

## Group Life Insurance Rules No. 005

[Effective since 14 March 2011]

### GENERAL TERMS

#### Main definitions used in Group Life Insurance Rules No. 005

1. Insurance agreement means an agreement between the insurer and policyholder. The policyholder under the Insurance agreement shall pay the insurance premiums to the insurer, who under the terms established in the insurance agreement shall pay the insurance benefits.
  2. Terms of the insurance agreement mean the entirety of terms and conditions established in the present Rules, in the additional insurance rules, if the policyholder and the insurer have agreed on use thereof in a written application for insurance agreement, insurance policy, pricelist, application for amendment to the insurance agreement terms, questionnaire forms and other integral parts of the Insurance agreement
  3. Insurance Rules mean the standard insurance terms established by the insurer in the insurance agreement.
  4. Main insurance means the insurance provided to a group of the insured persons according to the insurance agreement under the standard terms established in the Group Insurance Rules No.005.
  5. Additional insurance means the supplementary insurance to the basic insurance agreement between the policyholder and the insurer under the standard insurance terms, established in the additional insurance rules. The policyholder shall familiarise with the additional insurance rules prior to signature of the application to use the additional insurance terms (the additional coverage) and the present Rules shall be deemed to be an integral part of the insurance agreement. The additional insurance shall be valid only jointly with the main insurance. The terms of the main insurance shall be applied for the additional insurance, except for such terms, which provide otherwise in the additional insurance rules.
  6. Application for insurance agreement means a written request of the policyholder to enter into the insurance agreement. If at the moment of the insurance agreement signature, the policyholder fills out the additional application of the established form to apply the additional coverage, such application shall be deemed to be an integral part of the application for insurance agreement.
  7. Sum insured means the amount specified in the insurance agreement to be paid by the insurer upon occurrence of any insured event.
  8. Insurance period means the period from the start date until the end date of the insurance coverage.
  9. Insurance premium means the amount established in the insurance agreement to be paid by the policyholder under the terms of the insurance agreement for the insurance coverage.
- #### Participants of the insurance agreement
10. Insurer means SEB Life and Pension Baltic SE, acting through SEB Life and Pension Baltic SE Lithuania branch
  11. Policyholder means any private individual or any legal entity that have entered into the insurance agreement with the insurer.
  12. Parties to the insurance agreement are the policyholder and the insurer.
  13. Group of insured persons means the group of private individuals (at least 2 persons), belonging to one group according to mutual relationship and / or relationship with the policyholder.
  14. Insured person means any private person belonging to the group of insured persons, to whom upon occurrence of an insured event the insurer is obligated to pay the insurance benefit.
  15. Beneficiary means the person specified in the insurance agreement by the policyholder or nominated by the insured person (if the insured person has such a right), acquiring a right to the insurance benefit upon occurrence of the insured event.
  16. Irrevocable beneficiary means the beneficiary who may not be revoked or replaced without his/her consent.
- #### Insurance type and group
17. Insurance under the present Insurance Rules is attributed to the life insurance type.
  18. Group of the insurance type – life insurance.
  19. Main insurance agreement may be supplemented with the additional insurance attributed to the non-life insurance type. The additional insurance shall come into effect from the date of the insurer's consent to supplement the main insurance agreement and shall be valid until the date of refusal of the additional insurance or until the main insurance agreement is effective.
- #### Object of insurance
20. The object of the insurance is the property interest related to the insured person's life expectancy.
  21. The policyholder and the insurer may agree on the additional insurance and to make supplements to the insurance object definition.
  22. The insurance object shall be specified in the Insurance Policy or annexes hereto.
- #### Pre-contractual rights and obligations of the parties to the insurance agreement
23. The policyholder after expressing its intention to enter into the insurance agreement, shall be familiarised with the present Insurance Rules, the additional insurance rules, if agreed to apply thereof, with the main taxation procedure applicable to the insurance agreements, and with other information specified in the Law on Insurance of the Republic of Lithuania. The policyholder shall receive the copies of the above listed documents.
  24. The policyholder, having selected the insurance objects and sums insured, shall submit a written application for the insurance agreement.
  25. The insurer, taking into consideration the insurance risk, may,
    - 25.1. offer the insured person to fill out and submit the questionnaire form on the insured person's health condition and other questions related to the insurance risk assessment;
    - 25.2. offer the insured person to have his/her health check at the personal healthcare institution specified by the insurer;
    - 25.3. familiarise with the insured person's health condition data, available at the personal healthcare institution, the State Patients' Fund and the State Social Insurance Fund;
    - 25.4. offer the policyholder and / or the insured person to provide answers to the additional questions in written form and submit other documents requested by the insurer, related to the insurance risk assessment;
    - 25.5. offer the policyholder to fill out and to provide the insurer with the employer's declaration, confirming that the group of insured persons meets the criteria established by the Insurer;
    - 25.6. offer the policyholder to enter into the insurance agreement under other terms than specified in the application;
    - 25.7. refuse of entering into the insurance agreement without indicating any reasons of such refusal.
  26. The policyholder shall be responsible for correctness of information provided at the moment of signature of the insurance agreement. If any other person is provided the insurance coverage, the insurer and the insured person shall be responsible for correctness and accuracy of data.
- #### Execution and effective date of the insurance agreement
27. The insurance agreement shall be executed and shall come into effect after issuance of the insurance policy by the insurer, and issuance thereof shall be deemed as acceptance of the application for insurance agreement of the established form signed by the policyholder.
  28. The policyholder's application for insurance agreement and the questionnaire form shall be valid for the period of 60 (sixty) calendar days from the date of filling out thereof. If the insurance agreement does not come into effect within the above-specified period, the application for insurance agreement and the questionnaire form shall become ineffective.
  29. The insurance agreement shall come into effect:
    - 29.1. on the next day after payment of the annual insurance premium or any portion hereof, if the parties agreed on it;
    - 29.2. on the date specified in the application for insurance agreement, if such date is specified.

