

# **General Terms and Conditions of Insurance (AVB -R)**

## **for the insurance of medical treatment costs and in-patient daily sickness benefits during travels**

### **Part 1: GENERAL TERMS AND CONDITIONS**

#### **§ 1 Subject, scope and territory of insurance cover**

- (1) The insurer provides insurance cover for illnesses, accidents and other events specified under this policy. In case of an unforeseeable loss event incepting abroad, the insurer shall assume the costs incurred abroad for medical treatment and also awards other agreed benefits.
- (2) A case of loss shall be deemed the vital medical treatment of an insured person as a result of illness or accident. A case of loss shall incept upon receipt of medical treatment; it shall terminate when, according to medical estimation, further medical treatment is no longer required. Death is also included under insured events.
- (3) The scope of the insurance cover is specified in the certificate of insurance, any subsequent written agreements, these terms and conditions of insurance and the statutory provisions of the Federal Republic of Germany.
- (4) The state territory in which an insured person has a permanent place of residence or permanently exercises one's profession shall not be deemed to be abroad.
- (5) Persons below the maximum age specified under this tariff, who travel abroad on a temporary basis, are eligible for cover. The eligibility of foreigners entering the Federal Republic of Germany is governed by special terms and conditions.

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#### **§ 2 Inception of insurance cover**

- (1) Insurance cover shall incept at the specified point in time (inception of insurance), however not prior to the conclusion of the insurance policy, not prior to payment of the premium and not before crossing the border to go abroad. The payment of premiums shall be the same as granting permission for executable direct debit transfers.
- (2) Foreign travels involving departure from the FRG prior to inception of the insurance policy shall be exempt from insurance cover.
- (3) No benefits will be paid for cases of loss which occur prior to inception of the insurance cover (e.g. illnesses requiring treatment prior to commencement of travel).

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#### **§ 3 Conclusion and period of policy**

- (1) The insurance policy materialises from the acceptance of an application for insurance by the insurer. Insurance must be applied for using the form specified for this purpose. The insurer confirms acceptance of an application for insurance by issuing a certificate of insurance. If insurance is applied for on the payment form specified for this purpose by the insurer and subject to the insurer receiving the duly completed application, insurance shall be deemed to have gone through as per the date of payment of the premium (date stamp of post office, financial institute or accounting office is decisive). The payment voucher given to the applicant by the payment office counts as the certificate of insurance.
- (2) If the policyholder has stated an incorrect premium payable according to the tariff in the application, in case of premium payment by means of direct debit transfer (§ 8, paragraph (2)) the application for insurance shall be deemed to have been submitted stating the tariff premium.
- (3) The period of the insurance policy is regulated by the tariff. In case of the death of an insured person, the insurance relation shall end in terms of that person. In case of the death of the policyholder, the insurance relation in terms of the coinsured persons shall remain unaffected.

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#### **§ 4 Scope of obligation to perform**

- (1) Insured persons are free to select the registered medical practitioners and dentists they wish to consult.
- (2) Medicines, bandages and remedies may only be reimbursed if they have been prescribed by medical practitioners specified under 1.
- (3) In case of clinically necessary in-patient medical treatment, the insured person may choose among hospitals which are permanently managed by physicians, have sufficient diagnostic and therapeutic facilities, work and record medical history in accordance with scientifically approved methods (compare paragraph 5).
- (4) The tariff determines the nature and extent of the insurance benefit. If the reimbursement of return transportation or repatriation transport costs has been agreed, then the following shall apply:
  - a) Return transportation of a person who has been taken ill must be deemed clinically necessary, ordered by a medical practitioner and fundamentally take place to the place of residence or the nearest suitable hospital to the place of residence applicable at the time of inception of the insurance policy.
  - b) Repatriation transport costs are direct costs incurred for the repatriation of an insured person, who passes away during travels, to his/her place of residence at the time of inception of the insurance policy. Funeral expenses incurred abroad may be reimbursed instead of transportation costs, up to the sum applicable for repatriation transport costs specified in the tariff. Repatriation transport costs and funeral expenses shall not be indemnified if the costs of treating the illness or accident causing death were not or would not have been reimbursable under this insurance.
- (5) The insurer shall award indemnity within the scope of the policy for medical examinations and methods of treatment and medicines which are, in the majority of cases, recognised by traditional medicine in the Federal Republic of Germany or in the country of temporary residence. In addition, the insurer shall award compensation for methods of treatment and medicines, which have proven to be promising in practice or which are applied because no traditional methods or medicines are available; however, the insurer is entitled to reduce his compensation to the amount which would have been incurred if already available traditional medicines had been applied instead.

