

**INSURANCE TERMS AND CONDITIONS
OF RISK LIFE INSURANCE FOR MORTGAGE LOANS**
as of 08-11-2011**Article 1 – Opening and general provisions**

1.1.

This private insurance, provided by Komerční pojišťovna, a. s., company registration number 63998017, company address: Karolinská 1/650, 186 00 Prague 8 (hereinafter referred to as the "insurance company"), is regulated especially by Act No. 37/2004 Coll., The Insurance Contract Act (hereinafter referred to as the "Insurance Contract Act") and by the insurance contract of which these insurance terms and conditions are an integral part.

1.2.

The insurance contract is entered into on behalf and account of the Insurance Company by Komerční banka, a. s., company address: Na Příkopě 33, 144 07 Prague 1 (hereinafter referred to as the "KB").

1.3.

This insurance, as well as the rights and duties arising from it, follow the legislation of the Czech Republic (hereinafter referred to as the "ČR"). In case of any legal disputes the courts of the Czech Republic are the relevant courts of law.

1.4.

The Czech language is the language of communication.

1.5.

All amounts and payments related to the insurance are written and paid in the currency valid in the territory of the Czech Republic.

Article 2 - Definitions

The following terms are defined for these insurance conditions:

- **accident** – an unexpected and sudden impact of external forces or the insured's own physical force independent of the insured's will, or unexpected, continuous and independent of the insured's will impact of high or low external temperatures, gases, fumes, radiation (excluding nuclear), electricity and poisons (excluding microbial poisons and immunotoxic substances) causing damage to insured person's health or death during the insurance period. The following events independent of the insured's will are also considered as accidents – death by drowning, consequences of near drowning and strike of lightning. To eliminate any doubts, this definition does not consider the following cases to be an accident – suicide, attempted suicide, intentional self-inflicted injury or judgement to declare the person dead
- **agreed sum insurance** – insurance in which the agreed financial amount is paid out if the insured event occurs; the amount does not depend on the occurrence or the extent of the loss
- **amount of the loan** – current amount of the loan provided
- **anniversary date in the month** – the day the number of which is the same as the day of beginning of the first insurance term. If there is not such a day in the month, the anniversary day falls upon the last day of such a month
- **appointed person** – the person who, due to the death of the insured, has the right to insurance indemnity
- **beneficiary** – the person who, due to an insured event, has the right to insurance indemnity
- **immobilization creditor** – the person to whom the insurance company pays out the insurance indemnity in the case that this immobilization creditor did not approve of the indemnity payment to another person. The immobilization creditor in this insurance is KB and the immobilization can be terminated only by its approval.
- **insurance contract** – the contractual relation entered into between the insurance company and the policy holder concerning the provision of insurance protection; the insurance company undertakes to pay out the sum agreed if the insured event occurs during the insurance duration and the policy holder undertakes to pay the stipulated premium. These insurance terms and conditions are an integral part of the insurance contract.
- **insurance period** – the period for which the insurance was entered into
- **insurance term** – the period of time stipulated in the insurance contract for which each individual amount of the premium is paid (e.g. one month in the case of monthly payments); the first insurance term starts on the day of the first drawing of the loan; with the loan, which was used prior to the day of insurance inception, the first insurance term starts on the day of insurance inception

- **insured event** – an unexpected event, further defined in the insurance contract, constituting the obligation of the insurance company to pay out the amount stipulated in the contract (i.e. insurance indemnity)
- **insured loan** – the mortgage loan provided by Komerční banka, stated in the insurance contract
- **insured person** – the person to whose life the insurance applies; in this insurance it is also the policy holder
- **insured proportion** – defines the proportion between the sum insured and the amount of the loan; it is expressed as a percentage and determines what part of the policy holder's liability in respect of the insured loan will be paid out of the basic insurance if the insured event occurs
- **modal premium** – the premium for a particular insurance term stipulated in the insurance contract
- **policy** – confirmation of entering into the insurance contract
- **receivables arising out of the insured loan** – unpaid balance of the insured loan, including interest
- **sum insured** – the amount stipulated in the insurance contract which determines the maximum amount of the insurance indemnity
- **total disability** - total disability is a permanent and total inability of the insured to carry out, at the time of notifying the insurance company and anytime in the future, any gainful activity, for which the insured is adequately qualified as it results from his/her knowledge, educational attainment, qualification and experience, while considering whether the client can be requalified for any other gainful activity than which s/he has been performing up to now. The ability to carry out a continuous gainful activity has been lowered by at least 70%
- **waiting period** – the period during which the insurance company is not obliged to provide insurance indemnity for events that would otherwise be classified as insured events
- **written questions of the insurance company** – questions answered in writing by the insured/policy holder that are necessary for entering into the insurance contract; these questions also include questions about the state of health (or financial situation) of the insured/policy holder

Article 3 – Insured risks

This life insurance of the agreed sum always includes the basic insurance:

- insurance against death of the insured person;
 - insurance against total disability of the insured person;
- to which the non-life additional insurance of the agreed sum can be arranged:
- insurance against working inability of the insured;
 - or together:
 - insurance against working inability of the insured;
 - insurance against loss of job of the insured.

Article 4 – Insurance inception and changes

4.1.

The insurance becomes effective at 00:00 a.m. on the day stipulated in the insurance contract as the day of the insurance inception. The insurance is automatically suspended from the beginning until the day of the first drawing of the loan. If the loan was used prior to the day of insurance inception, the insurance is not suspended.

4.2.

