Terms and Conditions of Loan Payment Protection Insurance

Loan Payment Protection Insurance contract

Insurance contract is the agreement pursuant to which you pay insurance premiums and we pay out the agreed indemnity to you according to the terms and conditions set out in the insurance contract. A good insurance contract is precise and detailed. That is why a contract proving your insurance cover consists of different documents.

The documents comprising the Loan Payment Protection Insurance contract are:

- The Terms and Conditions of Loan Payment Protection Insurance 10 of Swedbank P&C Insurance AS are effective as of 01.04.2013 that set out the extent of cover of the loan payment protection insurance;
- The General Terms and Conditions of Insurance Contracts 3 of Swedbank P&C Insurance AS are effective as of 01.03.2008 that set out the general principles of insurance contracts;
- The policy, which confirms entry into an insurance contract and sets out the main terms and conditions thereof.

The following provisions of the General Terms and Conditions 3 of Swedbank P&C Insurance AS do not apply to the insurance contract:

- the terms ‘insured object’, ‘over-insurance’, ‘under-insurance’, ‘multiple insurance’, ‘place of insurance’, ‘excess’;
- clauses 8, 13, 14, 16, 17.5, 17.7, 18.5–18.6, 18.9–18.11, 19, 21.

Definitions

We or the insurer is Swedbank P&C Insurance AS.

You or the policyholder means the person noted on the policy as the policyholder, who is also the insured person and the beneficiary. The insurance contract cannot be entered into by a person who is older than 63 years of age (incl.) at the time of signing the contract. Nor does the insurer extend the insurance contract if the policyholder is older than 63 years of age (incl.) at the time of extending the contract.

Loan contract means the contract entered into between you and Swedbank AS on the basis of which the bank has given an amount of money into your use and which involves repayment of the borrower loan.

Loan repayment means the amount you pay Swedbank AS on the date indicated in the loan agreement. Loan repayment means the loan instalment as well as interest payment.

Sum insured means the maximum amount of money to the extent of which we will compensate for the loss suffered due to a single insured event. Sum insured is the loan repayments of 12 months. Sum insured per insured event and policyholder is 25,000 euros, irrespective of the number of loan payment protection insurance contracts entered into with Swedbank P&C Insurance AS.

Insured event means the event specified in the insurance contract the occurrence of which brings about our obligation to pay indemnity.
Insurance indemnity means the sum of money we pay you upon an insured event. Insurance indemnity is paid monthly.

Waiting period is an uninterrupted 30-day period starting from the day the insured event took place. The insurance indemnity is calculated and paid out after the waiting period ends. The waiting period expires when you start working or recover your capacity for work.

Work is a relationship based on an employment or service contract (incl. the contract of a management board member) that stipulates a working week of at least 20 hours and for which you are paid.

Temporary work is a relationship that is regulated with a seasonal or irregular work or service contract and for which you are paid.

Doctor is a person who has a license prescribed by law for working as a doctor, or an operating medical practice. A person acting as a doctor, who is a close relative of the policyholder, shares the same household with the policyholder or can be considered an unbiased person for any other reason cannot be regarded as a doctor for the purposes of the insurance contract.

Previous medical condition is an injury, illness or a symptom thereof that you were or should have been aware of at the time you entered into the insurance contract or due to which you had contacted or planned to contact a doctor within twelve months before entering into the insurance contract.

What does the insurance cover?

The insurance contract covers the repayment obligation on your loan to the extent agreed upon in the contract in the event of you becoming unemployed or incapacitated for work.

Said risks and the extent of the insurance cover are described below.

Cover for incapacity for work

Incapacity for work is a condition that emerges as a result of an accident or illness and which is confirmed by a doctor with a certificate for sick leave or another written certificate and due to which you are unable to perform your usual work duties or do any other work. Usual work duties are the tasks you performed immediately prior to the occurrence of the insured event or any other work that you are able to do based on your education, skills and abilities.

The cover for incapacity for work becomes valid after the insurance contract enters into force.

The day from which the insured person must be absent from work due to illness or accident is deemed to be the time when the insured event occurred.

Incapacity for work caused by one of the following is not considered an insured event:

• a previous medical condition (see definition on page 2);

  Exception: We will pay out the indemnity if the incapacity for work caused by a previous medical condition arose in a second or subsequent consecutive insurance period.

