Terms and Conditions of Private Pension Portfolio (PM`2013)
Unit-linked life insurance
Supplementary funded pension contract

Effective from 12.08.2013
Approved by the resolution of the Management Board of Swedbank Life Insurance SE

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

1. Content of Contract
Private Pension Portfolio contract is a Supplementary funded pension contract where the policyholder is entitled to the disbursements as pension for life on the terms and conditions and in the extent stipulated in the contract.

Contract is with investment risk to Policyholder, where contributions into Contract are converted into units of actively managed Investment Strategy and Savings reserve reporting is available on detailed level – structure of the Strategy (underlying assets and percentage) on daily basis. Policyholder shall take into consideration that the value of investment unit may increase or decrease and respectively the value of Savings Reserve may also increase or decrease.

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

2.2. Policyholder
shall mean a natural person, who is concluding or has concluded an insurance contract with the Insurer. The age of the Policyholder at the time of entry into the Insurance contract must be at least 18 years.

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

2.4. Beneficiary
shall mean the person determined by the Policyholder, to whom the Insurer pays the Insurance Indemnity upon occurrence of the Insured event. The Beneficiary shall be indicated in the Contract.

2.5. Life Insurance Contract (hereinafter Contract)
shall mean the Contract concluded between the Insurer and the Policyholder, based whereupon
1. the Policyholder undertakes to pay the Insurance premiums to the extent and pursuant to the procedure provided for in the Contract, and
2. the Insurer undertakes to disburse the Insurance Indemnity in cases and to the extent stipulated in the Contract.

2.6. Insurance Policy (hereinafter Policy)
shall mean a document issued by the Insurer confirming the conclusion of the Contract.

2.7. Pricelist
shall mean the integral part of the Contract, where contractual fees, unit transaction rules and other Contract conditions are specified.

2.8. Insurance Premium
shall mean any monetary contributions made to the Insurer on the basis of this Contract, except amounts which are not included into the Contract pursuant to conditions stipulated in the Contract (e.g. if Contract is not enforced and paid amount is less than Minimum Insurance Premium). Minimum Insurance Premium value is established in the Pricelist.

2.9. Savings Reserve
shall mean the cash value of Strategy units converted from the Insurance Premiums, from which contractual fees are deducted according to the Pricelist and Insurance premiums waiting for conversion to investment units.

2.10. Investment Strategy (hereinafter Strategy)
is the Investment direction offered by the Insurer. Insurer determines Underlying Assets and their percentage of the Strategy based on the goals of Strategy, described in the Strategy prospectus. Investment into Strategies is being held by acquiring Strategy units.

2.11. Strategy unit
shall mean a conditional capital unit, which shows Contract participation in the Strategy. Strategy unit Value is the total cash value of Strategy Underlying Assets value divided by the total number of the Strategy units as of the price date.

2.12. Underlying Assets
shall mean set of financial instruments (fund units, equities, bonds etc.) selected by the Insurer and linked to each Strategy according to rules stated in Strategy prospectus.

2.13. Life Sum Insured (hereinafter Sum Insured)
shall mean the amount of money for which the life of the Insured is insured. Sum insured is indicated in the Contract.

2.14. Surrender value
shall mean an amount of money that the Insurer shall undertake to disburse to the Policyholder upon termination of the Contract. Surrender value is equal to Savings reserve less termination fee, which is established in the Pricelist.

2.15. Internet-bank
shall mean the service, used by the Insurer for displaying Contract information, making amendments for terms of the Contract and making other activities related to Contract. In order to use Internet-bank service for seeing/managing the Contract, the Policyholder has to make a contract on the use of the respective service with the Internet-bank service provider (Swedbank AS).

3. Contract conclusion and other conditions
3.1. Contract Conclusion
The Policyholder submits an insurance application to the Insurer and Insurer issues Policy thereafter. The Contract shall be deemed signed upon the issue of the Policy, 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. Contract and Insurance cover enforcement
3.2.1. Insurance cover – is the Insurer’s contractual liability upon occurrence of the Insured event to pay Insurance indemnity.
3.2.2. The Insurance cover shall begin to apply at 00:00 on the first day of Contract start date, but not earlier than first Insurance premium or part of it not smaller than Minimum Insurance premium was paid. Insurance cover shall apply 24 hours a day and in the whole world.
3.3. Contract integral parts and currency
3.3.1. Present terms and conditions, an insurance application, the Policy, the Pricelist, Strategy prospectus and any other annexes to the Contract form integral parts of the Contract.
3.3.2. The Contract currency is national currency of the Republic of Estonia. Policyholder shall pay Insurance Premiums in the Contract currency. For transactions and reporting reasons Sum insured and Savings reserve will be accounted in the Contract currency, using exchange rate which is stated in the Pricelist. Insurer shall pay out-payments in Contract currency.

