

RULES

ON THE CONVERSION TO EURO AND PROVISION OF INFORMATION THEREOF TO THE CONSUMERS OF INSURANCE SERVICES, FOR THE PROTECTION OF THEIR INTERESTS IN RELATION TO THE ADOPTION OF THE EURO IN THE REPUBLIC OF BULGARIA

§1. These rules govern the conversion from leva to euro of the prices and other information that should be provided by insurance companies to the consumers of insurance services, to ensure compliance with the Law on the introduction of the euro in the Republic of Bulgaria and for protection of the consumers' interests.

§2. Insurance companies are obliged to apply and observe these rules which are aligned with the requirements of the Law on the introduction of the euro in the Republic of Bulgaria.

§3. The terms used in these rules shall have the following meaning and content:

- *“Date of introduction of the euro”* is the date determined under Art. 3 of the Law on the introduction of the euro in the Republic of Bulgaria.
- *“Official conversion rate of the lev to the euro”* is the conversion rate of the lev to the euro, determined under Art. 5 of the Law on the introduction of the euro in the Republic of Bulgaria.
- *“Dual display”* is the simultaneous display of the prices of goods and services in both euro and leva.
- *“Conversion”* is the change of the monetary unit in which an amount or value is denominated from leva into euro, by applying the official conversion rate and the rounding rules set out in the Law on the introduction of the euro in the Republic of Bulgaria.
- *“Sales price”* is the final total price of the insurance service, or respectively the total insurance premium or insurance premium installment which includes all due taxes and fees.
- *“Period of dual circulation of the euro and the lev”* is the period of one month from the date of introduction of the euro in the Republic of Bulgaria, during which lev banknotes and coins will continue to be legal tender on the territory of the Republic of Bulgaria.
- *“Dual display period”* is the period of dual display of price, which begins on 8 August 2025 and ends on 8 August 2026.
- *“Decision to adopt the euro”* is the decision of the Council of the European Union for adoption of the euro by the Republic of Bulgaria, adopted in accordance with Art. 140(2) of the Treaty on the Functioning of the European Union.

Conversion

§4. The conversion of prices and other monetary amounts from leva to euro shall be carried out by the insurance companies in accordance with the provisions of Law on the introduction of the euro in the Republic of Bulgaria.

§5. The conversion of prices and other monetary amounts from leva to euro by the insurance companies may not place consumers in a less favorable financial position than if the euro had not been adopted as the currency unit of the Republic of Bulgaria.

§6. The conversion of prices, insurance premiums and any other monetary amounts from leva to euro shall be carried by the insurance companies by dividing the respective numerical value of the amount in leva by the full numerical value of the official conversion rate expressed in six digits, with all five digits after the decimal sign. The official conversion rate is not subject to rounding or shortening during the operation of conversion. After the conversion, the resulting amount is rounded to the second digit after the decimal sign, depending on the value of the third digit after the decimal sign. If the third digit after the decimal sign is less than five, the second digit after the decimal sign remains unchanged. If the third digit after the decimal sign is equal to or greater than five, the second digit after the decimal sign is increased by one.

§7. For a period of one year after the date of introduction of the euro in the Republic of Bulgaria, all persons with active, unfinished or pending insurance relations with an insurance company as at the date of introduction of the euro in the Republic of Bulgaria, shall have the right to receive on request from the respective insurer information about the monetary amount in levs of their property rights and/or obligations regarding that insurer and the respective relations as at the date of the conversion.

Insurers are obliged to provide such information free of charge within 7 days of the request.

Dual display in levs and euro

§8. During the dual display period, the prices of insurance services offered to consumers shall be displayed both in euro and levs, in accordance with the rules for conversion and rounding regulated by law and restated in these rules.

During the dual display period, the prices of insurance services shall be formed in a fair and transparent manner, and any increase of the prices should be based on objective economic factors. Insurance companies are obliged, when requested by the regulatory authorities, to provide evidence of the existence of such objective economic factors.

