Policy conditions for growth portfolio for pension

Supplementary funded pension contract
Life insurance with an investment risk

Effective as from 1 June 2009

1 GENERAL

The present policy conditions for Growth Portfolio for Pension shall only be valid together with the general conditions of SEB Elu- ja pensionikindlustus (hereinafter: insurer). In case of discrepancies between the general conditions and the policy conditions for the Growth Portfolio for Pension, the policy conditions for the Growth Portfolio for Pension shall prevail.

2 POLICYHOLDER

The policyholder shall be a natural person who has active legal capacity and capacity to exercise will and concludes an insurance contract with the insurer.

3 INSURED PERSON

The insured person shall be the policyholder.

4 INSURED EVENT

The insured event shall be the death of the insured person during the effective term of the insurance contract.

5 STRUCTURE OF INVESTMENTS

Structure of investments shall be the distribution of investments in percentages, selected by the policyholder, between the securities offered by the insurer.
The list of the securities offered shall be established by the effective procedure for the performance of transactions.

6 INVESTMENT PORTFOLIO OF THE INSURANCE CONTRACT

6.1 The investment portfolio of an insurance contract shall consist of the quantities of securities calculated for the insurance contract.
6.2 Securities shall be the underlying assets of the insurance contract and by entry into the insurance contract, the policyholder shall not acquire the respective securities.
6.3 Upon entry into an insurance contract, the insurer shall determine the investment profile of the policyholder based on the data presented in clause 23.1 of these terms and conditions and shall notify the policyholder thereof.

7 INVESTMENT RESERVE

Investment reserve on a particular date shall be the monetary value of the investment portfolio of the insurance contract.

8 PROCEEDS FROM THE SALE OF INVESTMENTS

The proceeds from the sale of investments on a particular date shall be the amount obtained from the sale of the investment portfolio of the insurance contract according to the effective procedure for the performance of transactions.

9 FIRST DATE OF DISBURSEMENTS

The first date of disbursements shall be the due date established by the policyholder, starting from which the insurer shall allow to make disbursements from the investment reserve in the form of lifelong instalments (pension) in equal or increasing amounts not less than once every three months.
The first date of disbursements may not be earlier than the date when the policyholder turns 55; also, it may not be earlier than 5 years starting from the date the insurance contract was entered into, except in case of full and permanent incapacity for work of the policyholder.

10 SUM INSURED

The sum insured shall be 102% of the proceeds from the sale of investments.

11 INSURANCE PREMIUMS

11.1 The insurance premium shall be a payment made by the policyholder to the current account of the insurer at a time and in an amount suitable for the policyholder, indicating the reference number of the insurance contract in the payment order.
11.2 The first insurance premium shall be paid not later than within 14 days from the issue of the policy.
11.3 The entry and management fees shall be withheld from the insurance premium received in accordance with the effective price list. The remaining amount shall be calculated into quantities of securities according to the structure of investments and added to the investment portfolio of the insurance contract according to the procedure for the performance of transactions.

12 DISBURSEMENT OF THE PROCEEDS FROM THE SALE OF INVESTMENTS IN INSTALMENTS

12.1 The policyholder may choose to receive the proceeds from the sale of investments either in the form of life annuity (pension) or as instalments during an agreed period.
12.2 To make the disbursements, an annex shall be concluded to the insurance contract, indicating the amounts and frequency of disbursements.

13 PARTIAL DISBURSEMENT

13.1 During the validity of the contract, the policyholder shall have the right to a partial disbursement.
13.2 For the reception of a partial disbursement, the policyholder shall submit an application in which he determines the quantities of securities to be reduced in the investment portfolio of the insurance contract.
13.2 The amount of the partial disbursement shall be the value of the quantities of securities to be reduced, calculated according to the procedure for the performance of transactions after the deduction of the disbursement fee according to the effective price list.

