

GENERAL CONDITIONS OF LIFE INSURANCE CONTRACTS

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1. Introduction

- 1.1. ERGO Life Insurance SE Eesti filiaal provides various insurance solutions with different content and cover, therefore it is necessary to regulate the relations between ERGO Life Insurance SE Eesti filiaal and the client on the basis of the general rules.
- 1.2. The general conditions of life insurance conditions set out the definitions used in life insurance contracts, also the rights and obligations of ERGO and the client upon conclusion and performance of the contract.
- 1.3. The general conditions of life insurance contracts shall constitute an integral part to the life insurance contract to be concluded between ERGO Life Insurance SE Eesti filiaal and the policyholder.

2. Definitions

- **Insurer** is ERGO Life Insurance SE Eesti filiaal.
- **Policy holder** is a person who has an insurable interest and has entered an insurance contract with the insurer.
- **Insurable interest** means the interest of the policyholder to insure the life and/or health of himself (herself) or the insured person against a certain insurance risk.
- **Insurance quotation** is the insurer's proposal to enter an insurance contract.
- **Insurance contract** means an agreement concluded between the policyholder and insurer under which the insurer shall pay an agreed amount of money or perform the obligations specified in the contract in another agreed manner upon an insured event. The policyholder undertakes to pay the insurance premiums.
- **Fixed-term insurance contract** is an insurance contract that expires upon the expiry of the insurance period.
- **Insurance contract for an unspecified term** shall remain valid until the cancellation of the insurance contract.
- **Terms and conditions of insurance** are the terms and conditions applied by the insurer specific insurance relationship. Terms and conditions of insurance shall be considered to be these general terms and conditions, the terms and conditions of each insurance product, and risk and special conditions.
- **Policy** (or insurance policy) is a document issued by the insurer proving the entry into the insurance contract.
- **Payment notice** is the notice sent by the insurer, notifying the policy holder of the upcoming payment due date.
- **Insured person** or the insured means a person the insurance risk related to whom is insured.
- **Beneficiary** means a person specified in an insurance contract that is entitled to the performance of the insurer's obligations upon an insured event in accordance with the insurance contract.
- **Insured risk** is the risk against which insurance is taken out.
- **Insurance period** is a period of time according to which the insurance premiums shall be calculated.
- **Insurance cover** means the obligation of the insurer to pay the sum insured or insurance indemnity or perform the contract in another agreed manner to the extent, on the conditions and pursuant to the procedure provided in the contract, upon the occurrence of an insured event.
- **Insured event** is the agreed upon event in the case of which the insurer shall perform its contractual obligation.
- **Amount insured** means the maximum amount to be paid out in accordance with the conditions agreed in the insurance contract.
- **Written notification** is the transmission of a notice, application or other information to the insurer, policy holder or other agreed person in a manner permitting the communicated information to be reproduced later in writing.
- **Notification procedure.** A notice, application or other information shall be transmitted to the insurer, policy holder or other agreed person at the postal address, e-mail address or fax number indicated on the policy or other insurance contract documents. With the

transmission of a notice, application or other information in the said manner, the respective information shall be deemed to have been delivered.

3. Entry into an insurance contract

- 3.1. An insurance contract shall be deemed to have been entered into once the policy holder has met one of the following conditions:
 - 3.1.1. Certified the entry into the insurance contract with his/her signature on the insurance quotation or policy;
 - 3.1.2. Paid the insurer the first premium;
 - 3.1.3. Performed some other act agreed upon in the insurance contract.
- 3.2. As proof of the entry into the insurance contract, the insurer shall issue an insurance policy. The insurer's certification on the insurance policy may be original, digital or mechanically reproduced.
- 3.3. In accordance with the principle of the freedom of contract, in the case of voluntary insurance the insurer shall be entitled to decide with whom and on what terms it enters or refrains from entering a contract.

4. Insurance contract documents

Insurance contract documents shall include the insurance policy, the terms and conditions of insurance contracts, the conditions of the type of insurance selected, the application to enter an insurance contract and any other documents referred to in the insurance policy and/or insurance quotation.

