

Seesam Critical Illness Insurance Regulations

No. KS 14

Approved at the meeting of the Management Board of Compensa Vienna Insurance Group ADB Latvian Branch 30.06.2020.
Valid from 1 July 2020.

1. Insurer

Compensa Vienna Insurance Group ADB Latvian Branch (hereinafter referred to as the - "Insurer").

2. Policyholder

A natural person who concludes an insurance contract for his/her own benefit or for the benefit of another natural person, or a legal entity that concludes a critical illness insurance contract for the benefit of its employee(s) and relatives of the employee(s).

3. Insured person

A natural person (hereinafter referred to as the "Insured") who has an insurable interest and for whose benefit an insurance contract has been concluded. The insured person may be a minor child, provided that the minor child is insured together with the child's provider, an employee of the policyholder who has an employment contract with the policyholder. The Insured receives wages for the performance of his/her duties and the Policyholder pays taxes on the basis of an employment contract. The insured may also be relatives of the policyholder's employees – spouses, parents, children, foster children, adopted children, brother, sister, foster parents. Relatives are included in the insurance contract only with the agreement of the Insurer.

4. Insurance contract

4.1. The insurance contract consists of the Critical Illness Insurance Policy, Insurance Policy Annexes, Amendments, Programme Descriptions and Conditions of Insurance.

4.2. The rights and obligations of the Parties to the insurance contract shall apply to the Insurer, the Insured and the Policyholder.

4.3. Conclusion and operation of an insurance contract:

4.3.1. The insurance contract is deemed to have been concluded and comes into force on the date and time specified in the insurance policy, provided that the insurance premium has been paid on time and in accordance with the conditions specified in the insurance contract

4.3.2. The amount of the insurance premium shall be determined by the Insurer in accordance with the information provided by the Policyholder and/or the Insured. The amount of the premium and the procedure for paying the premium are specified in the insurance policy.

4.3.3. If the parties agree in writing that the insurance premium (or the first part thereof) shall be paid after the date of conclusion of the insurance contract, then, if the insurance premium (or the first part thereof) is paid within the time and in the amount specified by the Insurer, the insurance contract shall be deemed to have come into force on the commencement date of the insurance period specified in the insurance policy.

4.3.4. If, contrary to what is stated in the insurance policy, the insurance premium (or the first part thereof) is not paid on the due date and in the amount specified, the insurance contract shall be deemed not to have entered into force from the date of its conclusion. No separate notification that the insurance contract has not entered into force shall be sent to the Policyholder. Claims made during this period will not be considered.

4.3.5. Payment of the insurance premium or the first instalment thereof after the due date specified in the insurance policy shall not give rise to any liability on the part of the Insurer.

4.3.6. Any oral information or oral agreement shall not be binding on the Insurer. Upon conclusion of the insurance contract, any clause of the insurance contract may be amended, excluded or supplemented in writing by mutual agreement between the Policyholder and the Insurer. If an addendum is prepared to amend the insurance contract and an additional premium payment is due, payment must be made by the date specified in the invoice.

4.3.7. The insurance contract shall be concluded in the Latvian language in accordance with the laws and regulations in force in the Republic of Latvia. If the terms of the insurance contract have been translated and any

disagreement arises because of the translation, the insurance contract in Latvian will prevail.

4.4. Termination of the insurance contract:

4.4.1. The Insurer and/or the Policyholder may terminate the insurance contract in accordance with the requirements of the laws and regulations of the Republic of Latvia.

4.4.2. The termination of the insurance contract shall not affect the Insurer's right to claim from the Policyholder the insurance premium or part thereof for the period during which the insurance contract was in force.

4.4.3. An insurance contract concluded with a natural person shall be terminated:

4.4.3.1. if the Insured has received a positive diagnosis of critical illness during the waiting period, the unused insurance premium shall be refunded to the Policyholder with the deduction of administrative costs in accordance with the procedure laid down in the Insurance Contract Act;

4.4.3.2. if the Insured dies during the survival period, the premium paid shall not be refunded to the Policyholder;

4.4.3.3. when the Insurer has fulfilled its obligations and paid the insurance indemnity provided for in the insurance contract due to the occurrence of an insured event during the insurance period.

4.4.4. An insurance contract concluded with a legal entity shall be terminated:

4.4.4.1. if the Insured suffers from a critical illness during the insurance period and the Insurer has paid the insurance indemnity specified in the insurance contract, the insurance contract shall be fully terminated in respect of that Insured, but the insurance contract shall remain in force in respect of the other Insureds;

4.4.4.2. if an Insured Person suffers an insured event during the waiting period, the insurance cover for that Insured Person is terminated in full, but the insurance contract remains in force in respect of the other Insureds. The unused insurance premium for this Insured shall be refunded to the Policyholder by deduction of administrative costs in accordance with the procedure set out in the Insurance Contract Law;

4.4.4.3. if the Insured dies during the survival period, he/she is removed from the list of insured persons by means of a written addendum to the insurance contract, the insurance premium paid for this person is not refunded;

4.4.5. The Policyholder shall inform the Insurer in writing of the early termination of the insurance contract in respect of the Insured regarding whom the insurance contract is terminated. The insurer has the right not to add that person to the insurance contract a second time.