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#### **§ 5 Limitation of obligation to perform**

- (1) No indemnity will be paid
  - a) for illnesses and consequences of an accident, the treatment of which was the purpose of the trip abroad as well as for treatment which was known would be required in the course of the planned journey unless the trip was undertaken due to the death of the spouse or a relative in the first degree.
  - b) for illnesses /accidents and the consequences thereof or deaths caused by acts of war or participation in civil unrest during travel.
  - c) illnesses and accidents caused deliberately including their consequences as well as treatment for addictions;
  - d) for the treatment of mental and psychological disorders and illnesses as well as hypnosis and psychotherapy;
  - e) for examination and treatment as a result of pregnancy, childbirth, miscarriage and abortion and any consequences thereof. Costs will however be reimbursed if medical assistance is necessary as a result of acute complications during pregnancy including miscarriage in the country of temporary residence.
  - f) for dental prosthesis, including crowns and orthodontic surgery;
  - g) for medical aids;
  - h) for health resorts and sanatorium treatment as well as rehabilitation measures;
  - i) for out-patient medical treatment in a spa or health resort. This limitation shall not apply when, during a period of temporary residence, an illness or accident incurs independent of the purpose of the stay, which deems such treatment necessary;
  - j) -not applicable
  - k) for treatment administered by the spouse, parents or children. Material costs will be reimbursed;
  - l) for certain accommodation necessary due to degree of care and attendance requirements or custody.
  - m) for sterility treatment and artificial insemination.
- (2) Should medical treatment or an alternative measure, for which benefits have been agreed, exceed the amount of treatment deemed clinically necessary or if the fee charged is inappropriate, the insurer shall be entitled to reduce the level of indemnity to an acceptable amount.
- (3) Should an insured person have the right to claim benefits from the statutory health, accident or annuity insurance companies or to claim statutory medical care or accident compensation, the insurer shall only be obliged to reimburse those costs which remain necessary despite benefits paid by the other entities.

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#### **§ 6 Payment of insurance benefits; submission of supporting documents**

- (1) The insurer is only obliged to indemnify when presented with original invoices and any required supporting evidence; such documents then become the property of the insurer. If the original documents have been presented to another insurer (e.g. as named under § 5, paragraph 3) for indemnification, duplicates of the invoices will suffice providing the other insurance company has noted the indemnity it has awarded thereupon.
- (2) All documents must feature the name of the attending physician, the Christian and surname and date of birth of the person treated as well as a description of the ailment(s) with the dates treatment was administered; prescriptions must clearly state the prescribed medication, the price and annotation of receipt. In case of dental treatment, the documents must contain a description of the teeth treated and the treatment performed in each case. Indemnity payments or any refusal to effect them by the insurance organisations named under § 5, paragraph 3 must be supported.
- (3) The clinically necessary of return transportation must be supported by a physician's confirmation of the clinical necessity thereof.
- (4) Claims for repatriation transport costs or funeral expenses require the submission of , official or medical certificate confirming the cause of death.

