to cover such charges.

### **V. Calculating Risk Premiums, Method of Deduction**

#### **V.1. Calculating risk premiums**

V.1.1. In consideration of the life, accident and health insurance coverage provided under the insurance policy, the insurance company is entitled to a risk premium. The risk premiums shall be calculated in accordance with the insurance company's effective Premium Rates Regulations, particularly on the basis of the insured's current age, health, occupations (job, work, sport), and the face amount of the sums insured.

Detailed provisions on the base rates applicable to certain insurance covers are set forth in the special conditions of the respective insurance riders.

**V.1.2. During the policy term, risk premiums relating to the insurance benefits specified in the insurance policy may increase as a result of the increasing age of the insured even if the policyholder did not request an increase or annual indexation of the sums insured.**

At the time when the insurance policy is taken out, the insurance company shall determine the initial age of the insured by deducting the birth year of the insured from the year of the technical commencement of premium payment.

#### **V.2. Settlement of risk premiums**

The insurance company shall deduct the risk premium specified in the insurance policy from the policyholder's account balance each month.

When deducting risk premiums, the insurance company reduces the number of investment units held on the policyholder's account in a manner that the proportion of investment units – affected by the deduction of charges (units purchased from regular, single or top-up premium payments) – allocated to the different UL funds would remain unchanged after the reduction.

The insurance company shall use the price valid on the first workday of the month to determine the number of investment units required to cover monthly charges. In respect of insurance policies with regular premium payment, this deduction is made from investment units purchased from regular premium payment; in respect of single premium insurance policies, the

deduction is made from investment units generated from the single premium payment.

When the investment units allocated on a regular premium life insurance policy from regular premium payments are not sufficient to cover these charges at their due date, the insurance company will keep a record of any uncollected charges, and will deduct them as soon as the value of the investment units allocated from regular premiums is adequate to cover such charges.

### **V.3. Optional adjustment of the base rate of the risk premium**

#### **V.3.1. Adjustment of base rates of life insurance benefits**

The insurance company is entitled to adjust the base rate of annual risk premiums applicable to the life insurance benefits (life sum insured, waiver of premium for death) offered under the insurance policy – without modifying the amount of the insurance benefits – once a year with effect from the next renewal date of the policy, if the mortality data used for the base premium rate calculations differ by at least 10% from the actual mortality data in the last three (3) years before the effective date of the adjusted base premium rates.

#### **V.3.2. Adjustment of base rates of accident and health insurance benefits**

The insurance company is entitled to adjust the base premium rates of the risk premiums applicable to the accident and health insurance coverage of the insurance policy – without modifying the amount of the insurance benefits – once a year with effect from the next renewal date of the policy, if the amount of the respective insurance benefits or the claim frequency of the respective insurance policy type assumed by the insurance company differ by at least 10% from the actual total of insurance benefits paid out on such policies – including public dues affecting insurance benefits – or from the actual claim frequency of such policies in the last three (3) years before the effective date of the adjusted base premium rates.

If it is only the statistical mortality rates which change, the base premium rate of accident and health insurance coverage cannot be adjusted.

#### **V.3.3. Common rules for the adjustment of risk premiums**

No adjustment of a base premium rate can exceed 30% on any one occasion.

If the medical conditions of an insured specified in the insurance policy change, it will not in itself be grounds for the adjustment of the base premium rates of the life, accident and health insurance coverage of the particular insurance policy.

Any modification of the premium base rate shall be communicated to the policyholder no later than within 30 days before the effective date of such modification in a postal mail, or in an electronic mail if the policyholder has consented to electronic communication.

If the base premium rate is modified, the insurance company offers the policyholder the option to cancel the insurance policy for cause. If the policyholder does not wish to maintain the insurance policy after the insurance company communicated a premium rate adjustment which results in the increase of the risk premium, he/she is entitled to terminate the insurance policy with effect from the next policy renewal date by serving a cancellation notice to the insurance company within 5 days following the effective date of the policy modification. In that case the insurance company shall pay the encashment value of the investment units to the policyholder.

The encashment value of the investment units is determined by the insurance company using the price of the investment units valid as of the policy renewal date applicable to the cancellation of the policy.

If the policyholder fails to cancel the insurance policy within the prescribed deadline, the insurance policy will remain in force with the modified conditions.

## **VI. Modifying the Portion of the Premium Invested, Sums Insured and Insurance Riders Added**

### **VI.1. Modification of the portion of the premium invested on policies with regular premium payment**

#### **VI.1.1. Increasing the portion of the premium invested**

Subject to the written consent of the insured, the policyholder can initiate an amendment of the insurance policy to increase the portion of the premium invested with effect from the next premium payment due date.

(With the exception of waiver of premium riders, the increase of the portion of the premium invested, does not in itself result in the modification of risk premiums and sums insured.)

#### **VI.1.2. Reducing the portion of the premium invested**

Subject to the written consent of the insured, the policyholder can initiate an amendment of the insurance policy to decrease the portion of the premium invested. The reduction of the portion of the premium invested may be requested with effect from the next due date of premium payment, after an initial period specified in the special conditions of the main policy and upon the payment of the regular premium due for the particular period. The decreased portion of the premium invested, however, cannot be lower than the minimum amount set forth in the insurance company's effective Premium Rates Regulations.

(With the exception of waiver of premium riders, the reduction of the portion of the premium invested, does not in itself result in the modification of risk premiums and sums insured.)

VI.1.3. If the portion of the premium invested is modified in accordance with Clauses VI.1.1. and VI.1.2, the **risk premium of the waiver of premium rider** may also be modified in line with the above premium modification. Detailed provisions on the above are set out in the special conditions of the respective insurance riders.

### **VI.2. Modification of the sums insured and the selection of insurance riders**

#### **VI.2.1. Increasing sums insured, adding new insurance riders to the coverage**

Subject to the written consent of the insured, the policyholder may apply for the sums insured specified in the insurance policy to be increased and new insurance riders to be added to the coverage. If the insurance company agrees to the request, the insurance policy will be modified with effect from the first day of the month specified in the policyholder's request. In such cases the insurance company will follow the procedure described in Clause II.4. of the general conditions.

#### **VI.2.2. Decreasing the sums insured, termination of insurance riders**

After the period defined in the special conditions of the main policy and subject to the written consent of the insured, the policyholder may request that the sums insured be decreased, or that any of the insurance riders taken out with the main policy be cancelled. The reduced sums insured and the risk premium may not be lower than the minimum limit set in the effective Premium Rates Regulations.

If the insurance company agrees to the request, the insurance policy will be modified with effect from the first day of the month specified in the policyholder's request.

### **VI.3. Common rules governing modifications of the insurance premium, sums insured and the selection of insurance riders upon the request of the policyholder**

A request to modify the portion of the premium invested and the sums insured, as well as to add or cancel insurance riders shall be submitted to the insurance company in writing at least 30 days prior to the planned effective date of the modification of the portion of the premium invested and the sums insured, with due regard for the foregoing provisions.

If the portion of the premium invested or the sums insured are requested to be modified, or new insurance riders are requested to be added after an insured event occurred, the modification will not impact the settlement of the claim made on the occurred insured event, even if the request is approved by the insurance company.

### **VI.4. Annual indexation of regular premium policies**

The insurance company offers the possibility to increase the portion of the premium invested and the sums insured on an annual basis (hereinafter: annual indexation).

If the portion of the premium invested and the sum insured is modified within the framework of the annual indexation, the new sums will take effect on the subsequent policy renewal date.

