

# SEB Loan Protection Insurance Terms and Conditions

Valid from 01.01.2017

Terms and conditions give you an overview about the principles of loan protection insurance and definitions used. 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

**Insurer** is AS SEB Elu- ja Pensionikindlustus (hereinafter SEB Elukindlustus) or the Estonian branch of UAB "Lietuvos draudimas" (hereinafter PZU Kindlustus), or both together.

**Insurance rate** is the percentage agreed in the insurance contract, which is used for calculating sum insured from loan balance or loan repayment.

**Policyholder** is an 18 to 55 year old natural person who has a loan contract with the lender in the official Estonian currency. The policyholder is also the insured person.

**Lender** is AS SEB Pank.

**Loan balance** is the sum disbursed under the loan contract and not yet repaid.

**Loan contract** is the consumer or mortgage loan contract connected to the insurance contract.

**Loan repayment** is the monthly payment of the loan principal amount and interest, agreed in loan contract.

**Loan repayment due date** is the date when monthly loan repayment is made.

**Deductible period** is time after insured event for which insurance benefit is not paid. The deductible period is specified in insurance cover terms and conditions.

**Waiting period** is time after insurance cover start date during which benefit is not paid out in case of insured event.

**The length of waiting period** is specified in insurance cover terms and conditions.

**Beneficiary** is the person appointed in the insurance contract who will receive the benefit upon an insured event. The beneficiary cannot be changed.

## General provisions

1. Policyholder can choose the following covers in SEB Loan Protection insurance:
  - life insurance;
  - severe health impairment;
  - temporary disability;
  - unemployment, cover offered by PZU Kindlustus.
2. With consumer loan, the insurance contract includes all the aforementioned insurance covers.

## Validity of insurance contract

3. Insurance contract commences on the date indicated in the policy but not before the loan is disbursed.
4. Insurance covers are valid for one year and are automatically extended for the next insurance year. Insurance cover is not extended if policyholder or insurer informs of a wish to terminate the cover in writing at least 30 days before the automatic extension.
5. Life insurance cover is valid until the end of the loan contract.

## Insurance premium

6. Insurer calculates the insurance premium based on the price list, proceeding from information provided by the insured person in the insurance contract and the amount of sum insured.
7. Policyholder pays the insurance premium on each loan repayment day.
8. Insurance premium is transferred to SEB Elukindlustus account in accordance with the warrant granted by the policyholder. SEB Elukindlustus pays for the transaction costs.
9. Information about the amount of the insurance premium can be obtained by contacting SEB Elukindlustus or via SEB Internet Bank.
10. Policyholder guarantees that on the loan repayment day sufficient amount of funds is available on the account specified in the warrant. If the amount is not sufficient, SEB Elukindlustus sends a reminder to the policyholder, giving a new deadline and outlining the consequences of debt.

## Sum insured and insurance rate

11. Calculation rules for the sum insured is specified in the insurance policy.
12. Sum insured for life insurance and severe health impairment is calculated as follows:
 
$$\text{sum insured} = \text{insurance rate} \times \text{loan balance}$$
13. Sum insured for temporary disability and unemployment is calculated as follows:
 
$$\text{sum insured} = \text{insurance rate} \times \text{loan repayment}$$
14. If policyholder increases mortgage loan amount and does not apply for increase of sum insured, the insurer reduces the insurance rate.
15. If the amount of consumer loan is increased, the sum insured increases automatically.

## Calculation and disbursement of benefit

16. Rules for calculating benefit are provided in insurance cover terms and conditions.
17. Policyholder has the right to receive benefit for one insurance cover at a time.
18. Benefit is paid to the beneficiary. Beneficiary for life insurance and severe health impairment cover is the lender. Beneficiary for temporary disability and unemployment cover is the insured.

## Expiry of insurance contract

19. The insurance contract expires:
  - when all loan contract obligations are fulfilled;
  - on the loan end-date;
  - when the policyholder is no longer a party to the loan contract;
  - if loan repayment frequency is changed;
  - in the event of withdrawal from or cancellation of the loan contract;
  - in the events described in the general terms and conditions;
  - upon the death of the insured;
  - upon the disbursement of severe health impairment sum insured;
  - upon termination of all insurance covers;
  - when policyholder turns 61;
  - if any insurance cover in contract connected to consumer loan is terminated;
  - if the policyholder wishes to amend or terminate the warrant issued for payment of life insurance premiums.