DZI – Life Insurance JSC
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UNIT LINKED
LIFE INSURANCE

The Unit Linked Life Insurance of DZI - Life Insurance EAD gives you the opportunity to receive yield on the invested capital and insurance protection in case of events resulting from an accident or illness that may have an adverse impact on your life and health.

With the conclusion of Unit Linked Life Insurance, you have the opportunity to invest funds in investment funds operating on the global financial markets and working with different financial instruments such as shares, bonds, government securities, deposits, etc. The finds may be open-end funds (termless, with the possibility of withdrawal of capital at any time) or closed-end funds (with a final or maturity date).

With this type of insurance, you can achieve a higher yield on the invested funds compared to the classic Life Insurance.

Investment funds differ in the types of assets in which they invest, hence also in the risk profiles of each of them.

By investing in an investment fund, you are exposed to the impact of financial market developments and, as the Insuring Party under the insurance, you take the investment risk over the term of the contract. Some funds may offer different degrees of protection of the invested capital.

The Insurer provides you, in addition to these General Terms and Conditions, with Basic Product Information. This document provides detailed product and investment fund information to enable you as the Insuring Party to make an informed decision before taking out the insurance.

The insurer invests the premiums paid by you in the investment funds associated with the specific product selected.

The Insurer shall publish up-to-date information on the value of the investment funds offered at: www.dzi.bg

With the insurance, you get insurance protection - in the event of an occurrence of an insured event, we shall pay the agreed amounts in case of disability or a fatal event due to an accident. You may take out insurance for a definite or indefinite period of time, thus ensuring a long-term insurance protection for the entire insurance coverage period. You may choose the method of payment of the amount due (insurance premium) - deferred payment (monthly, quarterly, half-yearly and annually) or single payment.

The General Terms and Conditions shall be an integral part of the insurance contract. They shall determine the insurance coverages, the exclusions, the terms and conditions of conclusion, amendment and termination, as well as the rights and obligations of the parties to the contract. The specific parameters of the contract are described in your insurance policy.

If necessary or upon the occurrence of an insured event, you can contact us through our 24-hour Contact Centre at telephone number: 0700 16 166 or by e-mail to: clients@dzi.bg, as well as file a claim in any of our structural units. The rules for acceptance of claims, the procedure for determination of the amount of insurance compensation, payment to customers and consideration of complaints related to insurance payments, are regulated by the Internal Rules for Settlement of Claims under Insurance Contracts which are published on the website of DZI: www.dzi.bg

GENERAL TERMS AND CONDITIONS OF UNIT LINKED LIFE INSURANCE

Revision 5 of 01/10/2018, effective from 01/11/2018

I. SUBJECT OF THE UNIT LINKED LIFE INSURANCE CONTRACT

1. Pursuant to these General Terms and Conditions, DZI - Life Insurance JSC, hereinafter referred to as the Insurer, shall take out insurance against events related to the life, health and bodily integrity of one or more natural persons with insurance coverage in accordance with Section 1 of Appendix 1 of the Insurance Code (IC).

2. For Unit Linked Life Insurance, the Insuring Party shall bear the risk of investing in assets of his/her/its choice, directly linked to the value of units in investment funds.

II. INSURED PERSONS

3. Subject to insurance shall be persons aged from 18 up to 69 years. The age of the Insured Person shall be specified in full years as of the date specified as commencement of the insurance.

4. Persons who are suffering or who have suffered from specific illnesses or persons with disabilities may be insured under aggravated risk or under Special Terms and Conditions.

4.1. The aggravated risk shall be expressed in the increase of the actual age of the Insured Person depending on his/her age and health status in accordance with the Insurance and Medical Activity Manual of DZI - Life Insurance JSC.

4.2. The Special Terms and Conditions shall be expressed in limiting or excluding the risk coverage according to the terms and conditions of the insurances.

5. Not eligible for insurance coverage shall be persons who:

5.1. have a permanent disability of more than 50%;

5.2. are over 70 years of age;

5.3. persons under judicial disability, with a coverage for the risk of „Death“.

III. INSURANCE COVERAGES (COVERED RISKS)

6. The Insurer shall include one or several of the following risks in the insurance contract:

6.1. Expiry of (survival until the end of) the term of the contract;

6.2. Death (loss of life);

6.3. Disability (permanent incapacity to work) of more than 75% resulting from an accident or an illness;

6.4. Death (loss of life) resulting from an accident;

6.5. Disability (permanent incapacity to work) resulting from an accident;

6.6. Temporary incapacity to work resulting from an accident;

6.7. The diagnosing of a critical illness.

7. The Insurer shall be entitled to include other risks as well, from the types and subtypes of insurances according to Section I of Appendix 1 of the Insurance Code.

8. The insurance contract shall be valid for events occurring on the territory of the Republic of Bulgaria and abroad.

IV. EXCLUDED RISKS

9. The Insurer shall be released from its obligations under the insurance contract in the following cases:

9.1. Suicide or attempted suicide committed before the expiration of three years from the conclusion of the insurance. In this case, if the conditions for surrender are in place, the persons who would be entitled to receive the sum insured upon the occurrence of an event, which is not an excluded risk, shall be paid the surrender value of the insurance.

9.1.1. The limitation under item 9.1. shall not apply when suicide, respectively attempted suicide has been committed in a state of incapacity to understand the nature and importance of one's actions, and to manage them.

9.2. Deliberate commitment or an attempt to commit a crime of a general nature.

9.3. The death has occurred as a result of the execution of a death penalty, which has been imposed by an enforceable judgment.

9.4. War, military action and use of military force, civil unrest, riots or acts of terrorism.

9.5. Earthquake.

9.6. Radioactive incidents, atomic and nuclear explosions, incidents and radiation.

9.7. Use of alcohol, drugs, opiates, stimulants, doping and other psychotropic substances and the damage to health caused by them, including accidents, road traffic accidents, trauma and injuries related to such use;

9.8. Temperature influences (freezing, sunburn, sunstroke or heatstroke), as long as they are not imposed while overcoming the consequences of an accident;

9.9. Other events occurring as a result of a fight intentionally caused by the Insured, deliberate self-harm or intentional exposure to danger, except in the cases of self-defense, rescue of human life or property;

9.10. AIDS;

9.11. Pandemics;

9.12. Deliberate action by a person entitled to receive all or part of the insurance payment;

9.13. Pregnancy – normal and pathological, spontaneous and induced abortion, sterility; childbirth, as well as complications caused by them, unless they are in a causal relationship with an accident;

9.14. Disease diagnosed before the commencement of the insurance.

9.14.1. In the case of group contracts at the expense of the employer, renewed/concluded without an interruption, the liability of the Insurer shall also cover diseases, which have occurred/been diagnosed during the term of the previous contracts.