#### VI.4.1. Determining the annual indexation base rate

The percentage rate of the automatic increase of the portion of the premium invested and the sums insured (annual indexation base rate) may be specified by the policyholder on the insurance application.

The policyholder may modify this base rate any time during the policy term. The modification will take effect from the subsequent policy renewal date.

The insurance company is entitled to carry out underwriting if the annual indexation base rate is requested to be increased, and conditionally approve or refuse the request without giving reasons.

The policyholder may request the increase of the annual indexation base rate in writing at least 30 days prior to the policy renewal date.

#### VI.4.2. Annual notification on the indexation

If the policyholder submitted a request for annual indexation at the time when he/she submitted the insurance application, and the policy was concluded accordingly, the insurance company will send a written notification 2 months before the policy renewal date with the new investment premium, sum(s) insured and the related risk premiums as well as with the new annual insurance premium of the policy payable from the next renewal date, within the framework of the annual indexation procedure. **The policyholder is entitled to refuse the annual indexation in respect of the particular year, within 30 days upon receipt of notification thereof.**

**If the policyholder does not expressly refuse the annual indexation within the 30-day time limit, the portion of the premium invested and the sums insured will be modified as of the renewal date on the basis of the indexation base rate.**

#### VI.4.3. Increasing the portion of the premium invested to an extent exceeding the annual indexation base rate

The policyholder may also **increase the portion of the premium invested at a rate higher than the annual indexation base rate offered in the indexation notification** pursuant to Clause VI.4.2. The policyholder may initiate such an increase after receipt of the indexation letter but before the next policy renewal date.

With the exception of waiver of premium riders, the annual indexation of the portion of the premium invested shall not in itself result in the modification of risk premiums and sums insured.

#### VI.4.4. Increasing the sums insured to an extent exceeding the annual indexation base rate

The policyholder may also **increase the sums insured at a rate higher than the annual indexation base rate offered by the insurance company in the indexation letter** pursuant to Clause VI.4.2. The policyholder may initiate such an increase after receipt of the indexation letter but before the next policy renewal date.

**The annual indexation of sums insured will automatically entail the increase of risk premiums.**

Starting from the renewal date of the insurance, the insurance company will use the sum insured increased by the applicable annual indexation rate when paying out insurance benefits.

#### VI.4.5. Common rules governing the annual indexation of the portion of the premium invested and sums insured

If the policyholder did not request annual indexation when he/she applied for the insurance, or if the policyholder specifically refused it at any renewal date, the insurance company shall be entitled to carry out underwriting for any subsequent indexation, and conditionally, approve or refuse the request without giving reasons.

## **VII. Distribution Cost, Administration Fee, Wealth Proportionate Cost**

### **VII.1. Distribution cost**

The cost of distribution and sales (hereinafter: distribution cost) includes all costs covering the sales, distribution and administration activities related to the conclusion of the insurance policy as well as sales and distribution activities related to the maintenance of the insurance.

**The distribution cost may not be modified during the policy term.**

#### **VII.1.1. Distribution cost on regular and single premiums**

The distribution cost associated with regular or single premiums is determined as a percentage of the portion of annual regular premium invested and as a percentage of the portion of the single premium invested; its rate may vary from year to year, as specified in the Indicative Terms and Conditions.

The distribution cost is deducted on the basis of regular and single premiums due and settled, with the value date being the later of the date when the premium was paid on the policyholder's account and the due date of the premium payment. The insurance company considers the premium payment due date to determine the rate of the distribution cost on regular premium policies.

The distribution cost applicable to **regular premiums** is deducted by the insurance company by reducing the number of investment units allocated from regular premiums in a manner to avoid any change in the proportion of investment units belonging to the particular unit-linked funds after the reduction.

The distribution cost applicable to **single premiums** is deducted by the insurance company by reducing the number of investment units allocated from the single premium in a manner to avoid any change in the proportion of investment units belonging to the particular unit-linked funds after the reduction.

#### **VII.1.2. Distribution cost on top-up payments**

The distribution cost associated with top-up premium payments is determined as a percentage of the top-up payment made by the policyholder; its rate is set out in the Indicative Terms and Conditions.

The distribution cost applicable to top-up payments is deducted by the insurance company when the top-up payment is deposited on the policyholder's account, by reducing the number of investment units allocated from the top-up payment in accordance with the selected premium distribution proportion.

### **VII.2. Administration fee**

#### **VII.2.1. Rate of the administration fee**

The insurance company charges an administration fee to cover the costs of administrative activities related to the maintenance of the insurance policy.

The insurance company shall deduct a monthly administration fee from the policyholder's account balance each month. The administration cost depends on the portion of the premium invested in the particular year; its rate is set out in the effective Indicative Terms and Conditions.

If the policy is paid-up, or premium payment is suspended or a waiver of premium is applied to the policy, the insurance company will charge the administration fee specified for such cases in the Indicative Terms and Conditions.

**The insurance company may modify the administration fee maximum once a calendar year but only if the consumer price index changes.**

**On any one occasion, charges may not be modified by more than the consumer price index pertaining to the period which passed from the last modification of the charge concerned, but maximum the last 3 years, to be determined by the insurance company by multiplying monthly**

**or annual consumer price indexes published by the Central Statistical Office as percentage values for the given period.**

Any modification of the account statement issue cost **shall be communicated to the policyholder no later than within 30 days before the effective date of such modification in a postal mail, or in an electronic mail if the policyholder has consented to electronic communication.**

**When the administration fee is modified, the policyholder is entitled to cancel the insurance policy for cause. If the policyholder does not intend to maintain the insurance policy after the insurance company communicated the modification, the policyholder may cancel the insurance policy with effect from the last day of the policy year by serving a written notice to the insurance company within 5 days prior to the effective date of the policy modification. In that case the insurance company pays the policyholder the surrender value of the insurance policy.**

**If the policyholder fails to cancel the insurance policy within the prescribed deadline, the insurance policy will remain in force with the modified conditions.**

#### **VII.2.2. Charging the administration fee**

When deducting the administration fee, the insurance company reduces the number of investment units held on the policyholder's account in a manner that the proportion of investment units – affected by the deduction of charges (units purchased from regular, single or top-up premium payments) – allocated to the different UL funds would remain unchanged after the reduction.

The insurance company shall use the price valid on the first workday of the month to determine the number of investment units required to cover monthly charges. In respect of insurance policies with regular premium payment, this deduction is made from investment units purchased from regular premium payment; in respect of single premium insurance policies, the deduction is made from investment units generated from the single premium payment.

When the investment units allocated on a regular premium life insurance policy from regular premium payments are not sufficient to cover these charges at their due date, the insurance company will keep a record of any uncollected charges, and will deduct them as soon as the value of the investment units allocated from regular premiums is adequate to cover such charges.

#### **VII.3. Wealth proportionate cost**

To cover the costs arising from the management of assets and from the maintenance of the insurance policy, as well as in consideration of such activities, the insurance company charges a wealth proportionate cost on each policy year, the percentage rate of which is determined on an annual basis.

The wealth proportionate cost is deducted each month by types of UL Funds and investment units (investment unit allocated from single premium or from top-up payments).

Its base is the encashment value of investment units as of the last day of the month.

The rate of the wealth proportionate cost may be different for the particular UL Funds, depending on whether the investment units were purchased from regular or single or top-up premium payments.

**The monthly amount of wealth proportionate cost, and its annualized rate are specified in the effective Indicative Terms and Conditions.**

**The wealth proportionate cost may not be modified during the policy term.**

### **VIII. Transactions**

#### **VIII.1. Conversion**

Under the special conditions of the main policy, the policyholder may request in writing that certain investment units be converted into another unit-linked fund. **A conversion of investment units will be completed at the price valid for the valuation date following the day when the insurance company receives the policyholder's instructions.**

If the policyholder gives instructions to convert investment units of a UL fund into one or more other UL funds, it is considered a single conversion.