4.4.6. If, upon termination of the insurance contract, the Insured has not paid the full premium due and a claim has been paid in respect of the insured event, the Policyholder shall be obliged to pay the balance of the premium.

4.4.7. If the current payment of the insurance premium specified in the insurance contract is not paid within the specified time and amount, the insurer shall send the policyholder a written Warning of late and/or incomplete payment of the current payment of the insurance premium, with an invitation to pay the insurance premium in accordance with the terms of the insurance contract, by the date specified in the Warning. If payment is not made, the insurance contract shall be suspended or terminated in accordance with the procedure laid down in the Insurance Contract Law. If the insurance contract is terminated, no separate notice is sent to the policyholder.

5. Insurance period

The duration of the insurance contract, as agreed by the parties before the insurance contract is concluded.

6. Insurance contract territory

The insured risks are valid 24 hours a day worldwide.

7. Obligations and rights of the Policyholder and/or the Insured

7.1. The Insured is obliged to submit a health declaration as well as to undergo certain additional medical examinations necessary for additional assessment of the insurable risk at a medical institution specified by the Insurer. The Insured is obliged to provide truthful information about his/her state of health and medical examinations carried out.

7.2. The Policyholder and/or the Insured shall notify the Insurer in writing as soon as practicable of any circumstances which may increase the likelihood of the insured risk occurring or the extent of the potential loss, as well as of any changes in the information initially provided. In respect of such notification, the Insurer reserves the right not to include such changes in the insurance contract or to include them when calculating the additional insurance premium if the insured risk increases as a result of such changes.

7.3. The Policyholder and/or the Insured is obliged to notify the Insurer of other insurance contracts in force covering the same subject matter of insurance.

7.4. The Policyholder is obliged to inform the Insured, if other than the Policyholder, that the Insured is insured under a specific insurance contract, the terms of which the Policyholder has agreed with the Insurer, and the Insured is bound by and must comply with those terms.

7.5. It is the responsibility of the Policyholder and/or the Insured to read, observe and comply with all the requirements of the terms and conditions of the insurance contract set out by the Insurer.

7.6. The Insured must take care of his/her health.

7.7. The Insured must undergo compulsory and recommended health examinations in accordance with the requirements of the laws and regulations of the Republic of Latvia.

7.8. The Insured and/or the Policyholder, the Insured's representative or beneficiary shall inform the Insurer of the occurrence of the insured risk as soon as practicable, but not later than 30 (thirty) days after the initial or final medical diagnosis in case of critical illness.

7.9. The insured person must follow all the instructions of the attending doctor when the insured event occurs.

7.10. The Insured is obliged to submit all the necessary documents requested by the Insurer for the consideration of the claim and the decision.

7.11. It is the responsibility of the Policyholder and/or the Insured or, in the event of the Insured's death, the beneficiary or heir, to satisfy the Insurer's requirement to establish and assess the circumstances of the Critical Illness.

7.12. The burden of proof of the occurrence of the insured event is on the Insured and, in the event of his death, on the beneficiary or heir if the beneficiary is not specified in the insurance contract.

7.13. The insurance claim can be submitted electronically on the Insurer's website www.compensa.lv or sent by e-mail to: veselib@compensa.lv. The application for insurance indemnity and other documents confirming the insurance event may also be submitted in person at the Insurer's office.

7.14. The Insured has the right to lodge a complaint with the Insurer against the decision taken in the indemnity case within 30 (thirty) days from the date of receipt of the decision.

8. Consequences of failure by the policyholder and/or the Insured to comply with their obligations

8.1. If any act or omission of the Policyholder and/or the Insured has caused or will cause the Insurer to be misled, the insurance contract shall be null and void from the date of its conclusion, except where prohibited by the Insurance Contract Law in cases where the misrepresentation is due to slight negligence. The Insurer shall not refund the insurance premium paid.

8.2. The Insurer, at its sole discretion, may refuse to pay the insurance indemnity or reduce the indemnity by 50 (fifty) % if the Policyholder and/or the Insured has failed to fulfil or has partially fulfilled any of the requirements specified in the insurance contract, as well as if the Policyholder and/or the Insured has violated the requirements of any regulatory enactment in force in the Republic of Latvia, which are applicable to the particular insurance event. The exception is if such failure to comply with the provisions of the insurance contract is due to slight negligence, in which case the Insurer shall act in accordance with the provisions of the Insurance Contract Law.

8.3. If the Policyholder or the Insured has, as a result of his/her acts or omissions, adversely affected the Insurer's exercise of any right, the Insurer shall

have the right to reduce the insurance benefit by 50 (fifty) % or to refuse payment of the insurance benefit in full.

