



Payment protection Insurance conditions No.468

(Insurance type conditions)

APPROVED: On the 2022.

ADB Gjensidige Management Board Decision. Conditions come into effect from 2022.

1. DEFINITIONS

The capitalized terms, which are not defined in these Payment protection insurance conditions (hereinafter referred to as Conditions), are defined in General Insurance Terms and Conditions. Other terms and definitions used in the Conditions have the following meaning:

- 1.1. **Policyholder or Insured person** – a natural person specified in the Policy whose financial interests are insured by the Insurance Contract.
- 1.2. **Insurer** – ADB “Gjensidige” Latvian branch, registration code 40103595216.
- 1.3. **Insurance Contract** – a written agreement between the Policyholder and the Insurer, concluded according to these Conditions. The Insurance Contract consists of:
 - 1.3.1. the Policy (certificate) and its annexes;
 - 1.3.2. these Conditions (Payment protection insurance);
 - 1.3.3. the General Insurance Terms and Conditions.
- 1.4. **Deductible period** – the period during which the Insurance Event must continue in order to the Insurance Indemnity to be paid, which is calculated from the first day after the end of this period.
- 1.5. **Initial waiting period** – the period, specified in the Policy, from the day of concluding the Insurance Contract, during which the event occurred is not considered an Insurance Event.
- 1.6. **Pension** – an early (age, service) pension, or old-age pension according to the order specified by legal acts;
- 1.7. **Previous medical condition** – an illness (including chronic), trauma or symptom of which the Policyholder was or should have been aware at the time of concluding the Insurance Contract or for which the Policyholder have applied or planned to consult a doctor.
- 1.8. **Permanent residence** – a country where the Policyholder is constantly living or lives most of the time.
- 1.9. **Employment** – a relationship arising between the Policyholder and his/her employer based on a labour contract (as well as work as statutory or state civil servant etc., except for the provision of services, copyright or similar activities under work- performance contract) of at least 13 months (fixed-term employment contract) or for an indefinite period, when the Policyholder works at least 16 (sixteen) hours a week and receives a salary or similar remuneration..
- 1.10. **Monthly Insurance Indemnity** – the amount of money specified in the Policy that corresponds to the Indemnity paid by the Insurer for one full month in case of an Insurance Event.
- 1.11. **Pandemic** – an outbreak of a rapidly spreading contagious disease that is dangerous to health or life in several countries or continents and has been confirmed by the World Health Organization.
- 1.12. **Epidemic** – an outbreak of contagious disease in a country or region that spreads extensively and quickly, which calls for infection control measures to be applied extensively and has been confirmed by the country's or region's authority.

2. WHAT IS INSURED?

- 2.1. The Insurance Object is the financial interests of the Policyholder related to following risks:
 - 2.1.1. Loss of income due to incapacity for work, as specified by Section 3 of the Conditions;
 - 2.1.2. Loss of income due to unemployment, as specified by Section 4 of the Conditions.

INSURED AND NON-INSURED EVENTS

3. Incapacity for work

- 3.1. An Insurance Event is considered the loss of income of the Policyholder as a result of sickness during the period of the sick leave validity, if the sick leave has been issued due to illness or bodily injury, excluding the non-Insurance Events, and sick leave is confirmed by a document issued and/or prolonged by a social institution or medical practitioner, proving the incapacity of the Policyholder to work for a period which is longer than Deductible period.

3.2. Non-Insurance Events:

- 3.2.1. Previous medical condition;
- 3.2.2. Events when Policyholder is not sick himself/herself (for example, takes care of a sick relative), unless the Policyholder is caring for a sick child up to 18 years old.
- 3.2.3. Pregnancy or childbirth, except pregnancy complications;
- 3.2.4. Quarantine, self-isolation;
- 3.2.5. In cases of Pandemic, Epidemic, except flu epidemic;
- 3.2.6. Events related to treatment not appointed by the doctors and/or treatment not recognized by the official medicine or treatment via non-traditional (unrecognized by official medicine) methods;
- 3.2.7. Events related to plastic-aesthetic surgical operations and prosthetics (including tooth, eye or joint prosthesis), as well as treatment of its complications, excluding cases related to the bodily injury (trauma) which happened during the Insurance Period;
- 3.2.8. Events, which are not approved by the medical documentation and/or diagnostic tests during the Insurance Period;
- 3.2.9. Events related to the activity of the Policyholder, which has been assessed as having elements of a deliberate crime or a criminal offense by the investigating authorities or the court;
- 3.2.10. Events associated with Human Immunodeficiency Virus (HIV, including AIDS), as well as any other mutational variation or changes;
- 3.2.11. Events directly caused by alcohol, drugs or other prohibited substances consumption.