14 EXCHANGE OF SECURITIES

14.1 The policyholder shall have the right to exchange the securities that belong to the investment portfolio of his/her insurance contract.
14.2 In order to exchange securities, the policyholder shall submit an application in which he/she shall indicate the name and quantity of the security in the investment portfolio of the insurance contract (hereinafter: security to be changed), and the security from among the securities offered by the insurer, with which he/she wishes to replace it (hereinafter: replacement security).
14.3 The investment portfolio of the insurance contract shall be reduced by the quantity of the security to be exchanged.

14.4 The quantity of the replacement security shall be calculated and the increase of the investment portfolio of the insurance contract by that quantity shall be performed according to the effective procedure for the performance of transactions.
14.5 The service fee for the transaction of exchanging securities shall be charged according to the effective price list.
14.6 If in the course of exchanging securities, the structure of investments or a specific replacement security chosen by the policyholder does not comply with the investment portfolio priorly determined by the policyholder, the insurer shall notify the policyholder thereof.
14.7 The insurer shall not be liable for any losses that may be caused to the policyholder as a result of the changes made by the policyholder at his/her own initiative in the structure of investments or by choosing a replacement security in contravention of the investment profile of the policyholder.

15 DIVIDENDS AND INTERESTS ON SECURITIES

If dividends or interest are paid on securities that belong to the investment portfolio of the insurance contract, the quantities of the respective securities shall be increased in the investment portfolio to the extent of these amounts according to the procedure for the performance of transactions.

16 FEES REDUCING THE INVESTMENT PORTFOLIO OF THE INSURANCE CONTRACT

16.1 The insurer shall charge the following fees by which the investment portfolio of the insurance contract shall be reduced:
16.1.1 monthly risk fees for life insurance cover and supplementary insurances. The rules for calculating the fees for life insurance cover shall be established in the effective price list, and the monthly risk fees for supplementary insurances shall be established in the policy;
16.1.2 monthly management fee for the management of the investment portfolio of the insurance contract according to the effective price list;
16.1.3 service fee for changing the amount of life insurance, supplementary insurances or beneficiaries according to the effective price list;
16.1.4 service fee for the issue of written information on the status of the investment portfolio of the insurance contract.
16.2 The fees shall be distributed between the securities of the investment portfolio of the insurance contract according to the share of the particular security in the investment reserve and shall be recalculated into quantities of the respective securities according to the effective procedure for the performance of transactions. The investment portfolio of the insurance contract shall be reduced by the quantities calculated.
16.3 If the investment portfolio of the insurance contract is not sufficient for the deduction of fees, the investment portfolio shall be reduced to zero. Any management and service fees not deducted shall be recorded as receivables from the contract and shall be covered from the next insurance premium.
16.4 If the investment portfolio of the insurance contract is not sufficient for the deduction of the additional insurance premiums, a notice shall be sent to the policyholder with a deadline for eliminating the debt. If the debt has not been eliminated by the deadline indicated in the notice, supplementary insurances shall be suspended.

17 INFORMATION ON THE INVESTMENT PORTFOLIO OF THE INSURANCE CONTRACT

The insurer shall provide free information to the policyholder on the insurance premiums paid, the amount of the investment reserve and the investment portfolio of the insurance contract once a year.

18 SURRENDER VALUE

18.1 The surrender value is an amount that shall be paid to the policyholder or to the beneficiary if the insurance contract expires due to withdrawal or cancellation or if the insurer is relieved of the obligation to disburse the sum insured after the occurrence of an insured event or in other cases specified in the law. The surrender value shall be calculated by the deduction of the disbursement fee from the proceeds from the sale of investments according to the effective price list.
18.2 The insurer shall be obliged to make the disbursement within 30 days at the latest from the beginning of the obligation of disbursement.