9.15. Exercising dangerous sports or hobbies: mountaineering or rock climbing, hunting, caving, gliding, hang gliding, parachuting, underwater sport, water motor sport, motoring and motorcycling, stunt, etc.

9.16. Air travel when the Insured Person has not fulfilled the requirements to be a regular passenger with a ticket on board a licensed airline company that provides regular air transportation on scheduled routes or charter flights by licensed air carriers operated by a professional crew between established and supported airports.

9.17. In the cases of death described in items 9.1 to 9.14. inclusive, provided that the insurance has the right to a surrender, the value of the investment units held shall be paid.

9.18. Amounts for disability shall not be paid if:

9.18.1. The Insured Person does not observe the doctor's prescriptions for treatment.

9.18.2. The Insured Person has intentionally caused the disability.

9.19. Amounts for temporary incapacity to work shall not be paid if the days of sick leave have not been actually used.

10. Upon special agreement and additional insurance premium paid, the Insurer may bear liability for any of the risks under Section IV.

V. CONCLUSION OF THE INSURANCE

11. Any person wishing to take out an individual Unit Linked Life Insurance must complete and sign: Proposal for Conclusion of the Insurance, Personal Health Declaration, Product Suitability Questionnaire and Customer Needs Analysis.

12. Upon filling out the proposal for insurance, the Insurer must identify the Insuring Party/the Insured Person in accordance with the Internal Rules of DZI - Life Insurance JSC for Prevention of Money Laundering and Terrorist Financing.

13. The Insurer shall be entitled to require the completion of a financial questionnaire, the performance of medical examinations or tests by insurance applicants in accordance with the applicable Underwriting Rules or at the discretion of a trusted physician.

14. On basis of the data from the Personal Health Declaration, the medical examination and the results from the required additional tests or examinations, the trusted doctor shall provide a written opinion in the doctor's report with regard to the conclusion of the insurance:

14.1. To be concluded with a normal risk;

14.2. To be concluded with an aggravated risk;

14.3. To reduce the sum insured;

14.4. To reduce the term of the insurance;

14.5. To refuse the conclusion of the contract.

15. If the Insurer refuses to conclude the insurance, the Insuring Party shall be notified of the decision in writing.

16. Conclusion of group contracts for Unit Linked Life Insurance:

16.1. The Group Unit Linked Life Insurance shall be concluded at the expense of the Insured Persons or at the expense of the employer (organization) on the basis of completed: proposal for insurance, product suitability questionnaire, customer needs analysis and list of the insured persons.

16.1.1. When an employer concludes, at its expense, insurance of its own workers and/or employees in their favour or in favour of their heirs, the agreement of the workers and employees to conclude, amend and terminate the insurance shall not be required.

16.2. Depending on the number of persons in the group, the sum insured and the age, the Insurer may require from the persons proposed for insurance to complete a proposal, a personal health declaration, a financial questionnaire or additional examinations and tests according to the Underwriting Rules of the Insurer, and at its discretion.

16.3. On the basis of the Insuring Party's proposal and upon receipt of the first premium, the Insurer shall issue a Framework Agreement (Group Policy) and/or individual insurance policies.

17. The insurance contract shall be concluded in writing, in the form of an insurance policy or another written act. These General Terms and Conditions shall be an integral part of the insurance contract. In case there is discrepancy between the text of the General Terms and Conditions and the terms and conditions of the insurance policy, the text of the insurance policy shall prevail.

18. The written proposal for the conclusion of the insurance contract, the personal health declaration, the financial questionnaire, the product suitability questionnaire, the customer needs analysis, the list of persons, the appendices to the insurance contract, the results of the medical examinations and/or tests shall be an integral part of the insurance contract.

19. The Insurer shall issue the insurance policy upon completion of the risk assessment of the applicant for insurance. The risk assessment shall be carried out in accordance with the Underwriting Rules of the Insurer.

VI. TERM OF THE INSURANCE CONTRACT, PERIOD OF INSURANCE COVERAGE, INSURANCE PERIOD, AMENDMENT AND TERMINATION

20. The insurance contract may be concluded for a definite or indefinite period of time. The contract duration can be longer than the period of insurance coverage.

20.1. The commencement of the insurance contract shall be determined in the month in which the first premium or installment has been received on the Insurer's account - the first day or the date of receipt of the premium.

20.2. Conclusion of an insurance contract with a commencement date, which is preceding the actual month of conclusion, shall not be allowed.

20.3. The insurance contract shall be terminated upon expiry of the term for which it has been concluded.

21. The period of insurance coverage shall be the period during which the Insurer bears the risk under the insurance.

21.1. The period of insurance coverage shall start from 00:00 hrs. on the date specified as commencement in the insurance policy and provided that the insurance premium (or the first deferred installment) has been paid within the agreed term.

21.2. The end of the period of insurance coverage shall be when the Insured Person reaches the age of 75.

21.2.1. The age limit under insurances concluded with an aggravated risk shall be determined by the increased age.

22. Insurance period shall be the period for which an insurance premium is determined.

22.1. The insurance period shall be one year, unless the premium has been determined for a shorter period.

23. A fixed-term insurance contract may be terminated without any penalty or other expenses by either party with a one-month notice sent to the other party. Termination under sentence one shall take effect at the end of the current insurance period.

24. In the event that the insurance contract has been concluded for an indefinite period of time, the contract may be terminated without any penalties or other expenses by either party prior to the end of the current insurance period. Termination shall take effect at the end of the current insurance period.

25. A natural person who has concluded an individual life insurance contract with a term of more than 6 months shall have the right to unilaterally terminate the contract within 30 days from the date of conclusion of the contract by submitting a written request to the Insurer.

