

Small Loan Insurance Terms and Conditions

TLCO-20221

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Small Loan Insurance Terms and Conditions

Unofficial translation. In case of differences in interpretation of following conditions the estonian text will be regarded as the original.

1. Application of the conditions and related persons

- 1.1. The small loan insurance (hereinafter referred to as the 'Loan Insurance') is an insurance against the financial loss (becoming unemployed), accident insurance or illness insurance (temporary incapacity for work, loss of capacity for work, death) of the insured person.
- 1.2. The insured person or the insured is a person who is granted a loan according to a small loan contract (hereinafter referred to as 'Loan Contract') and who is added into the List of Insured Persons.
- 1.3. The insurer is If P&C Insurance AS (hereinafter referred to as 'If') and the policyholder is Coop Finants AS (hereinafter referred to as 'Coop').
- 1.4. If shall indemnify the damages of the Insured according to these insurance terms and conditions (hereinafter referred to as the 'Insurance Conditions') and the insurance contract concluded between If and Coop (hereinafter referred to as the 'Insurance Contract').

2. Validity of the insurance cover

- 2.1. The insurance cover shall commence, when Coop adds the borrower to the List of Insured Persons.
 - 2.1.1 Irrespective of the above, in case of the insurance cover for becoming unemployed, the wait period shall be 3 months from the moment of addition of the borrower to the List of Insured Persons (hereinafter referred to as the 'Wait Period').
 - 2.1.2. If shall not pay an indemnity if the event of becoming unemployed occurred during the Wait Period or if the insured found out about the termination of the employment contract or release from public service during the Wait Period.
 - 2.1.3. The Wait Period shall not be applied if the Loan Contract is amended, including in case if due to the amendment, the Loan Contract is given a new number.
- 2.2. The Insurance Cover shall expire, when Coop removes the borrower from the List of Insured Persons.
- 2.3. If the Insurance Contract concluded between Coop and If expires before the expiry of the Loan Contract, the insurance cover shall expire on the date of expiry of the Insurance Contract. Coop shall notify the insured of the expiry of the Insurance Contract two months in advance.
- 2.4. If shall not pay indemnity for the insurance events that occurred before the beginning of the insurance cover or after the expiry of the insurance cover.

3. Insurance event: temporary incapacity for work

- 3.1. An insurance event shall be issuing a certificate for sick leave or care leave for the Insured if the reason for the temporary incapacity for work is illness or bodily injury of the Insured or his or her minor child after the commencement of insurance coverage.
- 3.2. In the case set out above, If shall pay indemnity provided that the Insured does not work during the period of incapacity for work.

Deductible for temporary incapacity for work

- 3.3. In case of temporary incapacity for work, deductible shall be applied, which means that If shall not pay indemnity for the first 30 days of incapacity for work.

4. Insurance event: permanent loss of capacity for work

- 4.1. Insurance event shall be the official establishing of partial capacity for work or no ability for work for the Insured caused by the Insured's illness or bodily injury after the commencement of insurance coverage.
- 4.2. In the case set out above, If shall pay indemnity irrespective of the fact if the Insured is working or not.

5. Insurance event: death due unexpected illness or accident

- 5.1. Insurance event shall be the unexpected illness or accident of the Insured as a result of which the Insured died during the validity of the Insurance Cover, except if death was caused or facilitated by a circumstance set out in chapter Exclusions.

6. Insurance event: becoming unemployed

- 6.1. An Insurance event shall be the Insured becoming unemployed for any of the following reasons:
 - 6.1.1. employer has terminated the employment contract with the Insured due to reasons not dependent of the Insured (e.g. redundancy, employer's bankruptcy etc)
 - 6.1.2. employer terminated the Insured's employment contract due to the health condition of the Insured
 - 6.1.3. the Insured was released from public service due to reasons not dependent of the Insured (e.g. redundancy, liquidation of the organisation etc.)

- 6.1.4. the Insured was released from public service due to the health condition of the Insured
- 6.1.5. the Insured terminated the employment contract after the employer's bankruptcy decision entered into force.

6.2. The date when the Insured received a notice (e.g. notice of dismissal) on the termination of the employment contract or release from public service shall be considered the date of the insurance event.

6.3. After the termination of the employment contract or release from public service, the Insured is required to register as an unemployed person at the Estonian Unemployment Insurance Fund.

6.4. If shall not pay indemnity for the period when the Insured is not registered as an unemployed person at the Estonian Unemployment Insurance Fund.

Deductible for becoming unemployed

6.5. In case of becoming unemployed, deductible shall be applicable, which means that If shall pay no indemnity for the first 30 days of being registered as an unemployed person.

7. Indemnity

General principles

7.1. If shall indemnify the maximum of €25,000 as a total for all Loan Contracts of one Insured.

7.2. Indemnities are determined on the basis of the payment schedule of the Loan Contract valid on the date of the insurance event, no later amendments are taken into account, except in cases set out in Articles 7.2.1. and 7.2.2.

