

**INSURANCE TERMS AND CONDITIONS
OF RISK LIFE INSURANCE PYRAMIDA**
as of 01-09-2010**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 Modrá pyramida stavební spořitelna, a. s., company address: Bělehradská 128/222, 120 21 Prague 2 (hereinafter referred to as the "MPSS").

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 of the declaration of the death of the person
- **age at entry** – the difference between the calendar year of insurance inception and the calendar year of birth of the insured
- **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** – the total amount of the loan provided, unless the loan has already been partially or completely used or the amount of so far undue and unpaid receivable from the loan as at the insurance inception if it concerns a loan which has already been completely used and is in the stage of repayment at the time of entering into the insurance contract; the value of the granted bridging loan decreased by the actual value of the building saving account in case of the bridging loan from building savings
- **anniversary date in the month** – the day the number of which is the same as the day of the 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 MPSS and the immobilization can be terminated only upon 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 an insured event occurs within 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 case of monthly payments);
- **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)
- **loan** – the mortgage loan provided to the insured and stated in the insurance contract, if the insurance is tied to the loan; the bridging loan from the building saving account and the provided loan, if it follows, are together considered as one loan
- **insured person** – the person to whose life the insurance applies; in this insurance it is also the policy holder
- **modal premium** – the premium for a particular insurance term stipulated in the insurance contract
- **partial loan insurance** – situation when, as at the day of insurance arrangement, the sum insured stipulated in the insurance contract tied to the loan is lower than the amount of the loan
- **policy** – confirmation of entering into the insurance contract
- **receivables arising out of the insured loan – receivable from the loan** – the current undue and unpaid balance of the loan's principal sum, including the due future amounts of interest and cost of the loan account administration; loan instalments after the due date, penalty interest, contractual penalties and other contractual sanctions or costs claimed or incurred due to violation of the loan contract are not included
- **regular loan instalment** – the regular instalment of the loan's principal sum (if it is subject to the instalment), including the due interest and cost of the loan account administration according to the account statement for one instalment period; loan instalments after the due date, penalty interest, contractual penalties and other contractual sanctions or costs claimed or incurred due to violation of the loan contract are not included; the regular instalment of the bridging loan from building savings (consisting of the advance instalment of the loan interest, payment for bridging loan account administration, payment for building savings account administration and a building savings deposit) in case of the loan from the building saving account
- **sum insured** – the amount stipulated in the insurance contract which determines the maximum amount of 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 retrained to 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 from 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 (eventually financial state) of the insured/policy holder.

Article 3 – Insured risks

3.1.

This life insurance of the agreed sum can be arranged with a fixed sum insured (hereinafter referred to as "RPK") or with a decreasing sum insured (hereinafter referred to as "RPA") and the insurance arrangement always includes the basic insurance:

- insurance against death of the insured person;
 - insurance against total disability of the insured person;
- to which, in case of RPA, the 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.

For the RPK option with a fixed sum insured it is possible to arrange only the basic insurance.

In exceptional cases, the policy holder and the insurance company may (with regard to the insured's state of health) agree to enter into an insurance contract containing only:

- insurance against death of the insured; to which no additional insurance can be arranged even in the case of the RPA option.

3.2.

The RPA option may be contractually tied to the loan provided solely by MPSS.

3.3.

If the insurance is tied to the loan, the sum insured, given by the insured when arranging the insurance and stipulated in the insurance contract, should correspond with the amount of the loan.

3.4.

If the insurance is tied to the loan, the current sum insured decreases in time in such a way that it mirrors the amount of the unpaid receivable from the loan provided that it will be repaid duly and on time.

3.5.

If the insurance is not tied to the loan, the insurance can be arranged only as RPK where the sum insured is constant for the whole duration of the insurance.

Article 4 – Insurance inception and changes

4.1.

The insurance becomes effective at 00:00 on the day stipulated in the insurance contract as the day of the insurance inception.

4.2.

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

4.3.

