

ZEAD BULSTRAD VIENNA INSURANCE GROUP

**POLICY ON
CONSIDERATION OF COMPLAINTS, REQUESTS, SIGNALS AND PROPOSALS**

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This Policy was adopted by the Management Board on 6 December 2021. The policy constitutes Annex No. 1 to the Rules of the Company for the activity of handling insurance claims. Its adoption leads to revocation of the Procedure of ZEAD Bulstrad Vienna Insurance Group for analysis of complaints and case law regarding refusals of insurance indemnity and assessment of the compliance of the insurance products with respect to changes in the market conditions, and to deletion of Chapter XV "Consideration of complaints, requests, signals and proposals" of the Rules of the Company for the activity of handling insurance claims.

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1.0	06.12.2021	06.12.2021	MB of Bulstrad VIG

This Policy was adopted by the Management Board on 6 December 2021. The policy constitutes Annex No. 1 to the Rules of the Company for the activity of handling insurance claims. Its adoption leads to revocation of the Procedure of ZEAD Bulstrad Vienna Insurance Group for analysis of complaints and case law regarding refusals of insurance indemnity and assessment of the compliance of the insurance products with respect to changes in the market conditions, and to deletion of Chapter XV "Consideration of complaints, requests, signals and proposals" of the Rules of the Company for the activity of handling insurance claims.

1. Scope, content and purposes

This Policy is part of the rules of ZEAD Bulstrad Vienna Insurance Group (the Company) which regulate the procedures for submission of claims under insurance contracts, collection of evidence to establish the grounds and amount of claims, assessment of the damages incurred, determination of the indemnity amount, making payments to the consumers of insurance services, as well as the consideration of submitted complaints. This Policy constitutes Annex No. 1 to the Rules of the Company for the activity of handling insurance claims.

ZEAD Bulstrad Vienna Insurance Group guarantees that there is an equitable process in place for the consideration of complaints from consumers of insurance services, as well as for identification and prevention of potential conflicts of interest in the consideration of complaints. The Policy promotes prudent and effective management of the risk in the Company and does not encourage the assumption of risks beyond the acceptable level. Any conflict of interest or the appearance of such conflict with regard to the persons involved in the company activities should be prevented in due manner. The measures for avoiding conflicts of interest are in accordance with the Company's internal policies and rules for identification and prevention of conflicts of interest.

This Policy is subject to the provisions of the Insurance Code and the relevant regulations for the activity of the Company.

1.2. Approval and update

This Policy shall be reviewed at least once annually and amended as needed by the head of the Legal Department and the Compliance Division, together with the head of the Complaints Management Section.

This Policy is subject to approval by the Management Board of the Company.

2. Procedure for submission of complaints, requests, objections, signals and proposals

Any person who is a consumer of insurance services has the right to submit, free of charge, complaints, requests, objections, signals and proposals /collectively called documents/ in connection to an insurance policy concluded by him/her and/or a claim filed by him/her with the Company.

The Company and its employees may not refuse to accept such documents.

For the purposes of this Policy:

- "Complaint" means any statement of dissatisfaction addressed to the Company by a person, in relation to an insurance contract or service provided to him/her.
- "Complaining party" is a person who is deemed to meet the conditions for consideration of his/her complaint by the Company and has already filed a complaint, e.g. a policyholder, insured person, beneficiary, damaged third party.

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The consideration of complaints should be distinguished from the consideration of claims, as well as from standard requests for performance of a contract or for provision of information or clarification.

All complaints, requests, objections or proposals to the Company should contain contact details of the complaining person, insurance policy number, claim file /damage/ number, description of the circumstances, as well as a statement of the specific request/proposal to the Company.

Failure to provide the indicative details above shall not result in inadmissibility of the complaint, request, objection, signal and/or proposal for consideration, except in cases where contact details have not been provided.

Complaints, requests, objections, signals and proposals may be submitted by interested parties both on paper, in any office of the Company, and electronically at: jalbi@bulstrad.bg.

All complaints, requests, objections, signals and proposals shall be registered with an incoming number at the relevant document registry office of the Company, irrespective of the particular unit of company where they are filed and whether they are received on paper or electronically. The person submitting the documents shall be informed of the date and number of the registration.

Anonymous signals and complaints may not be accepted or considered by the Company.

3. Complaints Management Section

Complaints, requests, objections, signals and proposals of any nature addressed to the insurer are processed by the Complaints Management Section. This section is separate from the units engaged in the distribution of insurance products or respectively the handling of insurance claims.

The Complaints Management Section is a structural unit of the Company, directly subordinate to the CEO and Chairperson of the Management Board of the Company and under the operational control of the Executive Directors in charge of sales and claims handling.

