

GENERAL TERMS AND CONDITIONS OF LIFE INSURANCE CONTRACTS

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1. Introduction

- 1.1. The general terms and conditions of life insurance contracts specify the definitions used in insurance contracts as well as the rights and obligations of ERGO Life Insurance SE and the customer upon entering into and performing the contract.
- 1.2. The general terms and conditions of life insurance contracts are an integral part of the insurance contract to be entered into between the Estonian branch of ERGO Life Insurance SE and the policyholder.

2. Definitions

- Insurer is the Estonian branch of ERGO Life Insurance SE.
- Policyholder is the person who has an insurable interest and who has entered into an insurance contract with the insurer.
- Insurable interest is the interest of the policyholder in insuring their life or health or that of an insured person against a specific insured risk.
- Insurance offer is the proposal made by the insurer to enter into an insurance contract.
- Insurance contract is an agreement entered into between the policyholder and insurer, in accordance with which the insurer must pay an agreed amount of money or perform the obligations specified in the contract in any other agreed manner upon an insured event. The policyholder undertakes to pay insurance premiums.
- Fixed-term insurance contract is an insurance contract that expires upon the expiry of the insurance period.
- Indefinite-term insurance contract is in effect until cancellation of the insurance contract.
- Terms and conditions of insurance are the terms and conditions that the insurer applies in a specific insurance relationship. Terms and conditions of insurance are these general terms and conditions, conditions of each product, and special terms and conditions.
- Policy or insurance policy is a document issued by the insurer and certifying the entry into the insurance contract.
- Payment notice is the message sent by the insurer that notifies the policyholder of the imminent payment deadline.
- Insured person or the insured is a person the insured risk related to whom is insured.
- Beneficiary is the person specified in the insurance contract who has the right to receive the indemnity arising from the insurance contract in the case of an insured event.
- Insured risk is a threat against which insurance is made.
- Insurance period is the period of time based on which insurance premiums are calculated.
- Insurance cover is the insurer's obligation to pay, upon the occurrence of an insured event, the sum insured or insurance indemnity or to perform the contract in any other manner.
- Insured event is an agreed event upon the occurrence of which the insurer has to perform their obligation under the contract.
- Sum insured is the maximum amount that the insurer pays out in accordance with the insurance contract.
- Written notification is sending information to the insurer, policyholder or another agreed person in a manner that allows for any later written reproduction of the information. Information is sent to the insurer, policyholder or another agreed person to the postal address or e-mail address set out on the policy or in other documents of the insurance contract. Information is deemed as delivered after it has been sent in the aforementioned manner.
- Financial sanction is an international sanction that hinders the use and disposal of funds and economic resources of customers (i.e. subjects of the financial sanction) in full or in part.
- Money laundering is the use of assets derived from crime with the purpose of concealing their illicit origin.
- Terrorist financing is the financing of activities aimed at committing a terrorist offence.

3. Customer identification, representation and entry into an insurance contract

- 3.1. The insurer has the right to request that the customer or their representative present an identity document or a document certifying the right of representation in order to identify the person or certify the right of representation, and to make copies thereof.
- 3.2. If the insurer has any doubts about the identity of the person or accuracy of the submitted documents, the insurer has the right not to conclude the transaction or to request that additional documents be submitted.
- 3.3. Customer identification principles have been explained in more detail in the customer data processing principles (www.ergo.ee/tasub-teada).
- 3.4. The insurer accepts an unattested authorisation document drawn up in the presence of the insurer's representative. In any other events the authorisation document certifying the right of representation must be digitally signed or notarially authenticated.
- 3.5. An insurance contract is deemed to have been entered into if the policyholder has met one of the following conditions:
 - 3.5.1. has confirmed the entry into the insurance contract with their signature;
 - 3.5.2. has paid the insurer the first insurance premium;
 - 3.5.3. has performed any other act agreed in the insurance contract.
- 3.6. The insurer issues a policy to certify the entry into the insurance contract. The confirmation by the insurer's representative on the policy may be handwritten, digital or mechanically reproduced.
- 3.7. Based on the principle of freedom of contract, the insurer has the right to decide with whom and under which terms and conditions the insurer enters into or refuses to enter into a contract.