At the moment of entering into the insurance contract the age of the insured must be at least 18 years (at this point it is the actual age of the insured) and maximum 70 years for the basic insurance and 45 years for the additional insurance (including protection against loss of job) and 64 years (including only protection against working inability).

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 that 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.

In case of the RPA option the policy holder is obliged to inform the insurance company, without undue delay, about all changes in the insured loan which could have impact on the insurance contract – especially:

- one-off payment or partial discharge of the balance of the insured loan,
- a contractual change in the payment schedule which alters the amount of instalments or the day of the final repayment of the insured loan,
- fact that no justified debt of the insured arose or will arise to MPSS from the beginning due to not using the loan.

4.7.

If the contract is immobilized, 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. **This provision shall be used adequately to the policy holder's unilateral legal actions that influence the insurance extent or duration.**

4.8.

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

Article 5 – Termination of the insurance contract

5.1.

Any type of insurance stipulated in this insurance contract is terminated by:

- death of the insured (Article 7)
- the day on which the insured event linked to total disability of the insured person occurred (Article 8.3)
- expiry of the stipulated insurance period
- redemption of the loan in case of RPA, if the insurance is tied to it and if it is repaid prior to the end of the insurance period (Art. 5.4.)
- premature termination of the loan in case of RPA, if the insurance is tied to it (Art. 5.5.)
- notice of termination of the insurance contract (Article 5.2.)
- withdrawal from the insurance contract (Article 5.3.)
- non-payment of the premium (Article 6.4.)
- refusal to pay insurance indemnity (Articles 13.7.; 13.8.)
- agreement of contracting parties
- expiry of the 23:59 p.m. of the day before the anniversary date in the month following the 75th birthday of the insured
- withdrawal of consent to sensitive data processing (Article 15.2.3).

5.2.

Notice of termination of the insurance contract

5.2.1.

The insurance company or the policy holder may 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 if, at the same time, the insurer was not obliged to pay indemnity during the life of the insurance.

5.2.2.

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

5.3.

Withdrawal from the insurance contract

5.3.1.

If, during the negotiation of the insurance contract, the policy holder/insured provides untrue or incomplete answers to the insurance company's written questions, concerning the insurance to be concluded, the insurance company is entitled to withdraw from 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. The same shall also apply to all eventual amendments of the insurance contract.

5.3.2.

The policy holder also has the above-mentioned right to withdraw from 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 arranged.

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 withdraw from the insurance contract.

5.3.4.

In case of RPA the policy holder is entitled to withdraw from the insurance contract from the beginning if s/he delivers to the insurance company the notification that no justified debt arose to MPSS 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 MPSS confirmation. The policy holder may exercise this right within 24 months following the beginning of the insurance, otherwise this right shall expire.

5.3.5.

The withdrawal becomes effective on the day of the delivery of the withdrawal to the other contracting party. The withdrawal from the

contract makes the insurance contract null and void. The entitlement to reimbursement for all reciprocally paid amounts arises to all participants. If the insurance company withdraws from the contract, it is entitled to a reimbursement for expenses related to the inception and administration of the insurance.

5.4.

In case of RPA, if the loan is repaid in advance, the policy holder is obliged to inform the insurance company about this fact via MPSS 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.

5.5.

In case of RPA the insurance terminates at the moment when the loan provider claims redemption of the whole debt due to violation of the loan contract conditions - premature termination of the loan – if the insurance is tied to the loan.

Article 6 - Premium, method 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 due amounts receivable 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 (inclusive).

6.4.

If the regular premium is not paid in the time limit specified by the insurance company in the premium reminder, the insurance contract shall be terminated 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 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.

6.7.

The insured is responsible for correct indication of payment symbols related to the premium payment and serving for identification of the payment on the insurance company's account.

Article 7 – Insurance against death

7.1.

The insured event is the death of the insured occurring during the life of the insurance policy.

7.2.

The day on which the insured died is understood as the day of the insured event occurrence.

7.3.