- (5) The insurer is entitled to remit to the presenter or sender of orderly proof unless the insurer has justified reason to doubt the legitimation of the presenter or sender.
- (6) Costs incurred in a foreign currency will be converted into euros at the exchange rate which prevails on the day the insurer receives the documents. The daily rate shall be the official euro exchange rate at the European Central Bank. In case of non-traded currencies, for which no reference rates have been set, the rate shall apply in accordance with the "Exchange Rate Statistics", publications of the Deutschen Bundesbank, Frankfurt/Main in the most recent version, unless the insured person can prove in the form of a bank slip that the currency purchased for the purpose of settling the invoices was purchased at a less favourable rate of exchange.
- (7) Costs may be deducted from the compensation payment for the transfer of insurance benefits abroad or for special types of transfer chosen in compliance with the insured person's instructions.
- (8) Rights to insurance benefits can neither be subrogated nor pledged.
- (9) In addition, the prerequisites i.r.o. the time for payment of compensation by the insurer are set down in § 11 para. 1 to 3 VVG (German Insurance Contract Act, see attachment).

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#### **§ 7 Expiry of insurance cover**

- (1) Insurance cover shall terminate – also for pending cases of loss – at the agreed point in time, upon completion of the journey abroad at the latest.
- (2) If return transport is not possible by the agreed point in time for medical reasons, the obligation to perform in case of loss events entitled to indemnity shall extend beyond the agreed point in time up until reinstatement of the insured person's ability to be transported. If an insured person objects to any medically warranted and reasonable return transportation to his/her home country following reinstatement of his/her ability to be transported then the obligation to perform on the part of the insurer shall cease on the day the insured person objects to return transportation.

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#### **§ 8 Premium payment**

- (1) The premium is a single premium. It is derived from the tariff and is payable upon conclusion of the insurance policy at the latest.
- (2) The tariff may prescribe payment of premiums by direct debit transfer. In this case, premium payment shall be deemed the legally valid granting of a direct debit mandate if the insurer is then able to debit the premium.

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#### **§ 8a) Premium adjustment**

In the framework of the contractual benefits, compensation awarded by the insurer may change, e.g. due to increasing medical treatment costs or more frequent use of medical services. The insurer therefore compares the required insurance benefits with the insurance benefits calculated in the technical basis for calculation at least once a year. Should this deem an adjustment in premiums necessary, premiums will be adjusted at the beginning of the second month following notification to the policyholder in the framework of statistical cost accounting. In the event of the imposition of a premium increase, the policyholder shall have an extraordinary right to cancel the insurance relation until the adjustment takes effect.

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#### **§ 8b) Amendments to the General Terms and Conditions of Insurance**

- (1) The General Terms and Conditions of Insurance may be amended and be binding for existing insurance relations, also for the remainder of the current insurance year (see tariff) if such an amendment appears necessary in order to sufficiently safeguard the interests of the insured persons.
  - a) in case of a change in the state of the health service not of a temporary nature,
  - b) if terms and conditions are pronounced invalid in court and when the replacement thereof is necessary in order to uphold the policy,
  - c) in case of amendments to laws upon which the terms and conditions of the insurance policy are based,
  - d) in case of amendments of supreme court rulings, of administrative practices of the Bundesanstalt für Finanzdienstleistungsaufsicht - (German) Federal Institute for the Supervision of Financial Services - or the cartel offices, which effect the insurance policy directly. In case of the letters c und d, an amendment is only permitted providing they refer to §§ 1, 2, 3, 4, 5, 7, 8, 9, 10, 13, 14 paragraph 2 AVB-R.
- (2) The new terms and condition should correspond most extensively, both in legal and economic terms, to those which have been replaced. They are not allowed to put the insured persons at a disadvantage, also in consideration of the previous interpretation in legal and economic terms.
- (3) Amendments according to paragraph 1 shall become effective at the beginning of the second month after the policyholder has received notification thereof.
- (4) In the event of an amendment of a term or condition, the policyholder shall have an extraordinary right to cancel the insurance relation until the adjustment becomes effective.