The insurance contract is entered into on the day of its signing by both of the contracting parties.

4.3.

At the moment of entering into the insurance contract, the age of the insured must be 18 years minimum (the actual age of the policy holder is used in this case). The maximum age is 64 years under the basic insurance and 45 years under the additional insurance.

4.4.

By signing the insurance contract the insurance company acquires the right to request medical reports about the insured's state of health from the health-care facilities where the insured undergoes treatment, was treated or is registered. Upon the insurance company's request, the insured is obliged to ensure the necessary medical documentation required by the insurance company. The insurance company may demand that the insured person undergoes a medical checkup or examination by a doctor designated by the insurance company. The insurance company does not pay the costs of the insured person's transportation from abroad to the Czech Republic. The insurance company's right to ascertain and investigate the state of health of the

insured arises upon the conclusion of the insurance contract, amendment to the insurance contract and during the insured event settlement – even after the death of the insured.

4.5.

The information which the insurance company learns, when ascertaining the state of health, may be used solely for ensuring its interests, otherwise with the insured person's explicit consent.

4.6.

The policy holder is obliged to inform the insurance company, without undue delay, about all changes in the insured loan, which could influence the insurance contract – especially:

- a) one-off payment of the balance of the insured loan,
- b) partial discharge of the insured loan or a change in the payment schedule which alters the amount of instalments or the day of the final repayment of the insured loan,
- c) fact that no justified debt of the insured arose to KB from the beginning.

4.7.

The approval of the immobilization creditor is necessary for the execution of changes in the insurance. The changes can be made after the delivery of this relevant approval to the insurance company.

4.8.

If the parties agree on a change in the scope of insurance during the life of the insurance policy, these changes become effective at 00:00 a.m. of the following anniversary day in the month.

Article 5 – Termination of the insurance contract

5.1.

All types of insurance stipulated in this insurance contract are terminated by:

- death of the insured (Article 7)
- the day when the insured event linked to the case of total disability of the insured person occurred (Article 7.3)
- expiry of the insurance period, eventually by repayment of the insured loan if such repayment is made before the end of the insurance period (Article 5.4.)
- notice of termination of the insurance contract (Article 5.2.)
- repudiation of the insurance contract (Article 5.3.)
- non-payment of the premium (Article 6.4.)
- refusal to pay insurance indemnity (Articles 11.7.; 11.8.)
- agreement of contracting parties
- expiry of the 23:59 p.m. of the day before the anniversary date following the 75th birthday of the insured
- withdrawal of consent to sensitive data processing (Article 13.2.3).

5.2.

Notice of termination of the insurance contract

5.2.1.

The insurance company or the policy holder can renounce the insurance contract within 2 months of the day of its conclusion. The eight-day notice period shall commence upon the delivery of the notice. The insurance is terminated by the expiry of this period. If the notice is submitted by the insurance company, the insurance company is not entitled to the premium until the day of the insurance termination.

5.2.2.

The policy holder may renounce the insurance contract at any time after the period of 2 months from entering into the insurance contract; the insurance contract is terminated at the end of the insurance term, however, no sooner than after 6 weeks from the delivery of the notice to the insurance company.

5.3.

Repudiation of the insurance contract

5.3.1.

If the policy holder/insured provides, during the negotiation of the insurance contract, untrue or incomplete answers to the insurance company's written questions concerning the insurance to be concluded, the insurance company is entitled to repudiate the insurance contract. The insurance company may exercise this right within 2 months of the day when it learnt of such facts, otherwise this right shall expire. This shall also apply to all potential amendments of the insurance contract.

5.3.2.

The policy holder also has the above-mentioned entitlement to repudiate the contract under the same conditions if the insurance company provided him/her with untrue or incomplete answers to his/her written questions concerning the insurance to be concluded.

5.3.3.

If the insured, over the duration of the insurance and claims settlement procedure, prevents, denies or otherwise renders impossible the insurance company's opportunity to ascertain or examine his/her state of health in terms of Article 4.4. of these insurance conditions, the insurance company is entitled to repudiate the insurance contract.

5.3.4.

The policy holder is entitled to repudiate the insurance contract from the beginning if s/he delivers to the insurance company the notification that no justified debt arose to KB from the insured loan (e.g. by non-using the insured loan). The non-creation of the justified debt from the insured loan must be documented by a relevant KB confirmation. The policy holder may exercise this right within 24 months from the beginning of the insurance, otherwise this right shall expire.

5.3.5.

The repudiation becomes effective on the day of the delivery of the repudiation to the other contracting party. The repudiation of the contract makes the insurance contract void. The entitlement to reimbursement for all reciprocally paid amounts arises to all participants. If the insurance company repudiates the contract, it is entitled to a reimbursement for expenses related to the inception and administration of the insurance.

5.4.

If the loan is repaid in advance, the policy holder is obliged to inform the insurance company about this fact without undue delay. In such case the insurance company is entitled to premium until the anniversary day in the month following the date of loan repayment. Premature repayment of the loan has to be documented by a relevant KB confirmation.

5.5.

Additional insurance entered into by this insurance contract can be terminated:

- by notice of termination of the additional insurance (Article 5.7.)
- by repudiation of the additional insurance contract (Article 5.8.)
- by refusal to pay insurance indemnity (Articles 11.7.; 11.8.)
- by agreement of contracting parties

5.6.

Due to reasons specified in Article 5.5. the following insurance policies can be terminated only individually:

- insurance against loss of job of the insured;
- or always together:
- insurance against working inability of the insured;
 - insurance against loss of job of the insured.