• pregnancy or childbirth;

  Exception: We will pay out the indemnity if the incapacity for work is caused by medical complications associated with the pregnancy and/or childbirth. A Caesarean section or other surgical action or intervention associated with childbirth that does not pose an increased threat to the mother or child is not classed as a medical complication.
• intentional self-inflicted injuries, plastic surgery, consumption of preparations or surgical procedures which are not required to improve health or not performed for treatment purposes;
• actions you have carried out intentionally;
• consumption of narcotic or toxic substances or alcohol;
• HIV or AIDS;
• radiation, unless it is directly associated with your treatment or the performance of your duties at work; and
• acts of terrorism, military activities and armed conflict.

Unemployment cover

Unemployment is registration as unemployed with the Unemployment Insurance Fund if the unemployment was caused by:

• unexpected termination of your employment or service contract on the initiative of your employer; or
• premature termination of your employment or service contract upon the resolution of a higher managing body of the company if you are working as a member of the managing or controlling body of a company if this was not done on the basis of an application made by you and if you have no other effective relationships based on employment or service contracts.

Exception: Registering as unemployed is not required if you lost your job due to the aforementioned reasons, are entitled to old-age pension and are younger than 63.

Unemployment cover enters into force 90 days after entry into the insurance contract.

Exception: If you are already unemployed at the time the insurance contract enters force, the cover will take effect 90 days after the commencement of your employment if your employment contract has been in effect without interruption.

The last day of employment is deemed to be the moment the insured event occurred.

Exceptions:
• If the employment or service relationship is terminated on the initiative of the employer before the notice period stipulated by law, the last day of the notice period stipulated by law is considered the moment the insured event occurred.
• If you are paid compensation upon the termination of your contract as a member of a management board, your remuneration for the last three calendar months is used to calculate the period of time for which you were notionally compensated and the Insured Event is deemed to have occurred after this period.

Unemployment cover does not apply:
• if you lost your job or became aware of losing your job at a time when the unemployment cover had yet to take effect;
• if your permanent place of residence is not in Estonia; or
• if you operate on the basis of a contract for services or authorisation contract or as a sole trader.

Unemployment is not an insured event if your employment or service relationship ends:
• by agreement between the parties;
• at your request;
• because you retire or go on a pension for incapacity for work;
• due to a loss of trust or an indecent or corrupt act;
• due to the end of temporary work;
• due to the expiry of an employment or service contract which was entered into for a specified term and not extended;

Exceptions:
- We pay out the indemnity if the employment or service contract for an unspecified term was entered into with the same employer for at least 13 months.
- We also pay out the indemnity if an employment or service contract for an unspecified term was entered into with the same employer, but you entered into an employment or service contract for a specified term on the initiative of the employer without any interruption to the employment relationship.

• due to criminal proceedings or a court ruling;
• due to the use of alcohol or narcotic or toxic substances;
• due to an act of terrorism, military activities or armed conflict.

What to do if an insured event occurs

If an insured event occurs, please notify Claims Handling of the event immediately or ask someone close to you to do so using the following contact details:
www.swedbank.ee/kindlustus
telephone 888 2111 (24 h)
e-mail kahjuabi@swedbank.ee

Please contact Claims Handling if:
- you are notified of your dismissal;
- your unemployment or incapacity for work has lasted for more than 30 days; or
- you start to work or regain your capacity to work.

A claims handler from Swedbank P&C Insurance AS will advise you on what to do next and give you an overview of the steps you need to take.

We are required to collect a range of data and specify the circumstances of the insured event in order to decide whether or not we can pay out the indemnity.

We may therefore demand the following:
• notes on your medical examination and information about its results. We will pay for the examination unless the relevant costs are covered by the Health Insurance Fund. In the event of any disputes, we act on the basis of the evaluation of the expert we appoint;
• explanatory information about the insured event, and the required proof;
• a certificate from the Unemployment Insurance Fund about your registration as unemployed or the continuation of your unemployment;
• a copy of the certificate for sick leave or any other doctor’s certificate; and
• information about you:
  • from other insurers and financial institutions (incl. Swedbank AS and other companies that belong to the same group);
  • from the Health Insurance Fund and the Unemployment Insurance Fund;
  • from other persons and state agencies that have information about the circumstances associated with the insured event and the situation before and after the insured event;
  • from your doctor and the medical institution at which you were treated; and
  • from your present and previous employer and the persons with whom you have or had a relationship based on an employment or service contract.
Principles of indemnification

We will advise you of our decision regarding whether or not we will indemnify the loss within 10 days of ascertaining the circumstances and extent of the loss and of receipt of all of the necessary documents about the insured event.

