Withdrawal¹

Austria	\$5b para. 2 VersVG Right of withdrawal, if policy holder has not received:
Bulgaria	The right to withdrawal within 30 days is only mentioned in art.237 Code for the Insurance with regard to life insurance. According to Art. 12 of Distance Delivery of Financial Services Act: Withdrawal within 14 days, or within 30 days when it comes to life insurance contract. NOTE: this right to withdrawal is only available in cases of distance contracts for financial services.
Croatia	Pursuant to Article 63 of the Consumer Protection Act, paragraph 1, the consumer shall have a period of 14 days to rescind any distance consumer contract concerning financial services without giving any reason, or 30 days in distance contracts relating to life insurance. The consumer has no right to unilateral rescission under paragraph 1 of this Article if: - the contract has been concluded for financial services which price depends on fluctuations in the financial market outside the supplier's control, such as services related to foreign exchange transactions, money market instruments, transferable securities, units in collective investment undertakings, financial-futures contracts, including equivalent cash-settled instruments, forward interest-rate agreements, interest-rate, currency and equity swaps; - the contract has been concluded for travel and baggage insurance or any similar short-term insurance policies valid for a period shorter than one month; - the performance of the contract has been completely fulfilled by both parties at the consumer's express request before the consumer exercises his or her right of rescission

¹The information in this table is provided by insurance experts or insurance organisations from respective country. It does not contain a thorough review of all Member States' insurance contract laws and does not reflect the official opinion of the Commission.

under this Article.

Estonia

Policyholder's right to withdraw from a contract (§ 433)

§ 433 is not of great practical value since most of the contracts are entered into for shorter term than a year.

Insurance (including life insurance) contract entered into for a <u>term of more than 1 year</u> – right to withdraw from the contract within 14 days after entry into the contract. Sending the application for withdrawal within the term shall suffice to make it timely.

The 14-day term shall not commence until the insurer has informed the policyholder of the right to withdraw and the policyholder has confirmed this by a signature. If the policyholder is not informed of the right to withdraw, the right to withdraw shall expire one month after payment of the first insurance premium.

In case of distance contracts for life insurance or pension insurance the withdrawal term is 30 days (§ 56 LOA).

Other than life insurance contracts - the policyholder shall not have the right to withdraw if:

- the insurer provides the policyholder with immediate insurance cover or
- the insurance contract is a B2B contract.

Finland

Section 13a (30/2005)

Policyholder's entitlement to terminate pension insurance contract or endowment contract

The policyholder is entitled to terminate a pension insurance contract or an endowment contract by giving notice thereof in writing to the insurer within 30 days of the date at which the policyholder became aware of the acceptance of an application for insurance or of an offer. This cooling-off period does not, however, start to run until the policyholder has received either the documentation referred to in Section 6 or, in the case of distance marketing of insurance policies, the prior information referred to in Part 6a of the Consumer Protection Act and the terms and conditions governing the insurance on a durable medium.

In addition, in distance selling the rule is shortened to 14 days according to the Consumer Protection Act.

France

(LIFE) Article L132-5-1 Insurance Code:

Modifié par Loi n°2005-1564 du 15 décembre 2005 - art. 4 JORF 16 décembre 2005

General right of withdrawal by registered mail and by the 12 p.m. of the 30th day after the conclusion of the contract. It doesn't matter if the 30th day is a Saturday, a Sunday or a holiday.

Si l'assureur n'a pas remis les documents d'information exigés par la loi, le délai de renonciation est prolongé jusqu'à la remise effective de ces documents. La prolongation est limitée à huit années.

The withdrawal implies the duty for the insurer to give back all the sums paid by the insured by 30 days from the knowledge of the insured withdrawal. After 30 days the insurer has to pay also interests on the due capital.

This article does not apply to contracts lasting less than 2 months.

<u>CONTRACTS OFFERED BY DISTANCE SELLING:</u> right of withdrawal for all contracts (life and non-life)

Germany

The right to withdraw is not limited to consumers but applies to all policy holders.

§ 8 VVG

Right to withdraw within 14 days to be submitted in writing, but no need for any reason; timely dispatch sufficient for compliance with the time limit. In case of life insurance the right to withdraw is 30 days, § 152 VVG.

The right to withdraw is excluded in case of

- Short term insurance con-tracts of less than one month,
- insurance con-tracts for provisional cover, unless they are distance contracts,
- certain insurance con-tracts with pension funds based on the provisions,
- large risks

No right to withdraw if the contract has been wholly fulfilled by both sides at the explicit request of the policyholder before the exercise of the right to withdraw.