### **VIII.2. Redirection**

The **allocation proportion of regular insurance premium** payable by the policyholder at a later date into investment units of particular UL funds may be modified at the instruction of the policyholder. The date of the redirection will be the date when the policyholder's statement thereon is received by the insurance company.

### **VIII.3. Partial surrender**

Subject to written consent by the insured, the policyholder may request a payout on the insurance policy, without terminating the policy.

If the **value of the investment unit of the selected unit-linked funds** at the valuation date following the day when a partial surrender request is received **is less** than the amount specified on the partial surrender request, the **insurance company will deny the request** and send written notification to the policyholder.

To execute a partial surrender, the insurance company determines the number and the encashment value of investment units required for the transaction using the price valid as of the valuation date following the date of receipt of the partial surrender request.

In the event of partial surrender, the sums insured remain unchanged and the insurance company continues to deduct the associated risk premium from the policyholder's account on a monthly basis.

#### **VIII.3.1. Partial surrender of investment units purchased from single insurance premium**

On a single premium policy, the policyholder may request the partial surrender of investment units allocated from the single premium payment.

No partial surrender may be executed from investment units purchased from single premiums if the remaining surrender value of the insurance policy reduced by the costs of the transaction is less than the minimum limit stipulated in the effective Indicative Terms and Conditions, without taking into account the investment units purchased from top-up premiums.

#### **VIII.3.2. Partial surrender of investment units purchased from regular insurance premiums**

On a regular premium policy, the policyholder may request the partial surrender of investment units allocated from regular premium payments.

No partial surrender may be executed from investment units purchased from regular premiums if the remaining surrender value of the insurance policy reduced by the costs of the transaction is less than the minimum limit stipulated in the effective Indicative Terms and Conditions, without taking into account the investment units purchased from top-up premiums.

**The cash surrender value of a partial surrender requested to be paid out from investment units purchased from regular premiums may not be rebooked on the same insurance policy.**

#### **VIII.3.3. Partial surrender of investment units purchased from top-up payments**

The investment units purchased from top-up premiums may be surrendered in whole or in part any time.

### **VIII.4. Regular cash withdrawal**

Subject to a written consent from the insured, the policyholder may request regular payouts to the bank account number specified by the policyholder (hereinafter: regular cash withdrawal) in accordance with the provisions set forth in the **special conditions of the main policy**.

The policyholder may regularly cash in investment units purchased from top-up and regular premiums and from the single premium.

In the event of regular cash withdrawal, the sums insured remain unchanged and the insurance company continues to deduct their risk premium from the policyholder's account on a monthly basis.

Regular cash withdrawal shall be effected from the policyholder's account in the proportion of investment units in different UL funds.

Regular cash withdrawal may be executed on a monthly basis and only by wire transfer. **The minimum amount of regular cash withdrawal is specified in the currently effective Indicative Terms and Conditions. The insurance company may modify the minimum amount of regular cash withdrawal no more than once a year.**

The application for regular cash withdrawal may not be granted and the granted application may be suspended by the insurance company if as a result the surrender value of the insurance policy would not reach the minimum surrender value specified in the currently effective Indicative Terms and Conditions.

In connection with a transaction requested in the application for regular cash withdrawal, the number and encashment value of investment units shall be specified at the price applicable to the first day of the month following receipt of such application by the insurance company. All further payments shall be made on a monthly basis, at the price valid on the first workday of the month. Transaction fees are also deducted as of that value date.

### **VIII.5. Common rules governing transactions**

#### **VIII.5.1. Fees of certain transactions are specified in the currently effective Indicative Terms and Conditions.**

**The insurance company may modify the transaction costs maximum once a calendar year but only if the consumer price index changes.**

**With respect to transaction costs and the associated minimum and maximum limits of costs determined in HUF, the modification on any single occasion may not be more than: the consumer price index pertaining to the period which passed from the last modification of the particular cost item, but maximum the period of the last 3 years, which will be determined by the insurance company by multiplying monthly or annual consumer price indexes applicable to the given period and published by the Central Statistical Office and expressed as a percentage.**

**Any modification of the transaction cost shall be communicated to the policyholder no later than within 30 days before the effective date of such modification in a postal mail, or in an electronic mail if the policyholder has consented to electronic communication.**

**When the transaction costs are modified, the policyholder is entitled to cancel the insurance policy for cause. If the policyholder does not intend to maintain the insurance policy after the insurance company communicated the modification, the policyholder may cancel the insurance policy with effect from the last day of the policy year by serving a written notice to the insurance company within 5 days prior to the effective date of the policy modification. In that case the insurance company pays the policyholder the surrender value of the insurance policy.**

**If the policyholder fails to cancel the insurance policy within the prescribed deadline, the insurance policy will remain in force with the modified conditions.**

VIII.5.2. When deducting the transaction costs, the insurance company reduces the number of investment units held on the policyholder's account in a manner that the proportion of investment units – affected by the deduction of charges (units purchased from regular, single or top-up premium payments) – allocated to the different UL funds would remain unchanged after the reduction. In respect of insurance policies with regular premium payment, this deduction is made from investment units purchased from regular premium payment; in respect of single premium insurance policies, the deduction is made from investment units generated from the single premium payment.

The cost of a conversion, redirection, and partial surrender shall be deducted at the time when such transactions are completed, at a rate valid as of the valuation date following the day when the instruction is received.

When the investment units allocated from regular premiums on a regular premium life insurance policy are not sufficient to cover the transaction charges at their due date, the insurance company will keep a record of any uncollected charges as of the valuation date pertaining to the transaction, and will deduct them as soon as the value of the investment units allocated from regular premiums is adequate to cover such transaction charges.

VIII.5.3. In respect of partial surrender or regular cash withdrawal, the insurance company will make the payout within 15 days after receiving the fully completed application, provided that the **due diligence of the policyholder and the beneficiary has been completed** if it is required pursuant to Act CXXXVI of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing.

**VIII.5.4. In the event of conversion, redirection, partial surrender, and regular cash withdrawal, the respective application is deemed received by the insurance company if the policyholder sends such application to the insurance company, in accordance with the provisions of the applicable service contract, through the online customer service platform or the call center, or if such application has been demonstrably received at the fax number specified and published by the insurance company, or if the postal consignment with the application has been demonstrably collected by the insurance company. As regards requests received after 4.00 p.m. the following workday will be considered as the day of reception.**

## **IX. Book Transfer, Suspension of Premium Payment, Paid-up Policy, Policy Surrender, and Policy Loan**

### **IX.1. Book transfer**

IX.1.1. The policyholder may request that the regular premium of the insurance policy be settled from investment units purchased from top-up premiums (hereinafter: book transfer).

**On a single occasion maximum the amount of the annual regular premium payable for the particular policy year may be transferred.**

To execute a book transfer, the insurance company shall determine the number and the encashment value of investment units required for the transaction using the price valid for the valuation date following receipt of the book transfer request.

Regular premiums are credited by the insurance company at the distribution proportion valid and applicable to regular premiums.

