

## Unemployment Cover Special Terms and Conditions

SEB Loan Protection policy conditions  
Effective as from 6 June 2012

### 1. GENERAL PROVISIONS

1.1. These PZU Kindlustus special terms and conditions of unemployment cover (hereinafter Special Terms and Conditions) shall be effective only together with the policy terms and conditions of SEB Loan Protection. The conclusion of the unemployment cover shall be indicated in the insurance policy.

1.2. In issues not regulated by these Special Terms and Conditions, the provisions of the policy terms and conditions of SEB Loan Protection shall be applied.

### 2. INSURED EVENT

2.1. An insured event means undesired loss of employment of the policyholder or the termination of the policyholder's employment relationship due to reasons beyond the control of the policyholder, first and foremost the termination of the employment relationship by the employer for economic reasons.

Undesired loss of employment is, for instance, the termination of the employment relationship on such bases, provided for in the Employment Contracts Act, as

- lay-off, including cessation of the activities of the employer, declaration of the bankruptcy or termination of the bankruptcy proceedings of the employer without declaring bankruptcy, due to abatement of the bankruptcy proceedings;
- collective cancellation of contracts of employment.

Undesired loss of employment is also the termination of the employment relationship on the bases set out in the Employment Contracts Act due to a material breach of the employer's obligation or reduction of pay in case of failure to provide work.

Undesired loss of employment is not the termination of the policyholder's employment relationship due to reasons arising from the policyholder, including accidents or illnesses. Termination of the employment relationship by agreement of the parties is not deemed to be undesired loss of employment.

2.2. The employment relationship is the contractual relationship of the policyholder with the employer on the basis of an employment contract, contract under the law of obligations or civil service. For the purposes of these Special Terms and Conditions, the activities of the policyholder as a self-employed person shall not be deemed to constitute an employment relationship.

2.3. An employer is a legal or natural person who is a tax subject of the Republic of Estonia, public authority or local government unit of the Republic of Estonia or a non-resident who has a permanent business establishment in Estonia, in the meaning of the Income Tax Act, or who operates in Estonia as an employer and who has an employment relationship with the policyholder.

2.4. The final day of the validity of the employment relationship of the policyholder shall be deemed to be the day of occurrence of the insured event.

2.5. In the case of an insured event, a deductible period of 30 (thirty) days shall be applied.

2.6. In the case of an insured event, only a policyholder entitled to the insurance cover under clause 3 of these Special Terms and Conditions, regarding whom the following requirements are simultaneously met, shall have the right to receive insurance benefit:

2.6.1. the policyholder has worked without interruption, on the basis of an employment relationship, for a period of at least six months and for at least 30 hours per week prior to the insured

event. The same also applies if the policyholder has been in an employment relationship under a fixed-term contract.

2.6.2. the policyholder learned about the loss of employment after the expiry of a waiting period, i.e. at least 60 days after the commencement date of the insurance cover, and became unemployed after said date. No insurance benefit shall be paid if the policyholder had been informed orally or in writing or in some other form about the termination of the employment relationship at any moment before the signing of the insurance contract or if there was reason to believe that the policyholder would become unemployed;

2.6.3. the policyholder has registered himself or herself as unemployed pursuant to the Employment Service and Subsidy Act (hereinafter ESSA) and is entitled to or receives state unemployment benefits.

### 3. PERSON ENTITLED TO INSURANCE COVER

3.1. Only a person who, upon the signing of the insurance contract, simultaneously meets all of the criteria applicable to the policyholder, both under the policy terms and conditions of SEB Loan Protection and those set out below, can be a policyholder for the purposes of the unemployment cover:

3.1.1. immediately before signing the insurance contract the policyholder has worked without interruption for a period of at least six months and for at least 30 hours per week;

3.1.2. at the moment of signing the insurance contract, the policyholder works at least 30 hours per week and is not aware of the termination of the employment relationship or of a risk of termination;

3.1.3. the policyholder is not of a pensionable age set out in section 7 of the State Pension Insurance Act (hereinafter SPIA) and no early retirement pension applies to the policyholder under section 9 of the SPIA.

3.2. A person operating as a self-employed person, member of the management or control body (supervisory board, management board) of the employer or manager of a subsidiary of a foreign company cannot be a policyholder.

3.3. If the employer of the policyholder is the issue or forebear of the policyholder up to the second generation, incl. direct blood relative or relative by marriage, or if the policyholder is a partner (shareholder) in the company of his or her employer, or a member in the management or control body who has the right to influence the decision to terminate the contract, then such a person cannot be the policyholder.

3.4. If, during the validity of the insurance cover, the policyholder no longer meets any of the criteria set out in clauses 3.1, 3.2 or 3.3 of these Special Terms and Conditions and thus has no right to the unemployment cover, the policyholder has the right to immediately cancel the unemployment cover. If the policyholder fails to do so, he or she shall not have the right, at a later date, to demand the return of the insurance premiums for the time period during which he or she failed to meet the requirements applicable to a policyholder.

