









Hungary



COUNTRY AND ECONOMY

	AREA	93,030 km ²
	POPULATION (2015)	9.8m
	GDP (2015)	\$120.7 Billion
	GROSS DOMESTIC PRODUCT GROWTH (2015)	2.9%
	GROSS NATIONAL INCOME PER CAPITA PURCHASING POWER PARITY (2015)	\$24,630
	INFLATION RATE (2015)	1.8%
	UNEMPLOYMENT RATE (2014)	7.7%
	CURRENCY	Hungarian Forint (HUF)
	EXCHANGE RATE TO EUR (MAY 2017)	309.4
	EUROPEAN UNION MEMBER	Since 2004

INSURANCE LAW AND MARKET PRACTICE

Compulsory insurance	Motor TPL Professional liability for architects, lawyers, accountants, real estate advisors, insurance brokers and agents
Wordings and tariffs	Wordings are only regulated for compulsory insurance. Insurance companies design other wordings and all tariffs. Please check insurance conditions before signing the policy.
Risk declaration duty	The insured or his/her representative is obliged to declare true risk information, fulfill the questionnaire and answer any additional questions that may arise.
Insurance tax	Hull insurance: 15% Property insurance: 10% Accident insurance: 10%
Premium payment	Usually 7 to 14 days after the policy starts. Payment can be made in 1 to 4 installments.
Terms of cancellation	For the policyholder, 15 days upon issue of the policy; for Generali, 15 days due to reasons stipulated in the civil code.
Claim notification	Losses must be declared as soon as possible (normally 5-7 days). For claims, the broker provides professional assistance to his clients—with prior authorization—to claim rights and ensure fulfillment of obligations due to damage. While the insurer is settling the claim, the broker shall—within his authority—represent the interests of his clients and provide assistance.
Claim payment	15 days after receiving all necessary documents.

INSURANCE LAW AND MARKET PRACTICE

Cooperation with intermediaries

EU Intermediaries can run their business on a freedom of service basis, provided they have informed the national financial authority in their country.

The broker and insurance company must sign a cooperation agreement.

Any new broker who wants to initiate a cooperation agreement with Generali has to register with the company (confirmation of registration takes 10 days on average), and provide the following documents:

- Articles of association
 - Commercial register excerpt
 - Corporate signature sheet
 - Bank account number
 - Liability insurance for this activity
 - MNB decision (Hungarian National Bank) for international services
- Cooperation agreement

Cooperation agreement for brokers

Pursuant to the agreement, the broker shall evaluate and define his/her needs based on BIT regulation and/or the contract and his/her client's available market information prior to rendering it in writing in a professional manner to the insurer. The broker shall be entitled to:

- Request a preliminary premium calculation (for orientation) from the insurer;
- Submit a policy proposal to the insurer.

The broker shall submit his/her written mandate or the document proving his/her authority to the insurer before requesting a preliminary premium calculation or before the broker proposes the insurance policy to the customer.

The documentation used to request a preliminary premium calculation shall include all relevant facts and data necessary to assess and assume the risk.

The premium calculation can be requested using the insurer's form and/or the broker's own proposal form.

The insurer's premium calculation becomes the insurance policy once the customer has signed it. By signing, the customer accepts the conditions contained herein and after taking notice hereof by the insurer.

As part of this cooperation agreement, the insurer is required to create a professional premium calculation upon request of the broker's written proposal within 5 working days and receipt of the relevant data, which will become the insurance proposal after the customer has signed a declaration of acceptance and after receipt by the insurer. Following risk assessment, the insurer shall decide whether to accept or reject the proposal. In the event no other agreement has been made, the insurer's premium calculation includes a commission. The insurer shall issue and sign the insurance policy.

The broker is not entitled to receive a premium (one-off premium, serial, installment payment) from the customer without the insurer's express consent.

Commission payment for brokers

Commissions will be paid pursuant to the insurer's common rules for insurance products.

Acting as a broker means that the broker actively: supports his/her client in concluding a contract for an insurance or financial product; and represents his/her client when it comes to concluding the contract, providing personal

assistance to customers with or without existing contracts and handling administrative matters. Contacting customers, gathering information or a customer letter of intent do not provide the legal basis for a broker's commission. Commissions will be calculated at the end of the month. The insurer shall provide the broker a detailed list including all commission data, as well as another list including all commissioned positions (annexed commission letter and account). Payment shall be made upon presentation of the broker's invoice. The commission letter shall be the basis for the invoice assigned to the commission account. The commission will be paid by the insurer in Hungarian Forint—regardless of the premium currency—within 15 days upon receipt of the commission account.

Types of commissions:

- Acquisition commission
- Portfolio commission
- Renewed policy commission
- Index commission
- Other commissions

Please consult the commission table for amounts of the acquisition, portfolio and index commissions, as well as the basis amount.

The insurer reserves the right to establish a table different from the aforementioned commission table or additional agreements in the case of individual insurance policies.

The insurer must communicate the amount of this commission to the broker before concluding the contract. Both parties are entitled to agree in writing on a special commission varying from those tables.

Failure of premium payment by the assigned due date and until conclusion of the intervention process, the broker must refund the premium paid in advance. The refunded premium will be deducted from commissions to which he/she is entitled due to other sales transactions.


VAT on intermediary's commission


None

YOUR CONTACT AT THE GENERALI GERMAN DESK IN HUNGARY



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PRODUCTS

PROPERTY INSURANCE

This product is designed in the all risks formula, but can be concluded on a named perils basis. Coverage can include: fire, lighting, indirect lightning, explosion, airplane crash, storm, heavy rain, rock fall, land collapse, landslide, building collapse, hail, snow pressure, vehicle impact, burst pipes, earthquakes, flood, burglary, robbery and vandalism.

You can insure property damages as well as loss of profit due to business interruption.

ELECTRONIC EQUIPMENT INSURANCE

This product is designed in the all risks formula.

Coverage can include: electronic equipment and installations such as IT, electronic data processing, communication and process control equipment; electronic copy and printing systems; electromechanical and other equipment and devices such as medical devices, X-ray machines, sound and video equipment, systems for measurement and control including internal data (to the extent operational replacement by the user is not intended by the manufacturer).

MACHINERY BREAKDOWN INSURANCE

This product is designed in the all risks formula.

Coverage can include: protection for stationary machinery against internal damages resulting (for example) from a mechanical or electrical breakdown, material defects, faulty design, bad workmanship, human error.

You can insure property damages as well as loss of profit due to business interruption.

THIRD PARTY LIABILITY

Pursuant to terms and conditions, the product covers: personal damage and property damage caused by the policy holder in his/her capacity as outlined in the insurance policy, and for which he/she is liable pursuant to the Hungarian Civil Code.

Coverage can be extended to product liability, extended product liability, tenant's liability, environmental liability and employers' liability.

Coverage includes indemnities due to third parties as well as legal costs.

For additional details, possible extensions, exclusions and limitations for Generali liability coverage, please consult the full text relative to our insurance products.