

# Term Life Insurance

Terms and Conditions, TL'13-2, valid as of 01.10.2013, type of insurance: term life insurance

## Structure of Term Life Insurance Contract

1. The Term Life Insurance Contract (hereinafter the Insurance contract) is comprised of the conditions set in:
  - 1.1. These Term Life Insurance Terms and Conditions No. TL'13-2 (hereinafter Terms and conditions);
  - 1.2. Insurance application and other documents, filled and submitted by the Policyholder;
  - 1.3. Insured's questionnaire (-es);
  - 1.4. Price list;
  - 1.5. Insurance policy and its annexes;
  - 1.6. Amendments and supplements to the Insurance contract formalized in the way established by the Insurer.
2. The contract terms and conditions are comprised of the following general and/ or special conditions:
  - 2.1. Term Life Insurance Terms and Conditions TL'13-2.
  - 2.2. Supplementary insurance conditions (ADB'13: Accidental Disability, AT'13: Accidental Trauma, AD'13: Accidental Death, CI'13: Critical Illness).

Supplementary insurance conditions are applicable to the insurance contract only when chosen by the Policyholder and marked in the insurance policy or in the annexes to the insurance contract. In the matters not regulated in the supplementary insurance conditions, these general terms and conditions shall be applied to the insurance contract.

## Insurer, Policyholder, Insured, Beneficiary

3. The Insurer shall be Mandatum Life Insurance Baltic SE.
4. The Policyholder shall be the natural or legal person who concluded the Insurance contract with the Insurer and is obliged to pay insurance premiums.
5. The parties to the Insurance contract shall be the Policyholder and the Insurer (hereinafter the Parties).
6. The Insured person (hereinafter the Insured) shall be a natural person indicated in the Insurance contract to whom, the insurance risk is related.
7. The Beneficiary shall be a person or persons indicated in the Insurance contract who under the conditions set in the Insurance contract becomes eligible to receive the insurance benefit. Beneficiary shall be appointed by the Policyholder in the order established by the law of Republic of Estonia. The Policyholder has the right to change the Beneficiary before the Event insured on the written consent of the Insured.

## Insurable interest and Insured Sum

8. With the Insurance contract, the Policyholder insures the financial risk of the Insured

upon the possible occurrence of the Event insured during the Insurance period.

9. Amount of the sum insured shall be fixed in the Insurance contract.

## Conclusion of the Insurance contract. Pre-contractual Rights and Obligations of the Parties

10. A person willing to conclude the Insurance contract (hereinafter the Policyholder) shall undertake to familiarize themselves with the Terms and Conditions.
11. In order to conclude the Insurance contract, the Policyholder should fill the corresponding insurance application as well as other required documents requested by the Insurer, including the questionnaires about the Insured, in the form determined by the Insurer. After receiving the insurance application and other documents and conducting the underwriting procedure, the Insurer shall make a decision about the conclusion of the Insurance contract.
12. The Policyholder and the Insured shall undertake to disclose all information that they possess about the conditions that might substantially influence probability of the occurrence of the Event insured. Information which is required by the Insurer in written form shall be