5.7.

Notice of termination of the additional insurance

5.7.1.

The insurance company or the policy holder may renounce the additional insurance within 2 months from the day of its conclusion. The eight-day notice period shall commence on the day of delivery of the notice, the additional insurance is terminated by the expiry of this period. If the renunciation is submitted by the insurance company, the insurance company is not entitled to the premium for the additional insurance until the day of its termination.

5.7.2.

The insurance company or the policy holder may renounce the additional insurance at any time after 2 months from entering into the insurance contract, the additional insurance is terminated by the expiry of the insured term but, at the same time, no sooner than after 6 weeks from the delivery of notice.

5.7.3.

The insurance company and the policy holder may withdraw from the insurance contract within 3 months from the day when the notification of an insured event occurrence from this additional insurance is delivered to the insurance company. The month-long notice period, by the expiry of which the additional insurance is terminated, starts on the day of delivery of the notice.

5.8.

Repudiation of the additional insurance

5.8.1.

If the policy holder/insured, when entering into the additional insurance, answers the written questions of the insurance company, pertaining to the additional insurance to be concluded, untruthfully or incompletely, the insurance company is entitled to repudiate the contract of additional insurance. The insurance company may exercise this right within 2 months from the day when it ascertained such fact, otherwise

this right shall expire. The same shall also apply to all eventual amendments of the additional insurance.

5.8.2.

The above mentioned right to repudiate the additional insurance has, under the same conditions, the policy holder if the insurance company answered his/her written questions, concerning the additional insurance, in an untrue and incomplete way.

5.8.3.

If, during the life of the insurance policy and the period of the insured event settlement - arisen from the additional insurance, the insured does not enable, denies or makes it for the insurance company impossible to ascertain and re-examine his/her state of health in terms of Article 4.4. of these insurance conditions, the insurance company is entitled to repudiate the additional insurance.

5.8.4.

The insurance company's or policy holder's right to repudiate the additional insurance contract does not affect the right to repudiate the whole insurance contract (Article 5.3.)

5.8.5.

The repudiation comes in force on the day of delivery of the repudiation to the second contracting party. By the repudiation of additional insurance, the additional insurance is terminated from its beginning. A claim to returning of all reciprocally paid amounts, related to the additional insurance, arises to all participants of the additional insurance. If the insurance company repudiates the additional insurance it has the right to claim the reimbursement for all costs connected with the commencement and administration of the additional insurance to be terminated.

Article 6 - Premium, way of its payment and consequences of default

6.1.

The premium is paid for a stipulated insurance term (regular premium). The premium shall always be payable on the first day of the insurance term. The premium must not be paid from an account opened with a financial institution outside the territory of the Czech Republic.

6.2.

The insurance company is entitled to offset any outstanding amounts of the premium and other receivables against the insurance indemnity.

6.3.

The duty to return the excess payments of premium or unused premium arises to the insurance company at the end of the insurance. The insurance company is not obliged to return excess payments of the premium or unused premium up to the amount of CZK 100 (including).

6.4.

If the regular premium is not paid in the time limit specified by the insurance company in the reminder to pay the premium, the insurance contract shall terminate as of the date stated in the reminder.

6.5.

The contracting parties agreed that the insurance company shall satisfy its claims to the premium always in the order beginning by the oldest one, i.e. in order in which such premium payments were credited to its account.

6.6.

The preferred method of premium payment is the bank collection from the account. The insurance company retains the right to deduct the payment of the premium via collection always in the first week of the calendar month when the premium is due. Should the first attempt to deduct the premium payment from the account be unsuccessful, the insurance company has the right to repeat the collection from the account within the given month.

Article 7 – Insurance against death and total disability

7.1.

Insured event is the death or total disability of the insured person, occurred during the life of the insurance policy and, at the same time, during the existence of the debt which the insured person has to KB due to the insured loan.

7.2.

In order to assess in percentage the decrease in the capacity to perform a continuous gainful activity, it is necessary to identify the disability causing the long-term unfavourable state of health of the insured. The level of decrease in the continuous gainful activity is solely assessed by the insurance company based on the medical documentation of the insured person, opinion (documents) of the health facility assigned by the insurance company, decision of the

competent Czech social security authority concerning the award of the disability and table of the insurance company specifying the level of decrease in the capacity to perform the gainful activity. At the same time it is understood that this incapacity must be a consequence of a disease or accident of the insured while fulfilling other conditions of the insurance contract. The table used for the assessment is available for visual reference in the insurance company's registered office.

7.3.

In the case of death of the insured person, the day when the insured died is understood as the day of the insured event occurrence. In the case of total disability of the insured, it is the day on which the decision to award the disability to the insured, issued by the relevant authority of the Czech Republic, came into force unless the parties stipulate otherwise.

7.4.

If the insured event arises, it is necessary to notify the insurance company, without undue delay, of the insured event occurrence and submit the necessary documents:

a) in case of death: death certificate and document proving the cause of death of the insured person (e.g. medical report of the attending physician, certificate of the Police of the Czech Republic, etc.).

b) in case of total disability: copy of records from the proceedings of the competent body of the Czech Republic, decision of the competent authority of the Czech Republic to grant the disability to the insured person, including the documents about the reason for providing the disability. The insured is obliged to undergo, on the insurance company's request, a medical examination at the physician designated by the insurance company and to prove his/her identity to the physician by his/her identity card or any other valid identity document. Should the insured refuse to undergo the medical examination on the insurance company's request, the insurance company is not obliged to provide the insurance indemnity. The insured is also obliged to submit the necessary medical documentation relating to the insured event occurrence.