**IX.1.2. Upon the execution of the book transfer, the insurance company will charge the distribution cost applicable to regular premiums and specified in the current Indicative Terms and Conditions as of the due date of the particular premium instalment.**

**IX.1.3. Under the special conditions of the main policy, the insurance company is entitled to execute a book transfer of premiums if the regular premium payment is missed; in that case the policyholder will receive written notification about the transaction and notice of the consequences.**

**In the case of insurance policies with semi annual or annual premium payment, the insurance company will seek the confirmation of the policyholder before it completes a first book transfer following a missed regular premium payment.**

### **IX.2. Suspension of premium payment**

IX.2.1. Unless otherwise stipulated in the special conditions of the main policy, and subject to the written consent of the insured, the policyholder may request the suspension of premium payment on a life insurance policy taken out with regular premium payment,

As long as premium payment is suspended, the policyholder is not required to pay premiums, but may make top-up premium payments on the insurance policy.

IX.2.2. If premium payment is suspended on an insurance policy, the policy's sums insured shall remain in effect with the current risk premium, but at the policyholder's request they may be reduced to a value not lower than the minimum value specified in the effective Premium Rates Regulations of the insurance company.

The policyholder will be given the option of annual indexation in the same manner as before even during the suspension of premium payment.

**IX. 2.3. The insurance company will continue to deduct fees and charges as well as risk premium payable on the insurance policy from the policyholder's account even while premium payment is suspended.**

IX.2.4. Under the special conditions of the main policy, the policyholder may request in writing that regular premium payment be reinstated. When regular premium payment is reinstated, the policyholder shall not be required to pay any insurance premiums unpaid during the term of suspension.

### **IX.3. Paid-up policy**

IX.3.1. Subject to the written consent of the insured and unless otherwise provided for in the special conditions of the main policy, the policyholder of a regular premium policy may request that the policy be converted into a paid-up policy.

The policyholder is not required to pay insurance premiums on the policy from the effective date of the request until the insurance policy terminates.

**No top-up payments may be made on a paid-up policy.**

IX.3.2. If the premiums of an insurance policy are waived, the policy's sums insured shall remain in effect with the current risk premium, but at the policyholder's request they may be reduced to a value not lower than the minimum value specified in the effective Premium Rates Regulations of the insurance company.

**IX.3.3. The insurance company will deduct the fees and charges payable on the insurance policy from the policyholder's account even while premiums are waived.**

IX.3.4. Within 6 months of the effective date of the conversion to paid-up, and subject to the written consent by the insured, the policyholder may request that the regular premium payment be reinstated on the policy. In that case the insurance company shall be entitled to carry out underwriting once again, and conditionally, accept or deny the request without giving reasons.

If the insurance company approves the request and the policyholder pays the premium arrears, the insurance company shall reinstate regular premium payment with retroactive effect to the date when the policy was converted to paid-up. If a paid-up policy is reconverted into a regular premium policy, the insurance premium of the policy may change as a result of the recalculation under the then current conditions (primarily due to change of the insured's age) or pursuant to the findings of the underwriting procedure.

### **IX.4. Cash surrender**

IX.4.1. The policyholder may cancel the insurance policy and request payment of the cash surrender value in accordance with the applicable provisions of the special conditions of the main policy.

The encashment value of surrendered investment units shall be determined using the price of investment units as of the valuation date following the day when the policyholder's cancellation notice was received by the insurance company.

Once the encashment value has been determined, the insurance company will calculate the policy's cash surrender value in accordance with the provisions of the special conditions of the main policy, and will pay it to the policyholder.

IX.4.2. The insurance company is entitled to charge a surrender fee on the cash surrender of the insurance policy.

The surrender fee is a percentage of the encashment value of the investment units allocated from single or regular premiums as of the date of the surrender, and its rate is set out in the current Indicative Terms and Conditions.

The provisions governing the payment of the surrender fee are set out in the special conditions of the main policy.

**The surrender fee may not be modified.**

IX.4.3. The insurance company will make a payout on a surrendered policy within 15 days after receiving the fully completed application, provided that the **due diligence of the policyholder and the beneficiary has been completed** if it is required pursuant to Act CXXXVI of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing.

IX.4.4. If an insurance policy is terminated by surrender, the insurance company may not reinstate the insurance coverage; in other words, the insurance policy may not be reactivated.

**IX.5. Policy loan**

Pursuant to the mutual application of the policyholder and the insured, the insurance company may grant a loan against the value of the investment units under a separate contract.

Conditions for the repayment of the loan are stipulated in a separate, written loan agreement.

If the insurance policy is terminated during the term of the loan agreement, the insurance company shall deduct the aggregate amount of the outstanding debt of the loan and interest from the amount of the payout due upon the termination of the insurance policy.

The amount of loan available shall be included in the currently effective Indicative Terms and Conditions.

**X. Insured Event, Insurance Benefits, Means of Notifying an Insured Event, its Deadline, Documents Required for the Settlement (Payment) of Claims, Due Date and Method of Claims Payment**

**X.1. Insured Event**

For the purposes of insurance policies concluded pursuant to these general conditions and the related special conditions, insured events shall be events defined as such in the special conditions.

**X.2. Insurance benefits**

If an event that is defined as an insured event in the special conditions occurs, the insurance company shall pay to the beneficiaries the insurance benefit specified in the special conditions.

**The insurance company will only reimburse costs which are set out in the policy conditions.**

**Any costs incurred in connection with notifying an insurance claim may only be reimbursed by the insurance company if the insurance company expressly undertakes this obligation in the special conditions.**

**X.3. Means of notifying an insured event, its deadline**

An insured event is required to be notified to the insurance company within 15 days of its occurrence.

Where the **above time limit is not respected**, the information required by the insurance company for the assessment of the insurance claim is not disclosed, or the insurance company is not allowed to verify the content of the disclosure, and as a result circumstances which are

**material for the insurance company's benefit payment obligation** may not be revealed, the **insurance company may be released from benefit payment.**

#### **X.4. Documents required for the settlement (payment) of claims**

A duly completed standard insurance claim form supplied by the insurance company must always be submitted when an insurance benefit is claimed.

X.4.1. Copies of the following documents must also be attached to **an insurance claim for a death benefit:**

- cause of death medical certificate / hospital course summary,
- autopsy report,
- the insured's certificate of death,
- attending physician statement (a certification from the treating physician or the general practitioner describing the primary medical cause(s) of the insured event, as well as the exact date of the first diagnosis and the progression of the illness)
- **the document certifying the beneficiary's entitlement to the insurance benefit** (a binding grant of probate or a certificate of inheritance, court decision), provided that the beneficiary was not named in the insurance policy,

X.4.2. **In the event of accident related death**, a copy of the following documents shall also be submitted:

- a copy of the accident/workplace accident/police report (if one was prepared),
- the result of the blood alcohol and/or drug test (if one was administered),
- all medical documents produced in connection with the insured event from the date of the accident until filing the insurance claim, in particular the medical documentation of the first medical care,

X.4.3. **In the event of death related to a road accident**, in addition to the documents listed in Clauses X.4.1 and X.4.2 of the general conditions, a copy of the following documents shall also be attached to the claim:

- the official on-site report of the passenger carrier company (if one was made),
- if the insured was injured in a road traffic accident as the driver of a vehicle, a copy of the driver's license and the vehicle registration certificate.

X.4.4. When claiming a benefit on the accident insurance, health insurance or a waiver of premium risks under the insurance policy, the documents specified in the governing special conditions must also be submitted to the insurance company.

X.4.5. In addition to the documents specified in these general conditions and the special conditions, the insurance company is entitled to require that a copy of the following documents verifying the existence of the legal ground for the claim and/or necessary for determining the amount of the insurance benefit payable shall also be submitted for the assessment of the insurance claim.