- considered as essential conditions. The Policyholder and the Insured are responsible for the correctness of information they submit to the Insurer.
13. The Insurer shall have the right to ask to examine the Insured's health in a medical establishment proposed by the Insurer and to request the results of the examination, as well as request any other information that is required to estimate insurance risk. The Insurer may request information about the Insured's health directly from a medical institution or other parties.
  14. In compliance with the information submitted by the Policyholder and the Insured, as well as the results of the Insured's health examination provided by the medical institution, the Insurer shall determine the insurance risk and other conditions required for the conclusion of the Insurance contract. The Insurer may offer to conclude the Insurance contract with the increased insurance premiums and/or under different terms and conditions for insurance than it was initially requested by the Policyholder (lower sums insured, shorter insurance period, change of the Insured, uninsured events, etc.). Such possible differences are also indicated in the insurance policy.
  15. The Insurer has the right to refuse from entering into the Insurance contract.
  16. The Insurance contract shall be considered as concluded between the Insurer and the Policyholder after all conditions of the Insurance contract are accepted by both Parties and from the day upon which the first insurance premium as established in the invoice-offer and subject to payment is received into the bank account of the Insurer.
- The Insurer confirms the conclusion of the Insurance contract by issuing the insurance policy.
17. In case the Policyholder or the Insured withheld some information or indicated knowingly misleading, incorrect or incomplete information, and this affected the Insurer's decision to enter into the Insurance contract or to determine its conditions, the Insurer shall be entitled to terminate the Insurance contract under the conditions specified in subsection 33 or to request to declare the Insurance contract invalid.
  18. The Policyholder shall inform the Insured and the Beneficiary about the conclusion of the Insurance contract and their rights and obligations arising from this contract.
  19. The insurance period shall be a period indicated in the Insurance contract during which the insurance cover is valid.
  20. The insurance cover shall take effect on the date indicated in the insurance policy, but in any case not earlier than on the next day after receipt of the first insurance premium on the Insurer's bank account.
  21. The Insurance contract shall come into force only in case the first insurance premium is paid within a period of 65 days from the date of submission of insurance application, unless otherwise stipulated in the invoice-offer.
  22. The insurance premium and the payment schedule for insurance premiums shall be indicated in the Insurance contract.
  23. The insurance premium thereof shall be considered as paid, when the relevant amount is credited into the Insurer's bank account, and payment document includes sufficient data to identify the premium paid (e.g. the reference number of the Insurance contract, the number of the Insurance contract, name and personal code/registration code of the Policyholder).
  24. If by the day of the termination of the Insurance contract, insurance premiums are paid in advance for future periods (future months), then in case of termination, after deduction of the charge for the prepaid premium repayment indicated in the Price list, such prepaid premiums shall be returned to the Policyholder. In case of death of the Policyholder, such premiums shall be returned to the heirs of the Policyholder (in case the Policyholder who is a legal entity is liquidated – to the successors of the Policyholder).
  25. If the Policyholder delays payment of regular insurance premiums, in case of insurance benefit payment, indebted insurance premiums shall be deducted from the insurance benefit.
  26. In case the insurance risk is changed, taking into account statistical data about the events insured and the insurance benefits paid, the Insurer has a right to increase or to decrease insurance premiums once per calendar year. The Insurer shall give a written notice to the Policyholder one month before amendments to insurance premiums come into force. In case the Policyholder doesn't agree with the amendments he shall give written notice to the Insurer and shall be entitled to terminate the insurance contract. In case the Policyholder doesn't give written notice to the Insurer with the intension to terminate the insurance contract before the date when the amendments to insurance premiums come

## Insurance Premium

22. The insurance premium and the payment schedule for insurance premiums shall be indicated in the Insurance contract.
23. The insurance premium thereof shall be considered as paid, when the relevant amount is

into force, it is assumed that the Policyholder agrees with the amendments.

27. If the Policyholder fails to pay a regular insurance premium (with the exception of the first payment), the Insurer shall forward a written notice to the Policyholder and indicate that if the indebted premium is not paid within period stated in the notice, the Insurance contract shall be terminated. The Insurance contract shall be deemed as terminated if the Policyholder does not pay the insurance premium by the time and in the amount stated in the notice. Should the insured event occur after the date stated in the notice and the premium has not been received in the Insurer's account, the insurance benefit shall not be paid.

## Price list

28. Price list is an integral part of the Insurance contract, which is approved by the Insurer. The Policyholder familiarizes themselves with the Price list before concluding the Insurance contract and confirms this in the insurance application. The Insurer has the right to make the amendments to the Price list by giving a written notice to the Policyholder at least one (1) month before the amendments come into force. In case the Policyholder does not agree with the amendments they shall have the right to terminate the Insurance contract. If the Policyholder does not give a written notice to the Insurer with the intension to terminate the Insurance contract before the date when the amendments to the Price list come into force, it is assumed that the Policyholder agrees with the amendments.