If these obligations are not met, the insurance company shall not pay out the insurance indemnity, or it suspends the payment until the above mentioned obligations are fulfilled.

7.5.

For the payment of insurance indemnity the originals or copies of documents authenticated by a notary have to be submitted. KB employee is authorized to verify the conformity of the copy to the original. If the relevant document is produced in a foreign language, the beneficiary is obliged to submit it together with its certified translation into the Czech language.

7.6.

The entitlement to insurance indemnity shall not arise if the disability was awarded to the insured person by a competent body of the Czech Republic during the waiting period. For these purposes the waiting period means the period of first 12 continuous months from the beginning of the insurance. The waiting period shall not be applied if the disability was awarded to the insured person solely due to an accident occurred during the life of the insurance policy.

7.7.

The eventual medical examination of the insured required by the insurance company in the case of total disability shall be arranged by the insurance company at its own expense and at the doctor appointed by the insurance company. The insurance company does not bear the costs of transport of the insured to the place of medical examination neither from abroad to the territory of the Czech Republic.

Article 8 – Insurance against working inability

8.1.

The insurance only applies to the citizens of the Czech Republic, citizens of another EU member state and citizens of third states, who have their employment on the basis of an employment contract in accordance with Act No. 262/2006 Coll., Labour Code, as amended (hereinafter referred to as the "Labour Code"), for an indefinite period of time or for a fixed period of time longer than one year, and who satisfy the conditions for employment defined by Act No. 435/2004 Coll., on employment, as amended (hereinafter referred to as the "Employment Act").

The insurance further applies to the citizens of the Czech Republic, citizens of another EU member state and citizens of third states who are permitted to have their permanent residence in the territory of CR, who have income from an independent gainful activity registered in the Czech Republic and performed in the territory of the Czech Republic

and to whom a loss in profit from this activity would arise in connection with the working inability.

The insurance does not apply to persons with the disability pension.

8.2.

Insured event is a working inability of the insured, caused by an illness or accident of the insured which occurred during the life of the insurance policy and, at the same time, in the period of existence of the debt from the insured loan. The working inability must be confirmed by a doctor working in the Czech Republic.

8.3.

Insured event in the case of working inability, in terms of these insurance conditions, arises if the insured for the period longer than 28 continuous days cannot perform and does not perform his/her profession or independent gainful activity in any way, not even for a limited part of the day and does not carry out managing or controlling activities in return for payment.

8.4.

The insured event ends on the day when the working inability is, according to the doctor's decision, terminated, however, no later than by expiry of this additional insurance.

8.5.

Waiting period in this insurance is the period of first 3 continuous months after the day of insurance inception. The waiting period shall not be applied if the working inability of the insured incurred due to an accident as defined in Article 2 of these insurance conditions.

8.6.

The insured is obliged to notify in writing, without undue delay, of the insured event occurrence and, if objectively possible, to submit the necessary documents:

- form "Working Inability Confirmation" completed by a doctor, stating the commencement, duration and termination of working inability of the insured. Possible costs of this form issuance are borne by the insured. The form must not be issued by the attending physician who is also the husband, wife, partner, sibling, parent, child of the insured, or another close person in terms of Section 116 of the Labour Code,
- confirmation of employment of the insured from the employer or confirmation of the employer that the employee is not in a notice period or has not terminated the employment by agreement; for self-employed persons a copy of trade certificate, or the insurance company may require a copy of the form "Income Tax Return by Individuals"
- confirmation of the amount of monthly repayment of the insured loan,
- once per month to document the duration of working inability. The insurance company can extend this interval.

8.7.

The working inability insurance is terminated:

- a) if, during 730 continuous days, the working inability lasts 500 days in total. In such case the working inability insurance ends on the last day of the above mentioned periods of time.

8.8.

If, within 2 months of termination of the working inability for which the insurance company paid out indemnity, a new insured event - working inability - occurred due to a relapse of the illness or accident, or as a consequence of the illness or accident which caused the original working inability, this working inability is considered continuation of the original working inability. If the insured event arises after the expiry of 2 months following the termination of the original working inability, this new working inability is considered another insured event.

Article 9 – Insurance against loss of job

9.1.

The insurance only applies to the citizens of the Czech Republic, citizens of an EU member state and foreign nationals with the permanent residency permit for the territory of the Czech Republic, employed upon an employment contract, in accordance with the Labour Code, for an indefinite period or for a definite period longer than one year, who meet the conditions for employment established by the Employment Act.

9.2.

Insured event is a loss of job of the insured occurred during the life of the insurance policy and, at the same time, during the existence of the debt from the insured loan.

9.3.

The waiting period for the purposes of this insurance is understood to be the period following the insurance inception or following the day of any new employment commencement. The waiting period lasts 6 months.

9.4.

Claim to insurance indemnity for the loss of job arises only if the employer gives to the insured employee a notice for one of the following reasons:

- a) if the employer or its part ceases to exist (S. 52 (1) a) of the Labour Code), or
- b) if the employer or its part relocates (S. 52 (1) b) of the Labour Code), or
- c) if the employee becomes redundant with respect to the decision of the employer or relevant body to change his/her tasks, technical equipment, to reduce the number of employees in order to increase work efficiency or to make other organizational changes (S. 52 (1) c) of the Labour Code),

or if, due to the above mentioned reasons, the employment has been terminated by an agreement.

9.5.

