

# JUNIOR GROWTH PORTFOLIO INSURANCE TERMS AND CONDITIONS

## UNIT-LINKED LIFE INSURANCE

Applicable as from 01.06.2009

### 1 GENERAL

These Junior Growth Portfolio insurance terms and conditions shall only be valid together with the general terms and conditions of SEB Elu- ja Pensionikindlustus (SEB Life and Pension Insurance) (hereinafter the insurer). The Junior Growth Portfolio insurance terms and conditions shall prevail in the case of a discrepancy between the provisions of the general terms and conditions and the Junior Growth Portfolio insurance terms and conditions.

### 2 INSURED PERSON

The insured person is the child in respect to whom the insurance contract has been concluded.

### 3 REPRESENTATIVE OF POLICYHOLDER

The representative of the policyholder is the natural person specified in the contract, who has the right, after the death of the policyholder until the transfer of the rights and obligations of the policyholder to the insured person, to change the investment structure or the investment portfolio of the insurance contract, unless otherwise provided for in the contract.

### 4 TRANSFER OF RIGHTS AND OBLIGATIONS OF POLICYHOLDER TO INSURED PERSON

Upon entering into the insurance contract, the policyholder shall determine the date on which the rights and obligations of the policyholder will transfer to the insured person. The age of the insured person on the day of transfer of the rights and obligations shall be between 18–25 years. As of the aforementioned date the policyholder and the insured person will be one and the same person.

### 5 INSURED EVENT

- 5.1 Before the day of transfer of the rights and obligations of the policyholder, the insured event shall be the death of the policyholder during the term of the insurance contract.
- 5.2 Following the day of transfer of the rights and obligations of the policyholder, the insured event shall be the death of the insured person.

### 6 INVESTMENT STRUCTURE

- 6.1 Investment structure shall be the percentage division determined by the policyholder between the securities offered by the insurer.
- 6.2 The policyholder shall have the right to grant the insured person fixed-term authorisation to change the investment structure. This authorisation shall terminate on the date of expiry thereof or upon the death of the policyholder.
- 6.3 The list of securities being offered shall be established in the applicable procedure for the conduct of transactions.

### 7 INVESTMENT PORTFOLIO OF INSURANCE CONTRACT

- 7.1 The investment portfolio of the insurance contract shall be the quantities of securities calculated for the insurance contract.
- 7.2 Securities shall be the underlying assets of the insurance contract and by entering into the insurance contract the policyholder shall not acquire the respective securities.
- 7.3 Upon entering into the insurance contract, the insurer shall determine, in accordance with the data presented in clause 25.1 of

these terms and conditions, the investment profile of the policyholder and notify the policyholder thereof.

### 8 INVESTMENT RESERVE

The investment reserve on the given date is the monetary value of the investment portfolio of the insurance contract.

### 9 REALISATION AMOUNT OF INVESTMENTS

The realisation amount of investments on the given date is the amount to be received from the realisation of the investment portfolio of the insurance contract in accordance with the applicable procedure for the conduct of transactions.

### 10 SUM INSURED

After the transfer of the rights and obligations of the policyholder in the case of the death of the insured person, the sum insured shall be 102% of the realisation amount of the investments.

### 11 INSURANCE PREMIUMS

- 11.1 Insurance premium is the amount paid by the policyholder at the time and in the amount suitable to the policyholder into the current account determined by the insurer. The reference number of the insurance contract must be indicated on the payment order.
- 11.2 Insurance premiums shall be paid at the expense of the policyholder.
- 11.3 The first insurance premium shall be paid within 14 days of the issuing of the policy.
- 11.4 Management and contract fees shall be deducted from the received insurance premium in accordance with the applicable price list. The remaining amount shall be divided in accordance with the investment structure into quantities of securities and shall be added to the investment portfolio of the insurance contract in accordance with the procedure for the conduct of transactions.