- If administrative proceedings were initiated in connection with the insured event or the circumstances leading to such event, all the documents produced or used in the proceedings, as well as the resolution closing the proceedings (in particular, the resolution terminating the proceedings, or a binding court decision) shall be submitted. A binding court decision made in criminal proceedings, or a binding resolution adopted in misdemeanor proceedings must be submitted only if they are available when the insurance claim is notified.
- **Documents suitable for the clarification of all the circumstances and consequences of the insured event** (a copy of the statement by the insured and/or any other person involved in the insured event about the circumstances of the insured event, the accident & injury report and resolution issued by the police, the employer, the school, or the passenger carrier company, a copy of the experts opinions in connection with the accident/consequences).
- A **standard form** supplied by the insurance company and completed by the insured's treating physician or the medical facility where the insured was treated, with medical information in connection with the insured event, the insured's medical conditions, and the insured's medical history;
- The insured's **medical documentation produced in connection with the insured event and the insured's medical history:** a copy of the medical file issued by a general

practitioner, a company physician, or a physician supervising the insurance portfolio; documents produced during outpatient or inpatient care; and documents in proof of the administration of pharmaceuticals;

- The documents managed by the social insurance body or another person or organization, containing data regarding the insured with respect to the insured event or a circumstance leading to such an event (pursuant to the entitled party's authorization for a release from the confidentiality obligation and for a request of data);
- The insured's sports club membership card or of the membership certificate relating to any sports activities which may impact the insurance coverage, the official match report;
- An official certificate in proof of the insured's date of birth (birth certificate, identification card, passport, driver's license).
- The insurance company may stipulate that a medical examination is required for the payment of the claim – in such a case, the claim shall not be payable until the insured allows for the medical examination to be carried out.
- The insurance company may also require that all documents necessary for the assessment of the insurance claim but produced in a foreign language shall be translated into Hungarian at the cost of the claimant, and the official translations shall be submitted to the insurance company for the decision making.

X.4.6. The insurance company may require that original copies of such documents are presented and that they are also submitted on any form of electronic media;

X.4.7. The insurance company is entitled to obtain additional documents for the assessment of the insurance claim.

#### **X.5. Due date of the insurance payout, method of payment**

X.5.1. The insurance company **will settle the filed insurance claim within 15 (fifteen) days upon receipt of all documents necessary for the assessment of such claim**, provided that the due diligence of the policyholder and the beneficiary has been completed if it is required pursuant to Act CXXXVI of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing.

X.5.2. If the documents required by the insurance company are not submitted or are incomplete despite a reminder, the insurance company will assess the claim on the basis of the documents available.

X.5.3. If the documents available do not prove to be sufficient for the assessment of the insurance claim, the insurance company may require a medical examination of the insured by a physician. If the insured fails to attend the medical examination, the insurance company shall be entitled to make a decision on the basis of the data available.

The costs of the medical examination shall be borne by the insurance company. Any costs incurred by the insured in relation to attending the medical examination shall be borne by the insured.

X.5.4. **The insurance company will pay the insurance benefit by wire transfer.** If the person entitled to receive the benefit payable on the policy requests that the payout be made in a different way, the insurance company shall **charge on all the associated costs to the beneficiary of the payment** by reducing the payout amount accordingly.

**The cost of benefit payment is set out in the Indicative Terms and Conditions in force. The insurance company may modify this fee maximum once a calendar year but only if the consumer price index changes.**

On any one occasion, charges may not be modified by more than the consumer price index pertaining to the period which passed from the last modification of the charge, but maximum the last 3 years, to be determined by the insurance company by multiplying monthly or annual consumer price indexes published by the Central Statistical Office as percentage values for the given period.

Any modification of the benefit payment cost shall be communicated to the policyholder no later than within 30 days before the effective date of such modification in a postal mail, or in an electronic mail if the policyholder has consented to electronic communication.

When the benefit payment cost is modified, the policyholder is entitled to cancel the insurance policy for cause. If the policyholder does not intend to maintain the insurance policy after the insurance company communicated the modification, the policyholder may cancel the insurance policy with effect from the last day of the policy year by serving a written notice to the insurance company within 5 days prior to the effective date of the policy modification. In that case the insurance company pays the policyholder the surrender value of the insurance policy.

If the policyholder fails to cancel the insurance policy within the prescribed deadline, the insurance policy will remain in force with the modified conditions.

## **XI. Exemption of the Insurance Company from Claims Payment**

### **XI.1. Exemption of the insurance company from payment of the death benefit, health insurance and accident benefits and waiver of premium benefits specified in the special conditions of the main policy**

**XI.1.1. If the policyholder or the insured infringe their obligation to disclose the required information or to notify changes, the insurance company's obligation to pay the benefits shall not set in, unless the policyholder proves that any of the following circumstances exist:**

- a. the concealed or unreported circumstance was known to the insurance company at the time when the insurance policy was concluded, or**
- b. the policyholder and/or the insured infringed their duty to communicate changes, but the concealed or unreported circumstance has come to the knowledge of the insurance company during the coverage period prior to the insured event, and the insurance company failed to exercise its rights set forth in Clause II.8.3 of these general conditions to amend or cancel the insurance policy within 15 days, or**
- c. the concealed or unreported circumstance did not contribute to the occurrence of the insured event.**

**XI.1.2. If an insurance claim is legally grounded, the insurance company's obligation to pay the insurance claim on any insured risk – with the exception of accident insurance benefits – shall set in even if the duty of disclosure was infringed, if 5 (five) years have already passed since the inception of the policy, or since the policy's modification to add new risks to the coverage until the occurrence of the insured event. With the exception of accident insurance risks, if the duty of disclosure is infringed, the five (5) year period specified herein shall commence on the day following the deadline defined for complying with the duty of disclosure.**

**XI.1.3. The verity of the circumstances listed must be evidenced by the party referring to them.**

**XI.1.4. If the policy covers multiple insured persons and the obligation to disclose information and notify changes has been breached by only some of them, the insurance company shall not refer to the breach of the obligation to disclose information and notify changes with respect to the other insured persons.**

### **XI.2. Exemption of the insurance company from payment of the death benefit and waiver of premium in the event of death specified in the special conditions of the main policy**

**XI.2.1. The insurance company is released from its obligation to pay the claims in the cases listed in Clause XI.1.**

**XI.2.2. The insurance company will be released from its obligation to pay the claim if**

- a) the insured dies as a result of a suicide within two (2) years of the insurance policy's inception date, even if the insured was in an altered mental status when committing such act,**
- b) the insured dies as a result of or in a causal connection with a major crime willfully committed by the insured,**
- c) the insured dies as a result of the beneficiary's willful misconduct.**

**XI.2.3. If the insurance company is released from its obligation to pay the death benefit, the insurance policy's cash surrender value will be paid out**

- in the case referred to in Clause XI. 2.2. c) of these general conditions to the heir(s) of the insured and the beneficiary may not have a share in it,
- in other cases, to the policyholder.

The cash surrender value is determined by the insurance company based on the price of the investment units valid on the first valuation day following the day when the claim is received by the insurance company.

### **XI.3. Exemption of the Insurance Company from Accident Claims Payment**

**XI.3.1. The insurance company is released from its obligation to pay the insurance claim in the cases listed in Clause XI.1 of the general conditions.**

**XI.3.2. The insurance company will be released from its obligation to pay the claim if the insured dies as a result of the beneficiary's willful misconduct.**

**XI.3.3. The insurance company will be relieved from the benefit payment if the insurance company can prove that the loss or damage was caused unlawfully and willfully or unlawfully and in gross negligence by**

- a) by the policyholder or the insured;
- b) a relative living in the same household with them, or a company member authorized for business management.