The Complaints Management Section manages, organizes, controls and is responsible for the overall activities related to all complaints, requests, objections, signals and proposals received by the company, including the activities of registration, processing, distribution, preparation of response, observance of deadlines, analysis and document circulation according to the internal documents governing the activity (rules, orders, instructions, etc.). Such activities shall not be assigned to persons who have been involved in the distribution of insurance products or respectively in the handling of a claim referred in the respective document of complaint.

The employees of ZEAD Bulstrad Vienna Insurance Group charged with the organization of the activity regarding the received complaints, requests, objections, signals and proposals, shall be guided by the principles of independence and objectivity, competence, responsibility, integrity and confidentiality.

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4. Procedure for consideration of complaints, requests, objections, signals and proposals

Complaints, requests, objections, signals and proposals received by the General Agencies/Agencies of the company or in companies for primary handling of the claims acting under assignment by the insurer, shall be sent to the Complaints Management Section, together with a written statement of the Director of the respective General Agency/Agency or the head of the respective Client Center that has processed the respective claim, not later than 3 days from their submission at the document registry office of the respective company unit.

In case the complaint concerns both technical and legal issues, after receipt of the statement under the first sentence above, the file shall also be forwarded to the Legal Department for a legal opinion in accordance with the nature and content of the complaint.

In case the document concerns a purely legal issue, it shall be set aside for opinion and response from a legal expert at the Legal Department.

At his/her discretion, the CEO and Chairperson of the Management Board may assign investigation and inquiry regarding the submitted complaints, requests, objections, and signals to be performed by specific employees.

If needed in view of a specific case (its complexity or significant material interest involved), as well as in case of repeated or follow-up complaints, a decision shall be taken by the Management Board of the Company.

After the document is submitted to the Complaints Management Section, an employee of the Section shall:

- Describe the circumstances of the complaint, request, objection, signal or proposal, make a copy of the document and enter it in an electronic register for complaints addressed to the Company;
- Liaise with the relevant unit responsible for processing and settling the claim under the respective insurance type and/or the unit that concluded the relevant insurance, in order to collect the information and evidence necessary for comprehensive examination and fair resolution of the case;
- Prepare a motivated proposal for response, in a clear and understandable language;
- Provide a motivated proposal for response to the executive directors in charge of sales and claims, as well as to the Director of the Legal Department;
- Keep a record and monitor the movement of files related to complaints, requests, objections, signals and proposals.

For each complaint received, a file shall be created, containing all received or created documents, which shall be stored with the Complaints Management Section.

All complaints received by the Company through the Financial Supervision Commission (FSC), after being filed at the company document registry office, shall be submitted to the Director of the Legal Department. All complaints received by the Company through the FSC shall be filed by the department employees in a separate electronic register.

5. Registers for complaints, requests, objections, signals and proposals

Data content of the registers for complaints, requests, objections, signals and proposals:

- unique submission number and date of submission;
- information about the complaining party:

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- names / company as stated in the complaint;
- contact details as stated in the complaint (address, e-mail, telephone and other contact details);
- subject of the complaint and summary of the assertions and requests of the complaining party;
- where relevant:
 - insurance type,
 - name of the insurance product,
 - insurance policy number,
 - insurance claim number.
- date and outgoing number of the response to the complaint;
- summary of the response to the complaint;
- brief description of the outcome from the complaint (change made in the decision regarding the claim, measures taken by the competent body of the insurer, by a function of the insurer, etc.);
- information about the archival of the complaint file.

6. Content of the response to a complaint, request, objection, signal or proposal

When reviewing and preparing responses to complaints, the responsible employee of the Company shall:

1. Gather all relevant evidence and information necessary for comprehensive examination and fair resolution of the complaint;
2. Prepare a response to the complaint, in a clear and understandable language;
3. When a resolution is offered which does not satisfy in full or in part the request of the complaining party, the employee shall provide support for the response, with a comprehensive statement of the established facts and circumstances and a comprehensive review of the legal considerations, indicating the relevant regulations and contractual clauses;
4. When a resolution is offered which does not satisfy in full or in part the request of the complaining party, the employee shall inform this party of its right to reach out to the Financial Supervision Commission (respectively, another competent supervisory authority regarding the exercise of the right of establishment or freedom to provide services), or an out-of-court dispute resolution authority, or a competent judicial body.

7. Drafting a response. Manner of and period for sending the response.

Responses to complaints, requests, objections, signals and proposals shall be prepared, subject to the nature of complaint, by:

- the Complaints Management Section;
- Legal Department - in cases where the complaint was received through the Financial Supervision Commission;

The letter in response to a complaint, request, objection, signal or proposal shall be signed as follows:

- In case of complaints received through the Financial Supervision Commission, by two executive

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directors;

- In any other cases: by the Executive Director in charge of claims handling / Executive Director in charge of sales / or by the Head of the Complaints Management Section, or by another authorized person with electronic signature, after which it shall be sent by e-mail to the respective courier service having contract with the Company.