26. After the second insurance year, the Insuring Party shall have the right to an amendment to the contract:

26.1. The Insuring Party shall have the right to increase or decrease the amount of the sum insured.

26.2. The Insuring Party shall have the right to increase or decrease the amount of the investment contribution.

26.3. The right to a reduction of the sum insured and the investment contribution shall be allowed only once during the term of the contract.

26.4. The Insuring Party shall have the right to include, with the Insurer's consent, supplementary packages if they have not been selected at the conclusion of the insurance. Supplementary packages may be concluded only at the beginning of the insurance year and provided that there are no regular premiums due.

26.5. The Insuring Party shall have the right to change the periodicity of payment of premiums chosen at the time of conclusion of the insurance contract.. The change of periodicity shall be made on the basis of a written agreement (annex) to the insurance policy and shall take effect from the beginning of the next insurance year and provided that there are no regular premiums due.

27. All changes shall be made in accordance with the terms and conditions of the insurance product, based on a written request by the Insuring Party and with the issuance of an Annex.

28. Where the Insuring Party and the Insured are different persons, the Insuring Party or the Insured Person shall have the right to change the contract, with the consent of the Insuring party.

29. Right to a paid policy

29.1. The Insuring Party shall have the right to a transformation of the insurance into a „paid policy" if the contract has been maintained for at least 2 (two) years (or if 15 percent or more of the insurance premiums have been paid), provided that the regular premiums due have been regularly paid.

29.2. Upon filing a written application form to the Insurer, the insurance contract shall be transformed into a "paid policy", whereat:

29.2.1. The obligation to pay regular premiums in the future shall no longer be applicable. Deduction of the following payables shall continue: fee under the insurance, fund management fee and risk premiums.

29.2.2. In the event of death or survival, the value of the reserve under the insurance shall be paid as of the date of the event.

29.2.3 The Insurer's liability for the supplementary coverages (risks) shall cease.

29.3. A paid policy shall be terminated by the Insurer in case the reserve under the policy is not sufficient to cover the expenses under item 29.2.1.

30. Right of Surrender and Partial Surrender

30.1. The Insuring Party shall have the right to a surrender during the term of the contract under the terms and conditions set out in these General Terms and Conditions and after filling out a written application form to the Insurer. **30.1.1.** If the insurance has been concluded in favour of a third party who has stated that he/she accepts the arrangement in his/her favour, the third party shall have the right to receive the surrender value.

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30.1.2. Where the Insuring Party and the Insured are different persons, the Insuring Party or the Insured Person shall have the right to a surrender under the contract, with the consent of the Insuring Party.

31. The right to a surrender shall be acquired under the following conditions:

31.1. For regular premium insurances – at least two years have elapsed since the start of the period of insurance coverage and all premiums have been paid for that period. The requirement to have at least two years elapsed shall not apply when 15 percent or more of the insurance premiums have been paid;

31.2. For single premium insurances – one month has elapsed since the commencement of the insurance.

32. The surrender value shall be the value of the investment units held as of the maturity date (the reserve of the insurance) less the surrender fee. The reserve under the insurance during the insurance period shall vary in accordance with the current value of the investment unit and at the time of determining the amount of the Insurer's liability, it can be higher or lower than the investment installments under the policy.

32.1. The Insurer's liability under an insurance for which an application for a surrender has been filed shall continue until the time of payment of the surrender value.

32.2. The Insurer shall not owe the surrender value in the case of early liquidation under the supplementary insurance packages.

33. At the request of the Insuring Party, the Insurer shall be obliged to provide information about the exact amount of the surrender value.

34. The Insuring Party shall have the right to a partial surrender during the term of the contract under the terms and conditions set out in these General Terms and Conditions and the terms and conditions of the specific product, recorded in the insurance policy, after filling out a written application form to the Insurer. Partial surrender shall be based on the reserve under the insurance calculated as of the first valuation date following the date of submission of the partial surrender application. In the application for a partial surrender, the Insuring Party must indicate from which funds he/she/it wants the payment and for what amount. In the event that the Insuring Party has not indicated from which funds he/she/it wants to receive the partial surrender and the distribution, then the Insurer shall perform the partial surrender in proportion from the funds under the insurance contract.

34.1. The amount of the withdrawn sum may not be less than the minimum size specified in the terms and conditions of the respective product.

34.2. A mandatory condition for the partial surrender right shall be the reserve under the insurance to remain not less than the minimum amount determined by the Insurer in the terms and conditions of the respective product after the withdrawn amount.

35. The fee for a full or partial surrender shall be specified in the Special Terms and Conditions of the particular product.

VII. FEES AND EXPENSES FOR THE MANAGEMENT OF INVESTMENT FUNDS

36. With the entry into force of the insurance contract, the Insurer shall be entitled to withhold one-off or periodic fees and risk premiums to cover the acquisition and annual costs and the insurance risk as determined under the terms and conditions of the relevant product.

37. One-off or periodic fees and risk premiums shall be deducted from the premiums or from the reserve under the insurance.

38. The Insurer shall have the right to change the amount of the fees. The Insurer undertakes to inform the Insuring Party of any change not later than 30 days prior to its entry into force.

VIII. BENEFICIARIES

39. Depending on the risk covered, indicated shall be as follows:

39.1. "Beneficiary in case of death" – a person designated by the Insuring Party, entitled to receive the agreed insurance payment or a specified amount in case of death of the Insured Person during the term of the contract.

39.2. "Beneficiary in case of survival" – a person designated by the Insuring Party, entitled to receive the agreed insurance payment or a specified amount in case of survival by the Insured Person until the end of the contract term.

40. For the conclusion of an insurance contract in favour of a third party, the consent of that person shall not be required. When the contract has been concluded with designation of the beneficiary (third party beneficiary) and he/she has stated that he/she accepts the arrangement in his/her favour, the beneficiary shall be entitled to receive the surrender value only if such right has been explicitly provided for in the contract.

41. When the insurance contract has been concluded in favour of the children of the Insuring Party without their indication by name, the children who are born after conclusion of the contract shall also be beneficiaries, unless agreed otherwise.

42. If the insurance contract has been concluded in favour of a spouse of the Insuring Party without his/her indication by name, the right shall belong to the person who has a marriage with the Insuring Party as of the date of occurrence of the insured event.

