

Terms and conditions of insurance cover for involuntary unemployment SEB Loan Protection Insurance

Effective from 17.02.2020

The terms and conditions of insurance cover for involuntary unemployment offered by PZU are effective with the general terms and conditions of SEB Life and Pension Baltic SE Estonia branch and the insurance terms and conditions of SEB Loan Protection.

Definitions

Insurer means AB Lietuvos draudimas Estonia branch (hereinafter referred to as PZU Kindlustus).

Policyholder means a natural person aged 18 to 55, who has entered into a loan agreement in the official currency of Estonia with the Lender. The policyholder is also the Insured Person.

Insured Event means the unwanted involuntary unemployment by the Insured Person, i.e. the termination of the employment relationship by the employer due to economic reasons; an insured event is defined in greater detail in point 6.

Sum Insured means the multiple of the loan repayment and the insurance rate.

Excess Period means the time after the insured event for which indemnity is not paid. The Excess Period is 30 days as of the day the job was lost.

Waiting Time means the 60-day period as of the start of insurance cover; no indemnity is paid out if the employment relationship ends or its end becomes known during this period.

Insurance Cover for Involuntary unemployment means the obligation of PZU to pay out an indemnity to the insured person upon the occurrence of the insured event as set out in these terms and conditions. The insurance cover is specified in the policy.

Policyholder

1. The Policyholder of the Insurance Cover for Involuntary unemployment can be a person who:
 - has worked at least 30 hours a week for the last six (6) months without interruptions by the moment the insurance contract is entered into;
 - is not aware of the end of their employment relationship or the threat thereof;
 - has not reached retirement age or been granted an early old-age pension;
 - is not a sole proprietor;
 - does not work in a political position (e.g. member of a local government body, the Government of the Republic, the Riigikogu or the European Parliament) or in another position to which people are elected for a specified term;
 - is not a notary, judge, the Chancellor of Justice, the Auditor General, the Public Conciliator;
 - is not a member of the employer's supervisory board or management board or the head of the branch of a foreign company;
 - does not work in a company where a member of the supervisory board or management board is their relative who can influence the decision to terminate the contract. Relative means a parent, grandparent, sister, brother, child, spouse or partner.
2. If the policyholder no longer complies with the terms and conditions set out in the previous point during the term of the insurance cover, they must immediately notify the insurer about this and both the policyholder and the insurer have the right to cancel the insurance cover immediately. If the policyholder breaches the notification obligation, they will not have the right to demand refund of the insurance premiums paid for the unused insurance period.

Validity of insurance cover

3. The insurance cover starts on the date specified in the policy, but not before the date the loan is issued. The Waiting Time will be calculated as of the day the insurance cover starts.
4. Insurance cover will be valid for one year and extend automatically for the subsequent year. The insurance cover will not extend if the insurer or the policyholder gives notice of their request to terminate the insurance cover in a format that can be reproduced in writing at least 30 days before the automatic extension.
5. The insurance cover expires:
 - upon cancellation;
 - in the cases specified in the insurance terms and conditions of SEB Loan Protection.

Insured event

6. Insured Event means the unwanted involuntary unemployment by the Insured Person, i.e. the termination of the employment relationship by the employer due to economic reasons, incl. redundancy, the employer's bankruptcy, collective cancellation of employment contracts. Unwanted involuntary unemployment also means the termination of the employment relationship by the insured person due to a serious breach of an obligation arising from the employment contract by the employer.

A serious breach by the employer means undignified treatment of the employee or threatening with such treatment or permitting co-workers or third parties to treat the employee in this manner; significant delays in the payment of salary; continuation of work in the case of a real threat to the employee's life, health, morals or good name.

The involuntary unemployment is evidenced with the certificate of registration as unemployed issued by the Estonian Unemployment Insurance Fund.

The date of the Insured Event is the last day of the employment relationship of the insured person.