### **Sum insured**

30. Sum insured under the life insurance and sum insured under the additional insurance, if the additional insurance is applied, shall be identified by mutual consent of the policyholder and the insurer and shall be specified in the insurance policy or and annex hereto.

### **Period of the insurance agreement**

31. The insurance period shall be established by mutual consent between the parties to the insurance agreement and specified in the insurance policy. The first day of the insurance period shall coincide with the effective date of the insurance agreement.

### **Insurance premium**

32. The insurance premiums shall be annual, and shall be established by mutual consent between the insurer and the policyholder and shall be specified in the insurance agreement.
33. The insurance premiums shall be established when entering into the insurance agreement, taking into consideration the insured persons' age, the selected additional insurance risk, if the policyholder and the insurer agreed to use the additional insurance and other risk factors increasing the risk, and the insurance agreement execution and administration costs. If the policyholder makes amendments to the terms of the insurance agreement, the insurer shall have a right to change the insurance premium, taking into consideration the changes in the risk factors and the insurance agreement administration costs.
34. Based on the policyholder's and insurer's mutual agreement, the annual insurance premiums may be paid in portions.
35. The insurance premiums shall be paid to the account specified by the insurer. It shall be deemed that the insurance premium is paid when a relevant amount is credited to the insurer's bank account and the purpose of the insurance premium is clearly indicated (Item 38), if the insurance agreement does not provide otherwise.
36. The insurance premiums shall be paid in the national currency of the Republic of Lithuania in one of the methods offered by the insurer. If paid in another currency, the insurance premiums under the agreement signed by the policyholder may be credited only subject to the insurer's prior consent. In such case money transfer, currency conversion costs and other related costs shall be covered by the policyholder. Such costs shall be covered from the paid insurance premium.
37. The insurance premiums until the date of crediting thereof to the insurer's account shall be deemed to be the policyholder's funds disposed by third parties.
38. If the payment order issued to the bank by the policyholder or any other person paying the insurance premiums does not specify the insurance agreement number or any other necessary information required by the insurer, all periods established in the insurance agreement, to be calculated from the insurance premium payment date, shall start from the date when the insurer has identified under which insurance agreement the insurance premium is paid. Until it is not identified under which insurance agreement the insurance premium is paid, it shall be deemed that it is unpaid.
39. The insurance premiums on behalf of the policyholder may also be paid by other persons not acquiring any rights to the insurance agreement and to the paid insurance premiums.