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

- death certificate and a document proving the cause of death of the insured (e.g. medical report of the attending physician, certificate of the Police of the CR etc.);
- statement of the receivable from the loan (if the insurance is tied to the loan) containing the information necessary for ascertainment of the entitlement to insurance indemnity.

Unless these obligations are met, the insurance company does not provide insurance indemnity or it may suspend its payment until the specified obligations are fulfilled.

7.4.

Originals or officially certified copies of documents have to be submitted in order to receive the insurance indemnity. The authorized MPSS employee may 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.

Article 8 – Insurance against total disability

8.1.

The insured event is the total disability of the insured occurring during the life of the insurance policy.

8.2.

In order to determine the percentage of the decrease in the continuous gainful activity, the health disability causing the long-term unfavourable state of the insured's health has to be ascertained. The degree of the decrease in the continuous gainful activity is solely determined by the insurance company based on the medical documentation of the insured, the opinion (information) of the health-care facility appointed by the insurance company, the decision of the competent social security office of the Czech Republic to acknowledge the disability and on the insurance company's table defining the degree of decrease in the gainful activity. The disability must be caused by an illness or accident of the insured whereas other conditions of the insurance contract have to be met. The table for the disability assessment may be inspected in the insurance company's registered office.

8.3.

The day on which the judgement to acknowledge the disability of the insured by the competent authority of the Czech Republic came into force is understood as the day of the insured event occurrence, unless the contracting parties have agreed otherwise.

8.4.

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

the copy of records from the proceedings of the competent authority of the Czech Republic, the decision of the competent authority of the Czech Republic to acknowledge the disability of the insured, including the documents concerning the acknowledgement of the disability. The insured is obliged to undergo, upon the insurance company's request, medical examination by the doctor appointed by the insurance company and has to prove his/her identity by an ID card or any other valid identification document. If the insured refuses to undergo medical examination upon the insurance company's request, the insurance company is not obliged to pay out insurance indemnity. The insured is also obliged to submit the necessary medical documentation relating to the insured event occurrence.

If the insurance is tied to the loan, the insured is also obliged to present the statement of the receivable from the loan containing the information necessary for ascertainment of the right to insurance indemnity.

If these obligations are not met, the insurance company does not provide insurance indemnity or it suspends the payment until these obligations are met.

8.5.

The originals or certified copies of the documents must be submitted in order to receive the insurance indemnity payment. The authorized MPSS employee has the right 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.

8.6.

The entitlement to insurance indemnity shall not arise if the disability is acknowledged by the competent authority of the Czech Republic during the waiting period. For the purposes of this insurance the waiting period means the period of the first 12 continuous months following the beginning of the insurance. The waiting period shall not be applied if the disability pension is granted to the insured solely due to an accident occurring during the life of the insurance policy.

8.7.

The medical examination of the insured that may be required by the insurance company in the case of total disability shall be arranged by the insurance company at its own expense and carried out by the doctor appointed by the insurance company. The insurance company does not cover the cost of transport of the insured to the place of the medical examination, nor the cost of transport of the insured from abroad to the territory of the Czech Republic.

Article 9 – Insurance against working inability

9.1.

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 based on 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 for disability of 1st, 2nd or 3rd grade.

9.2.

The 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.

9.3.

The 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.

9.4.

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.

9.5.

The waiting period in this insurance is the period of the first 3 continuous months following 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.

9.6.

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

- sick note completed by a doctor, stating the commencement, duration and termination of working inability of the insured. Possible costs of issuing this form 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, eventually another close person in terms of Section 116 of the Labour Code,
- confirmation of employment of the insured from the employer or confirmation by 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",
- the insurer has the right to request a copy of the employment contract, including its amendments,
- confirmation of the monthly loan instalment containing the information necessary for ascertainment of the right to insurance indemnity and its due date,
- once per month to document the duration of working inability. The insurance company can extend this interval.