Conditions for the insurance indemnity payment include:

- written notification of an insured event,
- submission of a copy of employment contract, earnings record and notice or agreement to terminate employment with the date and reason for employment termination,
- confirmation from the employment office of registration of the insured in the register of applicants for employment once a month,
- confirmation of the amount of the insured loan instalment.

If the insured is a citizen of a state other than an EU member state, s/he is obliged to submit a copy of work permit, or his/her residence permit for the territory of the Czech Republic.

9.6.

The insured is obliged to inform of and to document the commencement of a new employment, commencement of retirement pension, disability pension and maternity leave, service of a term of imprisonment, and within one month from the day when this change occurred.

Article 10 - Indemnity

10.1.

Indemnity in case of death and total disability of the insured

10.1.1.

If the insured event occurs during the first 26 months from the day of entering into the loan contract to the insured loan, and if the loan provided has not been fully used, the amount of insurance indemnity equals the sum insured.

10.1.2.

In other cases when an insured event occurs the insurance indemnity is the amount of the debt to the insured loan by the date of the insured event multiplied by the insured ratio. However, the maximum indemnity limit equals the sum insured. The right to use the loan is not restricted.

10.2.

Indemnity in case of working inability

10.2.1.

The indemnity from the working inability insurance is provided in the amount of a monthly instalment of the insured loan and is paid out if the due date of this instalment falls on the period of working inability from its commencement. The insurance indemnity also includes exemption from the modal premium payments in the period for which the insurance indemnity is paid out.

10.2.2.

During the period when the instalments of the insured loan are interrupted, the indemnity shall not be paid out.

10.2.3.

The insurance company shall pay out for one insured event 12 instalments as maximum.

10.2.4.

If the insurance company is not notified of the insured event within 3 months of the working inability beginning, it is entitled to provide indemnity from the day when it was notified of the insured event.

10.3. Indemnity in case of loss of job

10.3.1. The insurance indemnity against loss of job is provided in the amount of a monthly instalment of the insured loan. The insurance indemnity also includes exemption from the modal premium payments in the period for which the insurance indemnity is paid out.

10.3.2. The insurance indemnity is paid out for each commenced month in which the insured is kept in the register of job applicants and this period is taken from the first day following the expiry of the two-month period from the termination of employment until the moment of commencement of the new employment, retirement pension, maternity leave, custody or of the service of a term of imprisonment if the due date of the insured loan instalment falls in this period of time.

10.3.3. During the period, when the instalments of insured loan are interrupted, the indemnity shall not be paid out.

10.3.4. The insurance company shall pay out for one insured event 6 instalments as maximum.

10.3.5. If the insurance company is not notified of the insured event within 3 months of the loss of job beginning (Article 9.5.), it is entitled to provide indemnity from the day when it was notified of the insured event.

10.4. KB has a priority right to indemnity payment as an immobilization creditor, and the insurance indemnity in the amount of the justified claim from the insured loan shall be paid out to the immobilization creditor, unless it stipulates otherwise.

10.5. The direct right to indemnity payment, which does not arise to the immobilization creditor, has, in the case of death of the insured, the person according to Section 51 (2) and (3) of the Insurance Contract Act, and in the case of total disability of the insured the insured person directly.

10.6. The insurance company is not obliged to pay any potential financial sanction imposed on persons who were provided with the loan (e.g. interest on late payment, contractual penalty).

Article 11 - Exclusions, limitations and insurance company's refusal to pay the indemnity

11.1. The insurance company is not obliged to pay indemnity if the death of the insured is a consequence of his/her suicide committed within 2 years from the insurance inception.

The person, whose right to indemnity shall arise due to death of the insured person, shall not acquire this right if s/he causes the death of the insured by an intentional criminal act for which his/her guilt will be ascertained by the court.

11.2. The insurance company is not obliged to pay indemnity for insured events:

- a) arisen due to or in connection with terrorist acts, warlike events or a civil war, civil disorders, riots, uprising, revolutionary events, coups d'état or international peace missions;
- b) incurred due to impacts of nuclear energy, ionization, radiation and radioactive contamination;
- c) incurred due to the insured person's driving of motor vehicles without possessing the required driving licence or the insured unauthorized use of the vehicle;
- d) refusal of the insured to undergo, upon the request of a police officer or constable of the municipal police, a medical examination or breath test, according to the special regulation in order to ascertain if s/he is not under the influence of alcohol or another addictive substance;
- e) any health condition which was diagnosed prior to the effective date of the policy, unless declared to the insurance company at inception in written questions of the insurance company in the insurance contract;
- f) in the case of total disability or working inability of the insured person due to professional sport activities;
- g) in the case of total disability or working inability of the insured person due to an intentional self-inflicted injury, psychiatric or

psychological diagnosis of the insured at any time during the life of the insurance policy;

- h) in the case of total disability or working inability of the insured person due to performing risky sports or adrenaline activities, e.g. canoeing, sky-surfing, bungee-jumping, shark-diving, rafting, black-water-rafting, heliskiing(biking), diving with the use of a breathing apparatus, mountain climbing (moving on a terrain of UIAA 2 difficulty and higher), paragliding, flying in planes without motors, parachuting from planes and from heights, boxing, speleological activities, flying by any means with the exception of a regular air carrier or a special group flight registered with OAG Worldwide Flight Guide;
- i) in the case of total disability or working inability of the insured person due to HIV (AIDS), hepatitis B (VHB) and hepatitis C (VHC).