**Gross negligence shall mean, in particular, if any of the persons defined above**

- a) the insured was driving a motor vehicle without a valid vehicle registration certificate or the insured did not have a valid driver's license for driving such vehicle, and this fact contributed to the occurrence of the insured event,
- b) the insured has committed at least two traffic offenses at the time of the insured event, and as such the insured event resulted directly from these actions.

**XI.3.4. When an event underlying an insured event occurs, the insured is required to act as generally and reasonably expected in the given situation, and as such promptly seek emergency assistance or medical care. The insured's refusal – in exercising the right of disposition to which he is entitled by virtue of law – to a medical procedure shall not constitute an infringement of the obligation to mitigate damages. If the insured fails to comply with this obligation, the insurance company will be released from its obligation to pay the claim.**

## **XII. Events Excluded from the Insurance Coverage**

**XII.1. Exclusions applicable to the death, health and accident insurance risks and to the waiver of premium specified in the special conditions of the main policy.**

If any of the events specified in this Clause and excluded from the insurance coverage occurs and the insurance policy terminates, the insurance company will pay the cash surrender value of the investment units held on the policyholder's account.

The cash surrender value is determined by the insurance company based on the price of the investment units valid on the first valuation day following the day when the claim is received by the insurance company.

**XII.1.1. The insurance does not cover events caused in whole or in part by:**

- a) ionizing radiation,
- b) nuclear energy,
- c) infection by HIV,
- d) war, combat operations, hostile actions of foreign forces, civil disorders, coup d'état or attempted coup d'état, riots, civil war, revolution, rebellion, demonstrations, processions, labor acts, terrorist acts, workplace disorder, border conflicts, insurrection.

**XII.1.2. For the purposes of these general conditions, terrorist activities shall in particular mean unlawful acts involving violence or the threat of violence which endanger human life, tangible or intangible assets or the infrastructure, in support of political, religious, ideological, ethnic purposes or which are intended to influence any government or to create fear and terror in the whole or a part of society, or which are suitable for the above.**

**XII.1.3. Notwithstanding the provisions set forth in Clause XII.1.1. d) of these general conditions, the insurance covers any physical or mental impairment of the insured's health which results from his/her active participation in demonstrations, processions, or strike actions announced in advance and organized in accordance with the provisions of effective Hungarian regulations, provided that the insured has fully complied with his/her obligation to prevent and mitigate the damage.**

**XII.1.4. If the insurance policy is concluded without medical underwriting (medical history statement, medical tests, health check), the insurance does not cover events which are the direct results of the following cases:**

- a) the illness or pathological condition of the insured that has been proven to have existed during any time in the 3 (three) years prior to the commencement of the insurance coverage, or any disease that had been diagnosed during any time in the 3 (three) years prior to the commencement of the insurance coverage, or any illness that required treatment or medical control during this time period,**
- b) any permanent impairment of the insured's health that had been diagnosed prior to the commencement of the insurance coverage.**

**XII.1.5. The insurance does not cover the events which take place while the insurance policy is in force (during the coverage period), if**

- a) the event occurred in relation to regular alcohol consumption, drug consumption, the administration of stupefying agents or pharmaceuticals by the insured, unless the latter was administered as prescribed by an attending physician,**
- b) the insured was verifiably intoxicated or under the influence of drugs, stupefying agents or medication at the time of the insured event, and this fact contributed to the occurrence of the insured event.  
A person is legally intoxicated if his/her blood alcohol concentration exceeds 1.5‰ – or 0.8‰ while driving a motor vehicle,**
- c) the insured operated a motor vehicle without a valid driver's license or vehicle registration certificate as well at the same time also committed other traffic violations, and the insured event resulted directly from these actions,**
- d) the insured operated a motor vehicle while legally intoxicated when the insured event occurred and at the same time also committed other traffic violations, and the event resulted directly from these actions.**

**XII.2. Events excluded from the insurance coverage provided against accident and health insurance risks and the waiver of premium risk in the event of the insured's incapacity and impairment included in the insurance policy**

**XII.2.1. With the exception of accident insurance risks, the insurance does not cover pregnancy and delivery if conception took place prior to the commencement of the insurance coverage. The insurance company considers conception to have taken place prior to the commencement of the insurance coverage, if the number of days between the commencement date and the expected delivery date recorded in the official supporting documentation (ex: Medical record of pregnancy booklet) is less than 285 days.**

**XII.2.2. The insurance does not cover the abortion of a pregnancy, unless the abortion was necessary to preserve the life or health of the mother, or if the abortion was performed in a case where the pregnancy was the result of a criminal act.**

**XII.2.3. The insurance does not cover events caused in whole or in part by:**

- a) artificial insemination (and any of its form),**
- b) events related exclusively to treating infertility,**
- c) sterilization,**
- d) sex reassignment surgery,**
- e) treatment for aesthetic purposes, cosmetic surgery and its consequences,**
- f) prosthodontic treatment.**

**XII.2.4. In the event that the insured requires life saving intervention as a result of any of the events listed in Clauses XII.2.1, XII.2.2 and XII.2.3, the insurance company will cover the events that occur as a result of the medical intervention.**

**XII.2.5. The insurance does not cover events caused in whole or in part by:**

- a) hospital care that is not for the purpose of diagnosing the insured's illness, or preventing the deterioration if the insured's medical condition and restoring the insured's health, particularly screening tests, or a parent having to stay at the hospital with his/her child, nor is the insured's stay at a hospital for the purpose of nursing a parent,**
- b) incapacity to earn which is not for the purpose of diagnosing the insured's illness, or preventing the deterioration of the insured's condition or restoring the insured's health, particularly incapacity to earn due to screening tests; the incapacity of a parent, step-parent or guardian because of caring for a hospitalized child,**
- c) rehabilitation or nursing of chronic illnesses (especially geriatrics, special needs education, speech therapy, physiotherapy, physical therapy, bath therapy, weight loss therapy, infusion therapy to improve blood flow, pain management infusion therapy), excluding treatments which are for the purpose of diagnosing chronic illness, initiation of a therapy, the prevention of significant deterioration of acute conditions,**
- d) treatments by a person who does not have medical certification and permit to practice medicine.**

**XII.2.6. The insurance does not cover psychological conditions, mental and psychiatric disorders.**

### **XII.3. Exclusion of sport injuries**

**If the insured was a professional athlete or a competitive athlete (XIV.2.6.) in any of the following sports for at least 3 years at the time when the insurance application was submitted or prior such date, and finished competing within 5 years, the insurance company shall apply the following exclusion No. 808 to the health and/or accident insurance coverage as well as to the waiver of premium rider in the event of the insured's incapacity and impairment, and the insurance policy may only be valid with the following endorsement.**

#### **Sports Activities**

**Ball games: in particular, table tennis, tennis, badminton, baseball, squash, rugby, volleyball, korfbal,**

**American football, basketball, handball, soccer (European football), footbag, floorball, foot shuttlecock, futsal, foot tennis.**

**Combat sports: wrestling, boxing, martial arts, especially: judo, karate, aikido, kung fu, iaidō, taekwondo, kenpō, kendo, kickbox, entertainment wrestling, sumo, capoeira, tai chi chuan, muay thai, hapkido.**

**Winter sports: in particular, skiing, downhill, slalom skiing, giant slalom skiing, biathlon, snowboarding, freestyle skiing, ski jumping, luge/skeleton, bobsled, speed-skating, ice dancing, figure skating, ice hockey.**

**Other: rope-jumping, competitive dancing, acrobatic Rock & Roll, aerobics, fitness, rhythmic gymnastics, gymnastics, track & field events, pentathlon, heptathlon, decathlon, speedwalking, running, orienteering, triathlon, fencing, roller-blading, skate-boarding, skate, caving, cave expeditions, mountain climbing, mountain expeditions, rock climbing from level V, mountainboard, canyoneering, bungee jumping.**

#### **Endorsement No. L808**

**Under a policy taken out with this endorsement, both knees and ankles of the insured are excluded from the insurance coverage, unless the insurance claim is for fractured bones.**

## **XIII. Miscellaneous Provisions**

### **XIII.1. Validity of printed modification requests**

**When a modification request is submitted to the insurance company in a printed form, such a request shall only be valid if it is made on a standard form provided by the insurance company and duly signed by the policyholder and the insured.**

### **XIII.2. Loss or destruction of the certificate of coverage**

If the certificate of coverage gets lost or is destroyed, the insurance company shall, at the request of the policyholder, issue a new document with the same content as that of the effective certificate of coverage.

