

User information

Hallesche – your partner

You are entering into an insurance contract with Hallesche private health insurance in its legal form as a mutual insurance society based in Stuttgart.

Our principal business is private health and nursing care insurance of all kinds.

Commercial register: Stuttgart District Court
(Commercial register No. 2686)

Visitor address (also for legal notices)

Hallesche Krankenversicherung a. G.
Versicherungsverein auf Gegenseitigkeit
Reinsburgstraße 10
70178 Stuttgart

Managing director: Christoph Bohn

Address for correspondence

Hallesche
70166 Stuttgart

You can also contact us by telephone, fax, e-mail and on the Internet:

Telephone: 0800 3020-100, Fax: 0711 6603-333,
E-Mail: service@hallesche.de, Internet: www.hallesche.de

Guarantee fund

Hallesche is a member of the private health insurance companies' guarantee fund, which protects claims by our policy holders and other beneficiaries of insurance contracts. The address for correspondence is: Medicator AG, Gustav-Heinemann-Ufer 74c, 50968 Köln.

Regulatory authority

We are regulated by the German Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority), Insurance Division, Graurheindorfer Straße 108, 53117 Bonn.

Important features of your insurance policy

The current terms of insurance are valid for the tariffs chosen by you:

- The tariff (plus any special terms and conditions) describes the insurance benefits in detail.
- The General Terms of Insurance (GTI) complete the tariff regulations.
- If any supplementary provisions have been agreed for group insurance, these amend or are additional to the relevant GTI.

You will find the most important features of your insurance benefits on page 1 of the tariff, the exact contract details in the tariff and in the GTI under "Object, extent and validity of insurance coverage" and "Extent of duty to pay benefits", and in the supplementary conditions for group insurance under "Participation in group insurance contract, starting date and extent of insurance coverage".

You are entitled for the insurance benefits as soon as we will have collected all necessary requests concerning your event insured against. Our duty to pay benefits is satisfied once payment has been credited to the account of the policy holder or of a person entitled to receive the benefits. Detailed provisions covering the due date for the payment of insurance benefits are given in the GTI under "Payment of insurance benefits".

Total cost of your insurance

The total price of your insurance is mentioned in the application or on the insurance confirmation attached to the quotation document. There are no other additional costs, taxes or charges. The amount shown on your insurance confirmation may differ from that on the application if, for example, it was wrongly stated on the application. Any possible risk surcharge will be agreed with you in writing in a separate declaration. Any quotation you may already have of Hallesche will have been taken into account where necessary.

Payment of premiums

Your premium will be calculated from the start of the insurance period. Your chosen payment method (direct debit or credit transfer) and payment period (monthly, quarterly or half-yearly) can be noted on your application form if you have not already notified us when requesting a quotation.

The first payment is due by the day of the agreed start of the insurance period at the latest.

Please note: The total yearly or single premium is due for the short-term health insurance coverage abroad. Only the direct debiting system is possible.

Full regulatory details relating to premium payment dates are given in the GTI under "Payment of premiums".

Implementation of your insurance contract

There are two ways in which you can enter into an insurance contract with us:

1. Have you received all relevant documentation before submitting your application, or have you expressly waived this? Your insurance contract will come into effect as soon as you will receive a written statement of acceptance or your insurance confirmation from us. Hallesche undertakes not to refuse any correctly submitted application for a group insurance contract.
2. Have you requested a quotation of Hallesche, and received a quotation in response? Your insurance contract will come into force once you have signed the application (statement of acceptance) and confirmation of receipt, and returned them to Hallesche within the stated period and without amendment. The date of receipt by Hallesche of your application (statement of acceptance) will be applicable.

Commencement of coverage

Insurance coverage will start on receipt of the application by the insurer, but not earlier than the date given in the applica-

tion, or prior to the expiry of any qualifying periods, or prior to the commencement of the group insurance contract which forms the basis of the insurance relationship. Alternatively, insurance coverage can begin up to two months prior to receipt by Hallesche of the application where provision is made for this in the GTI.

Payment will not be made for insurance events occurring prior to the start of insurance coverage, unless such events occur after the signing of the contract but prior to the start of insurance coverage. Such events are not excluded completely; only the part that occurs in the period between the signing of the contract and the start of insurance coverage or qualifying periods is excluded from liability to pay benefits.

In the case of newborn infants, insurance coverage begins immediately after the birth process is complete, with no qualifying period, provided that the application has been made at the correct time, and subject to any other requirements given in the GTI.

