

Part of Civil Code (Act No. 40/1964 Coll.) regarding insurance

Chapter XV

INSURANCE CONTRACTS

Part One

Insurance Contract

Article 788

(1) Upon the insurance contract the insurer undertakes to pay claims in the agreed amount if a fortuitous event specified in the contract occurs, and the natural person or the legal person that concluded the insurance contract with the insurer is obliged to pay the insurance premium.

(2) The insurance contract shall contain, in particular,

a) amount of cover; guaranteed amount of cover in case of personal insurance,

b) amount of the insurance premium, its maturity and the fact whether it is a lump sum premium or periodically paid - a current premium,

c) period of insurance,

d) information whether agreed on that in case of personal insurance the beneficiary shall participate in the revenues of the insurer and in what manner,

e) rights and duties of the insurer, the insured person and the person that concludes the insurance contract with the insurer,

f) amount of the surrender value that the insurer shall pay in case of a midterm cancellation of personal insurance.

(3) General insurance terms and conditions of the insurer (insurance terms and conditions) which the insurance contract refers to and which are attached thereto or were notified to the person that concluded the contract with the insurer prior to the conclusion of the contract form part of the insurance contract.

(4) The insurance contract may vary from the insurance terms and conditions only in the cases defined therein. In other cases the insurance contract may differ from the insurance terms and conditions only if the difference is to the benefit of the insured person.

Article 789

(1) A separate regulation may stipulate that on the basis of other facts and under the conditions referred to in the regulation insurance shall come into existence without the insurance contract conclusion (insurance required by law).

(2) The separate regulation may stipulate the obligation of the natural person or the legal person to conclude the insurance contract (compulsory contractual insurance).

(3) In the case that a separate regulation of a member state of the European Communities or of the state belonging to the European Economic Area (hereinafter referred as the "Member State") stipulates the compulsory contractual insurance, the obligation shall be fulfilled if the insurance contract is concluded in accordance with the separate regulations of the Member State concerning such insurance.

(4) If a separate regulation of a Member State stipulates the compulsory contractual insurance and parallelly the law of the Member State imposes the obligation to inform the competent bodies about the claim payment expiration on the insurer, the insurer may exercise such expiration against the injured third parties only under the conditions stipulated by the separate regulation of such Member State.

Article 790

Insurance policy may cover, in particular,

a) property against its damage, destruction, loss, theft or against other damages that shall occur to it (property insurance);

b) a natural person against his/her bodily injury, death, for living to reach a specified age or against other insurance events (personal insurance);

c) liability for the damage occurred to life and health or to a thing, or liability for other

property damages (third party indemnity insurance).

Article 791

(1) For legal acts related to the insurance a written form of the insurance contract is required, unless otherwise stipulated by this Act or by the insurance terms and conditions.

(2) The insurer shall issue an insurance certificate as a written confirmation of the insurance contract conclusion to the person that concluded the insurance contract with it. If a loss or destruction of the insurance certificate occurs the insurer shall issue a duplicate of the insurance certificate to the person that concluded the insurance contract with the insurer upon its request and at its own expenses. If according to the insurance terms and conditions the insurance certificate must be submitted to exercise the right for the claim payment the insurer may require the insurance redemption prior to the issue of the duplicate.

(3) If the insurance concerning the international transport of goods contains the entitlement of the person that concluded the insurance contract with the insurer to assign the right resulting from the insurance contract by means of an endorsement, even by means of a blank endorsement, to other persons that are entitled to realize further assignment, such persons are entitled to the further assignment (insurance policy to order). The assignment of the transport insurance by means of the endorsement shall have the effect of outstanding debt assignment, even if the insurer is not informed about such assignment. The insurer is not obliged to examine the endorsement validity.

Part Two

Insurance Contract Conclusion

Article 792

(1) To conclude the insurance contract an insurance proposal must be accepted within the period determined by the proposer or, in the case that the proposer did not determine such period, within one (1) month after the date when the other party received the proposal. The insurance contract is considered as concluded at the moment when the proposer received the notification of its proposal acceptance.

(2) The proposal of the insurer may be accepted also by the payment of the insurance premium in the amount referred to in the proposal provided that the payment is realized within the period according to paragraph 1; in such case the insurance contract is considered as concluded at the moment of the insurance premium payment.