4. Unemployment

- 4.1. An Insurance Event is considered the unemployment of the Policyholder due to the initiative of the employer for a reason not arising from the Policyholder.
- 4.2. Non-Insurance Events:
 - 4.2.1. The Policyholder becomes unemployed or becomes aware about forthcoming unemployment before the insurance coverage entered into force or during the Initial waiting period;
 - 4.2.2. If the Policyholder and the employer or employer company manager were related, i.e. were close relatives (parents, children, adopted parents and children, guardians (caretakers) and the ones being guarded (taken care of), brothers, sisters, grandparents, grandchildren, stepsons and stepdaughters, daughters-in-law, sons-in-law, spouses, unmarried partners);
 - 4.2.3. Policyholder is self-employed;
 - 4.2.4. Policyholder is using his acquired right for Pension
 - 4.2.5. If the employment contract is terminated due to the fault of the Policyholder or at Policyholder's request.
 - 4.2.6. If the Policyholder becomes unemployed at the end of an employment contract, the expiry date of which has been set in advance (fixed-term employment contract);
 - 4.2.7. The Policyholder's the workplace is not in Latvia;
 - 4.2.8. If the Policyholder becomes unemployed during the probationary period, upon termination of the seasonal employment contract, termination of the agreement for additional work or dismissed from a secondary position;
 - 4.2.9. The Policyholder does not acquire the status of an unemployed person, which is determined by a state institution (does not register at the State Employment Agency as a job seeker and is not ready to accept an offer of employment or training).

5. POLICYHOLDER

- 5.1. A natural person can request to insure his/her financial interests under these Conditions only if the following are met:
 - 5.1.1. Permanent residence and the workplace of the Policyholder is in Latvia.
 - 5.1.2. The Policyholder is at least 18 (eighteen) years old until the age where he/she uses his/her right to the Pension.

- 5.2. The Insurer has a right to refuse concluding the Insurance Contract without indicating the reasons notwithstanding the fact that a person meets the criteria mentioned in clause 5.1. of the Conditions.

6. SUM INSURED

- 6.1. The Sum Insured is specified in the Policy.
6.2. The Sum Insured is the maximum amount payable for Insurance Events that occurred during the Insurance Period. The Sum Insured may be limited with the amount specified in the clause 10.7. of the Conditions.
6.3. The Sum Insured will decrease by the amount of the paid Insurance Indemnity.

7. CONCLUSION OF THE INSURANCE CONTRACT. BEGINNING OF THE INSURANCE COVER. VALIDITY OF THE INSURANCE CONTRACT

- 7.1. The Insurance Contract is concluded for 12 (twelve) months.
7.2. Policyholder may have 1 (one) insurance contract for Payment protection Insurance valid at the same time with us.
7.3. Insurance coverage comes into force from the day determined in the Policy, but not earlier than the first instalment of insurance premium is paid.
7.4. Unless it is specified otherwise in the Insurance Contract, insurance coverage and Insurance Period, apart from any other basis specified in the General Insurance Terms and Conditions and this Conditions, ends:
7.4.1. In case of the Policyholder's death;
7.4.2. With the use of the right for a Pension by the Policyholder.
7.5. Prior expiration of the Insurance Contract term (as defined in the Policy), the Insurer will have a right to send (submit) to the Policyholder a proposal to conclude Insurance Contract for the subsequent Insurance Period, indicating the Terms and Conditions of the new Insurance Contract and the information on how the Policyholder may accept the offer to agree on the insurance offer for the new period.
7.6. Only in the case it is indicated in the Policy, the Insurance Contract may be with automatic renewal option.
7.7. Notification on the Insurance Event does not relieve the Policyholder from payment of insurance premiums as foreseen in the Insurance Contract.

