



UNIT-LINKED LIFE INSURANCE

EUROHORIZON 7

PRE-CONTRACTUAL INFORMATION

IN ACCORDANCE WITH THE REQUIREMENTS OF THE INSURANCE CODE

"DZI – Life Insurance" EAD is an insurer in the Republic of Bulgaria and its registered office is: Sofia 1463, 89B Vitosha Blvd., Licence No. 2/13 May 1998 from the National Social Security Institute and No. 1169-Z/19.12.2012 from the Financial Supervision Commission, UIC No. 121518328, and brings to your attention a life insurance policy providing a high level of protection and security, which can be combined with a savings option

1. CONCLUSION OF THE INSURANCE POLICY

Each applicant for insurance must complete and sign the application form in their own hand, answering the questions truthfully, fully and accurately, and pay the insurance premium.

2. COVERED RISKS

2.1. Maturity (survival) at the end of the policy term – The Insurer pays the greater of the two amounts:

2.1.1. The net invested amount, calculated in accordance with clause 6.4

2.1.2. The net invested amount, calculated in accordance with clause 6.4, and the accumulated additional return, which is limited to a maximum of 50% of the net invested amount.

2.2. Death as a result of an accident – The Insurer shall pay the sum insured and the value of the investment units held, calculated at the current unit price on the first valuation date of the fund following notification of the event to the Insurer;

In the event of death due to illness, the value of the investment units held, calculated at the current unit price on the first valuation date of the fund following notification of the event to the Insurer, shall be paid.

3. EXCLUDED RISKS

These are set out in Chapter One, point 5 of the General Terms and Conditions of the unit linked life insurance policy EuroHorizon 7.

4. SUM INSURED

The sum for which the insurance contract has been concluded.

The sum insured is determined in euros and is equal to three times the amount of the single premium paid under the contract, but not exceeding 75,000 (seventy-five thousand) euros.

5. TERM OF THE INSURANCE CONTRACT

From 19 June 2026 to 31 July 2031

6. INSURANCE PREMIUM

6.1. The insurance premium is a single lump-sum payment, determined in euros and covering the entire term of the insurance contract. The single premium comprises a risk premium and an investment premium.

6.2. Risk premium – represents the cost paid by the Policyholder to cover the risk of 'Death as a result of an accident'.

6.3. Investment premium – equal to the single premium paid minus the risk premium.

6.4. Net invested amount – represents the single insurance premium, reduced by the premium for the covered risk of Accidental Death (Risk Premium) and the entry fee on the investment premium, covering the Insurer's administrative costs.

6.5. Entry fee – a fee deducted as a percentage of the investment premium and used to cover the Insurer's administrative costs.

6.6. Contribution to the Guarantee Fund pursuant to Article 565 of the Insurance Code – €3.06 for the entire term of the contract. This is payable in addition to the single insurance premium.

6.7. Method of payment of the single premium – by bank transfer.

7. INFORMATION ABOUT THE INVESTMENT FUND

Upon conclusion of the insurance contract, the net investment premium is converted into units in the **Optimum Fund World Selection 100-1 Advanced** investment fund, managed by KBC Asset Management.

KBC Asset Management charges a fee for managing the investment fund, which is reflected in the price of the investment unit. The maximum fee is specified in the List of Investment Funds, Fees and Limits.

Optimum Fund World Selection 100-1 Advanced – with ISIN number BE6372500858 – aims to redeem the purchased investment units at the end of the contract term at the initial subscription price of EUR 1,000 per unit by investing in various assets such as bonds and cash, and to provide potential for returns through swap agreements linked to the performance of a basket of 30 shares.

At the end of the contract term, in addition to the net investment premium, a return is determined which is equal to the increased value of the basket of shares, with a maximum return of 50% of the net investment premium.

Any decrease in the value of the basket is not taken into account at the end of the contract term. Consequently, the return at the end of the contract term will be up to a maximum of 50% of the net investment premium.

Capital protection does not apply in the event of early termination of the contract. In this case, the amount to be paid out is determined in accordance with clause 11 and depends on future market performance.

