

ERGO Life Insurance SE**RULES ON COMPLEMENTARY INSURANCE OF PERMANENT DISABILITY No 021****1. KEY TERMS EMPLOYED BY THE INSURANCE RULES**

Insurer shall be ERGO Life Insurance SE.

Policyholder shall be a legal entity entering into an insurance contract with the insurer.

Insurance coverage shall be the commitment of the insurer to pay an insurance benefit upon occurrence of an insured event.

Parties to an insurance contract shall be the insurer and a policyholder.

Insured person shall be natural person indicated by a policyholder and specified in the insurance contract to whom, upon occurrence of an insured event in his life, the insurer must pay an insurance benefit.

2. ENTRY INTO AN INSURANCE CONTRACT

2.1. Complementary insurance of permanent disability (hereinafter referred to as complementary insurance) may be acquired together with principal insurance. Principal insurance shall be an insurance based on life insurance rules of the insurer.

2.2. Complementary insurance shall be conditional on and shall be effective in conjunction with the principal insurance only. Complementary insurance shall also be subject to rules of principal insurance to the extent these are not in conflict with provisions of permanent disability complementary insurance rules.

2.3. A policyholder, wishing to include a complementary insurance to an insurance contract, shall submit a written request to the insurer. Mere submission of a request and payment of a premium impose no obligation on the insurer to offer a complementary insurance. Insured persons shall complete questionnaires established by the insurer, should the latter so require. A request submitted by a policyholder, and questionnaires shall, upon entry into an insurance contract, together with the insurance rules above, become an integral part of an insurance contract.

2.4. The insurer, upon assessment of insurance risk, may refuse complementary insurance giving no reasons. If an insurance premium, based on a request submitted, is paid prior to assessment of insurance risk and refusal of insurance by the insurer, the same premium shall be repaid to the respective payer. If an insured event, provided by the insurance rules, takes place during the period above, the insurer shall be under no obligation to pay an insurance benefit.

2.5. Complementary insurances, agreed on by parties to an insurance contract, shall be stated in an insurance policy or supplements thereto.

3. INSURED EVENT

3.1. An insured event shall be an irreversible disability of an insured person of 75% or more (permanent disability), caused by significant disorders in various body functions, found during period of an insurance coverage, where, as a result, an insured person has ability level of 0-25%. The Ministry of Social Security and Labour of the Republic of Lithuania, together with the Ministry of Health of the Republic of Lithuania shall prescribe criteria and procedure for establishment of ability level.

Ability shall be human abilities and potential to carry out work, other than those requiring special knowledge, qualification or skills.

75% disability shall be a state of human body, where an insured person, due to significant disorders in body functions, may work up to 25% of regular working hours or 25% of a workload only. Fact of disability shall be certified provided the same disability lasts, uninterrupted, for 6 months.

The insurer shall decide on recognition of a disability as an insured event.

4. NON-INSURED EVENTS

4.1. Disability shall not be recognised an insured event, and the insurer shall be under no obligation to pay insurance benefits, provided the disability of an insured person is due to the effects of the following disorders and / or accidents:

a) Caused as a result of events related to military actions, introduction of the state of war or emergency, military actions, rebellion, riot, employee strikes, lockouts, arrests and detentions by governmental institutions and officials, military service or participation in a peacekeeping mission;

b) appearing and / or taken place during perpetration of a criminal act or preparation for the same by an insured person and / or during performance of other actions contrary to the law by an insured person (e.g. driving of a vehicle with no licence). Elements of a criminal act or preparation for the same, or other actions contrary to the law shall be evidenced, and the insurer may rely on the following documents, when deciding on a recognition of an insured event: findings and procedural decisions by pre-trial investigation authorities, bodies, authorised to examine cases of administrative offences, and / or judgements, decisions, resolutions and rulings by courts;

c) related to engagement by an insured person in hazardous sports or recreation activities (extreme sports, combat sports, diving, mountaineering, parachuting, aerial sport, gliding, hot air balloons, auto-and motto-racing etc.), unless an insurance contract provides otherwise;

- d) diseases, self-inflicted injuries or attempted suicide of an insured person;
- e) injuries of the Insured caused by intentional actions (acts committed by direct or indirect intent) of the Policyholder or beneficiary;
- f) exposure to nuclear energy (except for exposure to radiation therapy);
- g) a result of the influence of alcohol, drugs or toxic, psychotropic or other psychoactive substances or medicines that were not prescribed by a doctor used for intoxication purposes
- h) AIDS / HIV virus.

