

ERGO Life Insurance SE Eesti filiaal

# Terms and conditions for ERGO unit-linked life insurance



## Dear Client,

In the terms and conditions for ERGO unit-linked life insurance, we explain the principles that we follow when providing you with the service.

In addition to these terms and conditions, the ERGO general terms and conditions for life insurance services also apply to your relationship with us. In the event of any inconsistency between these terms and conditions and the general terms and conditions, these terms and conditions shall prevail.

All terms and conditions are available on our website: [www.ergo.ee](http://www.ergo.ee).

The terms and conditions that apply to a particular service and insurance contract are indicated in the insurance policy.

Please take some time to read the terms and conditions. If you have any questions, please contact us by sending an email to [elukindlustus@ergo.ee](mailto:elukindlustus@ergo.ee).

We are glad to help you.

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## 1. What definitions do we use

- **Policyholder** is a person who has concluded an insurance contract (hereinafter also 'you').
- **Insured person** is the person named on the policy as the person whose risk or interests are insured (hereinafter also 'you'). One insurance contract may insure more than one person, in which case the insured person means all the persons insured under the insurance contract.
- **Principal insured** is the insured person on whose behalf the capital is accumulated. The insurance contract has one principal insured.
- **Additional insured** is an insured person on whose behalf capital is not accumulated. The insurance contract may have several additional insured.

**Investment object** involves the units, shares, bonds or other financial instruments of the fund in which the capital of the investment direction is invested.

### Example

Shares of the *iShares Core S&P 500 USD Acc* fund form the investment object

**Investment direction** is a set of one or more investment objects selected by us with the aim of taking optimal investment risk in the target market.

### Example

The investment direction 'US Equity Index' may be composed exclusively of units of the *iShares Core S&P 500 USD Acc* fund or of units of another fund with a similar strategy, or the corresponding investment focus direction may also be composed of 50% of units of the *iShares Core S&P 500 USD Acc* fund and 50% of units of another fund with a similar strategy.

- **Investment programme** is a combination of a number of investment directions, where the premiums received are invested according to the allocation between the different investment directions in the investment programme. You can choose between investment programmes with different levels of risk.

### Example

The ERGO 25 investment programme invests 75% of the premiums you pay in the Bond investment direction, 10% in the World Equity Index investment direction, 8% in the US Equity Index investment direction, and 7% in the European Equity Index investment direction.

- **Structure of the accumulation reserve** is the allocation of accumulated capital between the different investment objects.
- **Value of the accumulation reserve** is the sum of the values of the investment objects resulting from the insurance contract, multiplied by the number of investment objects and the price, minus the contract fees according to the price list. We inform you of the value of the accumulation reserve once a year.
- **Return value** is the amount that we will pay you in case of cancellation of the insurance contract. We find the return value by subtracting from the value of the accumulation reserve the termination fee of the insurance contract stipulated in the price list. We will notify you of the return value once a year.
- **Price list** is the part of the insurance contract in which we describe the contract fees, the rules of investment transactions, and other terms and conditions of the contract.
- **Insurance premium** is the monetary contribution made to us under the insurance contract. The amount of the minimum insurance premium is stipulated in the price list.
- **Insured year** is the year that begins on the first day of insurance cover of each year and lasts for 12 months, but not longer than the period of validity of the insurance cover.

## 2. When do we consider an insurance contract to be concluded

- 2.1. To conclude an insurance contract, please submit an application for unit-linked life insurance to us (our standard form). If necessary, we will ask you to fill in an additional questionnaire, which we need to assess the risk.
- 2.2. We consider the insurance contract concluded when you have received and accepted our offer by paying us the first insurance premium.
- 2.3. The insurance cover takes effect from the date of commencement of the insurance period, but not before the first insurance premium is paid on time.
- 2.4. As proof of the conclusion of the insurance contract, we will issue you a policy.
- 2.5. The insurance contract documents are:
  - a. the application for unit-linked life insurance;
  - b. the questionnaires for the insured person(s);
  - c. the insurance policy;
  - d. the general terms and conditions for the ERGO life insurance services;
  - e. these terms and conditions for the unit-linked life insurance;
  - f. the terms of service of the selected additional risks;
  - g. the price list;
  - h. other documents to which we have referred in the policy;
  - i. other documents and applications submitted by you that affect the conclusion, modification, and performance of the insurance contract.

## 3. To whom do we provide insurance

- 3.1. The insured person is a natural person named in the insurance contract who is covered by insurance in accordance with the terms and conditions agreed in the insurance contract and the terms of service of the selected insurance covers.
- 3.2. The beneficiary is a person specified in the policy who, in the event of an insured event, is entitled to receive the insurance benefit arising from the insurance contract. If the beneficiary is not named or the beneficiary died before the insurance benefit was paid, we will pay the insurance benefit to the heir(s) of the insured person.