4. Insurance contract documents

The insurance contract documents include the insurance policy, insurance offer, general terms and conditions of insurance contracts, special terms and conditions of the selected class of insurance, application for entry into an insurance contract and other documents referred to on the insurance policy or in the insurance offer.

5. Entry into force, term and amendment of the insurance contract

- 5.1. The insurance contract enters into force upon entry into thereof unless another date or condition has been agreed.
- 5.2. The insurance cover is valid during the period specified on the insurance policy.
- 5.3. The insurance contract may be fixed-term or indefinite.
- 5.4. If the insured person is not a policyholder, an insurance contract may only be entered into with the consent of the insured person.
- 5.5. The policyholder may withdraw from the insurance contract within 14 days of entry into the contract by submitting a written withdrawal application to the insurer. The insurer refunds the insurance premium paid by the policyholder, subtracting administration expenses according to the applicable price list.
- 5.6. To amend the insurance contract, the policyholder must submit an application to the insurer. The insurance contract is deemed to be amended when the parties have agreed thereon and the policyholder has met the terms and conditions of the agreement.
- 5.7. The insurer is required, during the term of the insurance contract, to notify the policyholder of any amendments to the general and special terms and conditions of insurance contracts at least 30 days in advance. The insurer notifies of the amendments via their website (www.ergo.ee) or media. If the policyholder does not

agree to the amendments, they have the right to extraordinary cancellation of the contract.

- 5.8. The policyholder may apply for the termination of insurance premiums by notifying the insurer thereof in writing one month in advance. The insurer reduces the sum insured in accordance with the actuarial rules, taking into account the existing reserve of insurance premiums as of the day of termination of the premiums.
- 5.9. The policyholder may apply for the reduction of insurance premiums by notifying the insurer thereof in writing one month in advance. The insurer reduces the sum insured in accordance with the actuarial rules as of the day of reduction of the insurance premiums, taking into account the existing reserve of insurance premiums and the lower premiums to be paid thereafter.
- 5.10. The policyholder may apply for the termination or reduction of insurance premiums if the remaining sum insured equals at least the minimum amount agreed between the insurer and policyholder and determined in the special terms and conditions. Otherwise it is not possible to terminate or reduce insurance premiums, i.e. the insurance contract can only be cancelled and the policyholder has the right to receive the surrender value of the insurance.
- 5.11. In the event of terminating or reducing insurance premiums, the outstanding insurance premiums are deducted from the reserve of insurance premiums.

6. Insurance premium and its payment

- 6.1. Insurance premium is the amount of money that the policyholder must pay the insurer for the insurance cover. The insurance premium must have been paid by the due date specified in the insurance contract.
- 6.2. The insurance premium is deemed as paid when the corresponding amount is credited to the insurer's bank account or is paid to the insurer's representative in cash or by payment card.
- 6.3. Delay in payment or failure to pay the first insurance premium.
 - 6.3.1. If the policyholder has failed to pay the insurance premium or the first insurance premium within 14 days of entry into the insurance contract, the insurer may withdraw from the contract until the payment is made.
 - 6.3.2. It is presumed that the insurer has withdrawn from the contract if they do not file an action for the collection of the insurance premium within three months of the time when the premium becomes collectible.
 - 6.3.3. If the first insurance premium has not been paid by the time when the insured event occurs, the insurer will be released from their obligation.
- 6.4. If the policyholder does not pay the second or any subsequent insurance premium by the due date, the insurer may send the policyholder a written notice in which the insurer determines for the policyholder a term of at least two weeks for the payment to be made and also announces the legal consequences of exceeding the payment term. If the policyholder has failed to pay the insurance premium within the specified term after receiving the notice, the insurer will cancel the insurance contract and, if the surrender value of the insurance contract has been created, the insurance will become premium-free. If the policyholder pays the insurance premium within one month of the cancellation of the contract or expiry of the new payment term and no insured event has occurred before the payment, the contract will not be deemed cancelled.