## Termination of the Insurance Contract and withdrawal from the Insurance contract

29. The Insurance contract can be terminated upon an agreement of the Parties or in accordance with the legislation.
30. The Policyholder shall be entitled to terminate the Insurance contract giving a written notice to the Insurer not later than 30 days before the intended day of the termination unless the Parties agree otherwise.
31. When the Insurance contract is terminated upon the Policyholder's initiative (with the exception of a case indicated in subsection 32), the part of prepaid premiums shall be refunded according to subsection 24.
32. The Policyholder shall be entitled to withdraw from the Insurance contract by giving a written notice to the Insurer within 14 days (30 days in case of electronically concluded contract) from the conclusion of the contract. In this case the Policyholder shall be refunded the whole paid insurance premium except the amount which has been deducted for the insurance cover of the contract period.
33. After becoming aware of any violations of the Insurance contract, the Parties to the Insurance contract shall be entitled to unilaterally terminate the Insurance contract after giving a written notice to the other party.
34. The Insurer is entitled to initiate the termination of validity of the Insurance contract only if the conditions

of the contract have been violated substantially or in other cases set by the legislation. In this case the prepaid premiums shall be refunded to the Policyholder.

35. If the Insurance contract is terminated upon the Policyholder's request due to alleged violation of the terms and conditions of the Insurance contract by the Insurer, the prepaid premiums shall be refunded to the Policyholder.

## Expiration of the Insurance Contract

36. The Insurance contract shall expire upon the first occurrence of one of the following conditions:
  - 36.1. Upon the death of the Insured;
  - 36.2. Upon the expiration of the insurance period indicated in the Insurance policy;
  - 36.3. Upon the death of the Policyholder who is a natural person;
  - 36.4. Upon the liquidation of the Policyholder who is a legal entity without any successors;
37. In other cases provided by law.

## Amendment of the Terms and Conditions of the Insurance Contract

38. By mutual agreement of the parties, the terms and conditions of the Insurance contract can be amended or supplemented. Amendments and supplements are formalized in the way fixed by the Insurer.
39. Before making a decision to amend the Insurance Contract,

the Insurer may require that the Policyholder and /or the Insured complete an additional health questionnaire, and/or insist on the Insured's health examination at the Insurer's expense in the medical establishment proposed by the Insurer.

40. Upon the amendment of the Insurance contract the Policyholder shall pay a fee to the Insurer, the amount of which is indicated in the Price list.
41. The Insurer shall be entitled to unilaterally amend or to supplement the Terms and conditions of the Insurance contract, if the interests of the Policyholder, the Insured and the Beneficiary are not infringed as well as in cases when legislation concerning the Insurance contract is amended or when changes are an objective necessity due to economic or market situation or requested by a supervisory authority. The Insurer shall give a written notice to the Policyholder at least one (1) month before the amendments to the Terms and conditions come into force. In case the Policyholder does not agree with the amendments they shall give a written notice to the Insurer and are entitled to terminate the Insurance contract. In case the Policyholder does not give a written notice of their intention to terminate the Insurance contract before the date when the amendments to the Terms and conditions come into force, it is assumed that the Policyholder agrees with the amendments.

## **Contractual Rights and Obligations of the Parties**

42. The Policyholder shall have the following obligations:

- 42.1. To provide the Insurer with correct information in relation to the Insurance contract and submit documents confirming the information;
  - 42.2. To pay the insurance premiums on time;
  - 42.3. To inform the Insured about the amendments and supplements to the Insurance contract;
  - 42.4. To inform the Beneficiary about the amendments and supplements of the Insurance contract in case these amendments and supplements are related to the Beneficiary's rights and obligations arising from the Insurance contract;
  - 42.5. If requested by the Insurer, to name in written or in other form agreed by the Parties a person residing in the Republic of Estonia who has the right to receive the Insurer's notices instead of the Policyholder, in case the latter leaves for a foreign country for a period exceeding three months;
  - 42.6. To inform the Insurer, in written or in other form agreed by the Parties, about changes in the residence or contact information of the Policyholder within 30 days.
43. Upon the occurrence of the Event insured, the Insurer shall have the obligation to pay out the insurance benefit in accordance with the conditions indicated in the Insurance contract
  44. Upon the occurrence of the Event insured, the person claiming the insurance benefit or person assigned by them shall have the following obligations:

- 44.1. To give a notice to the Insurer about the Event insured following the procedure indicated in the Terms and conditions;
- 44.2. To retain and submit to the Insurer all documents related to the Event insured;
- 44.3. To provide the Insurer or its authorized representative with authorization and opportunity to investigate the causes, consequences and circumstances of the Event insured.