If the insured event has not been reported to the insurance company within 3 months of the working inability commencement, the insurance company has the right to provide insurance indemnity no sooner than from the day when it was notified of the insured event.

9.7.

The working inability insurance is terminated:

- a) if the insurance company pays indemnity for 38 months in total.

- b) on the day when the decision to grant disability pension for disability of 1st, 2nd or 3rd grade, retirement pension, eventually extraordinary retirement pension came into force.

9.8.

If, within 2 months of terminating the working, 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 as a 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 shall be considered another insured event.

Article 10 – Insurance against loss of job

10.1.

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.

10.2.

The 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.

10.3.

The waiting period in this insurance is the period following the insurance inception or following the day of any new employment commencement. The waiting period lasts 6 months.

10.4.

The entitlement 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 is being dissolved (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 agreement.

10.5.

Requirements 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 labour office of registration of the insured in the register of applicants for employment once a month,
- confirmation of the monthly loan instalment containing the information necessary for ascertainment of the right to insurance indemnity and its due date.

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, eventually his/her residence permit for the territory of the Czech Republic.

10.6.

The insured is obliged to inform of and to document the commencement of new employment, commencement of retirement pension, disability pension for disability of 1st, 2nd or 3rd grade and maternity leave, service of a term of imprisonment, and within one month of the day when this change occurred.

Article 11 - Indemnity

11.1.

Insurance against death

11.1.1.

In RPA insurance, the insurance indemnity which is paid out equals the justified debt as of the day of the insured event in the amount of the receivable from the loan, if the insurance is tied to the loan; for bridging loans: the value of the granted bridging loan decreased by the actual value of the building saving account.

The maximum insurance indemnity from this insurance equals the sum insured stipulated in the insurance contract.

11.1.2.

In RPK insurance, the insurance indemnity is paid out in the amount of the sum insured stipulated in the insurance contract.

11.2.

Insurance against total disability

11.2.1.

In RPA insurance, the insurance indemnity, which is paid out, equals the justified receivable as of the day of the insured event in the amount of the receivable from the loan, if the insurance is tied to the loan; for bridging loans: the value of the granted bridging loan decreased by the actual value of the building saving account.

The maximum insurance indemnity from this insurance equals the sum insured stipulated in the insurance contract.

11.2.2.

In RPK insurance, the insurance indemnity is paid out in the amount of the sum insured stipulated in the insurance contract.

11.3.

Indemnity in case of working inability

11.3.1.

The indemnity for 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 such instalment falls on the period of the working inability from its commencement. The insurance indemnity also includes exemption from the modal premium payments in the period of the indemnity payment.

11.3.2.

During the period when all instalments of the insured loan are suspended, no indemnity shall be paid out.

11.3.3.

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

11.3.4.

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

11.4.

Indemnity in case of loss of job

11.4.1.

The insurance indemnity for the 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 of the indemnity payment.

11.4.2.

The insurance indemnity is paid out for each commenced month after the expiry of a two-month period following the termination of employment until the commencement of 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.

11.4.3.

During the period when all instalments of the insured loan are suspended, no indemnity shall be paid out.

11.4.4.

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

11.4.5.

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

11.5.

If the contract is immobilized, MPSS has a priority right to indemnity payment and the insurance indemnity in the amount of the justified debt from the insured loan shall be paid out to the immobilization creditor, unless the immobilization creditor specifies otherwise.

11.6.

If the right to indemnity does not arise to the immobilization creditor, then the person specified according to Section 51 (2) and (3) of the Insurance Contract Act is directly entitled to indemnity in the case of death of the insured; in other cases it is the insured person who has the right to insurance indemnity directly.

11.7.

If the insurance is tied to the loan, the receivables incurred because of the non-payment of the loan instalments due to be paid before the insured event occurrence and all sanctions imposed on the person

provided with the loan due to violation of the loan conditions are not included in the insurance indemnity.

11.8.