### 4. TERM OF VALIDITY OF INSURANCE COVER

4.1. The unemployment cover shall enter into force simultaneously with the insurance contract, but not until the lender has issued the first instalment of the loan to the policyholder.

4.2. A waiting period of 60 (sixty) days shall apply to the unemployment cover.

4.3. The unemployment cover remains effective for one insured year. The unemployment cover shall be automatically renewed for a new insured year in keeping with the policy terms and conditions of SEB Loan Protection.

4.4. In addition to the bases set out in the policy terms of SEB Loan Protection, the unemployment cover shall also terminate before the prescribed time in any of the cases listed below:

- 4.4.1. upon termination of the insurance contract for SEB Loan Protection or upon withdrawal from the insurance contract;
- 4.4.2. upon cancellation of the unemployment cover by the insurer or by the policyholder;
- 4.4.3. upon the death of the policyholder.

## **5. CLAIM FOR INSURANCE BENEFIT AND SUPPORTING DOCUMENTS**

5.1. The policyholder is required to notify PZU Kindlustus of the occurrence of an insured event at the first opportunity, but not later than within six months of the occurrence of the insured event.

5.2. For the purposes of notification of an insured event, the following documents shall be produced:

- 5.2.1. a properly filled out application for insurance benefit, including the authorisation by the policyholder of PZU Kindlustus to make enquiries and the consent to the processing of the personal data of the policyholder;
  - 5.2.2. a document establishing the termination of the employment contract, contract under the law of obligations or civil service, which also indicates the reasons underlying the termination of the employment relationship;
  - 5.2.3. a resolution of the Estonian Unemployment Insurance Fund regarding the registration of the policyholder as unemployed;
  - 5.2.4. a document which establishes the entitlement to or receipt of the state unemployment benefit.
- 5.3. The policyholder is required to submit to PZU Kindlustus, after the occurrence of an insured event, certification establishing registration as unemployed from the Estonian Unemployment Insurance Fund on a monthly basis.
- 5.4. Should the policyholder's entitlement to the unemployment benefit terminate, the policyholder is required to submit certification from the Estonian Unemployment Insurance Fund regarding the continuation of his or her registration as unemployed under the ESSA.
- 5.5. The policyholder shall submit to PZU Kindlustus the originals or copies of the documents specified in these Special Terms and Conditions, which are certified either by the authority which issued the document or the person who signed same.
- 5.6. The policyholder shall bear all the costs related to the documents regarding the claim for insurance benefit and their submission.

5.7. The policyholder is entitled to the insurance benefit, provided that the requirements set out in clause 2.6 of these Special Terms and Conditions are met.

5.8. The policyholder is required to give to PZU Kindlustus prompt notification of any circumstances which preclude the policyholder's right to receive insurance benefit under these Special Terms and Conditions.

5.9. In determining the scope of liability and amount of insurance benefit, PZU Kindlustus relies on the documents and information specified in these Special Terms and Conditions. If the documents specified in these Special Terms and Conditions are insufficient to determine the indemnification liability of PZU Kindlustus or the scope thereof, PZU Kindlustus has the right to demand from the policyholder additional documents or contact the person who employed the policyholder, the Estonian Unemployment Insurance Fund or other persons or authorities in order to obtain such additional information.

## **6. AMOUNT OF INSURANCE BENEFIT. DISBURSEMENT OF INSURANCE BENEFIT**

6.1. For the purposes of the unemployment cover, the amount of insurance benefit is equal to the amount of insurance premium indicated in the insurance policy. The calculation of the amount of insurance benefit is based on the loan repayment from the month preceding the occurrence of the insured event. In calculating the amount of insurance benefit, the insurance rate agreed in the insurance contract shall also be taken into account.

6.2. During the entire period of the payment of insurance benefit, the calculation of insurance benefit shall employ the loan repayment from the month preceding the insured event, except in the following cases:

6.2.1. if a period of grace is applied to the loan contract in the month preceding the insured event, the calculation of insurance benefit shall employ the loan repayment from the month preceding the period of grace;

6.2.2. if the insurance contract for SEB Loan Protection is concluded during a grace period and a grace period has been applied during the period from the conclusion of the insurance contract for SEB Loan Protection until the month (inclusive) preceding the occurrence of the insured event, insurance benefit shall be calculated on the basis of the loan repayment from the month preceding the occurrence of the insured event, less the repayment of the loan principal.

6.3. Insurance benefit shall be calculated for each day by multiplying the loan repayment set out in clause 6.2 with the rate of insurance and by dividing the result with the number of days between two loan repayments.

6.4. Upon the occurrence of an insured event, the insurer shall pay to the policyholder insurance benefit for each month after the end of the deductible period.