You can find more information on the commencement of insurance coverage in the GTI under "Commencement of coverage", and – where specified – under "Qualifying periods"; also – depending on the tariff chosen – under "Subject, extent and validity of insurance coverage" and in the supplementary conditions for group insurance under "Participation in group insurance contract; commencement and extent of insurance coverage" and "Qualifying periods".

Term of contract; termination options

Your insurance contract has no time limit. Exceptions to this are the education, international and option tariff scales, the *plus.U* tariff and daily sick pay insurance. These exceptions are covered in the relevant terms and conditions.

The options for terminating the contract, in particular the contractual conditions of termination, are given, depending on the tariff chosen, in the GTI under "Cancellation/termination by the policy holder", "Terminating the policy", "Other reasons for termination", "Continuation of insurance", "Consequences of breaches of warranty" and "Cancellation by the insurer". This last section also specifies the minimum duration that applies to the contract. In the supplementary conditions for group insurance, other provisions relating to the termination of a contract are given in "Reasons for termination of the insurance relationship" and "Continuation of insurance".

The contract can also be terminated without notice for good cause (fraud, for example) as provided by law.

The insurer is entitled, in the event of a pre-contractual violation of obligation to disclose, to withdraw from or cancel the contract. In the event of fraudulent misrepresentation at the time the contract was signed, the insurer can also challenge the contract.

In the event of cancellation on the grounds of non-payment of the first premium, the insurer will charge an appropriate handling fee (currently € 75).

Cancellations made to the insurer have to be done in writing or electronically and should be addressed to Hallesche Krankenversicherung.

Contractual language, applicable law, place of jurisdiction

The language used for the contractual relationship and in communications during the term of the contract is German unless otherwise agreed. Your insurance contract is covered by the provisions of German law. The place of jurisdiction is given in the GTI under "Place of jurisdiction".

Grievance procedures

Please notify us in the event of any points of disagreement. We will be glad to resolve these together with you.

Hallesche Customer Service Telephone: 0800 3020-100, Fax: 0711 6603-333, E-Mail: service@hallesche.de

You may also make use of a free of charge settlement of disputes out-of-court.

Settlement of Disputes Out-of-court

Hallesche Krankenversicherung a.G. takes part in the settlement of disputes for customers "OMBUDSMANN Private Kranken- und Pflegeversicherung", which you may contact:

OMBUDSMANN Private Kranken- und Pflegeversicherung
Post office box 06 02 22

10052 Berlin

Telephone: 0800 2550-444 (free of charge of German phone networks)

Fax: 030 2045-8931

E-Mail: ombudsmann@pkv-ombudsmann.de

Internet: www.pkv-ombudsmann.de

The condition for the arbitration procedure with the Ombudsmann is that

- Hallesche Krankenversicherung a.G. already has given a statement and
- that the matter of dispute has not been settled yet and
- that the value of dispute is more than € 50 and
- that the claim is not outlawed and that the insurer does not refer to this limitation period and
- that no other institution of settlement of disputes has been involved in this case and
- that the matter has not been addressed to a judge so far, unless the court has ordered a settlement of the dispute with the Ombudsmann and has ordered the suspension of the proceedings and
- that no court has issued a deny of application for legal aid as a result of hopelessness of prosecution

If you have taken out your contract online, e.g. via our website, you may use the platform of the European Commission for Online Settlements of Disputes. This platform is available on: <http://ec.europa.eu/consumers/odr/>

You can also contact our regulatory authority: Bundesanstalt für Finanzdienstleistungsaufsicht, Graurheindorfer Straße 108, 53117 Bonn.

This does not in any way affect your right to take legal action.

Additional information for substitutive health insurance (full medical expenses insurance and daily sick pay insurance)

Medical expenses and increase in premiums

The “price-performance ratio” is a quality feature whose importance we underline by our policy of keeping contributions at an established level. Changes to premiums have been modest over the past few years compared to the rest of the market. However modest they may be, adjustments to premiums are never welcome initially. They are, however, necessary when we bear in mind that

- Germany has one of the best – but also one of the most expensive – healthcare systems in the world.
- developments in medicine bring ever more opportunities, but also cost more.
- such medical progress means that the scope of your insurance covers is greater.
- life expectancy is rising all the time – happily!

We cannot exercise any direct influence in the healthcare sector on how costs increase, but Hallesche makes use of considerable financial resources in order to reduce their effects on your premiums.