3.4. Changes and informing of Beneficiaries
3.4.1. The Policyholder shall inform the Beneficiary of his rights and duties arising from the Contract.
3.4.2. The Policyholder shall be entitled to change the Beneficiary upon death at any time, notifying the Insurer of the change in written or in the format which can be reproduced in written.

4. Insurance Premiums
4.1. The Policyholder can select single Insurance Premium or the payment schedule may be agreed upon in the Contract. Policyholder can also pay additional premiums in the chosen amounts.
4.2. The Policyholder shall be obliged to pay the first Insurance premium, which is stated on the Policy or at least Minimum Insurance Premium no later than within 60 days starting from the Contract conclusion date. The next Insurance premiums will be paid at the time and in the amounts chosen by the Policyholder.
4.3. If the Policyholder has not paid first Insurance premium or part of it not smaller than Minimum Insurance Premium within 60 days as provided in clause 4.2, on 61st day at 0:00 the Contract shall be deemed null and void as from moment of its conclusion.
4.4. The Policyholder shall pay Insurance premiums at least to the extent as to guarantee a sufficient Savings reserve for subtracting contractual fees.
4.5. The Insurance premium (chapter 2.B) 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 has been indicated in the payment order. If not all required data are indicated in payment order, Insurance premium shall be deemed paid after premium is identified by the Insurer. Pending the crediting into the bank account of the Insurer the Insurance premiums shall be deemed the funds at the disposal of the third persons through which the payments are effected.
4.6. Where the received contributions to the Contract cannot be converted to investment units due to conditions stipulated in the Contract, after the Policyholder submits the application in written or in the format which can be reproduced in written, the amount shall be refunded to the Policyholder.
4.7. Insurance premiums shall be paid in the national currency of the Republic of Estonia in one of the ways proposed by the Insurer. If Insurance Premiums are paid in other currencies, the Insurance Premiums may be included in the Contract only upon consent of the Insurer, and all costs related to payment order, currency exchange and other related expenses may be covered by the Policyholder. The costs shall be deducted from the Insurance premium paid.

5. Investment
5.1. Contract Strategy
5.1.1. The Policyholder selects one of the strategies (Contract Strategy) offered by the Insurer, which suits best his objectives and investment risk tolerance. 5.1.2. Insurance Premiums paid into the Contract the Insurer converts into investment units pursuant to the valid Pricelist and Contract Strategy.
5.1.3. The procedure of transactions and calculation rules of investment units prices are described in Pricelist.
5.1.4. The risk of investing into Strategy shall be carried by the Policyholder. The Policyholder shall take into consideration that Strategy unit value may increase or decrease and respectively the value of the Savings reserve may increase or decrease.
5.1.5. If dividends or interest are paid to the underlying assets linked to the Strategy of Contract, the number of Strategy units in the Contract is increased to the extent of these amounts.
5.1.6. When for the reasons beyond the control of the Insurer, there is no possibility to perform transactions with Underlying Assets and/or to calculate Strategy unit price and therefore the Insurer lacks the opportunity to convert investment units linked to the Contract, the price date for performing pending transactions for the Contract shall be set as the earliest possible day. In this case any claims of the Policyholder concerning the timing of the operations shall not be considered.
5.1.7. Insurer shall be the legal owner of the Underlying Assets of the Strategies.

5.2. Change of the Strategy structure
5.2.1. The Insurer shall provide information about the Underlying Assets of the Strategy on Contract level.
5.2.2. The Insurer shall be entitled to change the structure of the strategy (including both the selection of underlying assets and percentage distribution) based on strategy prospectus at all times.
5.2.3. Strategy structure proportions can change every as the result of different performance of the Underlying Assets linked to the Strategy.