## 4. What does insurance cover

- 4.1. In the case of a unit-linked life insurance contract, we buy investment objects of the investment direction for the insurance premiums paid by you. The ownership of the investment objects belongs to us. Once a month, we sell part of the acquired investment objects to cover contract fees. The investment risk is borne by you. The rate of return on investments in previous periods does not guarantee the same rate of return in the future. The actual result of your investments depends on the rate of return of the investment programme you have chosen. We do not guarantee the preservation of the value of the investments in the insurance contract, the value of the investments may increase or decrease, and you may not be able to recover the amount paid as insurance premiums at the end of the insurance period.
- 4.2. We consider the following to be an insured event:
  - 4.2.1. the death of the insured person as a result of illness or accident during the period of validity of the insurance cover, except in the cases specified in clause 5 of these terms and conditions;
  - 4.2.2. the declaration of death of the insured person by a court if the date of death of the insured person, as indicated in the judgment which has become final, remains within the period of validity of the insurance cover;
  - 4.2.3. the end of the insurance period if the principal insured lives up to that time.
- 4.3. You also have the right to choose insurance covers from the insurance covers we offer. Insurance covers are subject to the respective separate terms of service.

- 4.4. The insured person is covered by insurance covers and the sums insured are indicated in the policy. We have the right to set a minimum sum insured.

## 5. To which cases does the insurance cover not extend (exclusions)

- 5.1. We do not pay the insurance benefit in the following cases:
- 5.1.1. cases that are not covered by insurance cover in accordance with the general terms and conditions of our life insurance services (general exclusions);
  - 5.1.2. death of the insured person, which happened at the time when the insurance cover was suspended;
  - 5.1.3. death of the insured person before the age of one year if it was caused by a congenital disease or disability.

## 6. How does the payment of insurance premiums take place

- 6.1. You can pay all insurance premiums in one go or in regular instalments. We indicate the agreed amounts of insurance premiums and the terms of payment in the policy.
- 6.2. You have the right to pay additional insurance premiums that are not specified in the policy by submitting a corresponding application to us. Payment of additional insurance premiums does not change the agreement on the payment of regular insurance premiums in the insurance contract.
- 6.3. We have the right to set a minimum insurance premium below which no insurance premium, instalment or additional insurance premium can be.
- 6.4. We convert insurance premiums into investment objects on the basis of the market price and the investment programme of your choice no later than within five working days from the date of payment of the insurance premium, unless we have agreed otherwise in the insurance contract. Insurance premiums paid before issuing the policy will be converted into investment objects within five working days from the commencement date of the insurance contract. If, for reasons beyond our control, we are unable to comply with these conditions, we will convert the paid insurance premiums into investment objects as soon as possible.
- 6.5. Insurance premiums may be paid by third parties on behalf of the policyholder, but in this case these persons do not acquire rights to the insurance contract or paid insurance premiums.
- 6.6. If you have not paid the insurance premium or, in the case of partial payment of the insurance premium, the first part of the insurance premium within 14 days of the agreed due date, and if we have not given a new term for payment within this period, it is presumed that we have withdrawn from the contract.
- 6.7. If you do not pay the second or subsequent insurance premium in accordance with the agreed payment schedule, and if the accumulation reserve is insufficient to deduct the contract fees, we will send you a notice giving you a new term for paying the insurance premium. If you do not pay the insurance premium by the new term, we have the right to cancel the insurance contract. If the insured event occurs after the expiry of the specified new term, without you having paid the insurance premium by the time of the insured event, we will be released from the obligation to perform the insurance contract.

## 7. How do we apply contract fees

- 7.1. On the last day of each month, we deduct the following contract fees from the value of the accumulation reserve:
- a. the contract management fee to cover the costs related to the administration of the insurance contract. This contract fee may consist of a variable and fixed part;
  - b. the insurance cover fee to cover the costs related to the selected insurance cover.
- 7.2. The contract fees for the insurance contract and the procedure for their implementation are set out in the price list. We have the right to change the contract fees applied to the insurance contract if we have changed the price list in accordance with the procedure set out in clause 12.4.
- 7.3. If we pay you a part of the accumulation reserve under clause 11.9, we may deduct from it a partial payment fee, the amount of which is stipulated in the price list.