11.3. The insurance company may refuse to provide indemnity for the insured event if the damage occurred in connection with consumption of/consuming alcohol or other narcotic or psychotropic substances by the insured or in connection with drug abuse or poisoning as a consequence of consuming substances in a solid or liquid or fluent form due to negligence or in connection with manipulation with such substances.

11.4. The insurance company is authorized to lower the indemnity by up to one half:

- a) if the insured event occurred in connection with an action indicating that the insured committed a crime,
- b) if the insured event occurred in connection with an action by which s/he caused serious damage to the health of another person or his/her death, or otherwise seriously violated an important interest of the society,
- c) if the insurance company finds out, that the beneficiary or the insured person gave other information about the insured event than what was uncovered by the insurance company or if such information was concealed.

11.5. The insurance company is not obliged to pay out indemnity if the insured event occurred before the insurance policy was issued by the insurance company during the first 2 months from the day of entering into the insurance. This provision shall not be applied if the insured event occurs due to an accident suffered by the insured no sooner than on the day of the insurance inception.

11.6. Should the right to indemnity arise out of several insurance contracts or insured events related all to one loan instalment, the insurance company is obliged to provide indemnity only up to such amount that the sum of indemnity payments from all these insurance contracts or insured events will equal the loan instalment maximum. Any other entitlement pertaining to this loan instalment shall terminate upon the provision of indemnity in the amount of the instalment.

If the right to indemnity from several insurance contracts or insured events relating to the same loan arises, all other claims to settlement shall cease to exist upon the insurance company's payment of indemnity in the amount of the unpaid balance.

11.7. The insurance company may refuse to pay the indemnity for an insured event if it occurred due to a fact of which the insurance company learnt after the insured event arose, and which could not be ascertained at the time of entering into the insurance or of its amending because of intentionally or, due to negligence, untrue answers of the insured person to written questions, and if, based on the knowledge of this fact at the time of the insurance contract conclusion, the insurance company would not enter into the insurance contract or enter into it under different conditions. The insurance contract or additional insurance terminates on the day when the notification of refusal to pay insurance indemnity is delivered.

11.8. The insurance company may refuse to provide indemnity from the insured event if the beneficiary, when exercising his/her right to the indemnity, gives untrue or seriously distorted information concerning the extent of the insured event, or if s/he withholds essential information related to this event. The insurance contract or additional insurance is terminated upon the day of delivery of the refusal to pay insurance indemnity.

11.9.

In case of working inability occurrence, the following shall not be considered insured events:

- a) stay of the insured in facilities for treatment of alcoholism, drug addiction, gambling and other addictions;
- b) working inability due to a psychiatric or psychological diagnosis (diagnoses F00 – F99 according to international illness classification);
- c) if the insured does not stay in the place approved by his/her attending doctor (named in the working inability confirmation), except for the cases when s/he undergoes a necessary hospital treatment;
- d) treatment in sanatoriums, spas and rehabilitation centres except for the cases when the stay at these facilities is, from the medical point of view, a necessary part of the illness or injury treatment and the insurance company expressed its consent thereto in writing;
- e) working inability related to pregnancy, child delivery and abortion;
- f) working inability related to back pain, its consequences and complications (diagnoses M40 – M99, G54, G55 and G99, according to international illness classification);
- g) work injury or work-related disease;
- h) period during which the insured person receives a maternity or parental benefit, and period of another maternal leave of the insured person, who has no right to the maternal benefit even during the period for which, according to legal regulations, s/he would be receiving such maternity benefit;
- i) if the insured intentionally exposes him/herself to danger;
- j) if the insurance company ascertains a breach of the treatment regime, from the day of ascertainment thereof;
- k) if the insured consented to treatment using means which have not yet been approved, registered and authorized for production and distribution (pharmaceutical etc.);
- l) working inability related to cosmetic operations;
- m) working inability as a result of application of diagnostic and treatment methods that are not generally recognized by the scientific world;
- n) illness or accident that occurred before the insurance inception and required the insured to be treated or monitored by a doctor, or the symptoms of which were present or diagnosed during this period.

Article 12 – Surrender and Profit sharing

12.1.

No surrender payment is available under this insurance.

12.2.

No profit sharing is available under this insurance.

Article 13 – Insured person's/policy holder's personal data processing

13.1.

Processing of personal data in connection with the insurance contract.

13.1.1.

Personal data of the insured/policy holder in terms of s. 4 a) of Act No. 101/2000 Coll., Personal Data Protection Act (hereinafter referred to as the "Personal Data Protection Act"), (except for the sensitive ones), provided by the insured/policy holder to the insurance company in relation to entering into the insurance contract or which the insurance company obtained by any other legal way, or created by processing the data obtained in this way, will be processed by the insurance company or by an administrator entrusted by the insurance company in compliance with the Personal Data Protection Act in order to use this personal data within the subject matter of the insurance company's business, i.e. for processes directly or indirectly related to insurance or reinsurance activities. In terms of Section 27 of the Personal Data Protection Act the insurance company is entitled to transfer the personal data of the insured person to other states for the purposes of reinsurance. The insurance company will process the personal data of the insured person in the given way and for the period necessary to ensure all rights and duties resulting from the insurance obligation relationship.

13.1.2.

The insurance company is entitled to process the personal data of the insured/policy holder to the given extent and for the given purpose, even without the express consent of these persons.

13.2.

Consent to processing of personal data in connection with the insurance contract

13.2.1.