43. When there are several beneficiaries, they shall have equal rights. If a beneficiary refuses to receive or does not receive his/her part, his/her part shall be added to the part of the other beneficiaries. If a beneficiary fails to seek his/her part of the sum insured until

the expiration of the limitation period, the Insurer shall distribute it proportionally among the other beneficiaries. If, in the cases referred to in the third sentence, within one year from expiry of the limitation period, a beneficiary does not receive the additional part, it shall remain in favour of the Insurer.

44. If the beneficiary dies before the Insured Person and the contract specifies no other beneficiaries, the sum insured shall be paid out to the Insured Person or to his/her heirs.

44.1. If the beneficiary dies after the death of the Insured Person, the amount due shall be paid to the legal heirs of the beneficiary.

45. The beneficiary shall lose his/her rights under the contract if he/she has deliberately caused the insured event or if he/she has persuaded or assisted the Insured Person in suicide or in causing the insured event. If the beneficiaries are several, the part of the beneficiary who has lost his/her rights under the contract under the conditions of the preceding sentence shall be distributed equally among the others. If there are no other beneficiaries specified, the sum insured shall be paid to the Insured Person, respectively to his/her heirs.

46. If the creditors of the Insuring Party claim the cancellation of the insurance contract, the third party beneficiary shall be liable up to the amount of the sum received, but not more than the premium paid by the Insuring Party.

47. Right of the third party beneficiary:

47.1. The sum insured shall not be included in the estate of the Insuring Party, the Insured Person or the third party beneficiary, even where his/her heirs have been designated as beneficiaries.

47.2. If the beneficiary is an heir, he/she shall be entitled to the sum insured, even if he/she refuses the heritage.

IX. OBLIGATION TO INFORM

48. Prior to the conclusion of a life insurance contract, as well as during the term of the contract, the Insurer shall be entitled to receive detailed and accurate information regarding the age, gender and health status of the Insured Person.

49. The Insuring Party (the Insured Person) shall be obliged to reply in good faith, exhaustively and accurately to the questions put in the proposal form and the declarations of health and financial condition. When the Insured is a minor, the proposal and the personal health declaration shall be completed by his/her legal representative.

50. If it is established, regardless of when, that the insurance has been concluded with misinformation for the age and/or the health status of the Insured Person, the Insurer shall be entitled:

50.1. To change the terms and conditions of the insurance within one month of becoming aware if in case the concealed circumstances had been known it would have been possible for the insurance to be concluded.

50.1.1. If the Insuring Party does not accept the proposed changes within two weeks of receiving the proposal, the insurance shall be terminated by paying the value of the investment units as of the 1st day of the month of termination of the insurance.

50.2. To terminate the insurance within one month of becoming aware if in case the concealed circumstances had been known it would not have been possible for the insurance to be concluded, paying the value of the investment units as of the 1st day of the month of termination of the insurance.

51. The Insurer shall be entitled during the term of the insurance contract to carry out an inquiry with regard to the health status of the Insured Person at the conclusion of the contract.

51.1. In case of death of the Insured Person (with the exception of the cases of death due to an accident), information shall be collected about the health status of the Insured Person at the conclusion of the contract.

51.2. If it is established that there is a concealed disease and it is in a causal relationship with death, the value of the reserve under the insurance as of the 1st day of the month of the event shall be paid.

52. Upon the occurrence of an insured event, the Insurer shall have the right to require the entire medical documentation regarding the health status of the Insured.

53. During the term of the insurance contract, the Insured/Insuring Party shall be obliged to announce to the Insurer, immediately after learning about them, any change in the circumstances at the conclusion of the insurance contract, as well as any new circumstances for which the Insurer, at the conclusion of the contract, has put a question in writing or has requested data.

54. The Insurer must maintain information about each insurance - parameters of the insurance, information about premiums and installments received, maturity dates at which they have been paid, payments effected and all changes in the insurance during its term.

55. The Insurer shall send annually to the Insuring Party a written notification of the status of the reserve under the insurance contract.

56. The Insurer undertakes, at the request of the Insuring Party, to provide information about the status of the insurance.

57. The Insurer shall not have the right to provide information about the insurance to persons other than the judicial and investigative authorities in the cases provided for by law.

58. In case of a change in the address for correspondence, the Insuring Party must notify the Insurer within 20 days of his/her/its new address.

59. In the event that the Insuring Party has changed his/her/its address for correspondence during the lifetime of the insurance policy and has not notified the Insurer within 20 days of the change, any information or notifications sent to the address specified by the Insuring Party shall be considered to have been validly received.

60. In case of a change in the circumstances under the contract, the Insuring Party shall be obliged to notify the Insurer as follows:

60.1. Where the Insuring Party is a natural person: If during the insurance a change in circumstances occurs such as citizenship, permanent address, address for correspondence or address of residence, the Insuring Party shall be obliged to notify the Insurer in writing thereof within 20 days of such change. The same shall apply to cases where there has been a change in the circumstances declared by the Insuring Party upon the conclusion of the insurance for the purpose of the automatic exchange of financial information for tax purposes pursuant to Article 142, paragraph 1 of the Tax and Social Security Procedure Code, determining his/her local resident status for tax purposes in the relevant jurisdiction(s).

60.2. Where the Insuring Party is an entity (a legal person): If during the insurance a change in circumstances has occurred such as address (by registration, place of management, head office) or controlling persons of the entity, the Insuring Party shall be obliged to notify the Insurer in writing thereof within 20 days of such change. The same shall apply to cases where there has been a change in the circumstances declared by the Insuring Party upon the conclusion of the insurance for the purpose of the automatic exchange of financial information for tax purposes pursuant to Article 142, paragraph 1 of the Tax and Social Security Procedure Code, determining its local resident status for tax purposes in the relevant jurisdiction(s).

60.3 In the cases of a change in the circumstances referred to in item 60.1 or 60.2, the Insuring Party undertakes to sign and present a valid declaration (in a form specified by the Insurer), which documents its status as a local resident for tax purposes in the respective jurisdiction, and, if necessary, provide the Insurer with additional documentary evidence confirming the authenticity of the declaration.