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

- 5.1. An insurance contract shall enter into force upon entry, unless another term or condition for entry into force has been agreed.
- 5.2. Insurance coverage shall apply during the period indicated on the insurance policy.
- 5.3. An insurance contract may be for a specified or unspecified term.
- 5.4. If the insured person is not a policyholder, the insurance contract can be concluded only upon the consent of the insured person.
- 5.5. The policyholder may withdraw from the insurance contract within 14 days as of the conclusion of the insurance contract. For this, the policyholder shall submit to the insurer a written withdrawal application. Upon withdrawal of the policyholder from the contract, the insurer shall return to the policyholder the premium paid by the latter, less the administrative expenses according to the applicable price list.
- 5.6. In order to amend the insurance contract, the policyholder shall submit an application to the insurer. The insurance contract shall be deemed to be amended if the parties have reached a corresponding agreement and the policyholder has fulfilled the condition(s) specified in such agreement.

6. Premium and its payment

- 6.1. The insurance premium is the amount of money that the policyholder shall pay the insurer for the insurance cover. The premium shall be paid by the due date specified in the insurance contract.
- 6.2. The premium is deemed to be paid at the time when the corresponding amount is credited to the bank account of the insurer or is paid to the representative of the insurer in cash or by payment card.

- 6.3. Delay or failure to pay the first premium:
 - 6.3.1. If the policy holder has not paid a premium or the first premium within 14 days of the conclusion of the insurance contract, the insurer may withdraw from the contract until the payment is made.
 - 6.3.2. It shall be presumed that the insurer has withdrawn from the contract if it does not file an action to collect the premium within three months of the payment becoming collectable.
 - 6.3.3. If the first premium has not been paid by the time an insurance event occurs, the insurer shall be released from its obligation to perform the contract.
- 6.4. If the policyholder has failed to pay the second or subsequent premium in a timely manner, the insurer shall send the policyholder a corresponding notice, giving the policyholder a term of at least two weeks' for making the payment and shall also inform about the legal consequences accompanying the expiry of the term. If the policyholder has failed to pay the insurance premium within the specified term after the receipt of the notice, the insurance contract shall be deemed to be cancelled by the insurer and if the surrender value of the insurance contract has been created, the insurance shall become premium-exempted. If the policyholder pays the premium within one month as of the cancellation of the contract or after expiry of the due date set for the payment and no insurance event has occurred before the payment, the contract shall not be deemed to be cancelled.

7. Settlements

- 7.1. The insurer shall present a payment notice to notify the policy holder of the upcoming payment due date and the bank account and reference numbers of the insurer. A payment notice may be transmitted in hard copy or electronically.
- 7.2. If the payment notice is not sent or received, this shall not release the policy holder from the obligation to pay a premium.
- 7.3. If a premium is paid incorrectly, and the insurer is unable to decide, based on the information available, for which insurance contract the payment has been received, the premium shall be deemed to have left unpaid until it has been established for which insurance contract the payment is.
- 7.4. If the policy holder pays an amount less than stipulated, the insurer shall contact the policy holder. The premium shall be deemed to have been received only once the entire amount stipulated has been received.
- 7.5. If the policyholder pays an amount that is greater than prescribed, it shall be repaid on the basis of an application of the client.

8. Notification obligation of the policy holder and consequences of violation

- 8.1. Upon conclusion of the insurance contract, the policyholder and insured person are required to veritably and fully reply to all questions of the insurer concerning the circumstances that influence the decision of the insurer as to whether to conclude a contract or do so under additional agreed upon conditions. In particular, this concerns those issues that are related to diseases from which the insured person has suffered or currently suffers, his or her health disorders and complaints, as well as the dangerous hobbies and activities that the insured person pursues.
- 8.2. If upon conclusion of the insurance contract, the policy holder or insured person has not notified the insurer of all significant circumstances that they are aware of, also if they have intentionally avoided becoming aware of any significant circumstances or have supplied incorrect information with regard thereof, the insurer may withdraw from the contract or charge the policyholder a higher insurance premium.
- 8.3. The insurer may withdraw from the contract within one month as of the date when the insurer became aware or should have become aware of the violation of the notification obligation. Withdrawal from the contract is not allowed if three years have passed from conclusion of the contract. Upon withdrawal from the contract, the insurer shall pay the policyholder the surrender value less overdue insurance premiums and other possible payables according to the price list agreed upon.
- 8.4. The principles specified in clauses 8.1. and 8.2. shall also apply upon amendment of the insurance contract.