Upon entering into the insurance contract the insured/policy holder grants consent to obtain information about his/her state of health through the contractual physicians of the insurance company in compliance with Section 67b (10) of Act No. 20/1966 Coll., Care for the Health of People Act, as amended, and gives the right to all interviewed doctors, health-care institutions, health-care facilities and health insurance companies to disclose this data, even after death, to the insurance company.

13.2.2.

At the same time, the insured/policy holder grants to the insurance company his/her explicit consent to process the personal data concerning his/her state of health (sensitive personal data in terms of Section 4 b) of the Personal Data Protection Act) which was given to the insurance company by him/her or which the insurance company obtained in the above mentioned way, or which the insurance company created by processing the data obtained in such way. This sensitive personal data will be processed by the insurance company or by an entrusted administrator for the purposes of using this data within the subject matter of the insurance company's business, i.e. for the processes directly or indirectly related to the insurance or reinsurance activities.

13.2.3.

The granting of the consent to process the sensitive data in the scope specified in Article 13.2.2 is a condition for entering into the insurance contract and payment of insurance indemnity. However, the insured/policy holder is entitled to withdraw the consent granted at any time. The withdrawal of this consent can solely be made in writing, sent as a registered letter to the company address of the insurance company. Withdrawal of this consent causes the extinguishment of the insurance contract and of the claim of the beneficiary to the insurance indemnity payment to which the insured person/policy holder withdrew his/her consent in writing, by the day of delivery of this withdrawal to the insurance company. In this case, the insurance company is entitled to the premium until the end of the insurance period.

13.3.

Consent to the disclosure of data within the group

13.3.1.

The insured/ policy holder further agrees that his/her personal data – if s/he is a natural person, or the data about it – if it is a legal person, will be processed by the insurance company and by any other Administrator, mutually shared between them for the purpose of improving the quality of care for the insured/policy holder, performance of Marketing activities, informing of other Administrators about the solvency and credibility of the insured/policy holder and for analysing this data. The insured/policy holder agrees that the Administrator will process his/her personal data – if s/he is a natural person, or the data about it – if it is a legal person, for the purpose and in the extent mentioned above for the period from granting this consent until the expiry of 4 years from terminating the last contractual or any other legal relationship with any of the Administrators.

13.3.2.

Consent of the insured/policy holder, according to Article 13.3.1. of these insurance conditions, is effective only in relation to the insured/policy holder, who enters into the contractual relationship or addendum to an existing contractual relationship with the insurance company, an integral part of which are these insurance conditions, no sooner than on the day of effectiveness of these insurance conditions. For the insured/policy holder who refused to sign or withdrew a similar consent earlier, the legal force of his/her consent granted, refused or withdrawn remains unaffected by the change in the insurance conditions.

13.3.3.

This consent to data processing granted especially in compliance with current Acts No. 363/1999 Coll., Insurance Act, No. 513/1991 Coll., Labour Code, No. 480/2004 Coll., Certain Information Society Services Act, and No. 101/2000 Coll., Personal Data Protection Act, is voluntary and the insured/policy holder is entitled to withdraw it any time and in relation to any of the Administrators. Withdrawal of the consent must be submitted to the insurance company in writing. Provision of personal data is voluntary if the generally binding legal regulation does not stipulate otherwise.

13.4.

The insured/policy holder is obliged to notify the insurance company of any possible change in the personal data processed without undue delay.

13.5.

Personal data of the insured/policy holder are processed to such extent to which the insured/policy holder provided them in relation to (a) the application for a contractual or another legal relationship, (b) any contractual or another legal relationship concluded between him/her and the Administrator, or (c) which the Administrator collected otherwise and processes them in compliance with the current legal regulations for the following purposes: (i) purposes within the consent of the insured/policy holder, (ii) negotiations of the contractual relationship, (iii) fulfillment of the contract, (iv) protection of vitally important interests of the insured/policy holder, (v) authorized disclosure of personal data, (vi) protection of rights of the Administrator, recipient or other concerned persons, (vii) archiving kept as required by the law, (viii) offering deals or services, (ix) provision of the name, surname and address of the insured/policy holder for the purpose of offering deals and services in compliance with the generally binding legal regulation.

13.6.

If the insured/policy holder submits a written request to the insurance company, s/he has right, in compliance with the current legislation, to the provision of information processed about him/her by the insurance company, purpose and nature of the personal data processed, recipients of such data and about the Administrators. The insured/policy holder is further entitled to demand from the insurance company a correction of the personal data if s/he ascertains that the data processed by any of the Administrators do not correspond with the reality. If the insured/policy holders ascertains or believes that the Administrator processes his/her personal data in contradiction with the protection of private and personal life of the insured/policy holder, s/he has right to request an explanation from the insurance company, has right to request that the insurance company remedies such defects. Regardless of the previous provisions of this Article, the insured/policy holder has right to contact the Office for protection of personal data and require remedy if the Administrator breached the duties.

13.7.