60.4 In the event that the Insuring Party fails to provide the Insurer with a valid declaration or fails to notify the Insurer of the change in circumstances occurred under items 60.1 and 60.2 and the Insurer becomes aware thereof, the latter shall consider the Insuring Party's insurance contract as a contract for which information must be provided to the United States of America and shall have the right to terminate the insurance unilaterally, by a one-month written notice, for which the Insuring Party expressly agrees with the acceptance of these General Terms and Conditions.

X. SUM INSURED AND INSURANCE PREMIUM

61. The sum insured shall be selected by the Insuring Party. The amount of the minimum and maximum sum insured shall be specified by the Insurer.

62. The amount of the insurance premium shall be determined according to the selected product, the term of the insurance, the sum insured, the age of the Insured Person and his/her health condition.

63. Insurance premium may be:

63.1. Annual premium – shall be prepaid at the beginning of every insurance year. The insurer may defer the annual premium into monthly, quarterly or half-yearly installments. Deferred installments shall be prepaid at the beginning of each period to which they relate.

63.2. Single premium – shall be prepaid upon conclusion of the insurance for its entire duration.

63.3. Additional (extra) premium – depending on the conditions of the respective product, the Insuring Party shall be entitled to pay additional premium for the purchase of additional units of a selected investment fund or funds. The Insuring Party shall be entitled to pay additional (extra) premium only if the regular periodic premiums have been paid.

64. Insurance premium (installments) shall be paid by the Insuring Party prior to or at the maturity date specified in the insurance contract.

65. Insurance premiums (installments) shall be paid:

65.1. Premiums (installments) shall be paid in cash through a legitimate insurance intermediary or at a cash-desk in the Insurer's offices, against a receipt form of the Insurer.

65.2. By bank transfer, electronically or through a financial intermediary effecting payments;

66. The Insuring Party shall determine the periodicity of payment of insurance premiums (installments) at the conclusion of the insurance. The Insuring Party may change the periodicity of payment of premiums (installments) at the annual maturity, after giving a written notice to the Insurer. An annex to the insurance contract shall be issued for the change.

67. The payment of the insurance premium under insurances concluded in EUR shall be made in Bulgarian leva at the official exchange rate of the Bulgarian National Bank for the euro on the day of payment of the premium, or shall be effected directly in EUR.

68. The insurance premium (installment) due shall be paid at the maturity date or not later than 24.00 hrs. on the last day of the second month after the maturity (two-month risk period). During this time, the insurance shall be in force under the terms and conditions under which it has been concluded.

68.1. In the second month of the two-month risk period, the Insurer shall be obliged to invite the Insuring Party in writing to pay the current premium (installment) within one month of receipt of the notification.

68.2. During this one-month period the insurance shall be considered regular and the amount due shall be paid upon the occurrence of an insured event.

69. If the premium due is not paid within the specified one-month period, the insurance shall become irregular as follows:
69.1. If the premiums have been paid for at least two years (or if 15 percent or more of the insurance premiums have been paid), the insurance shall be continued with a reduced sum insured by transforming it into a „paid policy", which shall be paid only in case of death or survival of its term.
69.1.1. The reduced sum insured shall be determined on the basis of the surrender value as of the date of the transformation, which shall be considered a single premium for an analogous insurance coverage for the remainder of the insurance term. The maturity date of the first unpaid premium installment shall be considered to be the date of the transformation.
69.2. If the premiums have been paid for a period of less than two years (or if less than 15 percent of the insurance premiums have been paid), the Insurer shall be released from its liability under the insurance without returning the premiums paid. The insurance contract shall be terminated and the insurance shall be destroyed due to non-maintenance.
70. The Insuring party shall have the right to pay to the Insurer an additional premium to be invested, whereat the amount of the additional premium cannot be less than the minimum amount previously determined by the Insurer. The minimum amount of the additional premium shall not depend on the amount of the regular insurance premium.
70.1. There shall be no requirement for the additional premium to be invested in the same funds selected at the conclusion of the insurance.
70.2. The payment of additional insurance premiums shall not relieve the Insuring Party of its obligation to pay regularly the deferred insurance premiums due.
71. The amounts that the Insuring Party is obliged to pay to the Insurer under the insurance contract shall be deemed to have be paid when they are received on the Insurer's bank account.

XI. INVESTING PREMIUM AND RESERVE UNDER THE INSURANCE

72. The Insuring Party shall have the right to choose among the investment funds offered by the Insurer depending on the differences in the expected yield and the degree of risk as well as the ratio in which the investment installment is to be invested in each individual fund.
73. Upon submission of a written application form to the Insurer, the Insuring Party shall have the right to transfer the investment units held from one fund to another or to change the ratio of the future investment installments if there are no unpaid premiums due. For deferred premiums, the change shall take effect on the day of payment of the next premium due provided that the application filed has been approved by the Insurer.
74. Any single, regular or extra premium paid by the Insuring Party shall be transformed into units of selected investment funds or fund, specified by the Insurer. Transformation shall be in the ratio chosen by the Insuring Party in the proposal for insurance and recorded in the insurance policy.
75. The Insurer shall make the necessary calculations when converting the premium into investment units according to the value of the investment unit on the first valuation date following the date of payment of the regular or single premium or the extra premium.
76. The reserve of the unit linked life insurance shall be calculated by multiplying the total number of units held by the value of one unit determined for the respective fund.
77. The value of the investment units held shall depend entirely on the value of the assets in the selected fund or funds and shall not be guaranteed by the Insurer.
78. The Insurer shall have the right to launch new or terminate the offering of investment funds in which premiums are invested.
78.1. The investment units held from discontinued funds shall be transferred into units of other funds.
78.2. The Insurer shall notify the Insuring Party by a written notice within 30 days to transfer the investment units from discontinued funds into new funds.
78.3. After the consent of the Insuring Party, the units of the discontinued funds shall be subtracted from the units held and recalculated in the respective number of units of one or more other investment funds.
79. In the calculations in connection with the investment units held, the number of units of investment funds shall be rounded off to a maximum of 6 decimal places.

