Swedbank Life Insurance SE Terms and Conditions – Credit Life Insurance (LH'2012)

Term life insurance

This is translation. In case of dispute the Estonian language terms and conditions are valid.

1. Content of Contract
1.1. Credit Life Insurance is a term life insurance contract. Under the Contract, the Policyholder pays Insurance Premiums and the Insurer provides the insurance cover contemplated in the Contract.
1.2. No savings are made under this Credit Life Insurance Contract and the Contract has no surrender value.
1.3. Unless stipulated otherwise in the Contract, the Contract includes Supplementary Insurance.

2. Definitions
2.1. Insurer
shall mean Swedbank Life Insurance SE.

2.2. Policyholder
shall mean a natural person who concludes the Contract with the Insurer. The age of the Policyholder at the time of the Contract conclusion must be at least 18 years.

2.3. Insured
shall mean a natural person, whose life is being insured. In this Contract the Insured is the Policyholder himself.

2.4. Beneficiary
shall mean the legal person who has extended a loan or lease under the loan agreement or lease contract and who is entitled to receive the Insurance Benefit. The Beneficiary shall be specified in the Contract.

2.5. Credit Life Insurance Contract (hereinafter – the Contract)
shall mean the Credit Life Insurance Contract concluded between the Insurer and the Policyholder, based whereupon:
• the Policyholder undertakes to pay the Insurance Premiums to the extent and pursuant to the procedure provided for in the Contract, and
• the Insurer undertakes to pay the Insurance Benefit in accordance with the Contract.

2.6. Loan Agreement
shall mean the loan agreement or lease contract specified in the Insurance Policy.

2.7. Policy
shall mean a document issued by the Insurer confirming the conclusion of the Contract.

2.8. Risk Payment Table
shall mean the integral part of the Contract, where the Insurance Premiums and their composition are specified.

2.9. Insurance Benefit
shall mean the amount of money paid to the Beneficiary upon occurrence of the insured event.

2.10. Insurance Premium
shall mean the payment that the Policyholder has a duty to pay according to the Contract to the Insurer. The Insurance Premiums amount and components shall be specified in the Risk Payment Table.

2.11. Life Sum Insured
shall mean the amount of money for which the life of the Insured is insured.

2.12. Supplementary Insurance
shall mean the insurance which cover is stipulated in the Terms and Conditions of the Supplementary Insurance. If the Contract includes Supplementary Insurance, then the Terms and Conditions of the Supplementary Insurance form a part of this Contract.

2.13. Insurance Month
shall mean a one month period between the agreed due dates for payment of loan principal and interest. The first Insurance Month starts at the date when the Life Insurance Cover was entered into force.

2.14. Internet Bank
shall mean the bank’s service channel used by the Insurer to provide messages and Contract related information, amendments to the Contract and any other actions in connection with the Contract to the Policyholder. In order to be able to use the Internet Bank facility, the Policyholder shall have concluded the Teleservices Agreement with Swedbank AS.

3. Contract conclusion and other conditions
3.1. Contract conclusion
The Policyholder submits an insurance application to the Insurer in the format which can be reproduced in writing. Accepting the Policyholder's life insurance risk, the Insurer issues the Policy to the Policyholder. The date of issue of the Policy shall be deemed the Contract conclusion date. In case information in the insurance application submitted by the Policyholder differs from the content of the Policy, the Insurer shall indicate the differences in the Policy.

3.2. Insurance cover enforcement and Contract term
3.2.1. Insurance cover shall mean the Insurer's contractual liability to pay the Insurance Benefit to the extent and subject to the terms and conditions set forth in the Contract.
3.2.2. Insurance cover comes into force on the next working day after the date of Contract conclusion, but no before the credit institution has disbursed the loan to the Policyholder under the Loan Agreement. Insurance cover is in force 24 hours a day worldwide unless the insurance cover is suspended under the terms and conditions stipulated in the Contract.
3.2.3. The Contract term is linked to the term of the Loan Agreement and the Contract expires upon expiry of the Loan Agreement, but no later than at 24:00 on the day preceding the 70th (seventieth) birthday of the Insured.
3.2.4. The Life Sum Insured equals to the outstanding balance of the loan made available under the Loan Agreement unless stipulated otherwise in the Contract.