4.2. Disability shall not be recognised an insured event, provided disability is established within the first 3 months after the commencement of insurance.

4.3. In case an insurance coverage is suspended or terminated, then, upon renewal of an insurance coverage, disability shall not be recognised an insured event, if the same is due to reasons appearing during period where insurance coverage did not apply or to reasons appearing within the first 3 months after renewal of insurance coverage.

5. INSURANCE OBJECT

5.1. Insurance object shall be property interest, related to a permanent disability of an insured person.

6. INSURANCE AMOUNT

6.1. Policyholder shall submit a request stating preferred insurance amounts of permanent disability insurance. Insurance policy shall state insurance amounts agreed on by parties to an insurance contract.

6.2. In case disability of an insured person is recognised an insured event, an insurance amount of disability of the same person shall be paid.

7. PROCEDURE OF CALCULATION AND PAYMENT OF INSURANCE PREMIUMS

7.1. Insurance premium shall be calculated taking into account the amount and period of insurance, age of an insured person and other risk factors. The insurer, depending on an insurance risk level of an insured person may offer a complementary insurance to a policyholder, with different insurance rates.

7.2. Unless an insurance contract provides different, insurance premiums for a complementary insurance shall be payable in the same frequency and the same period, as for the principal insurance. Complementary insurance premiums shall be payable together with principal insurance premiums; the payment procedure shall follow rules of principal insurance.

7.3. Insurance premiums shall be payable until a decision regarding recognition of an insured event is taken by the insurer.

7.4. If all the documents required under article 11 of the above insurance rules are submitted to the insurer, the latter may postpone payment of insurance premiums for the principal insurance and complementary insurances pending final decision regarding recognition of an insured event.

8. FAILURE TO PAY INSURANCE PREMIUMS

8.1. Should a policyholder fail to pay a routine insurance premium or part thereof within deadline prescribed by an insurance contract, insurer shall, at the expense of a policyholder, inform the latter in writing.

Should a policyholder fail to pay an insurance premium within 30 days following sending of a notice, insurance coverage shall be suspended and only renewed upon payment by a policyholder of insurance premiums.

9. EFFECT OF A COMPLEMENTARY INSURANCE

9.1. A complementary insurance shall be effective in conjunction with a principal insurance contract (see clause 2.1). Unless an insurance contract provides different, complementary insurance shall be effective until the expiry of a principal insurance. Insurance period shall be provided in an insurance policy.

9.2. Complementary insurance coverage shall become effective the next day after payment of the first insurance premium, however, not before the commencement of insurance provided by an insurance contract.

9.3. Complementary insurance of an insured person shall end:

- a) upon demise of an insured person;
- b) upon recognition of a permanent disability of an insured person an insured event;
- c) upon expiry or termination of a principal insurance;
- d) upon expiry of a complementary insurance period.

9.4. Principal insurance of an insured person and complementary insurances included in an insurance contract shall end upon recognition of a permanent disability of an insured person an insured event. The above provision shall not apply if insurance amount of a principal insurance of an insured person exceeds insurance amount of disability insurance. In this case, principal insurance of an insured person shall continue, with respective insurance amount reduced by insurance benefit of disability insurance.

10. RIGHTS AND DUTIES OF PARTIES TO AN INSURANCE CONTRACT

10.1. The insurer agrees to introduce a policyholder to the insurance rules above and rates of insurance premiums. The Insurer shall also provide other insurance agreement-related information, which the Insurer is obligated to provide according to laws of the Republic of Lithuania.