Article 792 a

(1) Prior to the insurance contract conclusion the insurer shall provide the person that concludes the insurance contract with it particularly with the data as follows:

- a) the commercial name of the insurer and its legal form,
- b) the name of the State where the registered office of the insurer is located and the name of the State where the branch of the insurer concluding the insurance contract is placed,
- c) the registered office of the insurer and the address of the insurer's branch concluding the insurance contract.

(2) In case of personal insurance prior to the insurance contract conclusion the insurer shall provide the person that concludes the insurance contract with it, except of the data according to paragraph 1, also with the additional data as follows:

- a) content of all claim payments in connection with the insurance event,
- b) term of the insurance contract,
- c) manner of the insurance contract termination,
- d) manner of the insurance premium payment and its maturity,
- e) manner of the bonuses calculation and division, if they are part of the insurance contract,
- f) manner of the surrender value determination and the extent of its guarantee,
- g) amount of the insurance premium related to each claim payment,
- h) determination of the investment shares which the claim payment is tied to in case of the insurance contracts tied to the investment of financial resources on behalf of the insured persons,

- i) identification of the assets related to the insurance in case of the insurance contracts tied to the investment of financial resources on behalf of the insured persons,
 - j) terms and conditions of the withdrawal from the insurance contract,
 - k) general information about the tax duties related to the respective insurance contract,
 - l) manner of handling the complaints of the insured person, the beneficiary and the person that concludes the insurance contract with the insurer,
 - m) the law of the State governing the insurance contract where the contracting parties cannot choose the law applicable to the insurance contract, or the law of the State proposed by the insurer provided that the contracting parties are in a position to choose the law.
- (3) Throughout the insurance contract duration the insurer shall provide the person that concluded the insurance contract with it particularly with the data as follows:
- a) change of the insurer's commercial name, its legal form and registered office as well as the change of the address of the insurer's branch with which the insurance contract was concluded,
 - b) change of the data referred to in paragraph 2 subparagraphs a) through i),
 - c) the state of bonuses in each year.
- (4) The data according to paragraphs 1 through 3 shall be provided in writing in the national language of the Slovak Republic. Such data may be provided also in the language required by the person that concludes the insurance contract with the insurer, or in the language of the State whose law is applicable to the insurance contract provided that the contracting parties are in a position to choose the law.

Article 793

- (1) The person that concludes the insurance contract with the insurer is obliged to answer all the written questions of the insurer concerning the arranged insurance truthfully and completely. The aforementioned provision holds also in case of the change of the insurance.
- (2) Likewise, the person to whose property, life or health or to whose liability for damages the insurance is to be related has such duty although it does not conclude the insurance contract.

Article 794

- (1) The insurance contract may be concluded also to the benefit of another person.
- (2) The provisions concerning the contract concluded to the benefit of a third person (Article 50) shall be applied to the insurance contracts concluded to the benefit of another person accordingly and the consent of the other person may be granted subsequently at the exercise of rights resulting from the insurance event.

Part Three

Rights and Duties Resulting from Insurance

Article 795

- (1) The duty of the insurer to pay claims and its right to the insurance premium shall come into existence on the first day after the insurance contract conclusion, unless agreed on by the parties that such right and duty shall come into existence later on or prior to the insurance contract conclusion.
- (2) Within the insurance of the international transport of goods it may be agreed on that the insurance shall cover also the period before the insurance contract conclusion. However, the insurer is not obliged to pay claims provided that at the time of the insurance contract conclusion the person that concluded the insurance contract with the insurer knew or had to know that the insurance event had already occurred.

Article 796

- (1) The person that concluded the insurance contract with the insurer is obliged to pay the insurance premium related to the agreed periods of the insurance (current premium); it may be also agreed on that the insurance premium shall be paid en bloc for the whole period for which the insurance was arranged (lump sum premium).
- (2) Unless agreed otherwise, the current premium is payable on the first day of the insurance period and the lump sum premium is payable on the date of the insurance commencement.
- (3) If in case of the insurance concerning the international transport of goods the insurance premium is not paid and if it is not the case referred to in Article 795 paragraph 2 the insurer

shall not be obliged to pay the claims resulting from the insurance events that occurred before the insurance premium payment. The insurer is not entitled to the insurance premium provided that at the time of the insurance contract conclusion it knew that the insurance event cannot occur.