7. Settlements

- 7.1. The insurer submits to the policyholder, either on paper or electronically, a payment notice that sets out the due date of payment, the insurer's account number and reference number.
- 7.2. If the insurer does not submit a payment notice or the policyholder does not receive it, this will not release the policyholder from their obligation to pay the premium.
- 7.3. If the insurance premium has been paid incorrectly and the insurer is unable to decide, based on the information available, for which insurance contract the premium has been received, the insurance premium is deemed to be unpaid until it has been established for which insurance contract the premium has been paid.
- 7.4. If the policyholder pays less than prescribed, the insurer will con-

tact the policyholder. The insurance premium is deemed paid only when the entire prescribed amount has been received.

- 7.5. If the policyholder pays more than prescribed, the insurer will refund the policyholder, at the request of the latter, for the surplus.

8. Policyholder's notification obligation and consequences of failure to perform the obligation

- 8.1. The policyholder and insured person are required, upon entry into the insurance contract, to provide accurate and complete replies to all of the insurer's questions concerning the circumstances that affect the insurer's decision to enter into the contract or do so under agreed additional terms and conditions. This concerns, above all, questions related to diseases from which the insured person has suffered or currently suffers, their health disorders and complaints as well as the dangerous activities that the insured person pursues.
- 8.2. If the policyholder or insured person has not notified the insurer, upon entry into the insurance contract, of all material circumstances known to the policyholder or insured person, or if the policyholder or insured person has intentionally avoided a material circumstance becoming known to the insurer or has supplied incorrect information about a material circumstance, the insurer may withdraw from the contract, demand a higher insurance premium from the policyholder or, upon the occurrence of an insured event, refuse to perform the insurance contract either in part or in full (the insurer's release from the obligation to perform the insurance contract).
- 8.3. The insurer may withdraw from the contract within one month of the moment when the insurer learned or had to learn of the failure to perform the notification obligation. The insurer may not withdraw from the contract if at least three years have passed from entry into the contract. Upon withdrawal from the contract, the insurer pays the policyholder the surrender value of the insurance less overdue insurance premiums and other possible payables according to the price list.
- 8.4. Clauses 8.1 and 8.2 of these terms and conditions also apply to amending the insurance contract.
- 8.5. If the insurer learned of the failure to perform the pre-contractual notification obligation after the occurrence of the insured event, the insurer will calculate the amount to be paid out taking into account the ratio of the paid insurance premiums to the insurance premiums that should have been paid if notice had been given of the circumstance.
- 8.6. If, upon entry into the insurance contract, the age of the insured person was disclosed incorrectly and, as a result, the insurance premium was determined in too small an amount, the insurer's liability will be reduced proportionally to the ratio between the insurance premium appropriate to the actual age and the insurance premium agreed. If the insurer had not offered the insurance cover based on the actual age of the insured, the insurer will pay the surrender value of the insurance.

9. Insurance cover and circumstances excluding insurance cover

- 9.1. Insurance cover starts with the payment of a single insurance premium or the first insurance premium, but not before the start of the insurance period specified on the insurance policy.
- 9.2. The insurance cover is in effect all over the world unless otherwise agreed in the insurance contract.
- 9.3. The insurance cover is not in effect and the insurer does not pay out the sum insured if:
 - 9.3.1. the insured committed suicide before two years passed from the entry into force of the insurance cover or the increase of the sum insured. Upon increasing the sum insured, the aforementioned condition applies to the increased sum insured. In such an event, the insurer pays the policyholder the surrender value of the contract. If suicide was committed in a state of mental illness excluding free will, the insurer must perform their obligation;
 - 9.3.2. the death of the insured was caused by an intentional unlawful act of the policyholder or beneficiary. In such an event, the insurer has no obligation to pay out the surrender value of the contract;

- 9.3.3. the death of the insured has been caused by an unlawful act of the insured;
- 9.3.4. the insured event has been caused by any military event, harmful effect of radioactive radiation or internal disturbance or if the policyholder, insured person or beneficiary has caused the insured event intentionally.