3.3. Parts of the Contract and Contract currency
3.3.1. These Terms and Conditions, the Policy, the Terms and Conditions of the Supplementary Insurance (if the Contract includes Supplementary Insurance), the insurance application, any insurance questionnaires, the Risk Payment Table and other annexes and amendments to the Contract shall form integral parts of the Contract.
3.3.2. The Policyholder shall pay Insurance Premiums and the Insurer shall pay Insurance Benefits in the official currency of the Republic of Estonia. Where the loan amount has been issued in a foreign currency, the Insurer shall, for the purpose of calculation of the Sum Insured, convert the loan amount into the currency of the Insurance Contract at the currency sales transfer rate of the loan issuer.

3.4. Changes and informing of Beneficiaries
3.4.1. The Policyholder shall inform the Beneficiary or his legal representative of his rights and duties arising from the
Contract.

3.4.2. The Policyholder shall be entitled to change the Beneficiary at any time until the insured event occurs, notifying the Insurer of the change in writing or in the format which can be reproduced in writing. The notification by the Policyholder shall be binding to the Insurer from the moment of receipt of the respective confirmation by the Insurer.

3.4.3. The Policyholder shall inform the Beneficiary about changes of the Contract or termination of the Contract.

4. Insurance Premiums

4.1. Upon entry into the Contract, the Insurer and the Policyholder agree on monthly Insurance Premium payments which are calculated according to the Risk Payment Table and are payable at the due dates for payment of the loan principal and interest agreed on in the Loan Agreement in respect of the previous month. During a grace period agreed under the Loan Agreement, the Policyholder shall continue to pay Insurance Premiums at the due dates indicated in the previous sentence.

4.2. The Insurance Premium shall be deemed paid upon receipt of money in the current account of the Insurer if the exact reference number of the Contract and other data required by the Insurer have been indicated in the payment order. If the data in the payment order are deficient, the Insurance Premium shall be deemed paid after the premium is identified by the Insurer.

4.3. The Contract currency is the official currency of the Republic of Estonia. If Insurance Premiums are paid in another currency, all costs related to the foreign exchange and transfer of the Insurance Premium shall be paid by the Policyholder.

4.4. If the first Insurance Premium is not paid within 14 (fourteen) days after the due date of payment agreed on in the Contract, the Insurer shall suspend the insurance cover at 00:00 hours on the 15th (fifteenth) day. The insurance cover resumes at 00:00 hours on the following day after full payment of the first Insurance Premium. If the first Insurance Premium is not paid within 60 (sixty) days after entry into the Contract, the Contract shall be considered null and void from the moment it was entered into.

4.5. If any subsequent Insurance Premium payment is not paid by the due date for payment of the Insurance Premium agreed on in the Contract, the Insurer shall set an additional term to the Policyholder for payment of the debt, notifying the Policyholder of the debt and of the due date for its payment.

4.6. If the Policyholder has not made required payments by the date notified, insurance cover shall be suspended after that date.

4.7. No Insurance Premiums are calculated from the date of suspension of the insurance cover. The Insurer is not obliged to pay the Insurance Benefit if the Insured dies in the period when the insurance cover is suspended.

4.8. Insurance cover can be reinstated by paying the debt. Insurance cover that has been suspended shall be reinstated at 00:00 on the date following the date when the debt was paid.

4.9. If the Policyholder fails to pay the amount owed to the Insurer within the term indicated in the debt notice sent by the Insurer, the Insurer shall be entitled to terminate the Contract unilaterally.

5. Insurance Premium calculation, Contract fees and risk payments

5.1. The Insurance Premium shall be calculated based on the Life Sum Insured and the age of the Insured. The amount and composition of the Insurance Premium are determined according to the Risk Payment Table.

5.2. During Contract validity, the Insurer shall be entitled to change Contract fees and risk payments unilaterally. The Insurer shall inform the Policyholder of the changes at least 30 (thirty) days before such changes become effective. If the Policyholder does not agree with the changes, he shall be entitled to terminate the Contract. If the Policyholder fails to inform the Insurer of his wish to terminate the Contract within 30 (thirty) days from sending the notice regarding the changes, it shall be deemed that the Policyholder has agreed to the changes.

