Growth Portfolio for Pension Terms and conditions

Life insurance with investment risk Supplementary funded pension contract

Valid from 01.01.2021

Here you will find an overview of the terms and definitions of the Growth Portfolio for Pension insurance contract. Please take the time to read through them. If you have any questions, please do not hesitate to contact our customer support on 665 8020 or visit a SEB branch.

Definitions

Accumulated reserve is monetary value of underlying assets.

Growth Portfolio for Pension (hereinafter the Agreement) is a funded pension life insurance agreement with an investment risk that allows saving for pension through fund investments. Income tax incentives apply to the contributions and disbursements made under the agreement if the agreement is valid for at least 5 years and the policyholder has reached retirement age by the expiry of the agreement.

Retirement age is 55 years in supplementary funded pension agreements concluded no later than 31 December 2020; in supplementary funded pension agreements concluded from 1 January 2021, it is the pensionable age provided in the State Pension Insurance Act minus five years. To apply a more favourable income tax rate in retirement age, the agreement must have been valid for at least 5 years regardless of the time of its conclusion.

Insured event is the death of the insured person during the contract term.

Policyholder is an 18-year old natural person who enters into an insurance contract with the insurer. The policyholder is also the insured person.

Sales amount is the amount received from the sale of underlying assets or a part of them.

Underlying assets are the securities and cash related to the contract. The owner of the underlying assets is the insurer.

Conclusion of contract and contributions

1. Contract is concluded without a term.
2. Upon conclusion of the contract, parties agree on the structure and amount of contributions, and payment method.
3. The policyholder determines the structure of contributions from the list of underlying assets offered by the insurer, and makes contributions.
4. The insurer buys securities based on the contribution structure determined by the policyholder. Insurer starts the purchase transaction on the next working day following the receipt of the contribution at the latest; however, not before 30 days have passed from the conclusion of the contract.

Changing underlying assets and disbursements

5. Based on a given order, the policyholder has the right at any time to:
   - change the contribution structure of the contract;
   - sell the securities in the underlying assets of the contract and buy new ones, i.e. exchange them;
   - take money out of the contract.
6. Insurer starts transactions specified in the policyholder's order on the next working day following the receipt of the order at the latest. With fund unit exchange sales transaction is done first and purchase transaction after that.

7. Disbursement from the contract is made on the value date based on order given by policyholder. On the value date, transaction-related settlements are performed, disbursement is made and service fee related to the transaction is calculated. If transaction includes sales of several securities, then settlements will be made on the latest value date.
8. The price of security purchased or sold is determined on the pricing day, specified in the list of underlying assets at seb.ee/eng/underlying-assets. Changes made are reflected in the underlying assets after the price has been determined.
9. The amount of securities in the underlying assets increases, in case dividends or interest are paid on the specific security.
10. Insurer keeps cash in underlying assets in its current account in case:
    - the client's order specifies cash as an underlying asset;
    - the fund in the underlying assets is liquidated.

Termination of the contract and related disbursements

11. The Contract is terminated:
    - upon withdrawal;
    - upon termination;
    - upon the death of insured person, based on the application of the beneficiary.
12. The contribution paid to the insurer is returned to the policyholder upon withdrawal from the contract within 30 days from its conclusion.
13. Upon termination of the contract, the policyholder is paid the redemption value, which is calculated by deducting the fee set out in the price list from the sales amount of the underlying assets.
14. Upon the death of the insured person, the insurer pays the beneficiary the sales amount . The sales transaction of securities is started based on the application of the beneficiary.

Contract related fees

15. Contract and transaction related fees include:
    - management fee;
    - fund unit exchange fee;
    - disbursement fee;
    - fees related to the underlying assets.
16. The amounts of fees related to the contract and the procedure of calculating these is set out in the price list, which can be found at https://www.seb.ee/files/hinnakirjad/kasvuportfell_hinnakiri_eng_2017.pdf, the fees related to the underlying assets at seb.ee/eng/underlying-assets.
17. To cover the management fee, the insurer sells securities in accordance to their proportion in the accumulated reserve. If the sales amount is insufficient for covering the management fee, the policyholder has to settle the debt by the specified date.

Changing the price list and the list of underlying assets

18. The insurer may unilaterally change:
    - the price list, notifying the policyholder at least one month before the change enters into force;
    - the list of underlying assets.
19. The policyholder can cancel the contract immediately if they do not agree to the changes.

Investment risk

20. The contract involves investment risk, which is borne by the policyholder. This means that the value of the underlying assets of the contract may both increase and decrease, and the preservation of contributions is not guaranteed.

Taxation

21. Income tax is refunded on the contributions made to the contract according to the Income Tax Act.
22. Income tax is withheld on the disbursements according to the Income Tax Act.
23. The calculation of the Policyholder's retirement age is based on the Funded Pensions Act.

Prohibition on encumbrance

24. Proprietary rights arising from the contract may not serve as a security or be encumbered in any other way.