7.2.1. If partial incapacity for work or no capacity for work is established for the Insured and it was preceded by temporary incapacity for work as a result of an insurance event, the payment schedule of the Loan Contract valid on the date of commencement of the temporary incapacity for work shall be taken as the basis without considering any later amendments.

7.2.2. During the period of grace, the monthly payment indemnity shall be established on the basis of the period of grace schedule, e.g. if according to the payment schedule only interest is subject to payment, interest shall be taken as the basis; if the monthly payment according to the payment schedule is €0, the monthly payment indemnity during the period of grace shall also be €0.

7.3. If several insurance events occur at the same time, the indemnity shall be limited with the sum established for one insurance event, multiple indemnities are not paid.

7.4. The maximum amount of the indemnity for temporary incapacity for work, permanent incapacity for work and becoming unemployed shall be €400 per one month.

7.5. If shall pay the indemnity for temporary incapacity for work and permanent incapacity for work for each Loan Contract concluded by the Insured to the maximum extent of 24 months, indemnity for becoming unemployed is paid to the maximum extent of 6 months.

7.6. Should If delay with the payment of the indemnity, If shall pay a fine for delay according to the rate established by the law.

7.7. Table of the Sums Insured.

Indemnities	Maximum Sums Insured (in €)	Reference to the Article of the Insurance Conditions
Total indemnity for all Loan Contracts of the Insured	25,000	7.1.
Indemnity for temporary incapacity for work and permanent loss of the capacity for work per one Loan Contract	9,600 (maximum 24 months, €400 per month)	7.4., 7.5.
Indemnity for becoming unemployed per one Loan Contract	2,400 (maximum 6 months, €400 per month)	7.4, 7.5
Death indemnity	25,000	7.1

Indemnity for temporary incapacity for work and unemployment

7.8. In case of an insurance event of becoming temporarily incapacitated for work or unemployed, If shall pay indemnity based on the repayment of the credit sum, administration fee and interest included in the instalment set out in the payment schedule of the Loan Contract (hereinafter referred to as the 'monthly payment').

7.9. The indemnity for one month is established as follows:

Monthly payment x (the number of days being incapacitated for work or registered as an unemployed person in a calendar month – number of days of the deductible) / number of days of the calendar month

Example. The Insured was on sick leave from 1 April to 15 May, i.e. 30 days in April and 15 days in May. The monthly payment in April and May is €300. The indemnity is calculated as follows:

- Indemnity for April: $300 \times (30 - 30) / 30 = €0$
- Indemnity for May: $300 \times (15 - 0) / 31 = 4500 / 31 = €145.16$

Indemnity for the loss of permanent capacity for work

7.10. In the event of permanent loss of the capacity for work, If shall pay indemnity that is established as follows:

Insured's condition before the insurance event	Insured's condition at the time of establishing the in-demnity or changing the indemnity	Indemnity rate of the Month-ly Payment
Full capacity for work	No work ability	100%
Temporarily incapacitated for work (on sick leave or care leave)	No work ability	100%
Full capacity for work	Partial capacity for work	50%
Temporarily incapacitated for work (on sick leave or care leave)	Partial capacity for work	50%
Partial capacity for work	No work ability	100%
No work ability	No work ability	0%
Partial capacity for work	Partial capacity for work	0%

7.11. If the condition of the Insured indicated in the table changes, If shall change the amount of indemnity or stop the payment of the indemnity.

Indemnity in case of death

7.12. In the event of the Insured's death, If shall pay single indemnity in the amount that corresponds to the remaining credit sum according to the Loan Contract's payment schedule and interests as well as administration fees accumulated from the date of the insurance event until the date of notifying of the insurance event. If shall indemnify interests and administrative fees for the maximum amount of 1 year.

8. Exclusions (not an insurance event)

- 8.1. If shall not pay indemnity if an event is not an insurance event. If shall not pay indemnity if the damages do not meet the characteristics of indemnifiable damages set out in the Insurance Conditions.
- 8.2. If shall not pay indemnity in case of death if the illness of the Insured is first diagnosed after the beginning of the insurance cover but the medical examinations for diagnosing the aforementioned illness (e.g. bloodwork, tissue samples, MRT, ultrasound, x-ray etc) have commenced before the beginning of the insurance cover.
- 8.3. Temporary incapacity for work, permanent incapacity for work or death shall not be an insurance event if it is caused or facilitated by:
- 8.3.1. medical condition or injury that was caused before the conclusion of the Loan Contract;
 - 8.3.2. injury intentionally caused or suicide by the Insured, the Insured participating in or facilitating a crime;
 - 8.3.3. plastic surgery, tattoos and related complications;
 - 8.3.4. knowing consumption of drugs or toxic substances;
 - 8.3.5. state of intoxication, alcoholism, alcohol consumption of the Insured or related mental and behavioural disorders;
 - 8.3.6. HIV or AIDS;
 - 8.3.7. infectious disease spreading as an epidemic at the location where the Insured became ill. An epidemic shall be an outbreak of an infectious disease that requires extensive disease control measures.
- 8.4. Becoming unemployed shall not be an insurance event if:
- 8.4.1. employment contract was terminated or the Insured was released from public service during trial period;
 - 8.4.2. the Insured found out about the termination of the employment contract or release from public service before the beginning of the insurance cover or during the Wait Period;
 - 8.4.3. employment contract expired due to the expiration date;
 - 8.4.4. the Insured was released from public service due to the expiry of the service term;
 - 8.4.5. lay-off, decrease in the volume of work and the employment contract is not terminated;
 - 8.4.6. employment contract was terminated for reasons other than the insurance event of becoming unemployed, including terminating the employment contract by agreement between the parties, due to the age of the employee, violation committed by the employee or incapability of performing work tasks; termination of the employment contract by the initiative of the employee etc;
 - 8.4.7. the Insured was released from public services due to a reason other than the insurance event of becoming unemployed, including cooperation not working out, changing of citizenship, disciplinary offence, insufficient work skills, Insured's initiative etc.
 - 8.4.8. economic activities of a sole proprietor were suspended or stopped.