6. Insurance Benefit and other disbursements

6.1. Insured event and exclusions

6.1.1. Insured event is the death of the Insured during the effective term of the insurance cover.

6.1.2. Exclusions

The Insurer shall be exempt from the obligation to pay the Insurance Benefit in the case the death of the Insured is caused by:

6.1.2.1. suicide of the Insured within 2 (two) years starting from the conclusion of the Contract;

6.1.2.2. the Insured driving a vehicle (land vehicle, water craft or aircraft) being under the influence of alcohol, narcotic, psychotropic or other intoxicating substances and the concentration thereof in the body exceeds the level stipulated in the legislation of the country which the accident has taken place in;

6.1.2.3. Insured piloting any type of aircraft, except flights authorized by competent institutions on a fixed route carried by a licensed airline using a duly registered airplane.

6.1.2.4. parachuting (more than 50 (fifty) jumps during last year), bungee-jumping (more than 10 (ten) jumps during last year), mountaineering (higher than 4000 (four thousand) meters above sea level) or rock-climbing, diving (beyond 40 (forty) meters deep) or participating as a driver or crewman in any sport competition or trainings where powered-motor vehicles are used;

6.1.2.5. a nuclear accident, weapons of mass destruction, warfare, participation of the Insured in mass riots or military operations (military training will not be considered as military operations);

6.1.2.6. actions of the Beneficiary or the Insured with the intent to commit a criminally punishable act and the said fact has been certified with investigation and/or court institution documents.

6.1.3. The exclusions stated in clauses 6.1.2.3. and 6.1.2.4. of the Terms and Conditions shall not be applied if the Parties have agreed on it separately and a corresponding notation is made on the Policy.

6.1.4. If the death of the Insured is caused by the exclusions stated in clause 6.1.2, the Insurance Premiums paid are not returned.

6.2. Applying for the Insurance Benefit

6.2.1. The Insurance Benefit is equal to the Life Sum Insured valid at the time of the insured event and the sum of interest payments for maximum two months arising after the occurrence of the insured event. If the Life Sum Insured agreed on in the Contract is smaller than the outstanding balance of the loan, the part of interest payments to be compensated for is also reduced proportionally.

6.2.2. In the case of suicide of the Insured within 2 (two) years after coming into force of amendments to the Contract concerning an increase in the Life Sum Insured, the Insurer shall pay out the Insurance Benefit minus the amount by which the Life Sum Insured has been increased within the last 2 (two) years prior to the death of the Insured.

6.2.3. The Beneficiary shall notify the Insurer about the death of the Insured promptly [in person] or through a third party.

6.2.4. Upon the death of the Insured, the Beneficiary shall promptly submit the claim form in the agreed format and the following documents to the Insurer:

- its identification document;
- the Policy where requested so by the Insurer;
- the death certificate of the Insured (or a transcript of the death certificate certified by a notary or another public official where requested so by the Insurer);
- medical death notice;
- a copy of the medical history of the Insured where requested so by the Insurer;
- in the case of the Insured’s violent death, suicide,
sudden death or death resulting from an accident, a decision of investigation institutions and/or forensic medicine expert's formal opinion on the causes and circumstances of death;
• other documents required by the Insurer.

6.3. Procedure for disbursement of Insurance Benefit
6.3.1. The Insurer is at any time entitled to request necessary information and obtain additional evidence to ascertain the circumstances of the insured event.
6.3.2. The decision on whether the Insurer has a duty to pay out the Insurance Benefit under the Contract shall be made by the Insurer within 30 (thirty) days from receiving all documents requested by the Insurer.
6.3.3. If the Insured is declared deceased by the court and all documents are sent to the Insurer, the Insurer is obliged to pay out the Insurance Benefit if the date of the Insured's disappearance and supposed death is during the period when the insurance cover was valid and the cause of death of the Insured is not one of the exclusions described in clause 6.1.2.
6.3.4. If performance of the Insurer's obligations or the extent of performance thereof depends on the circumstances which are being ascertained in a matter of criminal, misdemeanour or administrative proceedings or in judicial proceedings, the Insurer is entitled to decide on payout or refusal to pay the Insurance Benefit after termination of the judicial proceedings or coming into force of judgement of the court or a decision of another competent person.
6.3.5. If the court decides that the Insured is a missing person, the Insurance Benefit shall not be paid until the court makes a judgement on the death of the Insured.
6.3.6. If several Credit Life Insurance Contracts are linked to one Loan Agreement and the Insured persons die simultaneously, the Insurer shall pay out the Life Sums Insured agreed on in the Credit Life Insurance Contracts to the Beneficiary in equal portions if possible. If the above equal portions of the Life Sums Insured are inadequate to cover the loan balance, the deficient amount necessary for covering the loan balance shall be paid out from the Credit Life Insurance Contract with the largest Life Sum Insured.
6.3.7. The Insurer shall pay out the portion of the Life Sum Insured remaining after covering the loan balance to the successor on the basis of an application of the Insured's successor and the succession certificate.