It concerns all branches of insurance contracts and all modes of conclusion.

According to § 9 VVG the insurer has only to repay that share of the premiums paid for the period after receipt of the notice of withdrawal if the policyholder has been informed in accordance with § 8 (2), 1, no. 2 about his right of withdrawal, the legal consequences of withdrawal and the contribution to be paid, and he has agreed that the insurance cover starts before the end of the withdrawal period; the duty to reimburse shall be fulfilled without undue delay, at the latest 30 days after receipt of the withdrawal. If no note was provided as required under the first sentence, the insurer has to reimburse the insurance premiums paid for the first year of insurance cover; this does not apply if the policyholder has claimed benefits on the basis of the insurance policy.

§§ 8, 152(1) VVG are semi-mandatory, §§ 18, 171 VVG

Greece

The regime of withdrawal is addressed in several legislative instruments, leading to duplications or inconsistencies. in specific legal issues.

Art.8 of law 2496/97 in regard to insurance contract:

<u>In non life insurances with a duration exceeding one year and in life insurances</u>, the policyholder has the right to withdraw from the contract within 14 days from the date when the policy has been handed over to the policyholder.

Specifically, in non-group life insurances, the right to withdraw may be exercised within 30 days from the moment he was informed of its conclusion.

The cooling period doses not start if the policyholder has not been informed of such a right in writing. In this event, the right to withdraw lapses two months after the payment of the

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	fist premium. Art. 4 of law decree 400/70 in regard to private insurance undertaking:
	Titt. For law decree 100/10 in regard to private insurance differentialis.
	The aforementioned provisions implement the respective rules of EU Directive 2002/83/EC, reiterating that in case of non- group life insurances the right is exercised within 30 days from the moment the policyholder was informed of its conclusion. Additionally, it predicts that in such event the insurer is entitled to retain a monthly premium for main insurance and 1/12 of the annual premium for supplementary coverages. This legal possibility does not apply in case of policies with duration equal to or shorter than 6 months.
	Art. 13c of law decree 400/70 in regard to private insurance undertaking:
	It sets specific rules regulating the obligations of the insurer that concern issues of reimbursement of premium in case of withdrawal from a <u>unit-linked product.</u>
	Art.4a of law 2251/94 in regard to consumers protection:
	The article 4a of law 2251/94 transfers the exact wording of the respective rules of articles 6 and 7 of the EU Directive 2002/65/EC.
	Comments:
	According to the above provisions, the right to withdraw can not be exercised in case of insurance policies (without making explicitly clear whether it concerns both life and non life insurances) with duration of less than one month. Nevertheless, law 2496/97 is stricter for the consumer in this respect as the right is excluded in non life insurance policies with duration of less than one year.
Hungary	(Bit. 96.) ²
3 /	In case of life insurance contract the consumer has the right of withdrawal within 30 days. This period shall be calculated from the receipt of the insurance policy (or the certificate of the coverage).
Italy	Implementation of the Life Assurance Consolidation Directive (2002/83/EC)
-	LIFE, art. 117; 176 d.lgs. 209 7/9/2005: By the 30th day after the insured is informed of the conclusion of the contract.
	by the sour day after the insured is informed of the contract.
	No right of withdrawal for short term contracts (less than 6 months)
	CONTRACTS OFFERED BY DISTANCE SELLING: right of withdrawal for all contracts (life and non-life)
Portugal	Article 194 of the Legal Regime states:
	Article 194
	Reduction and surrender

² • Bit. – Act on Insurance Institutions and Insurance Business; Act of LX of 2003.

- 1. The contract must regulate any rights of reduction and surrender so that the respective holder is in a position, at any time, to ascertain the respective value.
- 2. In contributory group insurance, the contract must also regulate the party who is entitled to the surrender, taking into account the contribution of the insured.
- 3. Whenever there is a guaranteed minimum sum, the insurer must attach to the policy a table of surrender and reduction values calculated with reference to the renewal dates of the contract.
- 4. If there is a table attached to the policy, the insurer must refer to it specifically in the contract clauses.
- 5. In the event of irrevocable designation of the beneficiary, the contract shall lay down the conditions for exercising the light of surrender.

Romania

Article 2229 of Civil Code the insured that concluded an individual life insurance contract may waive the contract without notice no later than 20 days from the date of signature of the contract by the insurer. Renunciation takes effect retroactively. This regulations do not apply to life insurance contracts which have a duration of six months or less.