### 12 CONTINUATION OF PAYMENT OF INSURANCE PREMIUMS UPON DEATH OF POLICYHOLDER

- 12.1 Upon entering into the contract, the policyholder shall choose whether he/she wishes the insurer to continue insurance premiums upon his/her death.
- 12.2 Upon choosing cover for the continuation of insurance premiums, the insurer shall pay the agreed premiums until the day of transfer of the rights and obligations of the policyholder.
- 12.3 Upon choosing cover for the continuation of insurance premiums, the policyholder shall determine the frequency with which the premiums to be continued shall be paid and the amount of the premium.
- 12.4 The amount of the risk premium for cover for the continuation of insurance premiums is specified in the price list and shall be deducted from the contract reserve.

### 13 PARTIAL PAYMENT

- 13.1 The policyholder shall have the right to receive partial payments during the term of the contract.
- 13.2 To make a partial payment, the policyholder shall submit an application with which he/she determines the reduced quantities of securities in the investment portfolio of the insurance contract.
- 13.3 The amount of the partial payment shall be the value of the reduced quantities of securities calculated in accordance with the

procedure for the conduct of transactions minus the payment fee in accordance with the applicable price list.

#### **14 EXCHANGE OF SECURITIES**

14.1 The policyholder shall have the right to exchange securities in the investment portfolio of the insurance contract.

14.2 To exchange securities, the policyholder shall submit an application in which he/she shall specify the name and quantity of the security in the investment portfolio of the insurance contract (hereinafter: convertible security) and the security from among the securities offered by the insurer against which the convertible security is to be exchanged (hereinafter: converted security).

14.3 The investment portfolio of the insurance contract shall be reduced by the quantity of the convertible security.

14.4 The calculation of the quantity of the converted security and increase of the investment portfolio of the insurance contract by this quantity shall take place in accordance with the applicable procedure for the conduct of transactions.

14.5 Service fee shall be charged for security exchange transactions in accordance with the applicable price list.

14.6 If, during the exchange of securities, the investment structure or a specific converted security chosen by the policyholder comes into conflict with the policyholder's investment profile as determined previously, the insurer shall notify the policyholder thereof.

14.7 The insurer shall not be liable for any damage that the policyholder incurs as a result of changing the investment structure or choosing a converted security in conflict with his/her investment profile on his/her own initiative.

#### **15 DIVIDENDS AND INTEREST ON SECURITIES**

If dividends or interest are paid on securities included in the investment portfolio of the insurance contract, the quantities of the respective securities in the investment portfolio shall be increased within the amounts thereof under the terms and conditions specified in the procedure for the conduct of transactions.

#### **16 FEES REDUCING INVESTMENT PORTFOLIO OF 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 premiums for life insurance cover, cover for continuation of insurance premiums and for additional insurance policies. The rules of calculation of fees chargeable for life insurance cover and cover for continuation of insurance premiums are set out in the applicable price list, while the monthly risk premiums for additional insurance policies are fixed in the policy;

16.1.2 monthly management fee for management of the investment portfolio of the insurance contract in accordance with the applicable price list;

16.1.3 service fee to change the sum of life insurance, additional insurance policies or beneficiaries in accordance with the applicable price list;

16.1.4 service fee to issue written information about the status of the investment portfolio of the insurance contract.

16.2 The fees shall be divided between the securities in the investment portfolio of the insurance contract in accordance with the proportion of the security in the investment reserve and shall be calculated into quantities of securities in accordance with the terms and conditions specified in the applicable procedure for the conduct 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 to deduct the fees, the investment portfolio shall be reduced to zero. The management and service fees that have not been deducted shall be deemed to be contract arrears and shall be covered from the following insurance premium.

16.4 If the investment portfolio of the insurance contract is not sufficient to deduct risk premiums of additional insurance policies, the policyholder shall be sent a notice which specifies a term for the payment of the arrears. If the arrears have not been paid by the

term specified in the notice, additional insurance policies and cover for continuation of insurance premiums shall discontinue.