- 8.5. If the insurer became aware of the violation of the pre-contract notification obligation after the occurrence of the insured event, then upon calculating the amount to be paid the insurer shall take into account the ratio between the paid insurance premiums and the premiums that should have been made if the circumstances were known.
- 8.6. If upon conclusion of the insurance contract, the age of the insured person was wrongly declared, as a result of which the insurance premium was determined in an excessively small amount, the liability of the insurer shall be reduced proportionally to the ratio between the insurance premium appropriate to the actual age and the insurance premium agreed upon. If the insurer would not have offered the insurance cover based on the actual age of the insured, then the insurer shall pay the surrender value of the insurance.

9. Insurance cover and circumstances excluding insurance cover

- 9.1. The insurance cover shall begin with the payment of a one-off premium or the first premium, but not before the beginning of the insurance period specified in the insurance policy.
- 9.2. The insurance cover shall apply anywhere in the world and at any time, unless otherwise agreed.
- 9.3. The insurance cover shall not apply and the insurer shall not pay the sum insured if:
 - 9.3.1. the insured committed suicide before the expiry of two years from the commencement of the insurance cover or the increase of the sum insured. Upon increasing the sum insured, the aforementioned condition shall apply to the increased sum insured. In such case, the insurer shall pay the policyholder the surrender value of the contract. If suicide was committed in a state of mental illness excluding free will, the insurer has the obligation to perform the contract;
 - 9.3.2. the death of the insured was caused by an intentional unlawful act of the policyholder or the beneficiary. In such case, the insurer shall not have any obligation to pay the surrender value of the contract;
 - 9.3.3. the death of the insured was caused by an unlawful act of the insured;
 - 9.3.4. the insurance event was caused by any military act, harmful effect of radioactive radiation or internal disorder or if the policyholder, insured person or the beneficiary has intentionally caused the insurance event.

10. Expiry and cancellation of the insurance contract

- 10.1. The insurance contract shall expire:
 - 10.1.1. upon expiry of the insurance period;
 - 10.1.2. upon cancellation of the insurance contract;
 - 10.1.3. upon withdrawal from the insurance contract;
 - 10.1.4. upon full performance of the insurer's obligation after the insurance event;;
 - 10.1.5. on any other bases provided by law.
- 10.2. The policyholder has the right to cancel the insurance contract during the insurance period. To cancel the contract, the policyholder shall give the insurer one month's notice.
- 10.3. The insurer has the right to cancel the contract or withdraw from the contract in the events specified in these general conditions, the special conditions, conditions of additional insurance and in the events provided by law.
- 10.4. The insurance contract shall expire in the events provided in the special conditions and/or the conditions of additional insurance or law.
- 10.5. If the insurance contract expires due to withdrawal from it or its cancellation or proves to be void, the insurer shall pay the policyholder the surrender value of insurance if it has been agreed and the surrender value has been created by this time.
- 10.6. The surrender value of insurance shall be calculated in accordance with the recognised actuarial rules by the date of withdrawal from the contract or cancellation of the contract. Upon payment of the surrender value, overdue insurance premiums shall be deducted from it or other deductions specified in these general conditions shall be made according to the price list.

11. Changing of the insurance contract to premium exempted and reduction of premiums

- 11.1. With one month's notice, the policyholder may request that the insurance contract be changed so that the policyholder is not required to continue paying the premiums during the validity period of the contract. In such case, the insurer shall reduce the sum insured according to the recognised actuarial rules, taking into account the existing reserve of the premiums, as at the date of change of the contract to tax exempted.
- 11.2. With one month's notice, the policyholder may request reduction of the premiums in writing. In such case, the insurer shall reduce the sum insured according to the recognised actuarial rules as at the date of reduction of the premiums, taking into account the existing reserve of premiums and the reduced premiums to be subsequently paid.
- 11.3. The policyholder may demand the changing of the insurance contract to premium exempted or a reduction of the premiums if the remaining sum insured equals at least the minimum amount that has been agreed between the insurer and the policyholder and is specified in the special conditions. Otherwise, the insurance contract cannot be changed to premium exempted and/or the premiums cannot be reduced, i.e., the insurance contract can be only cancelled and the policyholder receive the surrender value of insurance.
- 11.4. Upon changing the insurance contract to tax exempted and reducing the premiums, the outstanding premiums shall be rededucted from the reserve of the premiums.