Insurance indemnity

We pay the insurance indemnity in the event of unemployment or incapacity for work. The insurance indemnity is paid monthly into the settlement account servicing your loan.

We do not pay insurance indemnity for unemployment and incapacity for work at the same time.
You have the right to apply for insurance indemnity for unemployment if you receive insurance indemnity for incapacity for work and you lose your job. A waiting period applies in the payment of insurance indemnity for unemployment.
You have the right to apply for insurance indemnity for incapacity for work if you receive insurance indemnity for unemployment and become incapacitated for work. A waiting period is applied in the payment of insurance indemnity for incapacity for work.

The amount of the monthly insurance indemnity depends on the loan repayment.

We pay the monthly indemnity for up to 12 months per event. The amount of the monthly insurance indemnity depends on the loan repayment amount during the period in which indemnities are paid and the duration of incapacity for work or unemployment. Monthly indemnity is calculated on the basis of days.

Example 1: You were unemployed for 7 months. For the first two months your loan repayment was 300 euros and then 320 euros. Over a period of 6 months we pay you indemnity of 1900 euros.

Example 2: You were unemployed for 7 months and 15 days. For the first two months your loan repayment was 300 euros and then 320 euros. Over a period of 6 months and 15 days we pay you indemnity of 2060 euros.

Payment of the insurance indemnity ends when you return to work or regain your capacity to work or we have paid you the monthly indemnity for 12 months.

Waiting period
Calculation of the insurance indemnity starts after the waiting period ends. Waiting period starts from the day the insured event took place.

Example: The accident occurred on 7 April. The length of the waiting period set out in the policy is 30 days. Calculation of indemnity will start from 7 May.

Expiry of and refusal to pay out insurance indemnities

We will terminate the payment of insurance indemnities if:

• we have paid you the highest sum insured set out in the terms and conditions;
• the outstanding balance of your loan has been repaid;
• you have regained your capacity to work;
• you have found a job.

Exception: Payment of insurance indemnities will not end if you find temporary work during the period when monthly indemnities are paid to you if such work does not last for longer than 3 months.

We have the right to refuse to pay out the indemnity if:

• you were aware of losing your job when you entered into the insurance contract;
• you are applying for insurance indemnity and you have an effective employment or service relationship and you work on the basis of an authorisation contract;
• you have not performed the obligations arising from your insurance contract; or
• it appears that you have submitted false data when applying for the insurance indemnity.
In such a case we have the right to reclaim the insurance indemnities we have paid out, immediately terminate the insurance contract and keep the insurance premiums you have paid.

**Personal data processing**

Upon the processing of your customer data (incl. delicate personal data), we are obligated to adhere to the Procedure for Processing Client Data in Estonian Companies of Swedbank. Upon signing the insurance contract you shall warrant and represent that you have read the given procedure and are aware of the fact that the respective procedure is available in the branches of Swedbank AS and on the Internet at [www.swedbank.ee](http://www.swedbank.ee).

**If you are not satisfied with us**

Please let us know if you are not satisfied with the activities of Swedbank P&C Insurance AS. We hope that we will be able to find a solution that satisfies both parties. If you disagree with our decision or would like additional explanations, you have the right to apply for a revision of the decision. Send us your written request explaining your position about the decision we made. We will respond within 10 days of the submission date.

You have the right to turn to extra-judicial bodies (e.g. Financial Supervision Authority, the Consumer Protection Board, the Conciliation Body of Estonian Insurance) with complaints concerning our activities. We will be happy to help you if you need more data in order to compose your complaint. You have the right to recourse to the courts if you wish to contest our decision regarding compensation for damage. More information about the procedure for the resolution of complaints and bodies resolving complaints is available in the Procedure for Processing Customer Complaints available at the website of Swedbank AS.

The Financial Supervision Authority (postal address: Sakala 4, Tallinn 15030) exercises supervision over Swedbank’s activities.