XII. RELATIONS BETWEEN THE PARTIES

A/ OBLIGATIONS OF THE PERSON WITH RIGHTS ARISING UNDER A LIFE INSURANCE
80. A claim for payment of an amount under an insurance contract shall be filed in writing by the person with rights arising under this contract (an entitled person).
80.1. Upon the occurrence of an insured event the following documents must be presented to the Insurer:
80.1.1. The entitled person shall fill in a Claim (on a form of the Insurer), provide complete and accurate bank account details and provide an identity document for all insured events.
80.1.2. The file opened shall be entered in a payment register, and the serial number shall be recorded on the file, as well as the date on which the file has been entered in the register.
80.1.3. The entitled person shall receive a written certificate for the number of the registered file.
80.2. For payment of amounts under the individual insured events, the following documents must be submitted:
80.2.1. Upon expiry (survival) of the term of the contract – if possible the original of the insurance policy;
80.2.2. For disability resulting from an accident – a copy of the insurance policy; documents certifying the causes and circumstances in which the accident has occurred; medical documents certifying: the first medical aid rendered, the traumatic injuries established, the conducted treatment and the state of the injuries immediately prior to certification by the CIMC; decision of the CIMC.
80.2.3. For disability of more than 75% resulting from illness – a copy of the insurance policy; expert decision of the TEMC/NEMC.
80.2.4. For temporary incapacity for work resulting from an accident – a copy of the insurance policy; documents certifying the causes and circumstances in which the accident has occurred; medical documents certifying: the first medical aid rendered, the traumatic injuries established and the conducted treatment; medical certificates actually used for the duration of the temporary incapacity for work.
80.2.5. For „Critical Illness" diagnosed - medical documents related to the initial diagnosis of the disease, the conducted treatment.
80.2.6. In case of death - if possible, the original of the insurance policy; a copy of the death certificate, notification of death, documents certifying the causes and circumstances in which the Insured Person has died; certificate of heirs – the original or a copy; an official certificate by the Insuring Party for group contracts.
80.2.7. In case of surrender – if possible, the original of the insurance policy.
80.2.8. In case of partial surrender – a copy of the insurance policy.
81. Surrender value shall be determined on the first valuation date following the submission of the claim.
82. In case of payment for expired term, surrender and partial surrender the Insuring Party/Insured Person shall fill in a declaration for tax reliefs used under the insurance.
83. If the submitted documents at the registration of the claim file are not sufficient to prove indisputably the insured event and the injuries it has caused, the Insurer shall be entitled to require the entitled person to submit additional evidence.
84. Notification of the entitled person of the need to submit additional evidence shall be within 45 days of the date of filing of the claim file at the latest.
85. When the necessary evidence under a claim submitted to the Insurer is kept by state authorities and third parties (Ministry of Interior authorities, investigative, judicial and other state authorities, medical and healthcare establishments, General Practitioners), the Insurer shall have the right to request them - through the entitled person or directly, even if they are a secret protected by the law, in accordance with the Insurance Code.

B/ OBLIGATIONS OF THE INSURER, DEADLINE FOR PAYMENT AND METHOD FOR DETERMINING THE INSURANCE PAYMENT AMOUNT.
86. The Insurer shall be obliged to pay amounts under the terms and conditions of the insurance contract in the cases of:
87. Expiry (survival) of the term of the contract – upon survival, the reserve under the insurance shall be paid to the Insuring Party/Insured Person or to the beneficiaries specified in the policy.
88. Death of the Insured Person – in case of death an amount shall be paid to the beneficiaries in accordance with the terms and conditions of the product.
88.1. In the event of accidental death, the amount agreed upon in the insurance policy shall be paid provided that death has occurred within one year at the latest from the date of the accident and is in a causal relationship with the accident.
89. Accidental Death – in case of death an additional sum insured shall be paid to the beneficiaries in accordance with the terms and conditions of the product.
90. Disability resulting from an accident – the Insured Person shall be paid the sum insured or a percentage thereof equal to the percentage of disability, in accordance with the terms and conditions of the product.
90.1. The percentage of disability resulting from an accident shall be determined by the Central Insurance and Medical Commission (CIMC) of DZI - Life Insurance JSC on the basis of the following documents:
- **INSTRUCTION** for insurance and medical examination of disability (permanent loss of working capacity) of persons injured in an accident.
- **GUIDELINES** for applying the Scale for Traumatic Illnesses and Injuries for determining the percentage of disability (permanent incapacity to work resulting from an accident).
- **SCALE** for Traumatic Illnesses and Injuries for determining the percentage of disability (permanent incapacity to work resulting from an accident).

90.2. The injured person shall be certified by the CIMC after completion of the treatment and complete stabilization of the traumatic injuries but not earlier than three months and not later than one year from the date of the accident.
90.3. In the event of traumatic amputation of limbs and in case of loss of eyes certification may be done immediately after completion of the treatment, without having to wait for three months to pass after the date of the accident. This shall not apply to combined trauma where, in addition to amputation the person has suffered other injuries as well.
90.4. If the treatment is not completed and the injuries are not stabilized one year after the date of the accident, the CIMC shall assess the condition of the injured person at the end of the one-year period from the accident and shall determine the final percentage of disability, which must be recorded in the Decision of the CIMC.
90.5. The Insurer shall not cover complications in the health condition of the Insured Person, which have occurred an year after the accident's date.

90.6. In case of severe injuries, the injured person may be certified before final completion of the treatment and stabilization of the injuries but not earlier than three months from the date of the accident.
90.6.1. The CIMC shall determine a preliminary percentage of disability, which must reflect the presumptive objective condition of the injured person as of the end of the one-year period after the date of the accident.
90.6.2. The Insurer shall pay 75% of the sum insured in advance in accordance with the preliminary percentage.
90.6.3. The injured person must be re-certified to determine the final percentage of disability, on the basis of which the amount due shall be specified and the difference shall be paid.
90.6.4. If an accident has affected organs that have been damaged by a previous accident, a reduced disability percentage shall be determined. The method of sequential and proportional aggregation shall be applied taking into account the determined percentage of disability for the previous traumatic injuries.
90.6.5. Amounts for disability resulting from an accident shall be paid if the same has occurred within one year from the date of the accident at the latest and is causally related to it.
91. For disability of more than 75% resulting from an illness - the sum insured shall be paid to the Insured Person.
91.1. The percentage of disability resulting from an illness shall be determined on the basis of the Expert Decision of TEMC/NEMC. The Insurer shall pay amounts for disability resulting from an illness only for the first decision of TEMC/NEMC within the term of the insurance and upon fulfillment of the following conditions:

91.2. The illness must have occurred and must have been diagnosed after expiry of the waiting period specified in the insurance contract.