If the insurance is tied to the loan and if it concerns the partial loan insurance, the insurance company will reduce the insurance indemnity, set according to the above mentioned rules, in such a way that it will multiply it by a coefficient corresponding with the share of the stipulated sum insured to the amount of the loan.

11.9.

The insurance indemnity is not subject to income tax (Section 4 (1) I of the Income Tax Act).

Article 12 – Insurance contract immobilization

12.1.

The insured has the right to cede or pledge (hereinafter referred to as “to immobilize”) to the benefit of MPSS.

12.2.

The immobilization becomes effective toward the insurance company at the moment when the insured notifies the insurance company of such a fact or when MPSS proves the creation of immobilization to the insurance company in a written form. The immobilization may be a part of the insurance contract proposal.

12.3.

If the insurance indemnity is immobilized, the insurance company is obliged to pay it directly to the insured or to the appointed person only upon a written consent of MPSS.

12.4.

It is only MPSS that has the right to cancel the immobilization by a written notification. The written notification can be delivered to the insurance company through the insured or the appointed person while lodging the claim and/or proving the insured event occurrence.

Article 13 - Exclusions, limitations and insurance company's refusal to pay the indemnity

13.1.

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 of 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.

13.2.

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's unauthorized use of the vehicle;
- d) refusal of the insured to undergo, upon the request of a police officer of the municipal police, 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) caused by the performance of professional sports activities – a professional sportsman is a sportsman who receives employment earnings or has income from an independent gainful activity;
- g) 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;
- h) due to an intentional self-inflicted injury, psychiatric or psychological diagnosis of the insured at any time during the life of the insurance policy;

i) in the case of total disability or working inability of the insured person due to HIV (AIDS and C hepatitis (VHC).

13.3.

The insurance company may refuse to provide indemnity from insured events if the damage occurred in connection with the consumption of 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.

13.4.

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.

13.5.

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 following 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.

13.6.

In case of RPA, 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 the amount when the sum of indemnity payments from all these insurance contracts or insured events equals the loan instalment maximum. Any other entitlement pertaining to this loan instalment shall be terminated upon the provision of indemnity in the amount of the instalment.

In case of RPA, 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 indemnity payment in the amount of the unpaid balance.

13.7.

The insurance company may refuse to pay the indemnity from 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 provide insurance indemnity is delivered.

13.8.

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.

13.9.

In case of working inability, 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 sick note), 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 birth and abortion;
- f) working inability related to back pain, its consequences and complications (diagnoses M40 – M99 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 (pharmaceuticals etc.);
- l) working inability related to cosmetic operations.

Article 14 – Surrender and profit sharing

14.1.

No surrender payment is available under this insurance.

14.2.

No profit sharing is available under this insurance.

Article 15 – Insured person's/policy holder's personal data processing

15.1.

Processing of personal data in connection with the insurance contract.

15.1.1.

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, eventually 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.

15.1.2.

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.

15.2.

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

15.2.1.

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.

15.2.2.

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, eventually 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.

15.2.3.

The granting of the consent to process the sensitive data in the scope specified in Article 15.2.2 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.

15.3.

Consent to the disclosure of data within the group

15.3.1.

The insured/ policy holder further agrees that his/her personal data – if s/he is a natural person, eventually 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 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, eventually the data about it – if it is a legal person, for the purpose and to the extent mentioned above for the period from granting this consent until 4 years have expired after the last contractual or other legal relationship with any of the Administrators.

15.3.2.

The consent of the insured/policy holder, according to Article 15.3.1. of these insurance conditions, is effective only in relation to the insured/policy holder who enters into the contractual relationship or amendment to an existing contractual relationship with the insurance company of which these insurance conditions form an integral part, and only from the effective day of these insurance conditions. For the insured/policy holder who has refused to sign or withdrawn such consent, the legal status of the consent granted, refused or withdrawn shall remain unaffected by the change in the insurance conditions.

15.3.3.

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. The withdrawal of the consent must be submitted to the insurance company in writing. The provision of personal data is voluntary unless the generally binding legal regulation stipulates otherwise.