6.4. Termination of and withdrawal from Contract
6.4.1. The Contract can be terminated upon the initiative of the Policyholder, by mutual agreement of the Policyholder and the Insurer or according to the terms and conditions stipulated in the Contract.
6.4.2. To terminate the Contract, the Policyholder shall submit an application in the format required by the Insurer to the Insurer. The Contract shall be terminated at 24:00 hours at the date stated in the application, but the Contract cannot be terminated retroactively.
6.4.3. In the event of early termination of the Contract, the Insurer shall not refund any Insurance Premiums paid, except in the cases stated in clauses 6.4.4 and 6.4.5.2 of these Terms and Conditions.
6.4.4. The Policyholder shall have the right to withdraw from the Contract within 14 (fourteen) days from entry into the Contract and within 30 (thirty) days if the Contract was concluded using distance means. In this case the Insurer shall return the paid Insurance Premiums to the Policyholder. In order to withdraw from the Contract, the Policyholder shall submit a respective application in the agreed format to the Insurer.
6.4.5. If the Policyholder terminates the Contract:
6.4.5.1. before the due date for payment of the Insurance Premium stated in the Contract, the Policyholder shall pay at the date of termination of the Contract the last Insurance Premium which is calculated for the days of insurance cover from the beginning of the last Insurance Month to the date of termination of the Contract;
6.4.5.2. after the due date for payment of the Insurance Premium stated in the Contract and the Insurance Premium has already been received for the Insurance Month(s), the Insurer shall refund the Policyholder for a portion of the Insurance Premium in proportion to the time when the insurance cover is not effective.

6.5. Other conditions regulating disbursements under the Contract
6.5.1. The Insurance Benefit shall be subject to taxation in the procedure established by the laws of the Republic of Estonia.
6.5.2. Disbursements from the Contract shall be made only to the bank account of the person entitled to receive the disbursement unless otherwise agreed in the Contract.
6.5.3. If disbursement is transferred outside the Republic of Estonia, all transfer costs and transaction risk shall be covered by the recipient of the disbursement.
6.5.4. The Insurer undertakes to disburse the Insurance Benefit or other amounts within 30 (thirty) days from submission of all documents provided in the Contract. The Insurer shall be entitled to prolong this term, if it has reasonable basis. Upon a delay in the performance of a monetary obligation, the Beneficiary may require the Insurer to pay interest on the delay (penalty for late payment) for the period as of the obligation falls due until conforming performance is rendered. The interest rate specified in § 94 of the Law of Obligations Act plus 7% per year shall be the rate of penalty for late payment.
6.5.5. The Contract shall be deemed terminated when the Insurer has fulfilled its obligations arising from the Contract unless stipulated otherwise in the Contract.
6.5.6. If the Policyholder or the Beneficiary does not fulfill his contractual obligations or does not fulfill his obligations duly and therefore the Insurer suffers losses, the Insurer has the right to reduce the disbursement amount by the amount of losses suffered.

