

Principles of Good Practices

General Terms

1. Insurance companies as a special public confidence institutions operate in accordance with the law, respecting the Principles of Good Insurance Practices, the highest market standards. Insurance companies do not abuse their rights, performing them with best intentions.
2. Given that insurance companies:
 - 1) in the performance of the insurance business, build customers' trust and the reputation of these companies;
 - 2) as an employer, suppliers and services, taxpayers, investors and property buyers have a significant impact on the quality of life for many associated and not associated with direct law ties;
 - 3) affect significantly the social environment by conducting the business of insurance;
 - 4) conduct their business in accordance with generally recognized principles of the so-called socially responsible business, as well as are actively involved in the development and improvement of these rules. In particular, insurance companies operate with confidence that the pursuit of business tasks should be done to build normal relations with all stakeholders based on the rules of dialogue, fairness, tolerance, environmental behaviour and social mission.
3. Principles of Good Insurance Practices are related to insurance companies and for all those performing on their behalf or for their account.

Proceedings of insurance companies in dealing with customers

4. Compliance with the legal provisions governing their relationship with the insured, the insured party, the persons for whose benefit the insurance contracts have been settled, those eligible for insurance benefits and other persons with whom they remain in the legal relations arising from agreements concluded in the insurance business (the "clients"), insurance companies make every effort to ensure that good and the legitimate interests of customers are not harmed, also as a result of another insurer's actions, for which the company does not bear responsibility.
5. Insurance companies do not use unreasonable terms of differentiation of services rendered to individual customers.
6. Insurance companies are expanding insurance awareness in the society. According to their best knowledge, they give their current and prospective customers answers to questions and explanations about their services, including the benefits and possible consequences of using these services, as well as the rights and obligations of persons benefiting from insurance services. As long as this is not contrary to the clear will of customers, insurance companies on their own initiative shall provide the above information. Insurance companies analyse deficiencies and irregularities in the implementation of the obligations described in this section, draw conclusions from these studies and implement the necessary corrective actions.

7. Insurance companies take their own preventive measures, to prevent accidents and limit their insurance implications, and recommend such actions to be taken by their clients.
8. Standard contracts and documents of an advertising nature used by insurance companies should be formulated clearly and unambiguously.
9. Insurance companies recognize complaints about their activities and performance without any delay, honestly and in good faith and respond to such pleas. Insurance companies are trying to ensure that the deadline for these answers is not more than a month.
10. Insurance companies make every effort to ensure that disputes with customers are settled in an amicable manner.

Insurance companies' proceedings in dealing with insurance agents

11. Due to the fact that the quality of work of insurance agents directly affects the reputation and credibility of the entire insurance market, and any irregularities in this area harm the interests of insurance companies, insurers shall ensure appropriate relationships with insurance agents. Insurance companies do not use the unjustified differentiation conditions of cooperation with insurance agents, in particular due to the nature, form or size of business intermediaries.
12. Insurance companies provide insurance agents, under reasonable circumstances, with assistance in performance of their activities, in the scope this activity affects, or may affect abidance of law morals.
13. Within their power, insurance companies make every effort to ensure that insurance agents do not take any material advantages at insurer's customer expense. Insurance companies ensure that the settlements on fees and other benefits offered by insurance agents do not encourage fraudulent activities.

Proceedings in relations with the supervisory authority and the Insurance Ombudsman

14. In relations with the supervisory authority and the Insurance Ombudsman, insurance companies apply the principle of respect and understanding of the statutorily defined tasks of these offices, as well as provide assistance in carrying out their main task to protect the interests of the insured.
15. Insurance companies jointly with the supervisory authority and the Insurance Ombudsman perform to raise insurance awareness in society and to build reliable opinion about the insurance.

The investigation of insurance companies in media relations

16. Respecting the social role of media, insurance companies provide media representatives, authorized by law with help in regards to clear explanations and descriptions of processes in connection with their activities.
17. Insurance companies take initiatives to popularize insurance knowledge through mass media. The aim is to increase insurance awareness in the society.