Options and methods for limiting premium payments in old age

The capital coverage system means that an age reserve is set up for the policy holder from the outset. This reserve is invested for the policy holder’s later years, making it possible to keep premiums down. In addition there are many other options for limiting premium payments by older people:

- By using the Hallesche MBZ*flex* amended premium system, you yourself can reduce your health insurance payments in your later years. The principle is a simple one: pay more today, pay less when you are older.
- In the case of comprehensive insurance, a mandatory surcharge of 10% is levied between the ages of 21 and 60, and this is placed in the age reserve. This is used to restrict premium adjustments from age 65 onwards.
- Interest gained on the age reserve is credited to the policy holder (additional appreciation), and also helps to reduce premium adjustments.
- The daily sick pay allowance ceases once the policy holder is no longer working, resulting in an automatic reduction in premiums.
- You can request a contribution for your payment from your pension insurance provider. This is one-half of the average general premium rate of the GKV (statutory health insurance) on the state pension, up to a maximum of half of the premium payable.
- You can also reduce your premium by changing to a different tariff, for example by increasing your voluntary excess.

Furthermore Hallesche offers the standard basic tariff. This basic coverage is limited to the level of benefits of the statutory health insurance. The premium is limited to the maximum contribution of the statutory health insurance. In case of hardship the premium may be divided in half.

The decision for the basic tariff should only be taken in certain exceptional cases. Persons insured may change to the basic tariff, if the conclusion of the comprehensive health insurance coverage with Hallesche has been effected from 1 January 2009 on or if the person insured has reached the age of 55. On certain conditions persons insured under the age of 55 may change to the basic tariff if they obtain a pension by the statutory pension scheme or if they are needy.

Apart from that Hallesche offers the standard tariff for all contracts concluded before 1 January 2009. The premium is limited to the maximum contribution of the statutory health insurance. The persons insured may change to the standard tariff if they have reached the age of 65 and if they have been insured in the substitute health insurance for at least 10 years.

Switching to the GKV (statutory health insurance)

It is possible under certain limited circumstances to switch from private to statutory health insurance, for example if you accept a job which pays below the minimum annual wage, or if you become unemployed. It is not normally possible to change over after the age of 55.

Switching to a different private health insurance scheme

Switching within the private health insurance system may incur higher premium payments, particularly for older people. It may only be possible for you to change to the basic tariff where applicable.

Acquisition costs of your insurance contract

In the case of comprehensive insurance, you will find information on acquisition costs, and the other costs included in the premium, on the enclosed product information sheet. You will incur no further costs in addition to these.

Surcharge of Premiums for Non-insured Persons

From 1 January 2009 on each person with a residence in Germany has to be health insured.

If this obligation is not met, a one-off surcharge has to be paid for the period of non-insurance in addition to the premium to be paid. Please see the General Conditions of Insurance (“payment of premiums”) for the details. We shall inform you about a possible surcharge of premiums separately.

Schedule of premium payments

In the case of comprehensive insurance, you will find the schedule of premium payments on the enclosed information sheet.

Information sheet from the Bundesanstalt für Finanzdienstleistungsaufsicht

The terminology used in the press and other public media when referring to private and statutory health insurance requires some explanation. The purpose of this information sheet is to give a brief explanation of the principles behind private and statutory health insurance schemes.

1. Principles of statutory health insurance

Statutory health insurance provision is governed by the solidarity principle. This means that the level of contributions does not primarily depend on a level of payments essentially determined by law, but on an individual member's ability to pay, established by specific flatrate requirements. The premiums are normally assessed as a percentage of income.

In addition, insurance payments are collected on a pay-as-you-earn basis, which means that all expenditure in a calendar year is covered by the payments received in that year. No reserves are built up apart from a statutory reserve.

Under certain conditions, spouses and children are included in the insurance coverage without having to pay their own premiums.

2. Principles of private health insurance

In private health insurance, each insured person pays his or her own contributions. The level of premiums is governed by the age and state of health of the insured person when the contract is taken out, and by the agreed premium scale. The premiums charged are in line with the risks, which are calculated on actuarial principles.

The increased use of healthcare services that comes with increased age is covered by an age reserve. The calculation is based on the assumption that the costs of healthcare will not increase, and that premiums will not rise solely on the grounds that the policy holder is growing older. This calculation procedure is referred to as an expectancy cover or capital cover process.

Changing from one private health insurance company to another is normally possible at the end of an insurance year. When changing, it should be remembered that an insurance company is not under any obligation to accept you, except in the basic tariff, and that the new insurer will carry out its own health-screening, and will charge premiums on the basis of your age at the time. Parts of the calculated accruals for old-age may be transferred to the new insurer¹. The remaining part may be calculated with the premium when concluding a supplementary coverage. If no additional insurance is taken out, this part remains with the previous insurance collective. It is usually not possible, particularly in old age, to return to the statutory health insurance scheme.

¹ If you have been privately health insured before 1 January 2009, special conditions are valid for your contract. Please ask for further information separately.