12. Profitsharing

- 12.1. To provide the agreed insurance cover, the insurer shall collect the premiums. Upon calculation of the premiums, it is taken into account that at all times the insurer shall have funds to pay the agreed sums insured and other sums under the contract, as well as to cover the expenses related to the conclusion and administration of the contract. Therefore, the calculation of premiums shall be based on conservative actuarial values (estimated interest, mortality and expenses).
- 12.2. The insurer shall have the right to:
 - 12.2.1. from the investment income of premiums, if it exceeds the estimated interest used for calculation of the premiums;
 - 12.2.2. from the unused parts of the risk part of premiums, if the actual mortality of the insured persons differed from the estimate;
 - 12.2.3. from the unused parts of expenses taken into account in the premiums, if the actual expenses of the insurer were smaller than the estimate.
- 12.3. The insurer shall pay a part of the profit received from the insurance activities to the policyholders. The part to be allocated to the policyholder is referred to as the policyholder's share of profit.
- 12.4. The manner of using the profit share depends on special conditions.

13. Appointment of beneficiary

- 13.1. The policyholder has the right to appoint a third party as a beneficiary and to change that person.
- 13.2. If the policyholder has appointed several persons as beneficiaries without specifying their respective shares, they shall be deemed to be beneficiaries in equal parts.
- 13.3. A share that any of the beneficiaries refuses to receive or cannot receive shall be added to the shares of other beneficiaries.
- 13.4. If a beneficiary dies or a beneficiary that is a legal person terminates its activities before occurrence of the insurance event, the insurer shall perform its obligation to the policyholder or its successors unless the policyholder has specified otherwise before occurrence of the insurance event.

14. Notification obligation of the insurer

During the term of the insurance contract, the insurer shall be obligated to notify the policyholder of any changes to the insurer's name, legal form, address, also the address of the branch office where the insurance contract was entered.

Notification of the changes described shall be provided via the insurer's webpage (www.ergo.ee) or the mass media.

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

- 15.1. Documents necessary to make the payment.
The sum insured, insurance indemnity and other contractual amounts shall be paid upon submission of the following documents:
 - written application for payment of the contractual amount, including the bank account number;
 - document certifying the identity of the person submitting the application;
 - other documents, the need for submission of which has been substantiated by the insurer, and/or the obligation to submit arising from law.
- 15.2. The insurer shall be immediately informed of the death of the insured person.
- 15.3. For payment of the sum insured in relation to the death of the insured person, the following documents shall be submitted in addition to those specified in clause 15.1:
 - 15.3.1. death certificate;
 - 15.3.2. detailed certificate of a physician (medical institution) or a relevant authority, in a form established by the insurer, concerning the circumstances having caused the death.
- 15.4. In case of pension insurance, the insurer has the right to verify and make enquiries as to whether the insured person is alive.
- 15.5. To ascertain the obligation to make the payment, the insurer may demand any necessary additional evidence and procure the relevant data itself.
- 15.6. Upon making the contractual payments, overdue insurance premiums shall be deducted from them and other deductions specified in these general conditions shall be made according to the price list.
- 15.7. Payments shall be made within ten working days after the submission of all necessary documents and establishment of the basis for payment. If a criminal or misdemeanour proceeding has been commenced in relation to the insurance event, on the results of which the insurer's obligation to perform the contract may depend, the insurer has the right to postpone the payment until the relevant lawful decision enters into force.

16. Limitation period of claims

- 16.1. The limitation period of claims under the insurance contract shall be three years. The limitation period shall be assessed from the end of the calendar year in which the claim becomes collectable.
- 16.2. If the insurer has informed the client of refusal to satisfy the application, the insurer shall be released from the obligation to perform the contract if the entitled person does not file an action with a court within one year as of the receipt of a written decision from the insurer concerning the refusal to satisfy the application. The insurer shall be released from the obligation to perform the contract only if in its reply the insurer informs the policyholder of the one-year legal consequence of the expiry of the limitation period.