### **XIII.3. Procedure to settle disputes or disagreement**

If the customer disputes the position of the insurance company in connection with a claim for an insurance benefit, he/she may file a written request a review of the decision. The review shall be carried out by the competent organizational unit of the insurance company within 30 days upon receipt of all documents/data necessary for the assessment of the request and the decision shall be communicated to the claimant.

### **XIII.4. Period of limitation**

**The limitation period of claims enforceable under the insurance policy shall be 2 (two) years.**

The limitation period will commence at the following points in time:

- if an insured event is not notified to the insurance company, then at the time when the insured event occurred,
- if an insured event is notified to the insurance company, then on the day following the 15<sup>th</sup> day of the date when the last document was received by the insurance company,
- if an insured event is notified to the insurance company and if the documents or information required by the insurance company are not submitted or disclosed, on the day following the deadline of the document submission or information provision set out by the insurance company, or in the absence of such a deadline, on the day following the 30th day of the issue date of the written communication served for that purpose.
- in other cases, at the date when the claim falls due.

### **XIII.5. Notification about modifications of the Indicative Terms and Conditions**

**If the content of the Indicative Terms and Conditions, an integral part of the special conditions, is modified, the insurance company will send written notification to the policyholder in a postal mail or in an electronic mail if the policyholder has consented to electronic communication, at least 30 days before the modified content takes effect, and at the same time makes the new effective document available in its customer service offices and discloses it on its corporate website. If any of the costs listed in the Indicative Terms and Conditions is modified, the provisions governing the modification of such cost shall also apply.**

## **XIV. Terms and Definitions**

### **XIV.1. Terms used in unit-linked life insurance policy conditions**

**Price protection:** the insurance company offers price protection in respect of certain UL Funds. In such a case, the insurance company takes all reasonable efforts to ensure that the price of the UL Fund should not be lower than the price or price range determined in the investment policy. The insurance company offers price protection through the measures specified in the Prospectus of UL Funds; this however does not constitute a guarantee that the benefit payout shall not be lower than the principal invested, nor does it mean that any return is guaranteed on the fund.

**Investment units:** theoretical settlement components representing identical shareholding from the investments of a particular unit-linked fund.

**Price of investment units:** the price the insurance company uses to convert insurance premium payments into investment units, to convert investment units into HUF when a claim is paid or when costs are deducted.

**Encashment value of the investment units:** the product of the number of investment units on the policyholder's account and their then current price.

**Insurance premium:** the regular or single premium payable on the insurance policy. The insurance premium is the total of the risk premium, the portion of the premium invested and the premium collection charge.

**Sum insured:** the sum payable on the insurance coverage chosen by the policyholder in the insurance policy.

**Premium credit:** the process of converting insurance premiums into investment units and registering them on the account of the policyholder.

**Premium reserve:** the reserve that the insurance company creates for each insurance policy from the premiums paid up and the investment returns realized in order to cover obligations assumed under the insurance policy. The insurance company invests the funds of the premium reserve in different UL funds in accordance with the distribution proportion of investment units on the policyholder's account.

**Top-up premium:** any premium payment in addition to the single or regular premium payments.

**UL Funds:** assets (e.g.: securities) purchased from the premiums paid on unit-linked life insurance policies less the deductions specified in the insurance policies, the values of which determine the proceeds and benefits payable on the insurance policies.

**Liabilities imposed on unit-linked funds:** all costs charged on UL funds in direct relation to purchasing, selling, managing, valuating, administering and insuring the assets underlying the UL funds.

**Valuation date:** the day when the insurance company values its own UL funds in order to determine the price of investment units. Whenever possible, valuation is executed every weekday but at least once in a calendar week. The price of the investment unit determined on the particular valuation date shall be applicable retroactively until the previous valuation date.

**Annual indexation:** the method the insurance company applies to increase the regular insurance premium and the sums insured specified in the insurance policy on an annual basis.

**Account of the policyholder:** an account created by the insurance company for keeping account of investment units in the selected UL funds.

**Capital and return guarantee:** the insurance company may offer capital guarantee or return guarantee on certain UL Funds. The return guarantee also includes capital guarantee. In such cases the insurance company guarantees that in accordance with the manner and conditions set out in the Prospectus of the UL Funds, the amount of the benefits and proceeds payable in the insurance policy at the date specified in the policy conditions shall not be lower than the principal invested, while in respect of a return guarantee, the insurance company also guarantees the payment of a certain return. If such guarantees are offered by the insurance company, the delivery of the guarantees are ensured through collaterals required by law.

**Capital and return protection:** the insurance company may offer capital protection or return protection on certain UL Funds. In such cases, the insurance company offers protection through the measures specified in the Prospectus of UL Funds; this however does not constitute a guarantee that the benefit payout shall not be lower than the principal invested, nor does it mean that any return is guaranteed on the fund even if return protection is offered.

## **XIV.2. Terms used in accident and health insurance policies**

### **XIV.2.1. Accident**

XIV.2.1.1. For the purposes of these general conditions, the term accident shall refer to a sudden, one-time, external physical and/or chemical impact occurring during the period of insurance, independently of the will of the insured and resulting in a permanent injury to the health of the insured, or the death of the insured.

#### **XIV.2.1.2. For the purposes of these policy conditions, accident also includes:**

- a) meningitis and/or encephalitis as a result of a tick bite, if the illness has been serologically demonstrated, and has appeared the earliest a minimum of 15 days after the commencement of the insurance coverage, or the latest a maximum of 15 days after its termination. Beginning of the illness is considered to be the day when the insured has turned to a physician in relation to the diagnosed meningitis and/or encephalitis.
- b) rabies, if the illness has been diagnosed, and has appeared no sooner than 60 days after the

effective date of the insurance coverage, and no later than 60 days after its termination. The onset of the illness is the day when the insured has first turned to a physician in relation to the diagnosed rabies.

- c) tetanus infection, if the illness has been diagnosed, and has appeared the earliest a minimum of 20 days after the effective date of the insurance coverage, or the latest a maximum of 20 days after termination of the insurance contract. The onset of the illness is considered to be the day when the insured has turned to a physician in relation to the diagnosed tetanus infection.