15.4.

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

15.5.

Personal data of the insured/policy holder is processed to such extent to which the insured/policy holder provided them in relation to (a) a request for a contractual or another legal relationship, (b) any contractual or another legal relationship established between him/her and the Administrator, or (c) which the Administrator has collected otherwise and processes in compliance with the current legal regulations for the following purposes: (i) purposes included within the consent of the insured/policy holder, (ii) negotiations on the contractual relationship, (iii) fulfilment of the contract, (iv) protection of vital interests of the insured/policy holder, (v) authorized disclosure of personal data, (vi) protection of the rights of the Administrator, recipient or other persons involved, (vii) archiving kept as required by the law, (viii) offering of deals or services, (ix) transfer 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 legislation.

15.6.

If the insured/policy holder so requests in writing, s/he has right, in compliance with the current legislation, to receive from the insurance company information on the personal data processed about him/her, the purpose and nature of the personal data processed, on the recipients of such data and on 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 does not correspond with reality. If the insured/policy holders ascertains or suspects that the Administrator processes his/her personal data in violation of the protection of private and personal life of the insured/policy holder, s/he has right to request an explanation from the insurance company or, more precisely, 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 Personal Data Protection and request the Administrator to take remedial action.

15.7.

For the purposes of Article 15 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 „Persons controlled by SG and Investiční kapitálová společnost KB, a. s., Company Registration Number 60196769;
- Marketing activities – activities the purpose of which is to inform the insured/policy holder about the products and services of the Administrator, to present offers to order, to mediate or procure these products and services, and to evaluate the data relevant for these purposes, including via email;
- Members of the Financial Group of the Bank (Members of FSKB) especially Komerční banka, a. s., Company Registration Number 45317054 (Bank); 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 acquire an equity interest of a direct or indirect share in their registered capital;
- Entities controlled by SG – entities which SG controls and which, at the same time, either (i) have or acquire an equity interest in entities with their registered office in the Czech Republic consisting of a direct or indirect share in their registered capital, or (ii) have their registered office in the Czech Republic. If such an entity is an FSKB member, this entity is listed in the specification of FSKB Members;
- Personal Data – name, surname, address, date of birth, birth number, connection data, financial standing and credibility of the insured/policyholder as the physical person, no sensitive personal data;
- Data on legal entity – 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 16 – Delivery to the client

16.1.

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 any other 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.

16.2.

A written document of the insurance company sent to the addressee by standard postal services is considered delivered on the third day after its sending to the correspondence address.

16.3.

A written document of the insurance company sent to the addressee by recorded delivery (if it is not sent by recorded delivery with delivery confirmation according to art. 16.4.) is considered delivered on the seventh day after the proved sending of the document.

16.4.

A written document sent to the addressee by recorded delivery with delivery confirmation is considered delivered:

- a) on the day of receipt which is written on the delivery confirmation if it precedes the delivery day specified according to c);
- b) on the day when the addressee refused to accept the delivery if it precedes the delivery day specified according to c);
- c) on the seventh day following the day when it was deposited by the postman at the post office relevant for the addressee even if the addressee did not pick up the deposit within the deposit period or picked it up after the expiry of the seventh day of the deposit period;
- d) on the day on which the consignment is sent back as non-deliverable due to other reasons.

16.5.

The addressee has the right to invoke the nullity of the contractual fiction of delivery set according to articles 16.3. and 16.4. only if s/he proves the existence of objective reasons that prevented him/her from

ensuring the delivery of the consignment, acceptance of the consignment or collection of the deposited consignment at the relevant post office or resulted in the non-deliverability due to other reasons.

Article 17 – Delivery to the insurance company

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

Article 18 – Solving of disputes

Should there be any complaints, it is possible to contact Komerční pojišťovna, a. s., Client Service, Karolinská 1/650, 186 00 Prague 8, or the Czech National Bank, Na Příkopě 28, 115 03 Prague 1.