Pregnancy, childbirth

8.5. Temporary incapacity for work shall not be an insurance event if it was caused by pregnancy or childbirth. This exclusion shall not be applicable for complications of pregnancy or childbirth.

Nuclear weapons, nuclear energy, radioactivity

8.6. If shall not pay indemnity if the insurance event was caused or facilitated by a nuclear weapon, nuclear energy or radioactivity.

War, armed conflict, uprising, mass disorder

8.7. If shall not pay indemnity if the insurance event was caused or facilitated by war or armed conflict, uprising or mass disorder.

Terrorism

- 8.8. If shall not pay indemnity if the insurance event was caused or facilitated by terrorism.
- 8.9. For the purposes of the Insurance Conditions, terrorism shall be any illegal act that is aimed at endangering the life or health of people or causing death or appropriating, destroying or damaging property or causing any other damages (including blocking information systems or hindering their work, interfering with computer data) – if the purpose of the action is to force a state or an international organisation to do something or not do something or seriously interfere with a state's political, constitutional, economic or civil organisation or destroy it, or seriously interfere with the activities of an international organisation, to destroy it or seriously cause fear in the public.

9. Restrictions arising from international sanctions

- 9.1. All risks the insuring of which is in contradiction with or that become contradictory to the restrictions, prohibitions or sanctions established by the UN, European Union, United Kingdom of Great Britain and Northern Ireland or United States of America, shall be excluded from the insurance cover from the day when the aforementioned restrictions, prohibitions or sanctions are applicable for the respective contract.
- 9.2. If the sanctions established by the UN, European Union, United Kingdom of Great Britain and Northern Ireland or United States of America are directly or indirectly hindering the provision of the insurance service based on the respective contract, If shall have the right to terminate the contract by sending a written notice to Coop. The contract shall be considered as terminated after 14 days from the day when the notice of termination was received by Coop. In case of disturbances in communication, it shall be considered that the notice of termination is delivered if the notice has been sent out or attempts have been made to send it out.

10. Actions in case of an insurance event

- 10.1. The Insured shall inform If of the occurrence of an insurance event as soon as possible (e.g. notice through <https://kahjud.if.ee/en/other-claims>), indicating COOP on the policy number field.
- 10.2. If shall send to the Insured by email a notice of registering a claim for indemnity and shall instruct the Insured in terms of the next steps.
- 10.3. The Insured shall be obliged to provide If correct and complete information regarding the circumstances of the insurance event. The insured shall provide to If documents, explanations, oral and written answers to If's questions. Upon a request from If, the Insured shall turn to a doctor for additional checks, the cost of the aforementioned checks shall be covered by If. If shall have the right to request information necessary for handling the insurance event from other persons, e.g. medical institutions etc. If as a result of additional checks it is discovered that partial or no work ability was established for the Insured by mistake, If shall have the right to rely on the results of additional checks.
- 10.4. If shall handle the claim for indemnity, make the decision regarding the claim for indemnity and pay the indemnity to the person entitled to it.

11. Amendment of the insurance conditions

- 11.1. If and Coop shall have the right to amend the Insurance Conditions through an agreement. Coop shall inform the Insured of the amendment of the Insurance Conditions 2 months in advance.

12. Settlement of disputes

- 12.1. Coop shall have the right to file a complaint against If to the Financial Supervision Authority to Sakala 4, 15030 Tallinn. Any disputes related to the contract shall first and foremost be settled through negotiations. For pre-trial settlement of disputes, an application can be filed to the insurance conciliation body (telephone 667 1800; email lepitus@eksl.ee; postal address Mustamäe tee 46, Tallinn 10612), where the conciliation procedure is free for charge. Before contacting an insurance conciliator, a claim shall be submitted to If to info@if.ee or Lõõtsa 8a 11415 Tallinn. If no agreement is reached, the dispute shall be settled at Harju County Court.

13. Personal data processing principles

- 13.1. If's personal data processing principles are available at if.ee.