## **Events Insured**

45. The Event insured shall be the death of the Insured during the validity of the insurance cover in accordance with these Terms and conditions.
46. The event shall be recognized as Event insured in case it occurred during the period of validity of the insurance cover and if it is proved by official documents and relevant evidence.
47. If the court declares the Insured deceased, this shall be considered as the Event insured only if the date of disappearance and the assumed death of the Insured happened during the validity period of the insurance cover.
48. If the court declares the Insured missing, this shall not be regarded as the Event insured.

## **Events Uninsured**

49. The insurance benefit shall not be paid if the Event insured has been caused by the following:
  - 49.1. The Insured injures themselves intentionally or commits suicide in 2 years after the conclusion of the Insurance contract;

- 49.2. War, military actions, declared state of emergency, nuclear power impact.
50. Other possible uninsured events are set forth in the insurance policy.

## **Benefits Paid in Case of the Event Insured**

51. In case of the Event insured the payable insurance benefit is equal to the sum insured for the life insurance, as indicated in the Insurance contract.
52. The insurance benefit payable in case of the Event insured is set forth in the insurance policy.
53. Insurance benefits shall not be paid, if the event is uninsured or the event occurs during the period when the insurance cover is suspended.
54. The Insurer shall be entitled to reduce or refuse to pay the insurance benefits in the following cases:
- 54.1. The Policyholder, the Insured or their legal representative, who provided information, withheld some information or submitted misleading information, misleadingly confirmed statements in the insurance application or in questionnaires that affected the Insurer's decision to enter into the Insurance contract or to determine conditions thereof, as well as to amend the contract or prolong the insurance cover;
- 54.2. The Policyholder, the Insured or their legal representative, who provided information, did not submit all the information known about relevant circumstances, which has a significant effect to estimating the insurance risk;
- 54.3. The person claiming the insurance benefit intentionally provided the Insurer with false information;
- 54.4. The Insurer was not informed of the Event insured in due time;

- 54.5. The documents provided by the person claiming the insurance benefit are insufficient to determine the date, seriousness and circumstances of the Event insured;

The person claiming the insurance benefit impedes the Insurer's access to medical documentation of the Insured, or prevents the Insurer from investigating the Event insured or getting all necessary information;

- 54.6. The Insurer shall not pay the Insurance Benefit if the Event Insured was intentionally caused by the Policyholder, the Insured or the Beneficiary, except for the case provided in subsection 49.1.
55. All bank fees paid by the Insurer in connection with the performance of contractual obligations, including for paying the insurance benefit to a foreign bank account, shall be covered by the recipient of the payment.

## **Deadlines for Giving a Notice on the Event Insured and Documents to be submitted when applying for the Insurance Benefit**

56. The Beneficiary shall be obliged to inform the Insurer within six (6) months of the occurrence of the Event insured or of their becoming aware of it.
57. The Insurer may also be informed of the Event insured through third parties.
58. Upon the Insured's death, the following documents should be submitted to the Insurer:

- 58.1. Identity document of the person applying for the insurance benefit;
- 58.2. The document indicating the change of the Beneficiary if such change is not marked in the insurance policy;
- 58.3. Application for the insurance benefit indicating the date, place and nature of the Event insured, as well as the bank account where the insurance benefit shall be transferred;
- 58.4. Medical certificate issued by a medical establishment describing the cause of death;
- 58.5. Death certificate;
- 58.6. Certificate of succession rights in case intestate successors apply for the insurance benefit;
- 58.7. Occupational accident report, if such a report has been drawn;
- 58.8. Statement of the event issued by a police, if such statement has been drawn; report of the investigation and court ruling, if criminal proceedings have been instigated in regard with the Event insured or if the Event insured is related to the event subjected to judicial proceedings.
59. Upon a separate request by the Insurer, the Insurance policy (duplicate) and its amendments and supplements shall be submitted to the Insurer.
60. The Insurer may request for other documents not indicated in subsection 58 (including previous health records of the Insured), if such documents are necessary to justify the payment of insurance benefit and determine its amount.
61. The Insurer might not require the above-mentioned documents if the Insurer has an access to national databases or the Insured's health records.