(4) If it is stipulated by the insurance terms and conditions the person that concluded the insurance contract with the insurer shall be acquitted of the duty to pay the insurance premium without impact on the claim payment amount.

Article 797

(1) The person to whose property, life or health or to whose liability for the damages the insurance is related (the insured person) has the right to the claim payment, unless otherwise stipulated by this Act or by the insurance terms and conditions.

(2) The right to the claim payment shall arise if the event, to which the rise of the insurer's duty to pay the claim is related, occurs (the insurance event).

(3) The claim is payable within fifteen (15) days after the date when the insurer finished the investigation necessary to find out the extent of the insurer's duty to pay the claim. The investigation must be performed without undue delay; if it cannot be finished within one (1) month after the date when the insurer learned about the insurance event the insurer is obliged to provide the insured person with the adequate advance payment at the request of the insured person.

Article 798

The insurer is entitled to reduce the payment of the claims resulting from the insurance contract adequately provided that the lower amount of the insurance premium was determined upon the knowingly untruthful or incomplete answer (Article 793).

Article 799

(1) The insured person is obliged to observe the agreed duties or the duties stipulated by this Act or by the insurance terms and conditions.

(2) The person that is entitled to the claim payment is obliged to inform the insurer in writing without undue delay that the insurance event occurred, to provide the insurer with truthful explanation of its occurrence and extent of its consequences and submit necessary documents required by the insurer. The insurance terms and conditions may set also further duties.

(3) In the case that the knowing breach of the duties referred to in paragraphs 1 and 2 affected the insurance event occurrence significantly or increased the extent of the insurance event consequences the insurer is entitled to reduce the payment of the claims resulting from the insurance contract according to the impact of such breach on the extent of the insurer's duties to pay the claims.

Part Four

Insurance Termination

Article 800

(1) The insurance within which the current premium is agreed shall be terminated upon a notice at the end of the insurance period; the notice must be given at least six weeks before the insurance period expiration.

(2) It may also be agreed on that the insurance may be terminated by any of the parties within two months after the insurance contract conclusion. The notice period is eight-day; the insurance shall become null and void upon the notice period expiration.

(3) The insurer cannot terminate personal insurance according to paragraph 1, except of the insurance against accident.

Article 801

(1) Insurance shall become null and void also if the insurance premium for the first insurance period or the lump sum premium is not paid within three months after the date of its maturity.

(2) Insurance shall become null and void also if the insurance premium for the next insurance period is not paid within one month after the date of the service of the insurer's call to pay the insurance premium, unless the insurance premium was paid before the service of such call. The insurer's call must contain the advice that the insurance shall become null and void if the insurance premium is not paid. The aforementioned provision shall hold also in the case that the insurance premium is paid only partially.

(3) The time limits according to paragraphs 1 and 2 may be prolonged by agreement.

Article 802

(1) In the case of the knowing breach of the duties referred to in the provisions of Article 793 the insurer may withdraw from the insurance contract provided that it would not conclude the insurance contract if the questions were answered truthfully and completely. The insurer may exercise such right within three months after the date when it found out such fact; otherwise the right shall become null and void.

(2) If the insurer learns after the insurance event that it occurred as a reason of the fact which the insurer was not able to find out at the arrangement of the insurance because of the knowingly untruthful or incomplete answers and which was significant for the conclusion of the insurance contract the insurer shall be entitled to refuse the payment of the claims resulting from the insurance contract; the insurance shall become null and void upon such refusal.

Article 803

(1) The insurer is entitled to the insurance premium related to the period till the insurance termination.

(2) In the case that the insurance shall become null and void before the expiration of the period for which the current premium was paid the insurer is obliged to return the remaining part of the insurance premium.

(3) In the case that the insurance event occurred, and thereby the reason of further insurance ceased, the insurer is entitled to the insurance premium up to the end of the insurance period in which the insurance event occurred; even in such cases the insurer is entitled to the lump sum premium in its total amount.

Article 804

The insurance terms and conditions concerning personal insurance stipulate the cases in which the insurer is obliged to pay the surrender value at the insurance termination, in which the insurance shall not become null and void by reason of the non-payment of the insurance premium and the cases to which the provision of Article 803 paragraph 2 about the duty to return the insurance premium shall not be applied.