10.2. Both when concluding an insurance agreement and during its validity, the Policyholder shall provide to the Insurer detailed and correct information about the Insured. When completing an application for the conclusion or amendment of the insurance agreement at the time of conclusion of the insurance agreement or in the course of its validity, a report on an insured event or when answering questionnaires or additional questions presented by the Insurer, the Policyholder and the Insured shall present to the Insurer all the information known to them, which is necessary for the Insurer to assess the insurance risk, to determine the circumstances that may have a material impact on the likelihood of happening of an insured event, to investigate the insured event or to determine insurance agreement deductibles, insurance benefit amount or other circumstances important for the insurance agreement.

10.3. The Insurer shall provide insurance coverage believing that the Policyholder and the Insured have comprehensively and correctly answered all the questions in the Insurer's application for concluding an ERGO universal life insurance agreement and questionnaires, especially those related to the current or

previous illnesses, health disorders, ailments, bad habits, hereditary diseases, work activities and hobbies..

10.4. Should it be determined after concluding an insurance agreement that the Policyholder or the Insured defaulted on their obligation to disclose information when concluding an insurance agreement or during its validity, and intentionally or negligently provided the Insurer with incomplete or false information about the Policyholder, the Insured or the circumstances that could have material impact on the assessment of the insurance risk, the likelihood of the happening of an insured event, the determination of insurance agreement deductible amounts or other circumstances significant for the insurance agreement, the Insurer shall have the right to terminate the insurance agreement, to reduce the insurance benefit or to refuse to pay it altogether, except for cases, when circumstances, which the Policyholder and/or the Insured concealed, disappeared before the insured event or had no impact on the insured event.

10.5. The Policyholder shall inform the Insured, its legitimate representative and beneficiary about the concluded insurance agreement and familiarize them with their rights and obligations laid down in the insurance agreement. In case of amending the insurance agreement, the Policyholder shall provide to the persons listed in this paragraph information on amendments to the insurance agreement.

10.6. Should the insurer so request, an insured person shall attend an examination with a doctor designated by the insurer. The insurer may claim reimbursement from a policyholder medical examination costs carried out at the expense of the insurer, in case a policyholder refuses inclusion of a complementary insurance in an insurance contract or fails to pay the first insurance premium for complementary insurance.

10.7. A policyholder shall pay insurance premiums for complementary insurance, as prescribed by an insurance policy.

10.8. Notices related to an insurance contract shall be delivered in writing only. With respect to the insurer, notice above shall become effective once received. Insurance brokers or intermediaries shall not be authorised to accept notices.

10.9. The insurer shall be at liberty to refuse recognition of an insured event, provided a policyholder, an insured person or other person eligible for an insurance benefit fails to comply with requirements provided by clause 11.1, whether intentionally or with negligence. However, the above provision shall not apply, if negligent performance of duties does not prevent establishment of an insured event.

11. ESTABLISHMENT PROCEDURE OF INSURANCE BENEFITS

11.1. The insurer shall be informed of disability of an insured person within 30 days after establishment of a disability level. The insurer shall be provided with a finding by the Disability and Working Capacity Assessment Office at the Ministry of Social Security and Labour and complete medical report on reasons, commencement of disability and estimated long-term disability.

11.2. The insurer, seeking to establish disability level with more precision, may request additional documents and evidence, and question all doctors, hospitals and other health institutions, where an insured person has

been treated, commission medical tests required or a medical examination.

11.3. The insurer shall determine the scope of information to be provided. For the purposes of collection of information, significant in determining the fact, circumstances, effects of an insured event and value of a benefit, the insurer shall be entitled to request, from persons applying for benefits, health care institutions, authorities of law enforcement, other natural and legal person the following: documents on right of inheritance, documents supporting personal identity and relationship, medical findings, diagnoses, other medical documents, issued in the manner prescribed by the laws of the Republic of Lithuania, as well as statements, findings and any other information, whether verbal or written, that the insurer believes is required for examination of an event and establishment of a benefit.