17. Processing of personal information and protection of information submitted by the policyholder, including confidentiality

- 17.1. The insurer has the right to process the personal information of the policyholder and the insured person, without their consent, in order to perform the insurance contract or ensure the performance of the contract, assess the insurance risk or for other operations preceding the conclusion of the contract in case, if the policyholder has submitted an application for conclusion of the contract and the conclusion of the contract requires the conducting of such operation(s).
- 17.2. The insured person agrees that the insurer shall also process his (her) sensitive personal information (information concerning the health condition or disability of the client) in the event and for the purpose specified in clause 17.1.

- 17.3. The insurer has the right to preserve the personal information for the purpose of ensuring the performance of the contract until the expiry of the claim arising from the contract unless the law provides for otherwise.
- 17.4. Upon an insurance event, third parties may submit, without the consent of the insured person, to the insurer the personal information or enable access to the personal information that are necessary to the insurer to ascertain the obligation to perform the insurance contract or the scope of its non-performance. The above provision shall also apply to the information concerning the health condition or disability of the insured person, if it is necessary to the insurer for the performance of the contract or it is necessary to identify the obligation to perform the contract and the scope of such obligation. The insurer shall strictly comply with the requirements provided in the Personal Data Processing Act.
- 17.5. The policyholder and insured person agree that the insurer shall use their personal information (name and contact information) to offer them the additional insurance services and forward the information on the services of the insurer.
- 17.6. The policyholder shall agree that the insurer may submit his (her) personal information to financial companies belonging to the same consolidation group with the insurer in order to provide the policyholder the information based on his (her) estimated financial needs and additional financial services. Such financial companies are ERGO Kindlustuse AS (A. H. Tammsaare tee 47, 11316 Tallinn, phone 610 6500, info@ergo.ee) and ERGO Funds AS (A. H. Tammsaare tee 47, 11316 Tallinn, phone 610 6500, funds@ergo.ee), D.A.S. Õigusabikuluude Kindlustuse AS (Veerenni 58a, 11314 Tallinn, phone 679 9450, info@das.ee). The personal information to be forwarded shall include the name and personal information of the person (address, phone number, e-mail address). The policy holder shall have the right, at any time, to withdraw his (her) consent to the processing of the information. The withdrawal of the consent shall not have any retroactive effect. The policy holder shall have the right to prohibit the processing of the information concerning him (her) for the purpose of examining consumer habits or direct marketing.

18. Possible conflicts between the conditions

Upon any conflict between the general conditions and the special conditions of the insurance product, the wording of the special conditions of the insurance product shall be adhered to. Upon any conflict between the provisions of the conditions of the insurance product and the provisions of the risk or special conditions, the wording of risk or special conditions shall be adhered to.

19. Use of foreign-language documents

- 19.1. In addition to Estonian-language insurance contract documents, a translation into a foreign language may be added by agreement between the parties. The meaning of a translation shall have a clarifying purpose only. In case of conflict between a translation and an Estonian-language document, the Estonian-language document shall be adhered to.
- 19.2. If by agreement a foreign-language document is part of an insurance contract (international terms and the like), a translation of this document into Estonian shall be appended to the insurance contract.

20. Procedure for resolution of disputes

- 20.1. The policyholder shall have the right to address the Conciliation Body operating as part of the Estonian Insurance Association for resolution of disputes with the insurer. A claim shall be filed with the insurer regarding the point of dispute and an opportunity shall be given to the insurer to respond to the claim before the conciliation proceedings. If the client is not satisfied with the response of the insurer, they shall have the right to address the Conciliation Body for insurance disputes. (Additional information can be found on the website of the Estonian Insurance Association: www.eksl.ee.)
- 20.2. Disputes arising from insurance contracts (including disputes in regard to which agreement was not reached with the Conciliation Body for insurance disputes) shall be resolved in Harju County Court.
- 20.3. The policyholder shall have the right to file a complaint with the Financial Supervision Authority regarding the activities of the insurer.