10. Expiry and cancellation of the insurance contract

- 10.1. The insurance contract ends:
 - 10.1.1. after the expiry of the insurance period;
 - 10.1.2. after the cancellation of the insurance contract;
 - 10.1.3. after the withdrawal from the insurance contract;
 - 10.1.4. when the insurer has performed their obligation in full after an insured event;
 - 10.1.5. on any other bases prescribed by law.
- 10.2. The policyholder has the right to cancel the insurance contract during the insurance period by notifying the insurer thereof one month in advance.
- 10.3. The insurer has the right to cancel or withdraw from the contract in the events prescribed in these general terms and conditions, the special terms and conditions, the terms and conditions of supplementary insurance and in the events prescribed by law.
- 10.4. The insurance contract ends in the events prescribed in the special terms and conditions, the terms and conditions of supplementary insurance and in the events prescribed by law.
- 10.5. If a life insurance contract for which the surrender value has been created ends due to withdrawal or cancellation or proves to be null and void, the insurer must pay the policyholder the surrender value of the insurance if this has been agreed and if the surrender value has been created by this time.
- 10.6. The surrender value of the insurance is calculated by the date of withdrawal from or cancellation of the contract on the basis of the actuarial rules. Upon payment of the surrender value, overdue insurance premiums are deducted from it and other deductions specified in these general terms and conditions are made according to the price list.

11. Profit-sharing

- 11.1. To provide the agreed insurance cover, the insurer collects insurance premiums. Upon calculation of insurance premiums, it is taken into account that at any time the insurer must have funds to pay out the sums insured and other sums under the contract as well as to cover the expenses related to the entry into and administration of the contract. Therefore, the calculation of insurance premiums is based on conservative actuarial values (estimated interest, mortality and expenses).
- 11.2. The insurer earns profit from:
 - 11.2.1. the investment income of insurance premiums if it exceeds the estimated interest used for calculating the insurance premiums;
 - 11.2.2. the unused parts of the risk part of insurance premiums if the actual mortality of the insured persons is different from that estimated;
 - 11.2.3. the unused parts of the expenses taken into account in the premiums if the insurer's actual expenses have been smaller than that estimated.
- 11.3. The insurer pays a part of the profit earned from insurance activities to policyholders. The part to be allocated to the policyholder is referred to as the policyholder's share of profit.
- 11.4. The manner of using the share of profit depends on special terms and conditions.

12. Appointment of beneficiary

- 12.1. The policyholder has the right to appoint a third person beneficiary and change that person.
- 12.2. If the policyholder has appointed several persons beneficiaries without specifying their respective shares, they are deemed to be beneficiaries in equal parts.
- 12.3. A share that any of the beneficiaries refuses to receive or cannot receive is added to the shares of other beneficiaries.
- 12.4. If the beneficiary dies or a legal person beneficiary terminates

their activities before the occurrence of an insured event, the insurer will pay the indemnity to the policyholder or their successors unless otherwise determined by the policyholder before the occurrence of an insured event.

13. Payment of the sum insured, insurance indemnity and other contractual sums

- 13.1. The person who applies for payment of the sum insured, insurance indemnity or any other contractual sum must submit the following documents to the insurer:
 - a written application for payment along with the bank account number;
 - an identity document of the person submitting the application;
 - other documents the need for the submission of which has been substantiated to the applicant for payment by the insurer or whose submission obligation arises from law.
- 13.2. The insurer must be notified of the death of the insured person without delay.
- 13.3. In addition to the documents specified in clause 15.1 of these terms and conditions, the following documents must be submitted for payment of the sum insured in connection with the death of the insured person:
 - 13.3.1. the death certificate;
 - 13.3.2. a detailed certificate of a physician (medical institution) or a relevant authority in a form established by the insurer and concerning the circumstances that caused the death.
- 13.4. The insurer has the right to make inquiries as to whether the insured person is alive.
- 13.5. To ascertain the payment obligation, the insurer may request additional certificates and obtain such certificates themselves.
- 13.6. Upon making contractual payments, the insurer deducts from these overdue insurance premiums and other deductions specified in these general terms and conditions are made according to the price list.
- 13.7. The insurer makes a payment within ten working days of the submission of all necessary documents and establishment of the basis for payment. If criminal or misdemeanour proceedings have been initiated in respect of an insured event on whose results the insurer's payment obligation may depend, the insurer has the right to postpone the payment until the relevant lawful decision enters into force.