5.3. Change of the Strategy
5.3.1. The Policyholder, by submitting a written application or in other way agreed with Insurer and subject to the consent of the Insurer, shall have the right to substitute one Strategy by another Strategy from the strategies at the time offered by the Insurer. Savings reserve of the Contract and the Insurance premiums paid after the change of the Strategy shall be linked to the Investment units of the new Strategy.
5.3.2. If the Insurer eliminates Strategy, to which Contract Savings reserve is linked, the Insurer shall inform the Policyholder thereof at least 30 calendar days prior to the elimination. The Policyholder shall in written or in form which can be reproduced in written notify the Insurer of his decision concerning the choice of the new strategy of Savings reserve and Insurance premiums due.
5.3.3. Where the Policyholder fails to make his decision known by the day of the elimination of the Strategy, the Insurer shall change the Contract Savings reserve into strategies offered in the notification. In this case any claims of the Policyholder concerning the choice of the Strategy made by the Insurer shall not be considered.

5.4. Contract fees
5.4.1. Contract fees are the monetary sums that the Insurer is entitled to deduct from the insurance premiums and Savings reserve pursuant to the terms and according to the procedure stipulated in the Pricelist.
5.4.2. In order to deduct contractual fees from the Savings reserve, the Insurer deducts Contract investment units.
5.4.3. During Contract validity, the Insurer shall be entitled to make unilateral changes in the amounts of contractual fees, established in the Pricelist. The Insurer shall announce in written or in other form which can be reproduced in written in case of any such changes at least 30 days prior to the date of such planned changes implementation. If the Policyholder does not agree to the changed amounts, he is entitled to terminate the Contract and Surrender value will be paid to the Policyholder.

6. Insurance indemnity, pension for life and other out-payments
6.1. Insured events
shall be death of the insured that happened after the effective date of the Contract and when insurance cover is in force.

6.2. Exclusions
The Insurer shall be relieved of Sum Insured payment, if death of the insured was caused by the following reasons:
6.2.1. directly or indirectly related with military actions (irrespective of whether or not the was has been declared), mass disorder, impact of nuclear energy;
6.2.2. the deliberate action of Beneficiary,causing deth of insured or injury to the Insured and as a result whereof the insured passed away
6.3. Insurance indemnity
6.3.1. The Insurance indemnity in case of the Insured death, except if the Insured has died due to reasons described in 6.2., is equal to the Sum Insured plus Savings reserve, calculated by the procedure stipulated in the Pricelist.
6.3.2. The Insurance indemnity in case of the Insured death, if the Insured has died due to reasons described in 6.2., is equal to the Savings reserve, calculated by the procedure stipulated in the Pricelist.

6.4. Order for Insurance Indemnity
6.4.1. The Insurance indemnity shall be paid out to the Beneficiary. The Beneficiary shall notify the Insurer of the death of the Insured either personally or via third persons immediately after having learned about the death of the Insured. Until the notification of the death of the Insured and submission of the required documents the Insurer shall not be obligated to disburse Insurance indemnity. In case the Beneficiary deliberately fails to comply with the notification obligation or deliberately fails to submit the documents listed in clause 6.4.3., the Insurer is relieved of the obligation to pay the Insurance indemnity.
6.4.3. For receiving the payment of Insurance indemnity upon death of the Insured the Beneficiary shall submit to the Insurer the application in agreed form and the following documents promptly from having learned of the death of the Insured:
- passport or any other identification document;
- Policy (upon request of the Insurer);
- death certificate of the Insured (or upon request of the Insurer transcript of the certificate certified by a notary or local government);
- Other documents, required by the Insurer.
6.4.4. The Insurer is at any time entitled to request necessary information or obtain required additional evidence, including for the investigation of the Insured event or obligation of the Insurer, from the Policyholder, Beneficiaries and third persons.

6.5. Death of the Beneficiary
6.5.1. Upon death of the Beneficiary within the period between the death of the Insured and the disbursement, the Insurance indemnity shall be made to the successors of the Beneficiary unless otherwise agreed in the Contract.
6.5.2. Upon simultaneous deaths of the Insured and the Beneficiary or in case the Beneficiary has died before the insured the heirs of the Insured are entitled to receive the Insurance indemnity unless otherwise agreed in the Contract.
6.5.3. In case the out-payment is applied for in relation to death of the Beneficiary, the person entitled to receive the Insurance indemnity shall submit the Beneficiary’s death certificate (or upon request of the Insurer transcript of the certificate certified by a notary or local government), certificate of inheritance and passport or any other identification document.
6.5.4. The person entitled to receive Insurance indemnity shall perform the obligations of the Beneficiary arising from this Contract, if the Beneficiary has not performed his obligations to the Insurer by the moment of his death.
6.5.5. Where a legal person assigned as the Beneficiary is not an assignee of its rights and/or duties, the Insurance indemnity shall be payable to the Insured successors.