Slovakia

§ 802 of CC

In case of personal insurance, except of accident insurance, the person that concluded contract with insurer may withdraw from this contract at the latest within 30 days from insurance contract conclusion.

Act on Consumer Protection on Distance Delivery of Financial Services § 5

Right to withdrawal within 14 days to be submitted in writing, but no need for any reason. In case of life insurance the right to withdraw is 30 days.

Spain

Individual life insurance with a duration over six months (Art. 83.a)

The policyholder may cancel the contract within 30 days with effect from the date on which the insurer gave him the policy or a provisional cover document (this is however more an option than a cause for cancellation of the contract). In this case, the insurer no longer covers the risk and the policyholder is entitled to reimbursement of the premium for the period during which the contract was in force.

This option do not applies for Unit Linked.

It is necessary that the policyholder exercises the right of termination as provided in the contract and that he submits on paper or on another durable medium the communication to the insurer.

Distance Contracts (Life and Non Life)

Policyholders are entitled to withdraw the contract without giving any reason and without penalty provided that:

• The desire to withdraw the insurance contract is sent to the insurer, on paper or another durable medium, within 14 days (non-life) or 30 days (life), counting since the policyholder is notified that the contract has been concluded or since the reception of

the contractual information if it happens to be later

- It is not a unit linked
- It is not travel or baggage insurance of a duration of less than one month.
- The duration of the contract is not shorter than the term for withdrawing
- It is not a compulsory insurance for the policyholder.
- It is not an "Insured Pension plan" (life insurance contracts with identical function and purpose as pension plans).

When exercising the right of withdrawal the policyholder must pay the premium for the period during which the insurance contract has been in force (from the perfection of the contract until the date on which the withdrawal is notified). The deadline to settle this amount is of a maximum of thirty days since the withdrawal is notified.

If the insurer failed to inform the policyholder about his right of withdrawal, or if he began to perform the contract without the confirmation of the policyholder, them he will not be required to pay the amount above mentioned.

<u>Transfer of the insured object</u> (Art. 35)

The insurer may cancel the contract providing that he notifies the purchaser within fifteen days with effect from his knowledge of the said transfer. The insurer must cover the risk insured for the month following the date of notification and must repay that part of the premium corresponding to periods of insurance during which he did not insure the risk, following cancellation.

Decrease in the risk (Art. 13 LCS)

The policyholder or the insurer may in the course of the contract inform the insurer of any circumstance reducing the risk meaning that if the insurer had known of it when the contract was concluded under he would have concluded under more favorable conditions. Where appropriate, at the end of the insurance period covered by the premium, the next premium amount is reduced appropriately. Failing this, the policyholder may cancel the contract and obtain reimbursement for the difference between the premium paid and the premium which should have been applied with effect from notification of the decrease in the risk (Art. 13).

Sweden

Chapter 3, article 6(1), the Insurance Contract Act (2005:104) stipulates that the policyholder may terminate the insurance policy prior to the expiry of the insurance term, where:

- 1. the insurance company commits a material breach of its obligations pursuant to the Insurance Contract Act;
- 2. the insurance policy is no longer needed or some similar situation occurs;
- 3. the insurance company has amended/otherwise changed the terms and conditions of the policy;
- 4. the insurance policy has been renewed and the policyholder has not yet paid the premium for the new premium term, or
- 5. where there otherwise exists a new circumstance which is significant to the insurance relations.

United Kingdom

Common law does not provide any right for the insured to withdraw from (cancel) a contract of insurance beyond the general rules concerning termination (e.g. for misrepresentation). However, in practice insurers may voluntarily provide a right of cancellation within a specified period.

Moreover, the Insurance Conduct of Business Sourcebook of the Financial Conduct Authority (ICOBS 7) confers such a right in relation to consumer contracts, based on the Distance Marketing of Financial Services Directive and the Consolidated Life Directive.

The right of cancellation is extended to apply not only to distance contracts and life insurance contracts, but to all consumer contracts for general insurance. Consumers have 14 days from the date of conclusion or renewal of a policy to cancel it, without giving a reason, and 30 days for pure protection or payment protection policies.

The firm must inform the consumer about the right to cancel as part of the pre-contractual information requirements (ICOBS 6.2.5). If a consumer is not informed of this right, time runs from the date on which he is so informed.

ICOBS 7.1.3 enumerates the exceptions:

The right of cancellation does not apply in a number of cases such as baggage and short term travel insurance where the period of cover is less than one month.