91.3. The decision of TEMC/NEMC must have a date of entry into force after expiry of the waiting period specified in the insurance contract.

92. Temporary incapacity to work resulting from an accident – a percentage of the sum insured shall be paid to the Insured Person depending on the duration of the temporary incapacity to work - in accordance with the terms and conditions of the products.
92.1. The Insurer shall pay amounts for temporary incapacity to work resulting from an accident which has occurred for the first time within a month from the date of the accident and once more within three months from that date.
92.2. The beginning of the primary medical certificate for temporary incapacity to work must be within the term of the insurance contract. The subsequent medical certificates must have been issued in continuation of the primary one and must be without an interruption.
92.3. Where the Insured Person is not insured under the Social Security Code, the determination of the duration of the temporary incapacity to work shall be carried out by an expert doctor of the Insurer based on all submitted medical documents certifying indisputably the duration of the incapacity to work.
93. Diagnosis of a critical illness – the Insured Person shall be paid only once the determined sum insured provided that during the term of the contract an illness has been diagnosed for the first time that is included in the List of Critical Illnesses, which is an Appendix to the terms and conditions of the product.
93.1. No amounts shall be paid under the Supplementary Critical Illness Package in the following cases:
93.1.1. The illness has been diagnosed during the waiting period, specified in the terms and conditions of the coverage.
93.1.2. In the event of death of the Insured Person prior to the end of the postponement period, specified in the terms and conditions of the coverage.
94. The Insurer shall not pay any amounts for additional risks if as of the date of the insured event the insurance is irregular or has been transformed into a "paid policy" in accordance with these General Terms and Conditions.
95. The Insurer shall pay the amounts due not later than 15 working days after submission of all necessary documents.
95.1. Within the same term, the entitled person shall be notified in writing if there is a refusal of full or partial payment under the claim filed by him/her. The letter shall state the reasons for the refusal, respectively for the partial payment.
95.2. The amount shall be paid by bank transfer in BGN. If the sum insured is agreed upon in foreign currency, the Insurer shall pay its BGN equivalent according to the exchange rate of the Bulgarian National Bank as of the payment date, unless agreed otherwise;
95.3. In the event of a complaint by the entitled person, the Insurer shall be obliged within 7 days to provide in writing a factual and legal justification of the determined amount of compensation.
96. In the event of payment of amounts, the Insurer shall withhold all of its receivables under Life Insurances.
97. In the event of payment of amounts for: survival; full or partial surrender; death of an Insured Person under contracts with a surrender value and annuity contracts; the entitled person must fill out a declaration (as per the form of the Insurer) for the purposes of the automated exchange of financial information in the field of taxation, on the grounds of Article 142s, paragraph 1 of the Tax and Social Security Procedure Code (TSSPC) and, if necessary, must submit to the Insurer additional documentary evidence confirming the authenticity of the declaration.

XIII. COMPLAINTS
98. The policy of DZI - Life Insurance JSC for management of complaints of users of insurance services is determined by the Complaints Handling Rules approved by the Management Board of the company and published on www.dzi.bg.
99. The users of the insurance services of DZI - Life Insurance EAD have the opportunity to file complaints at each stage of their servicing:
0700 16 166 - at the official e-mail address of DZI – Life Insurance JSC: clients@dzi.bg;
at any structural unit of DZI - Life Insurance JSC (Head Office, Head Agency, Agency and/or Office) in writing.

100. Upon submission of a complaint by a user of insurance services, an incoming reference number shall be given, which shall be delivered in a way convenient to the customer. The submitter is required to state a current address and/or e-mail address where to receive the written response from the INSURER, as well as a contact telephone number in case of need of further clarification of circumstances.

101. A written response shall be sent to the user of insurance services within 1 (one) month from the date of filing of the complaint. In the case of a delay, the customer shall be duly informed within the specified terms.
102. In case of refusal to honour the complaint, the Insurer gives reasons for its refusal, indicating to the complainant possibilities to seek protection of his/her rights before the Financial Supervision Commission, as well as before other competent institutions.

XIV. X. ADDITIONAL PROVISIONS, JURISDICTION AND LIMITATION
103. Contractual relations between the Insurer, the Insured Persons and the Insurer shall be governed by the conditions of the insurance contract, these General Terms and Conditions, the Insurance Code, the Obligations and Contracts Act, the Commercial Act.
104. The Insuring Party shall be obliged to provide in writing to the Insured Persons all the information he/she/it has received from the Insurer regarding the concluded life insurance contract, including the General Terms and Conditions or the insurance contract, if it has not been concluded under the General Terms and Conditions. The information under sentence one shall include details of the Insurer, the subject of the insurance, the sum insured, the term of the insurance, the third party beneficiaries and the procedure to be applied in the event of an insured event. The information or future changes thereto shall be provided by the 15th day of the month following the month of the conclusion of the insurance under sentence one, respectively of the changes thereto.
105. Any disputes arising in connection with the insurance relationship shall be resolved amicably and if no agreement can be reached - by the competent Bulgarian court.
106. The rights under the insurance policy shall be extinguished upon expiration of a five-year limitation period from the date of occurrence of the insured event.

