

Medical Insurance
Option to provide medical insurance
General Conditions

Article 1: Definitions

Underwritten by Commercial Insurance Co (Lebanon) SAL in the form of an Individual/Family policy according to the General Conditions in use by the Company on the Conversion Date

In consideration of the payment of the appropriate premium, Commercial Insurance Co (Lebanon) SAL undertakes to provide insurance to the Beneficiary of the Option who is identified in the Schedules, upon conversion of this Option, in the form of a medical insurance policy which the Company will issue.

The Company also undertakes to insure the Dependents identified in the Schedule, under the same Policy as the Beneficiary of the Option. The policy issued as a result of the conversion of this Option will be subject to the limits and exclusions which are specified herein and in the Standard General Conditions of the medical insurance policy (duly registered with the Ministry of the Economy in Lebanon which is in use by the Company at the date of conversion)

1. The Company: is Commercial Insurance Co (Lebanon) SAL, the insurance company underwriting the conversion option as well as the medical insurance policy upon conversion of the option
2. The Beneficiary: is the person who has contracted this Option and who is identified as such in the Schedule provided that he is more than 18 years of age at time when this Option is written but not more than 59 years old on that date.
The beneficiary means the Policyholder formally accepted in writing by the Insurance Company and Listed in the Policy Schedule.
 - a. Eligible Policyholders are:
 - i. Actively at work either resident or abroad
 - ii. Lebanese Expatriates working abroad who are enrolled under a local compulsory health insurance plan through their employer or having an individual policy abroad
 - iii. Policyholder residing in Lebanon are enrolled under a compulsory group health insurance plan through their employer
 - b. The Dependent(s) are:
 - i. The spouse(s) of the Beneficiary
 - ii. Non-married children who are more than 14 days old
3. The Option: Is the right of the Beneficiary, acquired in consideration of the payment of the premium, to compel the Company, upon conversion thereof, to issue a medical insurance policy according to the terms of the standard individual/family insurance policy in force by the Company on the date of conversion.

Article 2: Scope of the Option

This Option applies to the Beneficiary and the Dependents according to the relationships existing at the time the Option is written. The right to enroll under the Option is conditioned by the following:

1. That the beneficiary is an Eligible Policy Holder
2. That the beneficiary is less than 61 years

It is possible for a new dependent to adhere to this Option after it has been written in the following cases exclusively:

1. In case of marriage of the Beneficiary (in respect of the spouse)
2. Newborn children (in respect of the newborn) as of their 14th day of age

The rights granted under this Option will be terminated in case of:

1. Death
2. Attaining 64 years of age for Policyholder
3. Marriage of dependent children

However, any Dependent who has lost his right to benefit from the conversion will retain the right to contract for a similar option in the same conditions and the time he has spent under the initial option will count for him. The Company will underwrite such an option, provided the request is made within 30 days of such termination of cover.

The Beneficiary may also request the termination of the option with regard to the spouse in writing in case of termination of the marriage which should be legally attested.

Except the cases mentioned here above, the rights of the Dependents will be contingent on the rights of the Beneficiary and conditioned by his execution of his rights under the Option.

This Option cannot be construed as granting separate or independent rights to any dependent. Should the Beneficiary die while the Option is in force, or should he become disabled to an extent preventing him from executing this option, then the Conversion rights shall be transferred to the spouse who becomes responsible for the payment of the premium and thereafter to the eldest child if he is civilly responsible or the legal guardian.

Article 3: Mechanism

1. Underwriting the Option
 - a. The Beneficiary will fill in a questionnaire and will provide Medical Evidence whenever required, pertaining to himself and to the Dependents at the date the option is underwritten or else at the date of adherence of a new Dependent.
 - b. The Beneficiary will not be allowed to convert the Option during the first year it is in force.
 - c. At the end of the first year, the Company will either accept or refuse the renewal of the Option in accordance with the information provided in the questionnaires.

The Company may refuse renewal of the Option if it appears that the health of the Beneficiary or the Dependents would have led to denial of insurance had an independent application been submitted. The Company may also accept to renew the Option after deletion of one or more names from the Schedule of Dependents

- d. If the Company accepts to renew the Option, then the Option will become automatically renewable upon the policyholder's documented request, year after year and the Company will no longer have the right to refuse such renewal independently of the health condition of the Beneficiary or the Dependents. The Option will continue to be renewed until it is converted or until it is terminated in accordance with the below terms and conditions.

2. Terms and Conditions to benefit from the Guaranteed Renewability Feature

- a. The benefit of the Guaranteed Renewability Feature cannot be implied by the acceptance of the application. It can only be decided explicitly and in writing by the Insurance Company, each Insured being considered separately, and such decision being evidenced by the Policy Schedule will identify, by an appropriate symbol, the Insured who benefits from this feature and the Plan under which the feature is covered; it will also identify the maximum number of covered hospitalization days/limit per Insured, per lifetime. All other Insured listed in the Policy Schedule that do not benefit from the Guaranteed Renewability Feature will remain subject to the yearly underwriting rules and provisions as applicable.
- b. The benefit of the Guaranteed Renewability does not have any effect and does not imply any waiver of any waiting period that is applicable to any condition listed in the General Terms of this Policy, and consequently all applicable waiting periods will still be in force as per Terms of this policy.
- c. The Policyholder will still have to apply annually for the renewal of the Policy prior to its expiry. Failing to do so grants the Insurance Company the right to consider any late application as ground for withdrawing the benefits of the Guaranteed Renewability provisions identified in this article. The application and the Policy remain subject to all current legal and contractual provisions, except that the Insurance Company shall no more - throughout the lifetime of the Insured benefiting under the Policy from the Guaranteed Renewability Feature - take into consideration his/her attained health in its decision to amend, renew or not renew the cover.
- d. The Insurance Company reserves the right to reconsider the Terms and Conditions of the Policy at each renewal date, in the event the Policyholder requests a change in the Scope of Benefits (e.g. class upgrading) or decides to renew for some Insured while deleting a number of others, with no justification consistent with the Terms and Conditions of the Policy or with the standard practice in the healthcare insurance industry. It has also, at its discretion, the right to reject the request of the change without the need of any justification.
- e. The Insurance Company reserves the right not to renew the Policy without any further written notice and/or grace period in the following instances:

- i. The premium due is not settled according to the Terms and Conditions of the Policy. The Company will not be required to notify the Beneficiary of the end of the period and the beginning of the new period. The Company may adopt a policy of notification without this being a requirement but any action in this respect will not set a precedent for the future.
 - ii. Any false declaration or non-disclosure, made by the Policyholder or the Insured during the initial application prior to the Enrollment Date or during any of the following renewal applications, will render the Policy null and void from inception, without the need for a written notice. The Insurance Company will have the further right not to renew the Policy. Any grace benefit allowed by the Insurance Company while knowing the false declaration or non-disclosure, does not waive its right later on to reject the Renewal Application or to amend the Terms and Conditions of the Policy.
 - iii. Fraud or Counterfeiting or international error committed by the beneficiary
- f. The Insurance Company reserves the right to introduce any amendment to the whole Policy or to any portion thereof at any renewal date (e.g. General Conditions, Premiums, Plans and Scope of Benefits), provided such amendments apply in equal terms to all the Insured falling under the same Class of Risk.
- g. Any Insured who is subject to the Policy's deletion clause, has the privilege to convert his/her coverage to a new Policy, i.e. the Insured may apply for a new Policy subject to a proof of insurability and a termination letter of his insurance plan, while retaining the privilege to benefit from the Guaranteed Renewability conditions taking into account his/her Enrollment Date under the Policy from which he/she was deleted. This conversion privilege is made conditional upon the following: (i) the conversion application is received by the Insurance Company within 30 (thirty) days from receipt of the deletion written notice; (ii) the application is made for the same Scope of Benefits, Terms and Conditions as the ones stipulated in the Policy from which he/she was deleted.
- h. In the event that the Beneficiary or Dependents do not fulfill medical underwriting requirements. This applies only at first renewal

3. Converting the Option

As a result of the conversion, the Company will insure the Beneficiary and the Dependents under an Individual/Family insurance In Hospital plan in force at the date the Option is converted. Cover will include 100% of hospital bills and will be granted according to the terms, conditions and exclusions of the General Conditions of the policy. The Beneficiary will select a class of insurance at the date the Option is written. The choice of class will be binding for both the Company and the Beneficiary. The Beneficiary may request a modification of the Class in writing. The Company may accept or refuse at its discretion. Any amendment, if accepted, will come into effect on the next renewal date of the Option.

1. Available classes of insurance are:
 - a. First Class: A one-bed room with its private facilities
 - b. Second Class: A two-bed room with shared facilities

2. The Conversion is subject to the following conditions
 - a. The Beneficiary has a one-month grace period from his underlying insurance expiry date to convert the option
 - b. The conversion can only be accepted when his health insurance plan cover is terminated. This is to avoid duplication of cover
 - c. Attaining 64 years of age for Policyholder

The Beneficiary may also select optional insurance plans as follows. The selection will be binding to the Company in the event of conversion:

1. "Individual/Family Ambulatory" Plan - these Plans cover 85% of eligible expenses as per Commercial Insurance's Tariff for Ambulatory.

The selected Plan will apply equally to the Beneficiary and Dependents. The Plans cannot be segregated between them.

The Plan will be subject to the terms, conditions and exclusions of the Standard General Conditions used by the Company at the date of conversion.

2. Particulars of the Insurance Policy issued as a result of the conversion of the Option
 - a. Waiting Period: The Company will waive the Waiting Period with respect to conditions or illnesses which generally require such a waiting period in accordance with the Individual /Family Plan used by the Company at the date of conversion.
 - b. Guaranteed Renewability: This Benefit is granted to the Insured Persons.
 - c. The Guaranteed Renewability Benefit is the obligation assumed by the Company to renew the medical insurance policy year after year and for life or until the total number of allowable hospitalization days/limit has been expended in respect of each insured as determined in the Policy Schedule.
 - d. Proposal Forms: The Proposal Forms signed by the Beneficiary in his name and acting on behalf of the Dependents will be part and parcel of the policy documents and may be used to demonstrate concealment or misrepresentation in keeping with the Code of Obligations and Contracts.

Article 4: Applicable Premium

1. Premium in respect of the Option
The value of the premium is set in the Schedule. The Beneficiary will pay the premium at the date of writing the Option and then upon each renewal. The Premium is dependent on the age band of the Beneficiary and of the Dependents.
2. Upon conversion of the Option the Company will issue an insurance policy based on tariffs and prices which are in force at the time the option is converted in respect of the respective age bands of the Beneficiary and Dependents and also in respect of the

selected insurance plans and the class of hospitalization. No extra premium will be charged on account of the Insured's health condition. The Premium will be variable year after year according to the variation of the tariffs in force in respect of each age band at the date of renewal.

Article 5: Domiciliation

The Beneficiary has selected domicile at the location mentioned in the Schedule. This domicile will be valid for any notification to summons or advise of any nature and will be considered valid so long as the Beneficiary has not advised the Company in writing of any change in domicile including the new address.

Article 6: Applicable Law

This Option is subject to Lebanese Law and competence is hereby given to the tribunals of Beirut to settle any dispute arising there from.