19 EXCLUSIONS

19.1 The sum insured shall not be disbursed by the insurer upon the occurrence of an insured event if:
19.0.1 the insurer withdrew from the insurance contract as a result of the violation by policyholder of the notification obligation;
19.0.2 the insured person died as a consequence of alcoholic, narcotic, toxic or other substances consumed for the purpose of reaching a state of intoxication or in circumstances caused by alcoholic, narcotic, toxic or other substances consumed for the purpose of reaching the state of intoxication;
19.0.3 the policyholder died as a result of a nuclear disaster or conscious use of radioactive substances;
19.0.4 the insured person died as a result of an accident caused by him while driving a vehicle in a state of intoxication or without a right to drive;
19.0.5 the insured person died as a result of an accident caused by a driver whose state of intoxication or absence of the right to drive was known to the insured person;
19.0.6 the insured person died as the result of suicide within two years from the coming into effect of the insurance contract or from an increase of the sum insured;
19.0.7 the insured person died as a result of military actions, act of an external enemy, civil war, mutiny, revolution or participation in mass disturbances;
19.0.8 the insured person died as a consequence of his or her intentional unlawful act;
19.2 If a beneficiary caused the death of the insured person with an intentional unlawful act, the beneficiary shall be deemed to not have been designated.
19.3 In case of the circumstances provided in clause 19.1, the insurer shall pay to the beneficiary the surrender value according to the conditions specified in clause 18.

20 SUPPLEMENTARY INSURANCE

20.1 It shall be possible to conclude different types of supplementary insurance with an agreement between the insurer and the policyholder in addition to life insurance with investment risk (basic insurance).
20.2 Conclusion of supplementary insurance shall be stated in the insurance policy and in the application.

21 CHANGES IN THE PRICE LIST AND PROCEDURE FOR THE PERFORMANCE OF TRANSACTIONS

21.1 The insurer can unilaterally change the price list attached to these standard terms and conditions and the procedure for the performance of transactions by notifying the policyholder at least 1 month in advance of coming into effect of the change.
21.2 The insurer shall have the right to change the list of the securities contained in the procedure for the performance of transactions without following the deadline provided in clause 21.1.
21.3 The policyholder can terminate the contract immediately if he/she does not agree to the changes.

22 TAXATION

According to the Income Tax Act, income tax shall be reimbursed for the contributions made under the contract and withheld from the disbursed amounts paid under the contract.

23 SPECIAL OBLIGATIONS OF POLICYHOLDER

23.1 Upon entry into the insurance contract, the policyholder shall be obliged to provide information to the insurer about his/her investment-related knowledge and experience, financial capability, risk tolerance and investment goals as well as any other information that the insurer requires for the performance of the obligations arising from these terms and conditions and from legislation.
23.2 The policyholder shall immediately notify the insurer of any changes in the information provided by the policyholder to the insurer, including information that may affect:
23.2.1 the treatment of the policyholder as a regular client or an experienced client;
23.2.2 the suitability of the structure of investments chosen by the policyholder and the securities that are the underlying assets for the policyholder.
23.3. The policyholder is aware that by presenting incorrect or insufficient information or not presenting information to the insurer, also, by failing to notify the insurer of any changes in the information provided, the insurer cannot adequately evaluate whether the structure of investments and its underlying assets chosen by the policyholder are suitable for the policyholder.

24 INVESTMENT RISKS

24.1 Any investment activity is accompanied by risks or the risk of loss, also the risk of not achieving the planned investment result. The value of the investment made by the policyholder may increase or decrease, and when the underlying assets related to the investment are transferred, the investor may not recover the amount initially invested. Preservation of the value of the invested amount is not guaranteed and a return on the related securities in earlier periods or current history of activities constitutes neither a promise nor an indication of the achievement of objectives for the rate of return on, or the activity of, future periods. Investment-related risks need to be assessed before making an investment decision and also on a regular basis during the whole of the investment period.
Based on the above, the rate of return or preservation of the value of the investment portfolio of the insurance contract is not guaranteed, either. The value of the investment portfolio of the insurance contract depends on the changes in the value of the underlying assets. The policyholder shall bear the risk for the changes in the underlying assets.
24.2 The general information related to the financial instruments that are the underlying assets of the investment portfolio of the insurance contract, including an overview of the risks related to investing and securities is provided in the document “General information on securities and related risks” (available at www.seb.ee/investorkaitse or on paper from offices selling the insurance or from the adviser).