XV. DEFINITIONS
Within the meaning of these General Terms and Conditions:
INSURER – DZI - Life Insurance JSC.
INSURING PARTY - the person who is a party to the insurance contract. The Insuring Party may, under the terms and conditions of the insurance contract, be the Insured or a third party beneficiary.
INSURED PERSON – the person whose non-material good is subject to insurance protection under the insurance contract. The Insured Person shall always be a natural person.
The Insuring Party and the Insured may be the same person or different persons.
BENEFICIARY shall be a person designated by the Insuring Party, entitled to receive the agreed insurance payment or amount upon the occurrence of an insured event.
The Insuring Party or the Beneficiary may be natural or legal persons.
GROUP shall be a pre-formed community with non-insurance purposes of two or more persons whose number is determined or determinable.
TERM OF THE INSURANCE – the period in full years specified in the policy. The commencement and the end of the insurance term shall be specified in the insurance policy.
INSURED EVENT shall be the occurrence of a risk covered by the insurance during the period of insurance coverage.
SUM INSURED (liability limit) shall be the monetary amount agreed and specified in the insurance policy, representing the upper limit of liability of the Insurer to the Insured or the Beneficiary.
INSURANCE PREMIUM (installment) shall be the single or deferred (monthly, quarterly, half-yearly, annual) amount, which the Insuring Party owes to the Insurer against the liabilities taken by the latter under the insurance policy.
MATURITY DATE OF THE PREMIUM – the date of payment of the premium.
MATURITY DATE OF THE POLICY– the end of the insurance contract, specified in the policy.
INSURANCE FEES – single or regular deductions to cover the costs of the insurance contract.

INVESTMENT FUND – a portfolio of assets formed to cover the liabilities under the insurance contracts, linked to the fund. The characteristics and objectives of the investment fund, the rules for determining the value of the fund assets and the units shall be specified in the terms and conditions of the products.

INVESTMENT DATE – the date on which the Insurer invests the premiums received in the fund. Premium shall be invested on the first date of evaluation of assets and units following the date of receipt of the entire insurance premium due (single, deferred or extra premium).

INVESTMENT UNIT – a major component of the investment fund used to determine the monetary liabilities arising from the insurance contract.

ASSETS VALUATION – the process of determining the value of assets of a particular investment fund.

DATE OF VALUATION OF ASSETS AND UNITS – the date, on which the value of the fund's assets and the values of the investment units are calculated.

INVESTMENT UNIT VALUE – it shall be determined periodically during the term of the insurance, whereat the portfolio assets value shall be divided by the number of the investment units as of the valuation date.

RESERVE UNDER THE INSURANCE – the value of the investment units held.

POLICY MATURITY DATE – the end of the insurance contract specified in the policy.

ACQUISITION COSTS – the costs arising from the conclusion of insurance contracts.

SURRENDER shall be the right of the Insuring Party to an early termination of the insurance contract.

PARTIAL SURRENDER shall be the right of the Insuring Party, subject to certain conditions, to an early receipt of an amount on the basis of the reserve of the insurance, without this leading to termination of the contract.

PAID POLICY – an insurance under which the payment of the regular premiums due is suspended under certain conditions.

ACCIDENT shall be any event resulting in death or bodily injury of the Insured Person as a result of unforeseen and sudden impacts of external origin that has not been intentionally caused by the Insured Person. Unpredictability is presumed until proven otherwise.

Consequences shall **NOT BE CONSIDERED AS AN ACCIDENT** when they are resulting from or due to:

a) occupational diseases;

b) proven existing diseases or suddenly occurring disease conditions, bodily or mental;

c) bodily injury caused by temperature influences (freezing, sunburn, sunstroke or heatstroke), except in the cases of addressing the consequences of an accident;

d) medical manipulations (including injections, immunizations, vaccinations), interventions, operations, general and local anesthesia, chemotherapy, radiotherapy and other medical treatment procedures, as well as health injuries resulting from the conducted treatment;

e) use of alcohol, drugs, opiates, stimulants, doping and other psychotropic substances;

f) diseases, which are in a causal relationship with an accident.

TERRORISM - an act of terrorism is the use of force or violence and/or a threat thereby against a person or groups of people, whether acting alone or on behalf of an organization or a government bound by political, religious, ideological or similar purposes, including with the intention to influence any government and/or to put society or part of it in fear.

TEMPORARY INCAPACITY TO WORK shall be partially reduced or completely lost ability to perform work activities for a certain period of time as a result of an accident, an occupational or a general disease.

DISABILITY (PERMANENT INCAPACITY TO WORK OR TYPE AND DEGREE OF DAMAGE)

- **PERMANENT INCAPACITY TO WORK** shall be permanently reduced to a certain percentage or completely lost ability to perform work activities as a result of an accident, an occupational or a general disease.
- **type and degree of damage** shall be the condition of chronic traumatic or non-traumatic injury (illness) in which the person of incapacitated age has a persistent functional deficiency of the respective injured organ or system.

DISEASE shall be the aggregate of subjective complaints and clinical manifestations of structural and functional organism disorders, diagnosed in a healthcare facility and registered in an official medical document.

GENERAL DISEASE shall be any disease according to the criteria of the World Health Organization, which is not defined as an occupational disease or a traumatic injury.

OCCUPATIONAL DISEASE shall be a disease that has occurred exclusively or primarily under the influence of adverse factors of the working environment or the working process and which has been determined by the diagnostic medical commission with a Protocol for an Occupational Disease meeting the necessary criteria.

CRITICAL ILLNESS shall be an illness included in the List of Critical Illnesses of the Insurer.

WAITING PERIOD shall be a specified period of time from the commencement of the insurance after the expiry of which the Insurer's liability for the given insurance coverage begins.

POSTPONEMENT PERIOD shall be a period that begins only after the occurrence of an insured event and provided that the waiting period has expired. After expiration of this period, insurance indemnities shall be calculated and paid.

A TRUSTED DOCTOR shall be a medical practitioner holding the necessary qualifications and appointed by the Insurer.

EPICRISIS shall be an official medical document, which shall be obligatorily issued to the patient after a conducted inpatient treatment in a licensed healthcare facility.

The interim epicrisis as a document shall not be epicrisis according to this definition.

A medical certificate actually used shall be a medical certificate issued in accordance with the established procedure and presented to the employer in accordance with the Ordinance on the Medical Examination of Capacity for Work.

These General Terms and Conditions are effective from October 2009, amended and supplemented in April 2012, amended and supplemented on 29.02.2016, effective from 25.03.2016 г., amended and supplemented on 26.02.2018, effective from 01.03.2018, amended and supplemented on 01.10.2018, effective from 01.11.2018.

Date: …………………………………

For DZI – Life Insurance JSC: …………………………………………………

…………………………………………………………………………………………………

(Full name, signature)

I declare that I received these General Terms and Conditions, signed by DZI - Life Insurance JSC, I am acquainted with their content and accept them.

Insuring Party: ………………………………………………………………

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(Full name, signature)