62. In case a document is issued by foreign institution, the Insurer shall have the right to ask for notarial translation of this document into the Estonian language.

## The receiver of the Insurance Benefit

63. The insurance benefit shall be paid to the last appointed Beneficiary known to the Insurer. If the Beneficiary has not been appointed, the insurance benefit upon the Insured's death shall be paid to the intestate successors of the Policyholder.
64. If after paying out the insurance benefit, the Insurer receives information about appointment/replacement/revocation of the Beneficiary, which the Insurer was not aware of before the Event insured, the Insurer shall not pay any additional insurance benefit.
65. If the Beneficiary dies before the Event insured and other Beneficiaries have not been appointed, the insurance benefit upon the death of the Insured shall be paid to the intestate successors of the Policyholder.
66. If the Beneficiary dies after the Event insured and the due insurance benefit has not yet been paid, the insurance benefit shall be paid to the intestate successors of the Beneficiary.
67. Insurance benefit shall not be paid to a person, whose intentional acts caused the Event insured. In this case, the corresponding part of the insurance benefit shall be paid as follows, unless what was stipulated about uninsured events in subsection 49 is applicable:
- 67.1. Proportionally to other Beneficiaries indicated in the Insurance contract;

67.2. To the intestate successors of the Policyholder, if no other Beneficiaries have been indicated in the Insurance contract.

## Payment Schedule of the Insurance Benefit

68. The Insurer shall pay the insurance benefit at the latest in 30 days from the date of receipt of all relevant information and documents which are necessary to clarify the circumstances of the Event insured and the amount of the benefit.
69. Should the Insurer fail to pay the insurance benefit or other amount due according to the Insurance contract within the fixed period of time, the Insurer shall pay a fine amounting to 0.05 per cent of the unpaid amount for each day of delay. The total amount of fines, however, may not exceed 10 per cent of the amount of the unpaid sums.

## Obligation to protect personal data

70. The Insurer shall have no right to reveal to third persons the information about the Policyholder, the Insured and the Beneficiary, their health condition and financial state, which was received before concluding and during the validity of the Insurance contract. Information received by the Insurer should be confidential and used exclusively for performing the Insurance contract or for other purposes provided by the law.

71. The Insurer shall process personal data (e.g. sensitive personal data such as information about the health condition and possible disability of the Policyholder/the Insured) as it is set forth in the legislation of the Republic of Estonia.

## Notices

72. All notices given by the parties to each other shall be in a written form unless the parties mutually agreed on another form of giving notices. The written notice shall be sent directly to the last known address of the Insurer or the Policyholder. The date when the notice is received is assumed to be the date when the notice was delivered.
73. The Insurer, the Policyholder, the Insured and the Beneficiary shall have the opportunity to exchange information related to the Insurance contract via e-mail or via the electronic channel E-life. Upon the use of encrypted e-mail, it cannot be guaranteed that the transmitted information will arrive in its entirety. The Parties shall assume responsibility for delivering information via e-mail and for its possible consequences.
74. If the Policyholder does not inform the Insurer about their new contact information in compliance with these Terms and conditions, then notices sent by the Insurer to the last known address are assumed to be delivered to the addressee.

## Final Provisions

75. The Insurance contract is subject to the legislation of the Republic of Estonia. In cases not specified in the Terms and conditions herein, the Parties of the Insurance contract shall act

- in compliance with legislation of the Republic of Estonia.
76. Upon entering into the Insurance contract, the Parties may supplement the Terms and conditions. Any amendments to the provisions of the Terms and Conditions herein shall be validated by adding the relevant provisions to the invoice-offer, the insurance policy or other annexes to the Insurance policy.
77. Disputes between the Parties of the Insurance contract shall be settled according to the procedure stipulated by the legislation of the Republic of Estonia.
78. In the Republic of Estonia, the supervision is conducted by the Financial Supervision Authority (Sakala 4, Tallinn).