### **Amendment to terms of the insurance agreement**

40. Terms of the insurance agreement may be amended by mutual written consent between the insurer and the policyholder.
41. The policyholder and the insurer may additionally establish the cases when the beneficiary may be replaced by the insured person subject to submitting an application in the form established by the insurer.
42. If the insurance agreement establishes an irrevocable beneficiary, the policyholder without a written consent of such irrevocable beneficiary shall not have a right to replace the irrevocable beneficiary, sum insured and the effective period of the insurance coverage.
43. Prior to adopting a decision on the amendment to the terms of the insurance agreement, the insurer may offer the policyholder to fill out the application and the insured person's questionnaire form and / or for the account of the policyholder to offer the insured person to have his/her health condition check at the specified personal healthcare institution.

### **Assignment of policyholder's rights and obligations under the insurance agreement (replacement of the policyholder)**

44. The policyholder shall have a right following the procedure established in acts of law to assign its rights and obligations under the insurance agreement to any person, who is entitled to perform the functions of the policyholder, if the insurer agrees with assignment of such rights and

obligations. The policyholder shall be obligated to notify the insured person of replacement of the policyholder.

45. The policyholder shall notify the insurer in written form of assignment of its rights and obligations related to the insurance agreement to another person by filling out an application of the form approved by the insurer that also includes consent of such person to take over the policyholder's rights and obligations.
46. Within the period when the policyholder's rights are not taken over, the insured person's insurance coverage shall be effective until the expiry of the period for which the insurance premium is paid.

### **Suspension and renewal of insurance coverage**

47. If the policyholder fails to timely pay the insurance premium (or any portion hereof), the Insurer shall send a notice to the policyholder indicating the amount to be paid within the period specified in the notice
48. If the policyholder fails to pay the insurance premiums or pays a lower amount within the period specified in the notice (Item 47), the insurance coverage shall be suspended.
49. If the insurance coverage suspension period exceeds 6 (six) months, the insurer shall have a right to unilaterally terminate the insurance agreement. In such case the insurer shall be entitled to the insurance premiums unpaid until the insurance coverage suspension.
50. The insurance benefits shall not be paid within the insurance coverage suspension period upon occurrence of the events, which in case of the insurance coverage validity period would be considered to be the insured events, if not agreed otherwise by the policyholder and the Insurer.
51. The period specified in the notice (Item 47) upon expiry of which the insurance coverage shall be suspended, may not be shorter than 30 (thirty) calendar days from the date of receipt of the notice sent by the insurer on possible suspension of the insurance coverage. It shall be deemed that the policyholder receives the notice within 7 (seven) calendar days from its dispatch date.
52. If the irrevocable beneficiary is nominated, the insurer shall have a right to notify the irrevocable beneficiary of the possible insurance coverage suspension.
53. The insurance coverage may be renewed after payment of the amount specified in the notice (Item 48).
54. The insurance coverage may be renewed following the procedure established in Items 55-57.
55. If not more than 6 (six) months have expired from the insurance coverage suspension period, the insurance coverage shall be renewed on next business day after the date of crediting the amount specified in the notice (Item 47) to the bank account specified by the insurer and the identification date of the insurance premium purpose (Item 38).
56. If the policyholder requests to renew the insurance coverage, and if from the insurance coverage suspension date, the period exceeding 6 (six) months has expired, the insurer shall have a right to:
  - 56.1. offer the insured person to fill out the insured person's questionnaire form and / or request the insured person to have his/her health check for the policyholder's account at the personal healthcare institution acceptable to the insurer;
  - 56.2. refuse to renew the insurance coverage.
57. The insurance coverage shall be renewed after receipt of the policyholder's application and if the insurer agrees to renew the insurance coverage, however no earlier than on the next business day after the date of crediting the amount specified in the notice (Item 47) to the bank account specified by the insurer and the premium purpose identification date (Item 38), if not agreed otherwise by the policyholder and the Insurer.