During the term of the insurance contract prior to the maturity date, the value of the investment fund units and the return thereon may rise or fall; therefore it is advisable for investors to familiarise themselves with the specific characteristics of the financial instruments in which they wish to invest and to assess how suitable these are for achieving their investment objectives and risk appetite before making an investment decision.

Optimum Fund World Selection 100-1 Advanced is a fund with environmental and/or social characteristics under Article 8 SFDR. Further information regarding the fund’s investment strategy and sustainable investments can be found in the fund’s prospectus, in the Pre-contractual Disclosure for financial products referred to in Article 8 of the SFDR, and in the Key Information Document, published in the EuroHorizon 7 section at www.dzi.bg.

8. PAYMENT OF AMOUNTS AND INDEMNITIES

A claim for payment of a sum under an insurance contract shall be submitted in writing by the person who has acquired rights under that contract (the beneficiary). The beneficiary shall complete a form provided by the Insurer and submit the necessary documents specified in the General Terms and Conditions of the unit-linked life insurance policy EuroHorizon 7.

9. CHANGES TO THE INSURANCE CONTRACT

The Policyholder shall not be entitled to make any changes to the insurance cover. The Policyholder shall be entitled to change the beneficiaries selected at the time of concluding the contract.

10. TERMINATION OF THE CONTRACT

10.1. The insurance contract shall terminate upon expiry of the term for which it was concluded.

10.2. The insurance contract shall be terminated early in the following cases:

10.2.1. Upon the death of the Insured – from the date of death;

10.2.2. The Policyholder shall have the right to terminate the contract unilaterally within 30 days of the date of conclusion of the contract by submitting a written request to the Insurer;

10.2.3. Upon surrender;

10.2.4. Upon written request by the Insured, where the Insured is a third party ;

10.2.5. In the event of the death of the Policyholder occurring prior to the death of the Insured, unless the Policyholder is replaced by a person with a legal interest and an annex amending the Policyholder is issued for the insurance contract;

10.2.6. If the Insurer establishes that the Policyholder/Insured has made an inaccurate statement or has concealed a material fact, in the presence of which the Insurer would not have concluded the insurance contract had it been aware of it;

10.2.7. If the Insurer establishes that the Policyholder has made an inaccurate statement or has concealed a material fact, in the presence of which the Insurer would have concluded the insurance contract had it been aware of it, but on different terms, and the amendment proposed by the Insurer is not accepted by the Policyholder.

11. RIGHT OF REDEMPTION (EARLY TERMINATION)

Surrender means that the Policyholder terminates the contract early and receives the surrender value due. The surrender value is equal to the policy reserve as at the first valuation date following the date of submission of the request for valuation of the investment account and termination of the contract to the Insurer, less a surrender charge. The surrender charge is specified in the List of Investment Funds, Fees and Limits.

12. TAX AND SOCIAL SECURITY IMPLICATIONS

Compliance with the tax, social security and health insurance laws of the Republic of Bulgaria is the client’s responsibility. The Insurer shall not be liable for the consequences of any failure to comply with them.

12.1. Life insurance within the meaning of tax legislation

The definition of ‘life insurance’ within the meaning of tax legislation is set out in the Supplementary Provisions of the Income Tax Act, paragraph 1, point 14:

“Life insurance” means insurance contracts concluded by insurers licensed under the Insurance Code, or by insurers having their registered office in a Member State of the European Union, or in another country - a party to the Agreement on the European Economic Area, carrying out activities under the right of establishment or the freedom to provide services, or insurers with their registered office in a member state

of the Organisation for Economic Co-operation and Development, offering insurance similar to that listed below’:

12.1.1. Life insurance, which includes insurance solely for reaching a specified age, insurance solely for death, insurance for reaching a specified age or for earlier death, (referred to in point 1(a) and point 3(a) of Section I of Annex 1 to the Insurance Code);

12.1.2. Insurance with payment of annuities (pension or annuity) (under point 1(b) and point 3(b) of Section I of Annex 1 to the Insurance Code).