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#### **§ 9 Obligations**

- (1) The policyholder must submit all supporting documents by the end of the third month after the trip abroad at the latest. Notification of any hospital treatment must be given within 10 days of the commencement thereof.
- (2) Upon the request of the insurer, the policyholder shall be required to provide each and every kind of information necessary to determine a loss event or an obligation to perform on the part of the insurer and the scope thereof.
- (3) Upon the request of the insurer, the insured person shall be obliged to undergo a medical examination performed by a medical practitioner appointed by the insurer.
- (4) In addition, the insured persons is obliged to permit the insurer to obtain any necessary information (in particular a declaration to release medical practitioners from maintaining medical confidentiality).

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#### **§ 10 Consequences of non-fulfilment of obligations**

In accordance with the limitation provided for under § 6, paragraph 3 of the German Insurance Contract Act (VVG – see enclosure), the insurer shall be free from his obligation to perform if any of the obligations specified under § 9 are breached. The knowledge and negligence of the insured person shall be put on a par with the knowledge and negligence of the policyholder.

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#### **§ 11 Claims against third parties**

If the policyholder or an insured person is entitled to submit claims for compensation against third parties which are not subject to insurance law and notwithstanding the statutory assignment of claims according to § 67 VVG (see enclosure), that person shall be obliged to subrogate such claims in writing to the insurer up to the amount of those costs reimbursed under the insurance policy. Should the policyholder on an insured person relinquish his claim or any right which serves the purpose of asserting such claim against a third party, then the insurer shall be released from his contractual obligation to perform insofar as the insurer could have secured damages from any such claim or right.

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#### **§ 12 Set-off**

The policyholder may only set off against the insurer's claims if the set-off claim is uncontested or has been deemed legally valid.

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#### **§ 13 Notifications and declarations of intent**

Notifications and declarations of intent to the insurer must be in writing. Insurance agents are not authorised to take receipt thereof.

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#### **§ 14 Limitation period/Place of jurisdiction**

- (1) If the insurer rejects a claim for compensation on the merits or in terms of amount, he shall insofar be free from his obligation to perform if the claim submitted by the policyholder is not legally enforced within an appointed period of 6 months. The time limit shall commence only when the insurer has rejected such a claim in writing, stating the legal consequences connected with the expiry of the appointed period of time.
- (2) Legal action against the insurer may be taken before the court at the location of the insurer or before the court of the location where the insurance agent had his/her commercial agency at the time of mediation or, if there is no actual agency, at the location of his place of residence.

# Instruction Sheet for Data Processing

## Preliminary Note

Nowadays insurance companies can only perform their tasks with the aid of electronic data processing (EDP). Contractual relations can only be dealt with in this manner in a swift and economical manner; in comparison with the previous manual procedure, EDP provides the insurance community with enhanced protection from unfair practices. The processing of your personal data transmitted to us is governed by the *Bundesdatenschutzgesetz* [Federal Data Protection Law (BDSG)]. Under this law, data processing and utilisation is permissible if permitted by the BDSG or any such other legal provision, or if the party concerned has granted his approval to this effect. The BDSG invariably allows data processing and utilisation if this is carried out within the purpose of a contractual relationship or of a confidential relationship similar to that of the contract, or, insofar as this is required for the observance of the justified interests of the controller of the file and if no grounds exist for assuming that the interests of the concerned parties which merit protection precede the exclusion of processing or utilisation.

## Declaration of Consent

Independent of this consideration of interests which is to be performed in each individual case and with respect to a secure legal basis for data processing, a declaration of consent is included in your application in accordance with BDSG. This shall be effective beyond the termination of the insurance contract but shall already end upon declining the application or by virtue of your revocation which is possible at any time but is subject to the principles of loyalty and good faith. Should the declaration of consent be withdrawn wholly or in part on presenting the application, a conclusion of contract may possibly not be effected. In spite of revocation or a wholly and/or partly withdrawn declaration of consent, data processing or utilisation can follow within the limited legal framework, as specified above in the preliminary note.

## I. Data storage through your insurer

We store data required for the insurance contract; namely, details mentioned in your application (application data). Furthermore, actuarial data on the contract, such as client reference number (partner reference number), insurance sum, insurance duration, premium, banking connection as well as, if required, the details of a third party e.g. of an agent or of an expert (contractual data). In the event of an event insured against, we store particulars provided by you on the damage and, if necessary, also particulars provided by third parties, such as opinions submitted by experts.