§9. For the purposes of the dual display of prices of insurance services, the prices in euro and in levs should be placed in close proximity, next to or under each other, and should be shown in a clear, legible, unambiguous and easy to understand way, with the exact same font type, size and color, and in a manner as not to mislead the consumers. Both prices (amounts) in euro and in levs should be accompanied by the name of the respective currency, its symbol or abbreviation, displayed in the exact same font type, size and color, enabling their easy recognition.

§10. When commercial announcements and advertisements in audio and video format are broadcast during the dual display period for promotion of insurance services, the prices for insurance services can be stated verbally only in levs until the date of introduction of the euro, and only in euro past that date.

§11. During the period of dual display of the prices of insurance services, the total final amount of the price for the insurance service and/or of the insurance premium to be paid by the consumer must be indicated in euro and in levs in the issued fiscal/system receipt or other document for registration of the payment issued in place of a fiscal/system receipt, together with indication of the official exchange rate of the lev against the euro.

§12. The dual display shall apply only with respect to the price information provided to consumers. In case the price information is not intended for consumers, including when being shared between an insurance company and insurance intermediary, the dual display of prices and premium amount is not necessary or mandatory. If this information is intended to reach a potential or actual consumer of insurance products or services, the dual display is mandatory.

§13. The requirement for dual price display during the dual display period shall also apply with respect to the tariffs of fees for provided insurance services, in case such tariffs exist and are published. During the period of dual display, such information shall be displayed in the offices and on the websites of insurance companies and shall be provided free of charge on paper or another durable medium upon request by a client.

§14. During the dual display period, insurance companies are obliged to display in both euro and levs only the total amount payable by the insuring person under an insurance contract concluded during that period, as well as the amount of installments in case of deferred payment of the insurance premium for such contract. This mandatory dual display does not apply to any other converted amounts, information of which the insurer provides to the consumers, either as pre-contractual

information and/or during conclusion of an insurance contract and/or according to and in relation to procedures for claim settlement and indemnity payment under insurance relations.

§15. The requirement of dual display of the price of insurance contracts does not apply regarding charged taxes and fees and contributions to the Guarantee Fund and is not mandatory with respect to such amounts.

§16. During the dual display period, whenever insurance companies send notifications to the consumers of insurance services about installment amounts payable by the consumers under a deferred payment scheme for an insurance contract, irrespective of the date of its conclusion, the insurers should provide a dual display in euro and leva of the total due amount of the installment.

§17. Prices and monetary amounts related to insurance products and services designed and offered directly in euro or in a third currency are not subject to conversion and the requirement for dual display of the prices of insurance services or insurance premiums during the dual display period.

Period of dual circulation of the euro and the leva

§18. During the dual circulation period, banknotes and coins denominated in leva will continue to be legal tender on the territory of the Republic of Bulgaria.

When during this period the insurer receives a cash payment in leva or euro, any remaining balance (change) returned by the insurer should be in euro entirely. If the insurer's employee handling the payment does not have sufficient cash at the time to return the entire change in euro, then the entire amount of the change shall be returned in leva.

§19. During the dual circulation period, the insurer may refuse to accept more than 50 coins in leva or stotinki in relation to a single transaction.

§20. In case during this period a consumer cancels an insurance service in accordance with the applicable law or terminates an insurance contract, when permitted by law, and is entitled to receive reimbursement of an amount paid by the consumer, the insurer shall repay any such reimbursable amounts entirely in euro. If the reimbursement is provided in cash and the respective insurer's employee does not have sufficient cash at the time to return the entire amount in euro, then the entire amount shall be reimbursed in leva.

When returning a balance or a paid amount in euro, the merchant should provide verbal information regarding the monetary amount of the balance or paid amount in leva, upon request from the consumer.

§21. In the case when a price or insurance premium for insurance services in leva has been displayed with more than two digits after the decimal sign, after the conversion it may be displayed with the same number of digits after the decimal sign, applying the rounding rules to the respective digit.

§22. These rules have been agreed with the Financial Supervision Commission, they are adopted by the professional organization of the Association of Bulgarian Insurers and shall be applied and observed by the members of the Association.

These rules take effect as of the date of the Decision of the Council of the European Union for adoption of the euro by the Republic of Bulgaria, adopted in accordance with Art. 140(2) of the Treaty on the Functioning of the European Union.