#### **17 INFORMATION ABOUT INSURANCE CONTRACT**

17.1 Once a year, the insurer shall present to the policyholder free information about the insurance premiums paid, insurance covers, size of the investment reserve and the investment portfolio of the insurance contract. The policyholder shall notify the insurer of any errors in an extract from the insurance contract or of his/her disagreement with the data specified in the extract.

17.2. The insurer shall send notices to the policyholder to his/her last known postal address or to the client's mailbox in U-Net. If the policyholder has changed his/her postal address without notifying the insurer thereof, the notices shall be deemed received at the time when they would have reached the policyholder in case of usual delivery.

#### **18 DEATH OF POLICYHOLDER BEFORE DAY OF TRANSFER OF RIGHTS AND OBLIGATIONS**

18.1 Upon the death of the policyholder, the insurance contract shall remain in effect. The insurer shall continue payment of insurance premiums in the amount provided for upon entering into the contract until the date determined in the contract, if so provided for in the contract.

18.2 The insurer shall not be obliged to discharge the obligation specified in clause 18.1 if the death of the policyholder is caused by circumstances listed in clause 21.

18.3 The insured person or his/her legal representative shall notify the insurer of the death of the policyholder in writing within two months of the date of death and submit the following documents:

- the insurance policy
- a death certificate or a notarised copy thereof
- an identity document
- an extract of the medical records of the policyholder if the policyholder died as a result of an illness
- a police ruling about the reasons and circumstances of the death if the policyholder died as a result of an accident or violence.

18.4 Upon entering into the contract or on the basis of any later application, the policyholder shall determine the investment structure as regards the investment of the sum insured and the insurance premiums being continued upon the death of the policyholder:

- to invest the sum insured and continue premiums on the basis of the most recent investment structure agreed on.
- to invest the sum insured and continue premiums on the basis of the investment structure of the lowest risk level.
- to invest the sum insured and continue premiums on the basis of the investment structure determined by the representative of the policyholder.

#### **19 DEATH OF INSURED PERSON BEFORE TRANSFER OF RIGHTS AND OBLIGATIONS OF POLICYHOLDER**

19.1 Upon the death of the insured person, the insurer shall return to the policyholder the realisation value of the investments and the insurance contract shall expire.

19.2 Upon the simultaneous death of the insured person and the policyholder, the sum insured shall be returned to the successors of the policyholder.

19.3 The policyholder shall notify the insurer of the death of the insured person in writing within two months of the date of death and submit the following documents:

- the insurance policy;
- an application form requesting the sum insured to be paid out;
- an attested copy of the death certificate (or the original); and
- an identity document.

#### **20 SURRENDER VALUE**

20.1 Surrender value is the amount that is paid out to the policyholder or the beneficiary in cases where the insurance contract is terminated by withdrawal or cancellation or if following

the insured event the insurer is released from its liability to pay the sum insured or in any other cases provided for in law. To calculate the surrender value, the payment fee shall be deducted from the realisation amount of the investments in accordance with the applicable price list.

20.2 The insurer shall make the payment within 30 days of the creation of the payment obligation.

## **21 EXCLUSIONS**

21.1 The sum of life insurance shall not be subject to payment by the insurer in the case of an insured event and the insurer shall not be obliged to continue the payment of insurance premiums if:

21.1.1 the insurer has withdrawn from the insurance contract due to a violation of the notification obligation by the policyholder;

21.1.2 the policyholder or the insured person died as a result of substances consumed to achieve a state of alcoholic, narcotic, toxic or other intoxication or due to circumstances caused by substances consumed to achieve a state of alcoholic, narcotic, toxic or other intoxication;

21.1.4 the policyholder or the insured person died as a result of a nuclear disaster or deliberate use of radioactive materials;

21.1.5 the policyholder or the insured person died as a result of an accident he/she caused when driving a vehicle in a state of intoxication or without the right to drive;