## II. Data transmission to reinsurer

In the interests of his insured person, the insurer shall invariably consider an equalisation of the risks which he has assumed. Therefore, we cede part of the risks to a reinsurer at home and abroad in many cases. These reinsurers require pertaining actuarial details from us, such as insurance reference number, premium, type of insurance cover and risk and premium loading for abnormal risk and, in individual cases, also your personal data. Insofar as reinsurers are involved in risk and damage assessment, they shall also be provided with documents required for this purpose.

In some cases, reinsurers employ the services of further reinsurers whom they also provide with the necessary data.

## III. Data transmission to other insurers

Under insurance contract law, upon submitting his application, upon every contractual alteration and upon every claim, the insured person must present to the insurer all circumstances required for the assessment of the risk and settlement of damage. Included in this are, for instance, events insured against or disclosures on similar other insurances (applied for, existing, refused or cancelled). In order to avoid insurance abuse, to clarify possible contradictions in insured person's statements or in order to close gaps in the statements provided on occurred damage, it may become necessary to ask other insurers for information or to provide respective information on request by others. Otherwise, an exchange of personal data among insurers may become necessary in individual cases (double insurance, transfer of a claim ipso jure, partition of loss agreement). In this process, data pertaining to the party concerned shall be transmitted, such as name and address, type of insurance cover and risk or particulars pertaining to damage, such as extent of damage or loss or date of damage or loss.

Example for property insurer:

Registration of damage and persons in the case of arson or if the contract is terminated upon suspicion of insurance abuse and certain loss amounts are reached.

Purpose:

Risk examination, claims investigation, prevention of further abuse.

## IV. Central reference systems

When examining an application or loss, in order to assess the risk involved or to clarify the statement of affairs or in order to prevent insurance abuse, it may become necessary to address inquiries to the responsible trade association and/or to other insurers or to answer the respective inquiries of other insurers. For this purpose, trade associations have central reference systems.

The *Verband der Schadversicherer* [Association of Insurers against Loss or Damage] (union of previous associations: *Verband der Haftpflichtversicherer* [Association of Liability Insurers], *Unfallversicherer* [Accident Insurers], *Autoversicherer* [Motor Insurers] and *Rechtsschutzversicherer* [Legal Expenses Insurers] – HUK Association – *Verband der Sachversicherer* [Association of Property Insurers], *Deutscher Transport-Versicherungs-Verband* [German Transport Insurance Association]) also has such an information system.

Registration in this reference system and utilisation thereof is only possible for purposes which may be pursued by means of this system, namely, only insofar as certain prerequisites are given.

Example for property insurers:

Refusal of indemnification owing to intentional breach of warranty in the case of damage or loss.

Purpose:

Risk examination and detection of insurance abuse.

# Data Protection Declaration of Consent in Applications for Insurance

"I consent that the insurer shall be entitled to disclose data obtained from the application documents or in performance of the insurance contract (premiums, insurance claims, change of risk/policy amendment) to the necessary extent to reinsurers for the purpose of risk assessment and handling reinsurance, and to other insurers. This consent shall apply irrespective of whether or not the policy comes into effect and shall also apply to the appropriate investigation of (insurance) contracts applied for with other parties or to future applications.

I further consent that the SITE oHG may record my general application, policy and other data in joint data records, and may pass on such information to the broker responsible for my policy, where this is required for the proper administration of my insurance affairs.

Medical data may be disclosed only to personal injury insurance companies and reinsurers; such data may be divulged to agents only if necessary for drawing up the contract.

I further consent, with no effect on the contract and subject to revocation at any time, that the agent shall also be entitled to use my general application, contract and performance data for the purpose of advising me in other financial matters.

This consent applies only provided that I have had a reasonable opportunity to familiarise myself with the contents of the information sheet."