- 7.4. We will set the insurance cover fee for the insurance covers of your choice. We calculate the insurance cover fee based on the applicable rates and the data of the insured persons. We have the right to increase the insurance cover fee if the possibility of the insurance risk related to the insured person increases or if the statistical data on insured events and benefits change. We will notify you of such changes one month before the new insurance cover fees take effect. If you do not agree with the amounts of the new fees, you have the right to change, free of charge, the terms and conditions of the insurance contract which affect the amount of the insurance cover fees (e.g. to make the sums insured of the insurance cover smaller) or to cancel the insurance contract in accordance with clause 13.2, before the new fees enter into force.
- 7.5. If you chose option A when concluding the insurance contract, we will use the difference between the sum insured and the value of the accumulation reserve to calculate the life insurance cover fee of the principal insured and the price of the life insurance cover fee specified in the insurance policy. In this case, if the value of the accumulation reserve is higher than or equal to the sum insured of the life insurance, we will not apply the life insurance cover fee to the principal insured.

## 8. When does an insurance contract expire

- 8.1. The insurance contract ends when:
- 8.1.1. the principal insured dies;
  - 8.1.2. we have paid out all insurance benefits;
  - 8.1.3. the policyholder who is a natural person dies or the company of the policyholder who is a legal person ceases to exist without succession. In this case, we will pay out the return value to the respective beneficiary specified in the policy. In the event of the death of the policyholder, the principal insured (if different from the policyholder) has the right to submit an application to us within 30 days of the death of the policyholder to take the place of the policyholder, in which case we will not pay out the return value and the insurance contract will continue to be valid;
  - 8.1.4. the insurance contract has been cancelled;
  - 8.1.5. the end date of the insurance period arrives.
- 8.2. The terms of service of insurance cover may stipulate additional grounds for the termination of insurance cover.
- 8.3. In the event of the death of an additional insured, the insurance cover of that insured person arising from the insurance contract expires.

## 9. What are the investment directions and programmes

- 9.1. When concluding an insurance contract, you must choose an investment programme. The selected investment programme is indicated in the policy. You can choose an investment programme either from among the investment programmes we have prepared, or you have the opportunity to create your own investment programme by selecting the investment directions of the programme from the list of investment directions offered by us and determining the size of the investment part to be invested in the investment direction. We have the right to change the list and composition of the investment programmes and investment directions offered.
- 9.2. Descriptions of investment directions and investment programmes, as well as the prices of investment objects, are published on our website. You have the right to ask us at any time for descriptions of the investment directions you have chosen.
- 9.3. Acting in your best interests, we regularly monitor the rate of return and volatility of assets and the composition of the investment directions and investment programmes we offer, with the aim of improving rates of return (and/or risk-weighted rates of return) according to the risk profile of the investment direction or investment programme. In order to improve the rate of return on assets (and/or risk-weighted rate of return) in various financial market situations, we have the right to change the proportion and composition of investment directions included in the investment programme during the insurance period, provided that the change is aimed at maintaining a risk profile similar to the investment programme chosen when concluding the insurance contract. Based on the same principle, we have the right to change the share and composition of investment objects in the investment direction. After a change in the composition and/or share of the investment direction or investment programme, the insurance premiums paid by you after the change will be invested according to the proportions and composition of the changed investment direction or investment programme. After a change in the composition and/or shares of the investment direction or investment programme, we may realise the corresponding accumulation reserve and invest the received funds according to the current investment direction or investment programme composition. A change in the investment programme or investment direction under the conditions described in this clause will not be considered a modification of the insurance contract.



## 10. What to do in case of an insured event

- 10.1. Notify us of the insured event in writing as soon as possible, but not later than within 30 days after the death of the insured person or within 30 days from the date of entry into force of the court judgment establishing the death of the insured person.
- 10.2. In the event of the death of the insured person, please provide us with the following information:
  - 10.2.1. the benefit application;
  - 10.2.2. the death certificate;
  - 10.2.3. a document confirming the right to the insurance benefit (succession document, court judgment) if the beneficiary is not indicated in the insurance contract;
  - 10.2.4. other documents requested by us that are important for establishing the circumstances of the insured event.
- 10.3. In order to receive a payment of the accumulation reserve at the end of the insurance period, submit a benefit application to us.
- 10.4. You will bear the possible costs related to obtaining the documents of proof of the insured event.