The response to a complaint shall be addressed as follows:

- to the complaining party, when the complaint is addressed to the Company;
- to the Financial Supervision Commission, when the complaint has been submitted to the Company through the FSC.

The Complaints Management Section shall send the letter of response to a complaint, request, objection, signal or proposal, by e-mail to the courier service having contract with the Company.

The Legal Department shall send letters intended for responding to the Financial Supervision Commission, with return receipt mail or by e-mail, signed with an electronic signature.

The letters of response to a complaint, request, objection, signal or proposal, together with their return receipt confirmation, shall also be enclosed in the file of the complaint, request, objection, signal or proposal.

The response to the complaint shall be prepared and sent not later than:

- 7 days from the receipt by the insurer - for complaints received by the Company through the Financial Supervision Commission, unless a shorter term is specified in the letter from the FSC accompanying the complaint;
- 7 days from the receipt by the insurer - for complaints addressed directly to the Company concerning the reason for the amount of the determined insurance indemnity;
- 1 month from the receipt of the last document in all other cases.

When, as a result of a complaint about a claim, additional payment or payment of indemnity needs to be made, the respective department for claims handling shall prepare, based on the opinion regarding the complaint, a report for payment, together with the response to the complaint. The payment shall be made in accordance with the established procedure and within the deadlines set in the rules for claims handling of the Company.

8. Analysis and record keeping

Each complaint received by the Company shall be assigned to a file containing all collected or created documents in this regard. The original copy of the complaint shall be enclosed with the respective file for it.

Copy of the complaint shall be enclosed as follows:

- With the claim file and in the archives of the Complaints Management Section / the Legal Department or the respective specialized company structure, when the complaint concerns an insurance claim;
- With the archived copy of the contract and in the archives of the Complaints Management Section / the Legal Department, when the complaint concerns an insurance contract;
- In the archives of the Complaints Management Section / the Legal Department, for other types of complaints.

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- In the archive of the respective structure which has concluded the insurance contract, when the complaint concerns the manner of conclusion of the insurance relations.

At the end of each quarter, the Complaint Management Section / Legal Department and the respective specialized structures responsible for handling claims per insurance line shall:

- Perform analysis of the received complaints and propose measures, if necessary, for correcting problems in the insurance terms and conditions, as well as for rectification of established breaches;
- Provide information to the Marketing and Public Relations Department on received complaints, requests, objections, signals and proposals to the Company, based on which an analysis shall be made of recurring or systematic problems, with proposals for changes in the insurance products and the methodology used in the insurance process, etc.

The Legal Department shall prepare a quarterly/annual report on the received complaints, which shall be presented to the Financial Supervision Commission within the period specified by the Commission.

9. Procedure for analysis of complaints and the case-law related to refusal of insurance indemnity and for assessment of the concordance of insurance products with respect to changes in the market conditions

The procedure for analysis of complaints and cases related to refusals of insurance indemnity and for assessment of the suitability of insurance products with respect to changes in the market conditions is designed to provide an objective, competent and independent assessment of the complaints from clients, brokers, agents and government institutions.

Within the meaning of this Policy:

- “Case law” refers to any judicial act which provides interpretation of a normative act or custom, the constant case-law of settlement for a specific legal issue in a consistent way, as well as the interpretative decisions of the Constitutional Court, the Supreme Court of Cassation (SCC) and the Supreme Administrative Court (SAC) of Bulgaria, which represents the position that interpretative decisions of the Constitutional Court, SCC and SAC and the settled and consistent case-law possess the same abstract and general regulatory force as the legal norms arising from normative acts.
- “Change in market conditions” is a state of the market where there is a deviation from the result that would have been achieved under normal commercial or financial relationships between independent entities under comparable conditions.

The procedure for analysis of complaints is aimed at the provision of objective, competent and independent second review of the actions taken by employees of the Company with respect to the manner of handling of insurance claims.

The analysis covers all structures which have processed a given claim.

The employees assigned to perform analysis of the complaints shall review and assess the following:

1. The observance of the legal requirements during the conduct of Company activities.
2. The observance of the rules of ZEAD Bulstrad Vienna Insurance Group for the activity of handling claims

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under insurance contracts.

3. The observance of the procedures for conclusion of insurance contracts, for accepting and for review of insurance claims, as well as for determination of claim payments.
4. The maintenance of up-to-date status of the information systems, to ensure the continuity of business activities and the capacity for prompt decision making.

10. Contact information

Regarding any questions about this Policy, please contact the heads of Legal Department, the Compliance Division and the Head of the Complaints Management Section.

11. Document review

Version	In force as of	Approved by	Date of review of the document	Reviewed by:	Conclusion
1.0	06.12.2021	MB of Bulstrad VIG			

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