21.1.6 the policyholder or the insured person died as a result of an accident caused by a driver whose state of intoxication or whose lack of right to drive was known to the insured person;

21.1.7 the policyholder or the insured person died as a result of suicide within two years of the entry into force of the insurance contract or the increase of the sum insured;

21.1.8 the policyholder or the insured person died as a result of taking part in military activities, an act of an external enemy, civil war, riot, revolution or mass unrest;

21.1.9 the policyholder or the insured person died as a result of an unlawful act intentionally committed by the insured person;

21.1.10 If the beneficiary caused the death of the insured person through an intentional unlawful act, it shall be deemed that the beneficiary was not named.

21.2 In the circumstances specified in clause 21.1 the insurer shall pay the beneficiary the surrender value.

21.3 In the circumstances specified in clause 21.1 the sum insured shall not be added to the reserve and the insurance premiums shall not be continued, but the insurance contract shall remain in effect.

## **22 ADDITIONAL INSURANCE POLICIES**

22.1 Additional insurance policies may be entered into in addition to the unit-linked life insurance (main insurance) by agreement between the insurer and the policyholder.

22.2 The entry into additional insurance is set out in the insurance policy and in the application.

## **23 AMENDMENT OF PRICE LIST AND PROCEDURE FOR CONDUCT OF TRANSACTIONS**

23.1 The insurer may unilaterally amend the price list and the procedure for the conduct of transactions forming an annex to these standard terms and conditions by notifying the policyholder thereof in accordance with the procedure provided for in the general terms and conditions not later than one month before the amendment takes effect.

23.2 The insurer shall have the right to amend the list of securities included in the procedure for the conduct of transactions without adhering to the term specified in clause 23.1.

23.3 Upon disagreement with the amendments, the policyholder shall have the right to immediately terminate the contract.

## **24 TAXATION**

Income tax shall be withheld on the amounts paid out under the contract in accordance with the Income Tax Act.

## **25 SPECIAL OBLIGATIONS OF POLICYHOLDER**

25.1 Upon entry into the insurance contract, the policyholder shall submit to the insurer information about his/her investment knowledge and experience, his/her financial performance, risk tolerance and investment objectives and any other information required by the insurer for the performance of the obligations arising from these terms and conditions and from legislation.

25.2 The policyholder shall immediately notify the insurer of any changes in the information submitted by the policyholder to the insurer, including in information which may affect:

25.2.1 whether the policyholder is regarded as a retail client or a professional client;

25.2.2 the suitability to the policyholder of the investment structure chosen by the policyholder and the securities being the underlying assets.

25.3. The policyholder is aware that upon submission of incorrect or insufficient information or upon failure to submit information or upon failure to notify of changes in the submitted information the insurer will be unable to adequately assess whether the investment structure chosen by the policyholder and the securities forming the underlying assets are suitable for the policyholder.

## **26 INVESTMENT RISKS**

26.1 Any investment activity involves risks, i.e. the risk of suffering losses as well as the risk of failing to achieve the planned investment result. The value of an investment made by the policyholder may increase as well as decrease and the investor may not recover their initially invested amount upon transfer of the underlying assets related to the investment. The preservation of the value of the amount of money invested is not guaranteed and the rate of return of the related securities in earlier periods and the history of the related securities do not constitute a promise or indication in regard to their rate of return or the achievement of their objectives in future periods. Investment risks must be assessed before making an investment decision as well as regularly thereafter during the entire investment period. Arising from the aforementioned, the rate of return or the 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 change in the value of the underlying assets. The risk of change in the value of the underlying assets shall be borne by the policyholder.

26.2 General information related to financial instruments forming the underlying assets of the investment portfolio of the insurance contract, incl. an overview of the risks related to investment and securities, is presented in the document "General information about securities and risks related thereto" (available on the website [www.seb.ee/investorkaitse](http://www.seb.ee/investorkaitse) or on paper in the points of sale of insurance or from advisers).