### **Termination of the insurance agreement**

58. The parties shall notify each other of the insurance agreement termination by giving at least 30 (thirty) calendar days' written notice prior to the intended termination date of the insurance agreement, if not agreed otherwise by the parties.
59. If the irrevocable beneficiary is nominated, the insurer shall have a right to notify the irrevocable beneficiary of the insurance agreement termination.
60. The insurer shall not have a right to unilaterally terminate the insurance agreement if the policyholder's fault is not identified.
61. If the insurance agreement is terminated on request of the insurer, whereas the policyholder has breached the terms of the insurance agreement, a portion of the insurance premiums/surrender value paid for the period after the termination date shall be refunded to the policyholder, subject to deduction of the administrative expenses related to execution and implementation of the insurance agreement. If until the insurance agreement termination date, the insurance benefits were paid (or became due), such amounts shall be deducted from the refundable insurance premium/surrender value. If until the insurance agreement termination date,

the policyholder failed to pay the insurance premium (or any portion hereof) specified in the insurance agreement, the Insurer shall be entitled to the insurance premiums unpaid until the insurance coverage suspension date.

62. If the insurance agreement is terminated on the initiative of the policyholder due to any other reason than the insurer's fault, the policyholder shall be refunded:
  - 62.1.1. portion of the insurance premium, paid for the period after the termination date, subject to deduction of the administrative expenses related to execution and implementation of the insurance agreement;
  - 62.1.2. total amount of paid insurance premiums, if the policyholder (private individual) terminates the insurance agreement by giving 30 (thirty) calendar days' written notice to the insurer from the moment when notified of the insurance agreement signature.
63. If the insurance agreement is terminated on request of the policyholder, whereas the insurer has breached the terms of the insurance agreement (if the insurer's fault is identified), the policyholder shall be refunded a portion of the insurance premiums paid for the period after the termination date and monetary compensation of 1 per cent calculated of the amount paid.
64. Administrative expenses related to execution and implementation of the insurance agreement, shall be deducted in cases established in Items 611 and 62.1.1, shall make 20 per cent of the portion of the insurance premiums refundable to the policyholder, and paid for the period after the termination date.
65. The refundable insurance premium, in case of the insurance agreement termination shall be paid no later than within 30 (thirty) calendar days from the insurance agreement termination date.
66. The agreement may be terminated by mutual agreement between the parties.

#### **Expiry of the insurance agreement**

67. The insurance agreement shall expire:
  - 67.1. after expiry of the insurance period established in the insurance agreement;
  - 67.2. if the policyholder – a legal entity or a policyholder without legal status, ceases (terminates) its operations and if there is no legal successor of its rights and obligations;
  - 67.3. if the policyholder dies if there is no legal successor of its rights and obligations;
  - 67.4. if the policyholder or the insurer unilaterally terminates the insurance agreement;
  - 67.5. if the policyholder and the insurer agree on termination of the insurance agreement;
  - 67.6. if any other grounds for the agreement termination established in acts of law exist.

#### **Procedure for the insurance benefit payment**

68. The insurer shall be notified of the insured event no later than within 30 (thirty) calendar days from the date of learning of the insured event. If the insured event is the court ruling declaring the insured person dead, when the date of disappearance or suspected death of the insured person falls within the period of insurance coverage, it is required to notify the insurer in written form of the insured event after learning about it no later than within 30 (thirty) calendar days from the effective date of the court ruling declaring the insured person dead.
69. In case of requesting the insurer to disburse the insurance benefit if the insured person died or is declared dead by the court ruling, it shall be necessary to submit:
  - 69.1. filled out notification of the insured person's death in the form established by the insurer;
  - 69.2. insured person's death certificate (original copy or a duplicate approved by the notary);
  - 69.3. duplicates of medical documents (original copies);
  - 69.4. documents proving repatriation of a dead body through the national border (if the insured person died outside the territory of the Republic of Lithuania);
  - 69.5. other documents proving the insured event and a right to the insurance benefit;
  - 69.6. application in the form established by the insurer to transfer the insurance benefit to the specified bank account of the beneficiary.
70. In case of requesting the insurer to disburse the insurance benefit upon occurrence of the insured event established in the additional insurance rules, it shall be required to submit the documents listed in the additional insurance rules.
71. The insurance benefit shall be paid no later than within 30 (thirty) calendar days, if the documents specified in Items 69,70 (depending on the insured

event) and all additional information necessary to identify the fact of the insured event, the circumstances, consequences and amount of the insurance benefit are submitted.