6.6. Disbursement of pension for life
6.6.1. The Insurer undertakes to pay the policyholder pension for life not less frequently than once every three months starting from the term of disbursements established in the contract that shall not be earlier than 5 years from the conclusion of the contract and also not earlier than the 55th birthday of the policyholder or in case of total and permanent incapacity for work of policyholder.
6.6.2. For the disbursement of pension for life, the policyholder shall present to the insurer a respective application. On the basis of the mentioned application, the insurer and policyholder sign an agreement governing disbursements, establishing the initial day of pension disbursements, frequency of instalments and other terms of disbursements and also contract conditions for disbursement period.
6.6.3. In case of total and permanent incapacity for work, the application indicated in clause 6.6.2. shall be accompanied by the certification issued by a competent person regarding the designation of such incapacity.

6.7. Partial withdrawals
6.7.1. The Policyholder is entitled to perform the partial withdrawal of money from the Savings reserve based on respective application. In such case Insurer will decrease the Savings reserve by the amount disbursed and the service fee established in the Pricelist.
6.7.2. The minimum amount of the sum withdrawn and the minimum amount of the Savings reserve after the partial withdrawal of money is established in the Pricelist.

6.8. Contract expiry, termination and draw-back
6.8.1. The Contract shall expire upon the occurrence of Insured Event.
6.8.2. The Contract shall terminate upon the initiative of the Policyholder, by mutual agreement of Policyholder and Insurer or according to the terms set in the Contract.
6.8.3. In order to terminate the Contract, the Policyholder submits the termination application to the Insurer in agreed form. Upon termination of the Contract Surrender value of the Contract shall be disbursed to the Policyholder.
6.8.4. The Policyholder shall have the right to draw-back from the Contract within 14 days from the entry into the Contract (if Contract was concluded using distance means – 30 days). In this case the Insurer shall return the paid Insurance premiums to the Policyholder. In order to draw-back from the Contract, the Policyholder shall submit a respective application in agreed form to the Insurer.
6.8.5. If the Savings Reserve is insufficient for coverage of contractual fees, the Insurer shall notify the Policyholder of the date by which the required amount has to be paid. If the Policyholder has not made required payments by the date notified, insurance cover shall be suspended after that date. Insurance cover can be reinstated by paying the required amount. The Insurance cover that has been suspended shall be reinstated at 00:00 on the date following the date when required amount was paid.
6.8.6. If Insurance cover was suspended and the Policyholder failed to make required payments, upon the expiry of the additional deadline, the Insurer shall be entitled to terminate the Contract.

6.9. Other regulations related to out-payment decision
6.9.1. The Insurance indemnity, the Surrender value or Partial Withdrawal of the Contract shall be subject to taxation in the procedure established by the laws of the Republic of Estonia. The Insurer shall have the right to require additional information to be submitted if it is required to ensure the correct taxation.
6.9.2. If out-payment is asked to be transferred outside the Republic of Estonia, all transferring costs and transaction risk shall be covered by the recipient of out-payment.
6.9.3. Where the Insurer receives a notice on any pledge of property rights or replacement of the Beneficiary after payment of the Insurance indemnity and Surrender value, the Insurer shall not be subject to satisfying the claims of persons presenting such a notice.
6.9.4. If Policyholder, Beneficiary does not fulfill his contractual obligations or fulfill his obligations unduly and thereupon the Insurer suffers losses, the Insurer has the right to reduce out-payment amount by the amount of losses suffered.
6.9.5. The Insurer undertakes to disburse the Insurance Indemnity, Partial Withdrawal or Surrender value within 30 days from submission of all documents provided in the Contract. The Insurer shall be entitled to prolong this term, if it has reasonable basis to doubt the correctness and/or sufficiency of the documents submitted for the out-payment.
6.9.6. In case of the delay in the out-payment through the fault of
the Insurer for more than 30 calendar days from the receipt of the complete information required to make out-payment, the Beneficiary may require the Insurer to pay interest on the delay (penalty for late payment) for the period as of the time the obligation falls due until conforming performance is rendered. The rate of penalty for late payment is the rate provided by law in Law of Obligations Act § 113 section 1.