Part Five

Change of Insurance

Article 805

The insurance terms and conditions concerning property insurance and the insurance of the liability for damages related to the insurance of the community property of spouses stipulate the conditions under which the property insurance or the insurance of the liability for damages shall expire, to whom the insurance shall be assigned and to which things the insurance is applied in the case that the community property of spouses was terminated.

Part Six

Property Insurance

Article 806

Upon the property insurance the insured person shall be entitled to the claim payment in the amount determined according to the insurance terms and conditions if the insurance event is related to the thing to which the insurance is applied.

Article 807

If one and the same thing is insured against one and the same event at several insurers and if the aggregate of the amounts of cover exceeds the insurance value of the thing or if it exceeds the aggregate of sums that the insurers would be obliged to pay as the claims resulting from the concluded insurance contracts concerning one and the same event (multiple insurance), each insurer shall be obliged to pay the claims in the amount of the thing value or in the agreed amount of cover only in the proportion of the sum that the insurer would be obliged to pay as the claim according to its contract to the sums that all the insurers would be obliged to pay in the aggregate.

Article 808

If the thing is insured for the same period parallelly by another insurance against particular unusual dangers, the insurer shall pay the claims resulting from the insured event caused by such unusual danger - if the insurer is anyhow obliged to pay the claims - provided that the insured person could not get the claim payment from the insurance against such unusual danger.

Article 809

(1) The insured person is obliged to ensure that the insurance event shall not occur; the insured person cannot break particularly the duties to avert or reduce danger imposed on it by legal regulations or those that it undertook upon the insurance contract.

(2) In the case that the insured person broke the duties referred to in paragraph 1 knowingly or as a result of drinking alcohol or taking drugs and such breach redounded to the insurance event occurrence or to a wider extent of its consequences the insurer is entitled to reduce the claim payment resulting from the insurance contract adequately. The aforementioned provision holds also in the case that the person living in the common household with the insured person broke such duties knowingly or as a result of drinking alcohol or taking drugs.

Article 810

The insured person is entitled to the compensation of the costs expended effectively to avert the insurance event directly threatening the insured property. The insured person is also entitled to the compensation of the costs expended effectively to reduce the insurance event consequences.

Article 811

Repealed as of 1 January 2003

Article 812

Insurance shall become null and void by the change of the person owning the insured thing, unless otherwise stipulated by the insurance terms and conditions.

Article 813

(1) If the insured person has the right to the compensation of the damage caused by the insurance event against another person its right shall be assigned to the insurer, and that up to the amount of the claim payment provided to it by the insurer.

(2) If the right against a natural person is assigned to the insurer according to paragraph 1 the provision of Article 450 shall be applied accordingly to its exercise.

(3) The rights of the insured person against persons living with him/her in the common household or being dependent on his/her support shall not be assigned to the insurer. However, the aforementioned provision does not hold in the case that such persons caused the damage intentionally.

Article 814

If the insurer compensates the insured person only for a part of the damage the person against whom the insured person has the right to the compensation of the remaining part of the damage shall be obliged to settle the claims of the insurer after the settlement of the insured person's claims.

Article 815

(1) The insurance may relate to the property of a person different from the person that concluded the insurance contract with the insurer. The insurance terms and conditions stipulate when, in the aforementioned case, the right to the indemnity resulting from the insurance event shall not arise to the insured person but to another person.

(2) If the natural person or the legal person that concluded the insurance contract related to the property of another person dies or is terminated the other person shall enter into the insurance instead of the person that concluded the insurance contract with the insurer.

Part Seven

Personal Insurance

Article 816

Upon the personal insurance the insured person is entitled to the payment of the agreed sum or to the payment of the agreed rent or to the claim payment in the amount determined according to the insurance terms and conditions provided that the insurance event concerning to the insured person occurred.

Article 817

(1) If it is agreed on that the death of the insured person constitutes the insurance event the person that concluded the insurance contract with the insurer may determine the person whom the right to the claim payment resulting from the insurance event is to arise, and that upon the name or relation to the insured person. The determination of the person may be changed till the insurance event occurrence; if the person that concluded the contract is not the insured person, the determination may be changed only with the consent given by the insured person. The change of the person determination shall be effective upon the service of the notification to the insurer.