7. Other terms and conditions of the Contract
7.1. Amendment of the Contract
7.1.1. Amendment of the terms and conditions of the Contract shall be subject to an agreement between the Insurer and the Policyholder unless otherwise agreed in the Contract.
7.1.2. The Insurer shall be entitled to amend the terms and conditions or other parts of the Contract unilaterally if the amendments result from the changes in the legislation or requirements established by a supervisory agency. Other unilateral amendments made by the Insurer are allowed if these are required for the protection of the interests of the Policyholder or to enhance the Policyholder's situation or if such unilateral amendments are required for the protection of the Insurer's interests and do not significantly affect the Policyholder's interests.
7.1.3. The Insurer shall notify the Policyholder of any changes imposing more obligations or costs on the Policyholder compared to the earlier period by sending a respective notice to the Policyholder at least 30 (thirty) days before entry into force of the changes. The Policyholder shall be entitled to terminate the Contract upon disagreement with the changes by giving the Insurer notice to such effect in writing or in the format which can be reproduced in writing. If the Policyholder fails to perform the Insurer of the termination of the Contract within 30 (thirty) days from sending the notice regarding the changes, it shall be deemed that the Policyholder has agreed to the changes.
7.1.4. In case the Policyholder terminates the Contract under the circumstances specified in clause 7.1.2. of the Contract (unilateral amendment of the terms and conditions), the paid Insurance Premiums shall not be subject to refund to the Policyholder.

7.2. Liability of the Parties and exchange of information
7.2.1. Upon entry into the Contract or increase of the Life Sum Insured, the Policyholder has a duty to provide the Insurer with all the information requested by the Insurer. The Insurer has the right to demand the examination of the
state of health of the Insured by the doctor designated by the Insurer or to request additional information from medical establishments.

7.2.2. If the Policyholder, upon entry into the Contract or during the validity of the Contract, has provided the Insurer with false information about the circumstances, which are material for the assessment of the insured risk, or has deliberately withheld relevant information, the Insurer has the right to withdraw from the Contract, whereas the paid Insurance Premiums shall not be subject to refund.

7.2.3. Upon the Policyholder's request the Insurer is obliged to issue:
7.2.3.1 a replacement Policy if a Policy is lost or destroyed;
7.2.3.2 copies of any documents related to the Contract.

7.3. Notification
7.3.1. The Policyholder undertakes to notify the Insurer of any changes in his personal data and contact details during the term of the Contract. When leaving abroad permanently for a period exceeding 3 (three) months, the Policyholder must submit an address in the Republic of Estonia where the Insurer shall send its notices.
7.3.2. All applications and notices related to the Contract shall be submitted to the Insurer in the manner and format allowing for the identification of the person having submitted the application or the notice.
7.3.3. The Insurer communicates its notices and applications to the Policyholder by sending a notice to the last postal address of the Policyholder known to it. If the Policyholder has changed his postal address without notifying the Insurer thereof, all notices shall be deemed received at the time they would have reached the Policyholder in case of ordinary delivery if his postal address had not changed. The Insurer is entitled to send a notice to the Policyholder's email address if the Policyholder has notified the Insurer thereof or make the notice available to the Policyholder through the Internet Bank if the Policyholder has made a contract on the use of the respective service with Swedbank AS. The sending of the above notices shall be deemed equal to the sending thereof to the Policyholder's postal address.

7.4. Personal data
7.4.1. Swedbank Life Insurance SE is responsible for the processing of personal data.
7.4.2. Upon processing personal data, the Insurer shall be governed by the Principles of Processing Client Data in Swedbank, which are available on the Swedbank’s website at www.swedbank.ee. The Policyholder confirms that he has examined the Principles of Processing Client Data and agrees thereto.
7.4.3. The policyholder shall be entitled to request the correction of his personal data, information about the data processed regarding him, and access thereto at any time.

7.5. Settlement of disputes
7.5.1. Upon entry into and performance of the Contract, the Parties shall be governed by the laws and other legislation of the Republic of Estonia.
7.5.2. Invalidity of any individual provision of the Contract due to its contradiction with law shall not cause invalidity of the entire Contract or other provisions of the Contract.
7.5.3. Issues not regulated by the Contract as well as any disagreements with regard to the performance or amendment, modification and correction of the Contract shall be settled by means of negotiations between the Parties. In case no resolution is reached through negotiations, the dispute shall be resolved in Harju County Court in accordance with the legislation of the Republic of Estonia and/or extra-judicially by the insurance mediator pursuant to the terms and conditions provided for in the procedure of the insurance mediator. The language of dispute resolution proceedings shall be Estonian.