72. If the investigation related to the insured's death is performed by law enforcement authorities or litigation is started, the insurer shall have a right to postpone a decision on the insurance benefit until the investigation or litigation is finalised.
73. The amount of the insurance benefits to be paid upon occurrence of any insured event shall be calculated according to the procedure established in part *Life Insurance Terms* of the present Rules and the additional insurance rules, if the policyholder and the insurer agreed to apply thereof.

#### **Beneficiaries under the insurance agreement**

74. The insurance benefit shall be paid:
  - 74.1. in case of the insured person's death – to the beneficiary in case of the insured person's death. If the beneficiary is not specified, the legitimate heirs of the insured person shall become the beneficiaries;
  - 74.2. upon occurrence of an insured event specified in the additional insurance rules – to the insured person if the insurance agreement does not provide otherwise.
75. The insurance benefit shall not be paid to persons whose intentional acts (if so specified by the court) resulted in the death or damage of insured person.
76. If after death of the insured person, prior to receipt of payable insurance benefit (or any portion hereof), the nominated beneficiary or the legitimate heir of the insured person or the nominated beneficiary dies earlier than the insured person and any other beneficiary is not nominated, the insurance benefit shall be paid to the legitimate heirs (persons who acquired the right to the insurance benefit) of the deceased beneficiary.

#### **Rights and obligations of the parties within the validity period of the insurance agreement**

77. The policyholder shall have to:
  - 77.1. provide the insurer with correct information requested by the insurer related to the insurance agreement
  - 77.2. notify the insurer of any changes in the name, surname, address for sending notifications in written form within 30 (thirty) calendar days;
  - 77.3. immediately inform the beneficiary, the insured person or irrevocable beneficiary about signature of the insurance agreement as well as about the rights and obligations of such parties, arising out of the insurance agreement, and about amendments to the insurance agreement.
78. The policyholder in addition to other rights and obligations established in the Insurance Rules shall have a right to change the beneficiary prior to the insured event, upon occurrence of which the beneficiary would acquire a right to the insurance benefit, except for the cases in the irrevocable beneficiary is nominated. If the policyholder and the insured person are different persons, the insured person's written consent shall be required to change the beneficiary (another person than the insured person).
79. The insurer shall have to:
  - 79.1. on request of the policyholder to issue copies of the insurance policy or any other documents proving signature of the insurance agreement;
  - 79.2. within the period and under the conditions established in the insurance agreement to pay the specified insurance benefits;
  - 79.3. not disclose information received from the policyholder and / or from the insured person and use thereof only for the purposes established in acts of law;
  - 79.4. on demand of the beneficiary to pay default interest of 0.02 per cent of overdue amounts for each day of delay (however, the total amount of default interest may not exceed 15 per cent of overdue amounts), if through the insurer's fault, the insurer within the established term fails to pay the insurance benefit or any other amount under the insurance agreement.
80. The insurer, in addition to other rights and obligations established in the Insurance Rules, shall have a right to:
  - 80.1. approve the minimum and maximum sums insured as well as the shortest and the longest period of the insurance agreement;
  - 80.2. acknowledge the insurance agreement or amendments to the insurance agreement invalid, if after the date of the insurance agreement signature or the date of amendments to the terms of the insurance agreement, it is identified that the policyholder has provided the insurer with knowingly misleading information about the circumstances that might have material effect on probability of occurrence of the insured event and the amount of possible losses of such event, except for the cases, when the circumstances