8. DEDUCTIBLE AND INITIAL WAITING PERIODS

- 8.1. The duration of Initial waiting period is specified in the Policy. A sickness or unemployment during the Initial waiting period is not considered an Insurance Event.
8.2. The Initial waiting period does not apply to a renewed Insurance Contract (if after the end of one Insurance Contract, without a time gap has concluded another Insurance Contract for the same insurance object).
8.3. Deductible period is specified in the Policy and is applicable for the Insurance coverage.

9. EVENT NOTIFICATION

- 9.1. The Policyholder is obliged to inform the Insurer on the event, which can be assessed as an Insurance Event, not later than in 60 (sixty) calendar days from the day of the event stated in policy, with the exception of cases, whenever it is impossible to do so because of a serious illness (sickness). In such case should be reported to Insurer about Insurance Event immediately after the end of the sick leave period.
9.2. While addressing the Insurer regarding the payment of the Insurance Indemnity the following documents should be provided:
9.2.1. Event notification and request to pay the Insurance Indemnity;
9.2.2. If requested by the Insurer – other information and documents necessary to confirm the fact of the Insurance Event or to establish the circumstances of the event.

- 9.2.3. In case of sickness:

9.2.3.1. Copy of medical documents (certificates, extracts) of medical institutions specifying the patient's name, surname, ID, date of treatment, description and duration of treatment; diagnosis, anamnesis;

9.2.3.2. A document that confirms sick leave and its period;

- 9.2.4. In case of unemployment:

9.2.4.1. Copy of documents confirming the start of the employment contract (copy of the employment contract without disclosing confidential information) and the termination of the employment contract (which must indicate the date of termination of the employment contract and the reasons for termination of the employment contract, e.g. employment contract, employer's order, certificate from the State Social Insurance Agency or Employment State Agency or employer, etc.).

9.2.4.2. Unemployed person's certificate or a reminder to the job seeker supporting the fact that the Policyholder is unemployed;

9.2.4.3. During the period of payments of the Insurance Indemnity, a confirmation (sent from the Policyholder's e-mail address) that the Policyholder is still unemployed.

10. INSURANCE INDEMNITY PAYOUT

- 10.1. In the case of an Insurance Event, the Insurance indemnities are paid every month during the period of Insurance Event but not longer than Indemnity period marked in the policy.
10.2. Monthly Insurance Indemnity is paid to the Policyholder by the bank transfer.
10.3. The Monthly Insurance Indemnity is paid once a month if the Policyholder has provided us the documents confirming the fact that he/she is unemployed, or he/she has sick leave. The Monthly Insurance Indemnity is paid within 30 (thirty) days from the end of the Deductible period or from the last payment date.
10.4. The amount of the insurance indemnity for the previous calendar month is calculated as follows: the amount Monthly Insurance Indemnity is multiplied by the ratio between the calendar days when the Policyholder was unemployed / on sick leave and the number of calendar days in the previous calendar month.

$$P=U/D \times Mb, \text{ where}$$

P-the amount of insurance indemnity for the previous calendar month,

Mb-the amount of Monthly Insurance Indemnity,

D- calendar days in the previous calendar month;

U- calendar days when the Policyholder was unemployed/on sick leave

- 10.5. The calculated insurance indemnity is rounded to the nearest cent.
10.6. If both insured risks occur, the Monthly Insurance Indemnity is paid for the risk, which has occurred first.
10.7. The maximum amount of Insurance Indemnity for one Insurance Event is 20 000 EUR, regardless of the number of concluded Insurance contracts with us.
10.8. The Monthly Insurance Indemnity is no longer paid:
10.8.1. If Insurer paid the full The Sum Insured specified in the Policy or the amount foreseen in clause 10.7. of the Conditions;
10.8.2. sick leave to the Policyholder has ended (closed);
10.8.3. the Policyholder becomes employed;
10.8.4. Policyholder has rejected a job offer that matches his/her education, skills, and abilities.
10.9. If the Policyholder has become employed during the current month, the Insurance Indemnity is calculated only for the days when the Policyholder was unemployed.
10.10. If the Policyholder has become able to work during the current month, the Insurance Indemnity is calculated only for the days when the Policyholder was incapacitated.
10.11. If the Policyholder uses the right to the Pension during the current month, the Insurance Indemnity is calculated only for the days before the right to the Pension has been used.