7. Other contract regulations

7.1. Modification of the Contract

7.1.1. Amendment of the terms of Contract shall be subject to agreement between the Insurer and the Policyholder, unless otherwise specified in the Contract.

7.1.2. If the Policyholder applies for the amendment of the terms of the Contract, the Insurer is entitled to collect a service fee from the Policyholder for the amendment of the Contract according to the fees established in the Pricelist or to refuse from making amendments.

7.1.3. The Insurer shall be entitled to amend the terms and conditions, Pricelist or other part of the Contract unilaterally in case the amendments result either from the changes in the legislation or requirements established by a supervisory agency or changes of the operations related to investment units. Other unilaterally amendments made by the Insurer are allowed in case being needed for the protection of the interests of the Policyholder or for improving his situation or they are required for the protection of the interests of the Insurer and do not damage the interests of the Policyholder in any substantial manner.

7.1.4. The Insurer shall notify the Policyholder of any changes imposing more obligations or costs on the Policyholder compared to the earlier period (chapter 7.1.3.), by sending the respective notice to the Policyholder at least 30 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 written or in the format which can be reproduced in written. If the Policyholder fails to inform the Insurer of the termination of the Contract within 30 days from sending the notice regarding the changes, it shall be deemed that the Policyholder has agreed to the changes.

7.1.5. In case the Policyholder terminates the Contract related to the circumstances listed in clause 7.1.4. (unilateral change of conditions), the Surrender value of the Contract shall be disbursed to the Policyholder.

7.1.6. Where the amendments in the contractual provisions is suggested by the Insurer, the Policyholder may provide his consent to make such amendment by performing any actions as specified by the Insurer’s written offer or in offer which can be reproduced in written, if any such type of consent is provided in the Insurer’s offer.

7.2. Notification

7.2.1. Upon entering into the Contract, the Policyholder shall inform the Insurer of all circumstances in regard whereof the insurer has requested information.

7.2.2. The Policyholder undertakes to notify the Insurer of the changes in his personal and contact data during the term of the Contract.

When leaving abroad for a period exceeding 3 months, the Policyholder shall be entitled to indicate an address in the Republic of Estonia where Insurer shall send his notices.

7.2.3. All applications and notices related to the Contract shall be submitted to the Insurer in the way and form allowing for the identification of the person having submitted the application or the notice.

7.2.4. The Insurer notifies the Policyholder of its notices and applications by sending them to the last known postal address of the Policyholder. If the Policyholder has changed his postal address without notifying the Insurer thereof, all notices shall be deemed received in the period they would have reached the Policyholder in case of ordinary transfer (5 days).

7.2.5. Upon mutual agreement, the Insurer is entitled to send a notice to the Policyholder’s e-mail address, SMS, make the notice available to the Policyholder through Internet-bank or use other electronic means for notice transfer. The delivery of the above notices shall be considered equivalent to sending a notice to the Policyholder’s postal address.

7.2.6. All instructions, representations, requests, inquiries, information and other forms of expression of the will submitted by Policyholder to Insurer and vice versa using mutually agreed electronic means of communication shall have the same legal power as the will expressed on paper document signed in person, provided the will of Policyholder and Insurer to other party by using the secure electronic signature, including and service Internet-bank used data authenticity, attesting signature.

7.2.7. Upon the Policyholder’s request the Insurer is obliged to issue:

7.2.7.1. a replacement Policy if a Policy is lost or destroyed;

7.2.7.2. copies of any documents related to the Contract.

7.3. Personal data

7.3.1. The Insurer shall be responsible for processing of personal data.

7.3.2. The Insurer shall proceed in processing of personal data from the Principles of Processing of Customer Data in Swedbank Estonia, which the Policyholder has the opportunity to examine at the Internet homepage of Swedbank located at www.swedbank.ee. The Policyholder represents and warrants that he has examined them and consents to them.

7.3.3. The Policyholder shall be entitled to request the correction of his personal data, information regarding the data processed regarding him and access thereto at any time.

7.4. Disputes of settlements

7.4.1. Upon entry into and performance of the Contract, the parties shall be governed by the laws and other legislation of the Republic of Estonia.

7.4.2. 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.

7.4.3. Issues not regulated under 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 negotiation, the dispute in question shall be resolved in a court of the location of the insurer in Estonia unless provided otherwise in the law of Republic of Estonia.