- undisclosed by the policyholder prior to the insured event, had no effect on the insured event or execution of the insurance agreement;
- 80.3. if statistical data on the insured events and insurance benefit change, unilaterally change the risk fees of the life insurance and the additional insurance, if the policyholder and insurer agreed to apply hereof,
  - 80.4. unilaterally make amendments to the Insurance Rules on the basis of which the insurance agreement is executed, if interests of the policyholder, the insured person or the beneficiary in relation to the above are not breached or any new norms of law of the Republic of Lithuania are approved, or the norms used for drafting the insurance agreement are amended;
  - 80.5. following the procedure established by acts of law to assign rights and obligations under the insurance agreement to another insurer or several insurers. If the policyholder disagrees with assignment of the insurer's rights and obligations to another insurer or several insurers, it shall have a right to terminate the insurance agreement following the procedure established in Item 62 of the Rules
81. The insurer shall notify the policyholder of the amendment specified in Items 80.3-80.4 in the method established in Item 83 no later than 60 (sixty) calendar days prior to the effective date of such amendments. The amendments shall come into effect from the date specified in the notice. If the policyholder disagrees with the amendments, the policyholder may terminate the insurance agreement following the procedure established in Item 62. If the policyholder fails to terminate the insurance agreement prior to the effective date of amendments, it shall be deemed that the policyholder agreed with the amendments.
  82. The insurer shall have a right to decrease the insurance benefit or suspend payment hereof if:
    - 82.1. policyholder or the insured person has not disclosed or submitted misleading information that might have material effect on identification of insurance terms or on the insurer's decision to enter into or to make amendments to the insurance agreement, to renew the insurance cover;
    - 82.2. person willing to receive the insurance benefit has provided the insurer with misleading information about the event;
    - 82.3. it is impossible to identify the date, circumstances and consequences of the event based on the documents provided by the policyholder, the insured person or the beneficiary;
    - 82.4. policyholder, the insured person or the beneficiary do not allow or hinder the insurer to perform investigation of the event and to obtain the required information.

#### **Notices**

83. The insurer's notices to the policyholder shall be sent in the method selected by the policyholder: to the recent address specified by the policyholder or by using AB SEB bankas' Internet Bank, except for the cases clearly established in the insurance agreement. Any written notice sent by one party to another shall be deemed to be received no later than within 7 (seven) calendar days after the date of dispatch hereof.
84. The policyholder shall send (submit) notices to the insurer in writing or in any other form, if the insurer and the policyholder have agreed about it.

#### **Procedure for dispute settlement**

85. Any claims arising out of the insurance agreement shall be subject to the limitation periods established by the laws of the Republic of Lithuania.
86. Disputes of the parties arising out of the insurance agreement shall be settled by mutual consent between the parties, and in case of failure to settle thereof, shall be settled in accordance with the acts of law of the Republic of Lithuania.

#### **Final provisions**

87. If the insurance terms established in the Insurance Rules and the additional arrangement to the insurance agreement between the parties have different interpretation, the terms of the arrangement between the parties to the insurance agreement shall have priority.
88. If the translation of the Insurance Rules has different meaning than in its original language, the original wording of the Insurance Rules shall have priority.
89. Insurance agreements signed in accordance with the present Insurance Rules shall be subject to acts of law of the Republic of Lithuania.
90. In cases not regulated by the Insurance Rules, the parties to the insurance agreement shall act in accordance with the acts of law and subordinate legislation of the Republic of Lithuania.

#### **TERMS OF LIFE INSURANCE**

##### **Insured events and insurance benefit**

91. The insured person's death within the insurance coverage validity period or if the insured person is declared dead by the court ruling, if the date of death is identified within the insurance coverage validity period shall be deemed to be the insured event.
92. If the court ruling annulled declaration of the insured person's death, the beneficiary of the insurance benefit shall have to immediately inform the insurer about it and to refund the received insurance benefit.
93. Upon occurrence of the insured event the insurance benefit specified in the insurance agreement shall be paid.
94. If the sum insured under the life insurance was increased, in case of the insured person's suicide (except for the case established in Item 96.1), payable insurance benefit shall be identified taking into consideration the sum insured under the life insurance three years prior to the suicide date.
95. If the additional insurance terms are applied to the insurance agreement, the insurance benefit payable in case of the insured person's death shall be reduced following the procedure established in the additional insurance rules.

##### **Non-insured events and insurance benefit**

96. Non-insured events shall be deemed the following events:
  - 96.1. insured person's suicide within the first three years of the insurance period validity;
  - 96.2. insured person's death related to war, military actions (irrespective of whether war is declared or not), civil war, military coup, rebellion, military invasion, military actions or occupation, use of military weapons, declaration of war or emergency situation, mass unrest, riots, effects of nuclear power, radiation;
  - 96.3. insured person's death related to his/her criminal acts;
  - 96.4. insured person's death within the insurance coverage suspension period.