12.2. Tax relief on premiums/contributions paid by individuals who have taken out life insurance linked to an investment fund

Pursuant to Article 19(1) of the Income Tax Act, the insured person’s annual tax base may be reduced by the personal contributions paid during the year on their behalf for life insurance premiums, up to a total of 10 per cent of the tax base. Under Article 19(2), individuals may claim a similar relief, applicable to the monthly tax base, for contributions made through an employer on behalf of the insured person. The reliefs described apply subject to the requirement under Article 19(3) of the Income Tax Act.

Individuals may also claim relief under Article 24(2)(12) of the Income Tax Act for social expenditure on life insurance made by an employer in accordance with Article 208 of the Corporate Income Tax Act.

For the employer, social expenses incurred in the manner described are tax-exempt.

12.3. Claiming tax relief on premiums/contributions under a life insurance contract linked to an investment fund

Tax relief on premiums/contributions under a unit-linked life insurance policy is claimed by submitting an annual tax return, to which copies of the documents certifying the premiums paid must be attached. The insurer sends the policyholder a certificate of the premiums paid under insurance contracts concluded during the past calendar year.

12.4. Taxation of insurance payments

Upon expiry of the insurance contract, where the term is less than 15 years, as well as upon exercise of the right of surrender, the amount paid/surrender value, corresponding to the contributions made for which the person has benefited from tax relief, shall be subject to a final tax of 10 per cent. In cases where sums are received following the expiry of a life insurance contract linked to an investment fund, where the term is 15 years or more, the final tax is 7 per cent. Income received from a life insurance policy linked to an investment fund, corresponding to the portion of the contributions/premiums for which the tax relief referred to in point 12.2 above has not been utilised, shall not be subject to final tax. tax relief (or tax relief pursuant to Article 19(1) and (2) or Article 24(2)(12) of the Income Tax Act)

In the event of a fatal incident, the sum is paid to the beneficiaries without deduction of final tax, even where tax relief has been claimed.

13. LIMITATION PERIOD

Rights under the insurance contract shall be time-barred five years after the occurrence of the insured event.

14. CONTRACTUAL RELATIONSHIPS AND APPLICABLE LAW

The contractual relations between the Policyholder, the Insurer and the insured persons are governed by the terms of the insurance contract, the General Terms and Conditions of unit-linked life Insurance EuroHorizon 7, the Insurance Code, the Obligations and Contracts Act, and the Commercial Act.

The law applicable to unit-linked life insurance contracts EuroHorizon 7 is Bulgarian law. Disputes arising in connection with the insurance relationship shall be resolved amicably, and if no agreement is reached, by a competent Bulgarian court.

15. COMPLAINTS AND GRIEVANCES

Users of insurance services may submit complaints regarding claims for payment of insurance benefits at any of the Insurer’s branches (Head Office, Main Agency, Agency, Office) in writing or by email: clients@dzi.bg. The rules of “DZI – Life Insurance” EAD for the settlement of claims under Article 104(1) of the Insurance Code are published on the company’s website: www.dzi.bg, in the “Claims Assistance” section (<https://www.dzi.bg/bg/помощ-при-щета>).

Users of insurance services may lodge complaints regarding insurance activities with the Financial Supervision Commission and/or other competent state authorities.

Within the territory of the Republic of Bulgaria, disputes relating to the provision of insurance services may be resolved out of court through Alternative Dispute Resolution (ADR) proceedings before the sectoral conciliation commission of the Consumer Protection Commission or through mediation.

16. SOLVENCY REPORT

The solvency and financial condition report of DZI - Life Insurance EAD is published on the Insurer’s website: www.dzi.bg in the Corporate Sustainability section (<https://www.dzi.bg/about/reports>)

17. REMUNERATION

When insurance products are sold, the distributor’s remuneration is paid by “DZI – Life Insurance” EAD as follows:

- Remuneration in accordance with the Labour Code for the insurer’s employees engaged in direct sales;
- Commission-based remuneration, as well as additional remuneration depending on sales performance – for insurance intermediaries.



Regardless of the nature of the remuneration, it does not alter the amount of the insurance premium payable by the consumer.

18. PROVISION OF ADVICE

The insurer offers unit-linked life insurance EuroHorizon 7 through the provision of advice.