For the purposes of Article 13 the following is understood:

- Administrator – Insurance Company, Société Générale SA, B 552 120 222, a company founded and existing according to the law of the French Republic, residing at: 29, Boulevard Haussmann, 75009 Paris (SG), Members of FSKB and Persons controlled by SG;
- Marketing activities – set of activities the purpose of which is informing the insured/policy holder about the products and services of the Administrator, submitting offers to their order, mediation or purchase and evaluation of the relevant data for these purposes, even via electronic mail;
- Members of the financial group of the Bank (Members of FSKB) especially Komerční banka, a. s., Company Registration Number 45317054 (Bank); Investiční kapitálová společnost KB, a. s., Company Registration Number 60196769; Modrá pyramida stavební spořitelna, a. s., Company Registration Number 60192852; Penzijní fond Komerční banky, a. s., Company Registration Number 61860018; ESSOX s. r. o., Company Registration Number 26764652, and other entities in which the Bank has or will have its ownership consisting of a direct or indirect share in their registered capital;
- Persons controlled by SG – entities controlled by SG and which, at the same time, (i) have or will have their ownership in subjects residing in the territory of the Czech Republic, consisting of a direct or indirect share in their registered capital, or (ii) have their company address in the territory of the Czech Republic. If such entity is a Member of FSKB, this entity is named on the list of FSKB members;
- Personal data – name, surname, address, date of birth, birth certificate number, contact details, information describing the financial standing and credibility of the insured/policy holder as the natural person; no sensitive personal data;
- Data on legal person – the identification data of the insured/policy holder, especially: business name, place of business/company address, company registration number, date of foundation, type of business, contact details, information about the solvency and reliability of the insured/policy holder.

Article 14 – Delivery to the client

14.1.

The documents intended for the policy holder, insured person or beneficiaries can be sent by the insurance company to a previously agreed or last correspondence address of this person via a holder of a postal licence (hereinafter referred to as the “post”), or delivered to these persons to their own hands through an insurance company’s employee or another authorized person. The policy holder is obliged to provide his/her correspondence address in the territory of the Czech Republic for the whole period of the insurance policy life. The policy holder is obliged to inform the insurance company, without undue delay, of any change in his/her correspondence address.

14.2.

Written documents of the insurance company sent to the addressee by mail are usually considered delivered on the third day following the day on which the document was sent to the correspondence address.

14.3.

Written documents of the insurance company sent to the addressee by recorded delivery are considered delivered on the seventh day following the day of the proved sending of the document (unless it is a document sent by recorded delivery with delivery confirmation in accordance with Article 14.4.)

14.4.

Written documents of the insurance company sent to the addressee by recorded delivery with delivery confirmation are considered delivered:

- a) on the day on which the delivery is received as shown in the delivery confirmation if it precedes the delivery day specified under c);
- b) on the day on which the addressee refuses to accept the delivery if it precedes the delivery day specified under c);
- c) on the seventh day following the day on which it was deposited by the postman at the local post office in the addressee’s area even if the addressee did not pick it up within the deposit period or picked it up after the expiry of the seventh day following the day of the deposit;
- d) on the day on which the document is sent back as non-deliverable for other reasons.

14.5.

The addressee has the right to invoke the nullity of the contractual fiction of delivery set according to Articles 14.3. and 14.4. only if s/he proves the existence of objective reasons that prevented him/her from ensuring the delivery of the document, acceptance of the document or collection of the deposited document at the relevant local post office or resulted in the non-deliverability due to other reasons.

Article 15 – Delivery to the insurance company

All notifications, announcements and requests about the insurance must be made in writing in Czech at a branch of Komerční banka, a. s., or delivered to the address of Komerční pojišťovna, a. s., Palackého 53, 586 01 Jihlava.

Article 16 – Solving of disputes

In case of any complaints it is possible to contact Komerční pojišťovna, a. s., Client Service, Karolinská 1/650, 186 00 Prague 8.

A. Duty to inform according to section 66 of the Insurance Contract Act:

A.1. Taxes

In case of insurance event, the insurance indemnity is exempt from income tax (Section 1(l) Income Tax Act).

A.2.

Information about other circumstances which are subject to insurance company’s obligation to disclose information, according to Section 66 of the Insurance Contract Act, is contained directly in the text of these insurance terms and conditions.

B. Information duty according to Section 21 of Act No. 38/2004 Coll., on insurance intermediaries and independent loss adjusters:

B.1. Information on insurance intermediary

B.1.1.

Komerční banka, a. s., residing at Na Příkopě 33, 114 07 Prague 1, Company Registration Number 45317054, incorporated with the Municipal Court of Prague, section B, file 1360, registered on 5th

June 2005 as a tied insurance intermediary, registration number 014036VPZ.

B.1.2.

The registration can be verified at the Czech National Bank, address: Na Příkopě 28, Prague 1 or on its websites.

B.1.3.

The insurance intermediary has a direct share in the voting rights and capital of Komerční pojišťovna, a. s., in the amount of 49 %.

The insurance intermediary does not have direct or indirect share in the voting rights and capital of Allianz pojišťovna, a.s.

B.1.4.

The insurance intermediary is entitled to mediate life insurance solely for Komerční pojišťovna, a. s. and non-life insurance for Komerční pojišťovna, a. s., and Allianz pojišťovna, a. s.

B.2. Information on solving clients' complaints about the insurance intermediary's activity

B.2.1.

Client's complaints concerning the insurance intermediary's activity or claims are received by the director of the relevant branch of Komerční banka, a. s. If the client is not satisfied with the result of his/her complaint or claim, s/he can contact the Client Complaints and Claims Settlement Centre of Komerční banka, a. s., Komerční banka, a. s., Central Office, Na Příkopě 33, P.O. Box 839, 114 07 Prague 1. If the client – a natural person will not be satisfied with the settlement of his/her complaint or claim s/he can contact the KB Ombudsman through the KB's Client Complaints and Claims Settlement Centre.

B.2.2.

In case of complaints, concerning the activity of Komerční banka, a. s., as an insurance intermediary, it is also possible to contact the Czech National Bank, or Komerční banka, a. s., or to bring an action at the relevant court.