11.4. In case insurance amount of disability insurance has been increased, and where a disability of an insured person is established within the first 3 months after the increase in insurance amount, disability insurance benefit shall be a disability insurance amount valid prior to the increase thereof.

12. PAYMENT PROCEDURE OF INSURANCE BENEFITS

12.1. Unless agreed otherwise, in the event of permanent disability insurance, an insurance benefit shall be paid by the insurer to an insured person.

12.2. The insurer shall pay an insurance benefit within 30 days after receipt of complete information, significant in determining the fact, circumstances, effects of an insured event and value of a benefit (including additional information from authorities of law enforcement, health care authorities etc.). In case there is, concerning an insured event, an investigation pending by authorities of law enforcement or proceedings instituted, the insurer shall be entitled to postpone decision concerning an insurance benefit pending completion of an investigation or proceedings.

12.3. The insurer shall pay an insurance benefit to a beneficiary at its own account. Benefits shall be transferred to the account specified by the beneficiary. In case of payment abroad, related risk and costs shall be born by a beneficiary (currency converting, transfer expenses, loss, delays etc.).

12.4. The insurer shall pay insurance benefits in the national currency, at an exchange rate set by the Bank of Lithuania on the day of the issuance of an invoice or another payment document. The insurer shall be entitled to reduce insurance benefit with a total of unpaid premiums of principal insurance and complementary insurances, included in an insurance contract, and to deduct, in the manner prescribed by the insurer, the amounts unpaid by a policyholder, related to entry into and performance of an insurance contract.

12.5. Should parties to an insurance contract so agree, insurance benefits may be paid in instalments.

13. PREMATURE TERMINATION OF A COMPLEMENTARY INSURANCE

13.1. A policyholder shall be entitled to terminate a complementary insurance with a minimum one month written notice prior to a scheduled insurance termination.

13.2. If a principal insurance is terminated on initiative of the insurer due to violation of conditions of an insurance contract for the fault of a policyholder, insurance premiums shall not be repaid to a policyholder.

13.3. If a principal insurance is terminated on initiative of a policyholder, except as prescribed by clause 13.4, complementary insurance premiums shall not be repaid to a policyholder.

13.4. If an insurance contract is terminated on initiative of a policyholder due to violation of conditions of an insurance contract for the fault of the insurer, insurance premiums paid for a remaining period of complementary insurance shall be repaid to a policyholder.

13.5. If a principal insurance of an insured person is interrupted due to a non-insurance event, insurer shall repay insurance premiums paid for a remaining period of complementary insurance of an insured person.

14. AMENDMENTS TO AN INSURANCE CONTRACT

14.1. In case of alteration in the amount insured or insurance period only, complementary insurance may be renewed under conditions prescribed by the insurer only.

14.2. In case, due to default in payment of an insurance premium by a policyholder, insurance coverage has been suspended, it shall be renewed on the next day after full payment of a policyholder of all insurance premiums in default both for principal insurance and complementary insurance included in an insurance contract. Should a policyholder fail to pay insurance premium within 6 months after suspension of insurance coverage, it may be renewed upon consent by the insurer and under conditions prescribed by the same only.

15. LIABILITY FOR VIOLATION OF THE INSURANCE RULES

15.1. Should a policyholder fail to pay an insurance premium or other amount payable under the insurance contract within deadline prescribed, a policyholder shall, upon request by the insurer, pay late payment fees to the amount of 0.02% based on an amount outstanding per day delayed.

15.2. Should the insurer fail to pay an insurance benefit within deadline prescribed, the insurer shall, upon request by a policyholder, pay late payment fees to the amount of 0.02% based on total insurance benefits outstanding per day delayed.

Chairman of the Board (Managing Director) /signature/
Dr. Kęstutis Bagdonavičius

Board member /signature/
Saulius Jokubaitis