

## **Law aspects of unit linked insurance**

### **Abstract**

United linked insurance is an insurance (hereinafter referred to as ULI), which pays the insurance benefit in the event of survival to a stipulated age or death. The insurance benefit in the event of survival to a stipulated age is directly dependant on investment fund in which insurance premium is being invested. The goal of this thesis is to outline the law aspects of ULI. Thesis is divided into theoretical and practical part.

Theoretical part covers law theory of ULI, current law and contract law. First chapter of theoretical part explains ULI as an insurance and its classification. Furthermore, it explains the view of financial science on ULI and describe the existence of insurable interest within an ULI, where there is no guaranteed amount in the event of death.

The second chapter describes all aspects of ULI according to the applicable legislation. The first part deals with the insurance benefit in case of death and fee structures that covers it. It also explains the health questionnaire, the development of the risk of death over time, the issue of beneficiary from contract in the event of death. The next part deals with the insurance benefit in the event of survival to a stipulated age and the factors that affect it such as investment funds and units. The chapter also illustrates tax benefits associated with ULI.

In the third chapter, I detailed the regulation of insurance distribution, which derives from EU's secondary law and focuses on providing key documents to customer, control of insurance distributors by the insurance company and providing advice to the customer. I also focused on the conditions the distributor must meet in order to be able to offer ULI and the division of his commission over several years.

In the practical part, I analysed practical problems arising from ULI, such as costly contracts, ULI disputes and offenses by distributors and insurance companies. The fourth chapter explains hypothetical problems arising from consumer contracts. I also explain in detail my assumption about the high cost of some contracts, which leads to a violation of professional care by the insurance company and the contracts invalidity.

The fifth chapter deals with specific offenses of distributors and the analysis of the new legislation and its interpretation by the central bank. The sixth chapter focused on disputes, which arises from ULI - the financial arbiter. I conducted a qualitative research of financial

arbiter decision-making and described the most important findings. I also analysed some court decisions and the only offense of the insurance company, which was connected to ULI.

**Key words**

**United linked insurance, insurance distribution, financial arbiter**