

Statement of Slavia pojišťovna regarding the amendment to Act No. 326/1999 Coll., on the residence of foreigners in the Czech Republic

Under the umbrella of the Comprehensive Insurance for Foreigners product, Slavia pojišťovna will keep providing its clients with the same insurance coverage as before.

Additionally, Slavia pojišťovna would like to notify its clients that all insurance contracts concluded before August 2, 2021, i.e. before the amendment to Act No. 323/1999 Coll., on the residence of foreigners in the Czech Republic, comes into effect, remain in effect until the insurance expiry date stated in the relevant insurance contracts, unless insurance expires earlier by reasons stated in insurance terms. Thus, these effective insurance contracts do not need to be terminated due to the Act's amendment. After the original contracts expire, clients will be able to conclude new ones with a single specific insurance company, legally authorised to provide comprehensive insurance for foreigners.

The amendment does not apply to urgent care insurance.

Analysis and justification for the steps taken by Slavia pojišťovna regarding comprehensive healthcare insurance contracts concluded with foreigners before August 2, 2021:

1) Insurance term means a time interval between the start and end of insurance, negotiated by the contracting parties, among other obligations, in an insurance contract. It is an integral part of insurance contracts. Such a negotiated insurance term can precede the date of an insurance contract's conclusion (i.e. insurance contract with a retroactive effect), or succeed it (see Act No.89/2022 Coll.—New Labour Code). Importantly, this action obliges the insurer to provide insurance settlements if an insured event occurs during the insurance term, while the policy holder becomes obliged to pay negotiated insurance premiums.

2) We believe that while the commitment, i.e. insurance contract, is in effect, both contracting parties may consensually amend its stipulated duration, especially if the policy holder's insurable interest persists and if the holder proposes this themselves—legal regulations do not forbid the conclusion of such a commitment-amending agreement. The

judiciary, not public authorities, are the only ones authorised to assess whether compulsory insurance of foreigners might constitute a risk to public order or violate accepted principles of morality.

Regarding the transitional provisions of the amended act on the residence of foreigners, Section 184b—“*Rights and obligations established by insurance contracts concerning insurance as per 180j, Paragraph 6, including rights and obligations resulting from violations of such contracts, if these were concluded before the day of this Act’s coming into effect, are governed by the existing legal regulations until the insurance term negotiated in these contracts expires.*”—we believe that in the case of contracts concluded before August 2, 2021, the amended Act does not prohibit us from negotiating insurance terms of any length if there is an insurable interest on the part of the policy holder.

Thus, we believe that if a policy holder as a participant and contracting party to effective insurance contracts concluded before August 2, 2021 proposes a change in commitment, there is no reason to refuse such a proposal or suggest that instead an entirely new insurance contract be concluded as per the amendment to the Act on the residence of foreigners (i.e. with Pojišťovna VZP) as this would consequently require an assumption that obligations resulting from previous contracts are automatically terminated by the date on which the amendment to the Act on the residence of foreigners comes into effect, something the amendment does not stipulate whatsoever.

Slavia pojišťovna a.s.