**XIV.2.1.3. For the purposes of these general conditions, notwithstanding the provisions set out in Clause XIV.2.1.2, accident does not include:**

- a) infection by infectious agents (bacteria, virus, protozoa) from human or animal primary-host (carrier) to a human body secondary-host (receiver) which infection occurred directly or indirectly (hereinafter together: transmission), not even in the event that the transmission occurred as result of an accidental physical cause, unless the special conditions stipulate this otherwise,
- b) occupational disease (harm),
- c) the insured's suicide or suicide attempt, even if it happened while the insured was in an altered mental status,
- d) pathologic bone fractures, repeated (habitual) dislocation,
- e) development of disc herniation, unless the disc herniation is the result of a one-time, extreme, exterior, direct mechanical impact to an otherwise healthy disc,
- f) development of abdominal hernia, unless the abdominal hernia is the result of a one-time, extreme, exterior, direct mechanical impact to an otherwise healthy abdominal-wall,
- g) damage to the articular joints, tendons, other soft-tissues, unless the damage is the result of a one-time, extreme, exterior, mechanical impact to an otherwise healthy joint.

**XIV.2.2. Road accident**

XIV.2.2.1. For the purposes of these General Conditions, **road accident** means an accident suffered by the insured provided that the insured was involved in the accident as a pedestrian, or the driver of or a passenger in a vehicle.

XIV.2.2.2. For the purposes of these general conditions, **road accident does not include:**

- a) pedestrian accidents in which no other moving road users or vehicles were involved,
- b) bicycle accidents where the accident was not caused by another vehicle or pedestrian,
- c) vehicle passenger accidents, where the accident did not occur as a consequence of the motion or stop of the vehicle or of another vehicle.

**XIV.2.3. Illness**

For the purposes of these general conditions, **illness** (disease) is any deviation from or interruption of the normal structure or function of the human body.

**XIV.2.4. Hospital**

XIV.2.4.1. For the purposes of these general conditions, **hospital** means medical facilities which provide in-patient care and operate under permanent medical attendance and control recognized and licensed by the professional supervision.

XIV.2.4.2. For the purposes of these general conditions, **hospital shall not mean:** sanatoriums, rehabilitation centers, thermal or hydromineral establishments, psychiatric hospitals or psychiatric wards, geriatric nursing institutes, social homes, alcohol and drug detoxification institutions, nursing institutes, other "chronic" care facilities, and hospital departments providing the above services, even if they offer hospitalized in-patient care, provided that the insured receives services in line with the specialization of such department.

**XIV.2.5. Surgery and list of surgeries**

XIV.2.5.1. For the purposes of these general conditions, the term **surgery shall include** such medical procedures which involve an incision of the integument and/or the mucous tissue for preserving health, healing diseases and injuries, and mitigating the consequences of the above, governed by the principle of medical practice, subject to the classification of the insurance company.

XIV.2.5.2. On the basis of their severity, the insurance company classifies surgeries into categories (hereinafter: classification of surgeries).

XIV.2.5.3. For the purposes of these general conditions, the **list of surgeries** shall be a list of medical procedures identified by codes used in the international classification of procedures in medicine (WHO codes). The list of surgeries shall also indicate the classification established and applied by the insurance company. The list of surgeries is available in the Home Office or at Personal Insurance Competence Centers of the insurance company.

XIV.2.5.4. For the purposes of these general conditions, the **abstracted list of surgeries is a short version of the complete list of surgeries** (Schedule B of the special conditions of accident and health insurance). The abstracted list contains the most common, most frequent surgeries with their corresponding WHO codes and the classification defined by the insurance company. The purpose of the abstracted list of surgeries is to illustrate the concept of how the insurance benefit is determined. Unless otherwise agreed and stipulated by the parties, the abstracted list of surgeries shall form an integral part of the insurance policies concluded subject to these general conditions.

XIV.2.5.5. If a surgery is performed, the insured event and in turn, the classification of all medical procedures performed, shall be determined by the physician of the insurance company on the basis of the list of surgeries. A basic document to assist with the classification is the list of surgeries.

XIV.2.5.6. If a performed surgery is not included in the list of surgeries, its classification will be decided by the medical expert of the insurance company.

#### **XIV.2.6. Qualification of the insured's sports activities**

XIV.2.6.1. For the purposes of these conditions the insured shall qualify as a **professional athlete** if he/she entered into employment or other work-related legal relation with a sports association, or is engaged in sports activities under a sports contract, or is licensed as a professional athlete by a foreign sports federation.

XIV.2.6.2. For the purposes of these general conditions the insured shall qualify as a **competing athlete** (hereinafter: competing athlete) if he/she is engaged in sports activities as a non-professional athlete but he/she participates in competitions (championships, matches) irrespective of the nature of such competition (whether they are local, district, county, regional, national, international competitions, and whether they are friendly games or for a prize etc.). For the purposes of these general conditions, a competing athlete can be a top competing athlete, and an athlete who competes at regional level, or an athlete who competes at local level:

- a) the insured shall qualify as a **top competing athlete** if he/she enters international and national competitions,
- b) the insured shall qualify as an athlete who **competes at regional level** if he/she enters competitions organized for participants from several counties, provided that he/she is not a top competing athlete,
- c) the insured shall qualify as an **athlete who competes at local level** if he/she is not a top competing athlete or an athlete who competes at regional level.

XIV.2.6.3. For the purposes of these general conditions the insured is classified as a **recreational athlete** if he/she does not perform sports activities as a professional athlete or a competitive athlete.

#### **XV. Provisions Different from the Provisions of the Hungarian Civil Code**

**This chapter summarizes the provisions of the General Terms and Conditions of Unit-Linked Life Insurance which substantially differ from the respective provisions of Act V of 2013 on the Civil Code of Hungary.**

##### **XV.1. Insured's entering the insurance policy**

Within the meaning of Clause II.1.8 of these general conditions, and by way of derogation from Section 6:451. (1) of the Civil Code, **if the policyholder is alive**, the insured may only enter the insurance policy **subject to the written consent of the policyholder**.

## **XV.2. Conclusion of the insurance policy**

Within the meaning of Clause II.2.1 of these general conditions, and by way of derogation from Section 6:443. (1) of the Civil Code, the insurance policy will be concluded pursuant to an **agreement executed in writing** by the policyholder and the insurance company.

Pursuant to Clause II.2.6 of these general conditions, and by way of derogation from Section 6:443. (2) of the Civil Code, if the policy is issued with terms which differ from those of the insurance application, this difference may be contested by the policyholder without delay, or **within a maximum of 15 days**.

Pursuant to Clause II.2.7. of these general conditions – and by way of derogation from Section 6:444. of the Civil Code – the insurance policy will be concluded by the insurance company's implicit conduct **even if the policyholder is not a consumer**.

## **XV.3. Cancellation for convenience by the policyholder**

Pursuant to Clause II.6.1. of these general conditions, and by way of derogation from Section 6:483 (1) of the Civil Code, the policyholder is entitled to **cancel** the insurance policy **any time without a notice period** by serving a written cancellation notice onto the insurance company.

## **XV.4. Additional payment deadline, reactivation option**

Pursuant to Clause IV.2. of these general conditions, and by way of derogation from Section 6:449 (1) of the Civil Code, the insurance company will send the policyholder a written **payment reminder setting at least an additional thirty-day deadline** if the policyholder fails to settle the insurance premium by the due date.

Pursuant to Clause IV.2. of these general conditions, and by way of derogation from Section 6:449 (2) of the Civil Code, the policyholder may request - **within 6 months** - that the insurance policy which was terminated without a benefit payout due to missed premium payments should be reinstated.

## **XV.5. Period of limitation**

The provision on the statute of limitations set out in Clause XIII.4 of these general conditions differs from the five (5) year limitation period prescribed in Section 6:22 (1) of the Civil Code. The limitation period for claims arising under this policy shall be **2 (two) years**.

The effective date of these general conditions shall be: November 25, 2016.