14. Limitation period of claims

- 14.1. The limitation period of claims arising from the insurance contract is three years. The limitation period starts as of the end of the calendar year when the claim falls due.
- 14.2. If the insurer has notified the customer of the refusal to satisfy the application, the insurer will be released from their obligation if the person entitled to receive the indemnity does not file an action with the court within one year of receiving a written decision from the insurer concerning the refusal to satisfy the application and the insurer has notified, in their reply to the policyholder, of the legal consequences of the expiry of the one-year limitation period.

15. Prevention of money laundering and terrorist financing, application of financial sanctions

- 15.1. To prevent money laundering and terrorist financing, the insurer takes, upon entry into and performance of the life insurance contract, due diligence measures that are in compliance with the complexity of the insurance contract and the risk arising from the customer and the business relationship. Main due diligence measures are the identification of the policyholder and beneficiary and verification of the data submitted, identification of the beneficial owner, constant monitoring of transactions (monitoring of the business relationship) and identification of a politically exposed person.
- 15.2. The insurer takes, depending on the circumstances, either simplified or enhanced due diligence measures.
- 15.3. The insurer has the right, in the events prescribed in the Money Laundering and Terrorist Financing Prevention Act, to refuse to conclude a transaction with a consumer.

- 15.4. Upon entry into and performance of an insurance contract, the insurer will apply, among other things, financial sanctions. The insurer does not provide insurance cover to any persons or risks or does not indemnify any claims whose insurance or indemnification would be in conflict with trade restrictions, prohibitions or sanctions established by the Government of the Republic, United Nations, European Union, Great Britain or United States of America.

16. Processing of personal data

The insurer processes the data of the policyholder, beneficiary and insured person in compliance with the principles of processing of customer data that have been published on the insurer's website at <https://www.ergo.ee/erakliendile/isikuandmete-kaitse>. In the principles of processing of customer data, the insurer has provided the customer with all the information that must be provided to the customer pursuant to law and the EU General Data Protection Regulation.

17. Possible inconsistencies between terms and conditions

Upon any inconsistencies between the general terms and conditions and the special terms and conditions of the insurance product, the wording of the special terms and conditions of the insurance product prevails. Upon any inconsistencies between the terms and conditions of the insurance product and the special terms and conditions, the wording of the special conditions prevails.

18. Use of foreign language documents

- 18.1. Upon agreement between the parties, a translation into a foreign language may be appended to the Estonian-language documents of the insurance contract. The translation has an explanatory meaning only. Upon any inconsistencies between the translation and Estonian-language document, the Estonian-language document prevails.
- 18.2. If it has been agreed that a foreign-language document (international clauses, etc.) is a part of the insurance contract, the Estonian-language translation of that document will be appended to the insurance contract.

19. Procedure for settlement of disputes

- 19.1. The policyholder may turn to a conciliation body at the Estonian Insurance Association to settle a dispute that the policyholder has with the insurer. Before a conciliation procedure, the claim in the disputed matter must be submitted to the insurer and the insurer must be provided with an opportunity to reply to the claim. If the customer is not satisfied with the reply from the insurer, they may turn to an insurance conciliation body (additional information on the website of the Estonian Insurance Association at www.eksl.ee).
- 19.2. Any disputes arising from insurance contracts, incl. disputes concerning which no agreement has been reached at an insurance conciliation body, are settled in the Harju County Court.
- 19.3. The policyholder has the right to file a complaint concerning the insurer's activities with the Financial Supervision Authority.