## 11. What are the principles of compensation

- 11.1. We will pay out the insurance benefit upon the occurrence of an insured event. If you have chosen an insurance cover, then in the event of an insured event, we will proceed from the terms of service of the respective insurance cover when providing the insurance benefit.
- 11.2. In the event of the death of the principal insured, the amount of the insurance benefit depends on the choice of insurance chosen in the insurance contract (A or B) and the sum insured of the life insurance. If you have chosen option A in the insurance contract, we will pay out one of the largest amounts of two in the event of the death of the principal insured: either the sum insured for life insurance or the value of the accumulation reserve. If you have chosen option B in the insurance contract, we will pay out both the sum insured of the life insurance and the value of the accumulation reserve in the event of the death of the principal insured.
- 11.3. In the event of the death of an additional insured, we will pay out the sum insured for the life insurance of that insured person.
- 11.4. If you have increased the sum insured and the insured person commits suicide within the first two years after the sum insured has been increased, we will pay out an insurance benefit equal to the insured person's sum insured before increasing the sum insured, taking into account the exclusions specified in clause 5.1 of these terms and conditions.
- 11.5. If the death of the principal insured is not an insured event, we will pay the corresponding beneficiary the return value. If the death of an additional insured is not an insured event, the insurance cover of that insured person expires and we do not pay the insurance benefit.
- 11.6. If the insured event is the end of the insurance period, we will pay out the value of the accumulation reserve collected on behalf of the principal insured. We will realise the investments based on the market price and fix the value of the accumulation reserve within five working days from the receipt of the benefit application. If we are unable to comply with these conditions due to conditions beyond our control, we will fix the value of the accumulation reserve as soon as possible.
- 11.7. We pay the insurance benefit to the respective beneficiary/beneficiaries specified in the insurance contract. If the beneficiaries are not specified in the insurance contract, we will pay the insurance benefit to the heir(s) of the insured person.
- 11.8. Other benefits of the insurance contract (return value, part of the accumulation reserve) will be paid out to the policyholder.
- 11.9. The policyholder may withdraw part of the accumulation reserve without interrupting the insurance contract by notifying us thereof at least 30 days in advance with a corresponding application. After the disbursement of the part of the accumulation reserve, the balance of the accumulation reserve may not be less than the minimum value specified in the price list. When paying out part of the accumulation reserve, we will deduct the payment contract fee according to the price list.
- 11.10. We convert the value of the accumulation reserve to be paid out into cash based on the market price of the investment objects within five working days from the acceptance of the application. If we are unable to comply with these conditions due to conditions beyond our control, we will convert the value of the accumulation reserve as soon as possible.
- 11.11. In the event of the death of the principal insured, we will realise the investments based on the market price and fix the value of the policyholder's accumulation reserve within five working days from the receipt of the death notice of the insured person's death. If we are unable to comply with these conditions due to reasons beyond our control, we will fix the value of the accumulation reserve as soon as possible.

## 12. How can an insurance contract be modified

- 12.1. You have the right to change the investment programme by submitting a written application to us. The investment programme has been changed if we have agreed to the change. We will make a decision on your application for change within 30 days of receiving the application. We will apply the changed investment programme to the insurance premiums that you will pay from the date of the change in the investment programme. We have the right to limit the change of investment programmes and to stipulate in the price list the contract fee for the change.
- 12.2. During the period of validity of the insurance contract, you have the right to change the structure of the accumulation reserve, taking into account the investment directions offered by us by submitting a corresponding written application to us. The structure of the accumulation reserve has been changed if we have agreed to the change, we will make a decision on your application for change within 30 days of receiving the application. If we have agreed to change the structure of the accumulation reserve, we will recalculate the investment objects based on the market price within five working days from the acceptance date of application. If, for reasons beyond our control, we are unable to meet these conditions, we will change the structure of the accumulation reserve as soon as possible.
- 12.3. During the validity of the insurance contract, we have the right to modify:
- 12.3.1. the price list;
  - 12.3.2. the terms and conditions of insurance (incl. these terms and conditions, the general terms and conditions of life insurance services, the terms of service of insurance covers) if the modification does not adversely affect the rights and interests of the policyholder, the insured person and/or the beneficiary;
  - 12.3.3. the terms and conditions of insurance, where there is a change in the legal provisions relating to the insurance contract or where the national supervisory authorities so require or where the economic situation indicates an objective need for modification (e.g. in case of hyperinflation).
- 12.4. We will notify you of the modification of the insurance contract at least 30 days in advance. If you do not agree with the modification of the insurance contract, you have the right to cancel the insurance contract by the time the modification enters into force by submitting a written application to us, in which case we will pay you the return value if the return value can be calculated for the contract. If you do not notify us of the cancellation of the contract before the modifications enter into force, we consider that you have accepted the modifications.

## 13. How can an insurance contract be terminated early

- 13.1. You have the right to withdraw from the conclusion of the insurance contract within 14 days after the conclusion of the insurance contract (within 30 days if the contract has been concluded at a distance as a consumer) by notifying us in writing. In this case, we will refund the insurance premiums paid to you, from which we will deduct the insurance cover fee during the term of the insurance contract and the possible decrease in the value of the underlying assets related to the insurance contract.
- 13.2. You have the right to cancel the insurance contract by notifying us in writing at least 30 days in advance.
- 13.3. We may cancel the insurance contract in the cases provided for in clause 6.7 of these insurance terms and conditions, in the general terms and conditions of ERGO life insurance services and/or the laws of the Republic of Estonia.
- 13.4. In case of cancellation of the insurance contract, we will pay you as the policyholder the return value within 30 days of cancellation.