6.5. The maximum insurance benefit per insured event shall be no more than EUR 1500 (one thousand five hundred) per month.

6.6. Insurance benefit shall be paid for a maximum of 12 months per one insurance event. Insurance benefit shall be paid for a maximum of 24 months over the course of five years of insurance for all insured events taken together that occur during that period. The five-year period shall commence on the date of the conclusion of an insurance contract for SEB Loan Protection.

6.7. Each subsequent undesired loss of employment during the validity of the insurance cover, preceded by at least 180 days of uninterrupted working, shall be treated as a new insured event where the liability of PZU Kindlustus commences and the policyholder becomes entitled to insurance benefit each time after the deductible period has expired.

6.8. If, during the validity of the insurance cover, less than 180 days have been worked before undesired loss of employment, the first undesired loss of employment and the subsequent loss of employment shall be treated as one insured event and continued claim. PZU Kindlustus has no obligation to pay insurance benefit for any period when the policyholder was working.

6.9. If the insured event was undesired loss of employment due to premature termination of a fixed-term contract, insurance benefit shall be paid as long as the fixed-term contract would have been in force in view of its term, but not for longer than 12 months.

6.10. PZU Kindlustus is obliged to start paying the insurance benefit at the latest after 30 days have passed from the receipt of the documents and information needed to determine the indemnification liability but not earlier than 30 days after the expiry of the deductible period.

The policyholder is obliged to produce evidence of the continuation of his or her unemployed status after every 30 days, and present certification of his or her unemployment from the Estonian Unemployment Insurance Fund. After the expiry of state unemployment benefits, the policyholder shall be entitled to insurance benefit only provided that he or she continues to be registered as unemployed.

6.11. If the policyholder does not submit the special documents and/or information specified in these Terms and Conditions or does not consent to the disclosure of his or her personal data related to the claim for insurance benefit to PZU Kindlustus and to their processing by PZU Kindlustus, the latter may suspend its decision on the payment of insurance benefit until the policyholder performs the obligations and/or gives consent, if the performance of the obligations and/or the giving of consent obstructs the making of a decision on the payment of insurance benefit. If the information is insufficient solely for the determination of the amount of insurance benefit, that portion of the insurance benefit regarding which there is no dispute shall be paid on the deadline set out in clause 6.10 of these Special Terms and Conditions. If the policyholder fails to produce the necessary documents and/or information requested by PZU Kindlustus within 12 months from the signing of the application for insurance benefit, PZU Kindlustus may refuse to pay the insurance benefit and terminate the claim procedure.

6.12. PZU Kindlustus is required to notify the policyholder of the refusal to pay the insurance benefit in full or in part, in a format which can be reproduced in writing, explaining the facts and legal basis underlying such decision.

## **7. EXCLUSIONS. RELEASE OF PZU KINDLUSTUS FROM THE OBLIGATION TO PAY INSURANCE BENEFIT**

7.1. The sum insured shall not be disbursed in the event of an insured event if

7.1.1. the policyholder had been informed orally or in writing or in some other form about the termination of the employment relationship at any moment before the signing of the insurance contract (cover) or if there was reason to believe that the policyholder would become unemployed;

7.2.2. the employment relationship of the policyholder terminated during the probationary period;

7.1.3. loss of employment was caused by the termination of the employment relationship by mutual agreement of the parties or

upon the initiative of the policyholder (except if the employer was in breach of requirements established by law, which gave the policyholder a basis to terminate the employment relationship) or, in the case of a fixed-term contract, by the expiry of the term of the contract;

7.1.4. the policyholder did not work without interruption for a period of at least six months and for at least 30 hours a week immediately before the occurrence of the insured event;

7.1.5. the employer of the policyholder was the issue or forebear of the policyholder up to the second generation, incl. direct blood relative or relative by marriage, or the policyholder was a partner (shareholder) in the company of his or her employer, or a member in the management or control body who had the right to influence the decision to terminate the contract;

7.1.6. the policyholder is a self-employed person;

7.1.7. the policyholder is of a pensionable age set out in section 7 of the SPIA or an early retirement pension applies to the policyholder under section 9 of the SPIA.

7.2. Insurance benefit shall not be paid to a policyholder whose undesired loss of employment was caused by reasons arising from the person of the policyholder, including if the insured event was caused by an intentional act of the policyholder or if the policyholder contributed to the occurrence or scope of the insured event due to his or her gross negligence.

7.3. If the policyholder gives untrue or insufficient information upon the signing or during the validity of the insurance contract, and does so either intentionally or due to gross negligence, or does not disclose material circumstances in connection with his or her employment relationship, and if such circumstances increase the likelihood of an insured event, the insurance cover is null and void and PZU Kindlustus has no obligation to pay the insurance benefit in case of an insured event.

## **8. MISCELLANEOUS**

PZU Kindlustus has the right to record the telephone calls related to the performance of the insurance contract.