Proceedings in public trading in securities

18. Speaking as participants in public trading of securities, insurance companies are trying to make their attitude to be an example to their participants in the market and their investment rules to be transparent. Insurance companies cannot conclude agreements with other entities, which could result with any irregularities in trading of securities. Insurance companies refrain from transactions, which, notwithstanding the current rules, however, could cause doubts in terms of ethics.

Mutual relations between insurance companies

19. Insurance companies should respect the principles of fair competition, and especially should not:

- 1) prevent competitors from access to the market,
- 2) encourage employees of competing insurance companies and other entities related to them to adverse behavior of these companies and their entities,
- 3) popularize false information about the competition,
- 4) use advertising that is misleading or contrary to the principles of morality,
- 5) harm the reputation of competitors,
- 6) use unethical methods in their activities
- 7) use information, obtained in confidence from other insurance companies during the implementation of the joint venture, for competitive use

20. Insurance companies shall ensure that any disputes between them are settled amicably.

21. In all matters relevant to environmental insurance, insurance companies present, as far as possible, a common position within law, by setting above collective interests of the environment over the interests of individual companies, in particular they strive for developing common standards of conduct.

Best Practices Council

22. Best Practices Council works within the Polish Insurance Association (PIU)

23. Best Practices Council shall be monitoring the implementation of the insurance principles of Good Practices of Insurance and, if necessary, shall initiate such an action to raise standards of this Code of Good Practices of Insurance by insurance companies.

24 In carrying out its tasks, the Council of Good Practices:

- 1) examines the status of compliance with the Principles of Good Practices of Insurance,
- 2) turns to the insurance companies with requests for explanations and giving information necessary to perform the tasks of Good Practices,
- 3) recommends to maintain proceedings within the Principles of Good Practices of Insurance,
- 4) shall submit to the General Assembly of PIU an annual general report on the status of compliance within the Principles of Good Practices of Insurance by insurance companies.

25. Members of the Council of Good Practices, numbering 4 to 6 people, including the Chairman and a Vice Chairman, shall be appointed for a total three-year term of office and dismissed by the PIU General Meeting at the request of the Board of PIU.

In case of decrease in the number of members of the Council of the Good Practices in the course of the term of office, the PIU Audit Committee shall immediately appointment new members for the duration of the term of office of the Council. In case of reducing the personnel of the Council of Good Practices in the course of the term of office through the dismissal of a member or members on basis of General Meeting's resolution, the Audit Committee shall complete immediately the personnel in the Council, only if the General Meeting did not complete the personnel of the Council at the meeting on a resolution to this effect.

At least half the members of Good Practices of Insurance, including the Chairman or a Vice-President, are independent members, ie not cooperating on a permanent basis with an insurance company under a contract of employment or civil contract. A member of the Good Practices may become a person with knowledge on market issues and with excellent reputation.

26. The Council shall adopt resolutions by simple majority. In case of an equal number of votes, the Chairman's vote prevails. However, for the adoption of the resolution, it is necessary to have at least one "for" vote of at least one independent member.

27. Organization and detailed principles and procedures of the Council of Good Practices of Insurance are determined by the Rules of Procedure of Good Practices of Insurance passed by this Council and approved by the PIU Audit Committee.

28. Council of Good Practices of insurance cooperates and shares knowledge and experience with organizations involved in consumer, clients and insurer's protection.

29. Secretariat of the Council of Good Practices is managed by Bureau of the Polish Insurance Association.

Final Settlements

30. Insurance companies inform their customers in the usual manner of the Principles of Good Practices and their performance and their skills.

31. In the customary manner, insurance company informs its employees about the requirements under the principles of Good Practices of Insurance.

32. Insurance company appoints a member of management, who coordinates activities related to abiding the principles of Good Practices of Insurance and controls these rules.