(2) If the beneficiary is not determined at the time of the insurance event or if the beneficiary does not acquire the right to the claim payment, the spouse of the insured person, and if there is no spouse, the children of the insured person shall acquire such right.

(3) If there are no persons referred to in paragraph 2 parents of the insured person shall acquire such right, and if there are no parents, the persons who lived in the common household with the insured person for at least one (1) year before his/her death and who took care of the common household for that reason, or who were dependent on the support of the insured person, shall acquire the right; if there are not even such persons heirs of the insured person shall acquire the right.

Article 818

If the right to the claim payment arises to several persons and if the proportions are not determined each of them shall be entitled to an equal part.

Article 819

If the person that concluded the insurance contract with the insurer according to which someone else is insured dies the insured person shall enter into the insurance instead of such person. The aforementioned provision holds also in case of dissolution of the legal person that concluded the insurance contract with the insurer.

Article 820

If the injury of the insured person constitutes the insurance event the insurer shall be entitled to reduce the sum that is to be paid provided that the injury occurred as a result of drinking alcohol or taking drugs by the insured person.

Article 821

The right against the insurer shall be without prejudice to the right to the indemnity against the person responsible for the damage.

Part Eight

Third Party Indemnity Insurance

Article 822

Upon the third party indemnity insurance in case of the insurance event the insured person is entitled to the payment of the compensation for the damage, for which it is responsible, realized by the insurer on behalf of the insured person according to the insurance terms and conditions.

Article 823

The insurer shall pay the indemnity to the injured party; however, the injured party has not the right to the claim payment against the insurer, unless otherwise stipulated by separate regulations.

Article 824

The insurance terms and conditions may determine the cases in which the third party indemnity insurance shall not become null and void by reason of the change of the person owning the thing.

Article 825

The insurer is not entitled to reduce the indemnity according to the provision of Article 799 paragraph 3 paid to the injured party on behalf of the insured person; the insured person is obliged to pay the sum by which the insurer could not reduce the indemnity in such manner to the insurer.

Article 826

In the case that the insured person caused the damage as a result of drinking alcohol or taking drugs the insurer has the right to the adequate compensation of the amount that the insurer paid to the injured party as the indemnity on behalf of the insured person.

Article 827

If the insurer indemnifies on behalf of the insured person the right of the insured person to the indemnity or other similar right against another person that shall arise to the insured person in connection with the insured person's liability for the damage shall be assigned to the insurer. If the right to the indemnity against a natural person is assigned to the insurer the provision of Article 450 shall be applied accordingly to its exercise.

Article 828

(1) The insurance may relate also to the liability of a person different from the person that concluded the insurance contract with the insurer.

(2) If the natural person or the legal person that concluded the insurance contract concerning the third party liability related to another person dies or terminates such person shall enter into the insurance instead of the person that concluded the insurance contract with the insurer.

Part Nine

Article 828a

Legal Expenses Insurance

(1) Upon the insurance contract covering legal expenses the insurer undertakes to pay the expenses of the insured person concerning the exercise of its right within the extent determined in the insurance contract and provide the services directly connected with such insurance under the conditions agreed upon the insurance contract.

(2) The insurance contract cannot limit the right of the insured person to choose its lawyer for the purpose of its representation and protection of its rights.

(3) The insurer shall be obliged to conclude an arbitration agreement according to a separate regulation in order to the solution of the disputes resulting from the legal expenses insurance if the person that concludes the insurance contract with the insurer applies for it at the conclusion of the insurance contract. Information about the arbitration agreement conclusion according to the first sentence shall be referred to in the insurance contract concerning the legal expenses insurance. If the dispute resulting from the legal expenses insurance arises the insurer shall be obliged to inform the insured person about its right according to paragraph 2 and about the possibility to solve the dispute in the arbitration proceedings.

(4) The provisions of paragraphs 2 and 3 shall not apply to

a) the legal expenses insurance concerning the use of a marine means of transportation or the insurance risks rising in connection with its use,

b) the representation of the insured person if parallelly the insurer performs such activity in its own interest within third party indemnity insurance,

c) the legal expenses insurance provided by the insurer as the supplementary insurance to the insurance of the assistance provided to persons in need during travelling or at their stay out of their permanent residence.