Exclusions

7. The Insurer will not pay out the indemnity in the following cases:
 - the employment relationship ends during the Waiting Time;
 - the employment relationship ends and the Insured Person had been informed about this orally or in writing before the insurance cover entered into force or during the Waiting Time;
 - the employment relationship ends during the probationary period;
 - the employment relationship ends by agreement or at the initiative of the insured person, unless the employer breached the law;
 - an employment contract made for a specified term expires;
 - the employment relationship ends and the Insured Person is not re-elected to a selected position;
 - the employment relationship ends with extraordinary cancellation by the employer due to reasons arising from the Insured Person, incl. the state of their health.
8. The end of the employment relationship is not an Insured Event if the Insured Person:
 - worked without interruptions for less than six (6) months before the end of the employment relationship, unless the Insured Person worked for less than six (6) months immediately after returning to work from parental leave and they had worked for at least 30 hours a week for six (6) months without interruptions before going on parental leave;
 - the workload before the occurrence of the Insured Event was less than 30 hours a week;
 - is a member of the employer's supervisory board or management board or the head of the branch of a foreign company, also in the situation where the Insured Person worked for the same employer on the basis of an employment contract as well;
 - worked in a company where a member of the supervisory board or management board is their relative who can influence the decision to terminate the employment contract. Relative means a parent, grandparent, sister, brother, child, spouse or partner;
 - is a sole proprietor;
 - has reached retirement age or been granted an early old-age pension.
9. The insurer may refuse to pay out the indemnity if:
 - the policyholder intentionally gave incorrect or incomplete information upon the entry into the insurance contract or the amendment of the insurance cover, and this increased the insurance risk;
 - the insured person gave incorrect or incomplete information about the Insured Event.

PZU Kindlustus will inform the insured person in writing of its refusal to pay out the indemnity or to pay out the indemnity in part.

Obligations of insured person upon occurrence of insured event

10. Upon the occurrence of the Insured Event, the Insured Person must notify SEB Life and Pension Baltic SE Estonia branch of this as soon as possible, but not later than within six months.
11. The Insured Person must submit the following documents when applying for indemnity:
 - the indemnity application;
 - the certificate of termination of the employment relationship, which includes the basis of termination;
 - the decision of the Estonian Unemployment Insurance Fund on registration as unemployed;
 - certificate of receipt of unemployment benefits.
12. After the occurrence of the Insured Event, the Insured Person must prove to the Insurer once a month that they are registered as unemployed.
13. The Insured Person is obliged to submit additional documents to the Insurer at the request of the latter to prove the Insured Event.

Calculation and payment of indemnity

14. The indemnity will be paid as of the end of the Excess Period for each day of unemployment.
15. Excess is calculated once a year per Insured Event.
16. The formula for calculation of the monthly indemnity is:
$$\frac{\text{sum insured} \times (\text{days of unemployment} - \text{number of days in excess period})}{\text{number of days in indemnified month}}$$
17. The total indemnity is calculated on the basis of the loan repayment of the month preceding the Insured Event.
18. In the case of an Insured Event that occurred during a grace period, the indemnity will be calculated on the basis of the loan repayment before the grace period.
19. The indemnity will be calculated on the basis of the interest payments of the month preceding the Insured Event if the insurance contract was entered into and the Insured Event occurred during the same grace period.
20. The maximum indemnity is 1,500 euros per month.
21. The indemnity will be paid:
 - for 12 months per each Insured Event;
 - for 24 months per Insured Events that occurred during five years of insurance;
22. In the case of an Insured Event that occurred with an employment contract for an unspecified term, indemnity will be paid until the deadline of the employment contract, but for not more than 12 months.
23. If the interval between two Insured Events is less than 180 days, they are deemed a single Insured Event. No indemnity will be paid for the time worked between two Insured Events.
24. PZU Kindlustus will start paying the indemnity not later than 30 days after receiving all the necessary data. The payments will be made not later than on the 5th day of the month for the previous month.

Other terms and conditions

25. PZU Kindlustus has the right to record telephone calls pertaining to the performance of the insurance contract.
26. PZU Kindlustus is the personal data controller and the SEB Life and Pension Baltic SE is the personal data processor in respect of the Insurance Cover For Involuntary unemployment.
27. PZU Kindlustus will implement its privacy policy upon the performance of the insurance contract, which can be found on the website <https://pzu.ee/isikuandmete-tootlemine/>.
28. Complaints are handled and disputes are resolved pursuant to the complaints handling policy of PZU Kindlustus, which can be found on the website <https://pzu.ee/kaebuste-lahendamine/>.