8.4. The Insurer shall not pay the insurance indemnity if the occurrence of the insured risk has been caused by the malice or gross negligence of the Policyholder, the Insured or the Beneficiary. The Insurer shall not refund the insurance premium paid.

9. The Insurer shall not refund the insurance premium paid

9.1. Insurer's obligations:

9.1.1. In case of conclusion of the insurance contract, to provide the Policyholder with a set of documents that are an integral part of the contract – the insurance policy, annexes to the insurance policy, descriptions of insurance programmes.

9.1.2. In accordance with the insurance contract, upon the occurrence of an insured event, to pay the insurance indemnity to the Insured or the beneficiary in accordance with the insurance contract.

9.1.3. Ensure that the relevant Critical Illness Insurance Regulations are available on the Insurer's website www.compensa.lv.

9.2. Insurer's rights:

9.2.1. Require each individual to complete a health declaration before making an offer of insurance, and arrange for additional medical examinations to be carried out at a medical institution specified by the Insurer in order to assess the risk and determine insurance premiums.

9.2.2. To ascertain the veracity of the information provided, the occurrence of the insured event and the validity of the payment of the insurance indemnity by consulting the medical documentation at the disposal of medical institutions and medical practitioners, and/or in case of any doubts, to refer to an independent certified medical expert selected by the Insurer to examine the Insured's health condition and/or the validity of the occurrence of the insured event.

9.2.3. Before taking a decision on a claim, request documents proving that an insured event has occurred.

9.2.4. Refuse to pay or reduce the insurance indemnity in accordance with the procedure set out in these Regulations and the laws and regulations of the Republic of Latvia.

9.2.5. Process the data of the Policyholder, the Insured and the Beneficiary, including sensitive data. Data processing is carried out in accordance with the Personal Data Protection Law. The Insurer shall ensure the safe storage of personal data.

9.2.6. The adopted decision in the case of insurance indemnity shall be sent electronically to the Insured using the contacts indicated by the Insured.

10. Procedure for payment of the insurance indemnity

10.1. The Policyholder and/or the Insured, Beneficiary or heir shall submit to the Insurer a written application for the occurrence of the insured risk.

10.2. The insurer shall assess all the documentation received within 30 (thirty) days and decide whether the occurrence of the insured risk constitutes an insured event:

10.2.1. if an insured event is established and the parties have agreed on the amount of the insurance indemnity, then:

10.2.1.1. The insurer decides whether to pay the claim;

10.2.1.2. The insurer shall pay the insurance indemnity within 5 (five) working days after the decision;

10.2.1.3. if the parties mutually agree, the insurance settlement may be made in writing in the form of a loss adjustment protocol, drawn up and signed by both parties.

10.2.2. if an insured event is detected and the parties have not agreed on the amount of the insurance indemnity:

10.2.2.1. The insurer has the right to request additional documents to determine the amount of the insurance indemnity;

10.2.2.2. The Insurer has the right to decide and to call a medical expert to determine the amount of the insurance indemnity. The medical expert's report will be binding on both the Policyholder and the Insured;

10.2.2.3. the Insurer decides on the amount of the insurance indemnity and other disputed issues by assessing the medical expert's opinion;

10.2.2.4. The Insurer shall pay the insurance indemnity within 5 (five) business days after receipt of the signed loss adjustment report.

10.2.3. if no insured event is detected:

10.2.3.1. then the Insurer shall take a decision to refuse to pay the insurance indemnity;

10.2.3.2. the Insurer shall notify the Insured, the Insured's heir or beneficiary of the decision taken within 5 (five) working days after the decision is taken.

10.3. The Insurer shall pay the insurance benefit to the Insured, the Insured's heir or beneficiary only in respect of an insured event proven by relevant documents.

10.4. Only 1 (one) insurance indemnity is paid to the Insured during the insurance period.

10.5. In the event that the Policyholder – a natural person – has been subject to a split payment of the insurance premium, the Insurer shall be entitled to deduct the difference between the premium paid and the full premium from the insurance indemnity payable.

10.6. In the event that, for objective reasons, the Insurer is unable to meet the deadline set above, the deadline shall be extended by up to six months by informing the Recipient of Indemnity thereof.

11. Dispute resolution and confidentiality

11.1. Any disagreement will be settled by negotiation.

11.2. If a dispute arises on the grounds that a matter is not regulated by the Insurance Terms and Conditions, the parties shall apply the laws of the Republic of Latvia, including the Insurance Contract Law and the Consumer Rights Protection Law, to resolve the dispute.

11.3. If the parties fail to resolve their differences by negotiation, the matter shall be referred to the courts of the Republic of Latvia in accordance with the laws of the Republic of Latvia.

11.4. The division of the insurance contract into clauses, sub-clauses and headings does not affect the legal interpretation of the text.

11.5. Unless otherwise provided by law, the Insurer, the Insured and the Policyholder undertake not to disclose to third parties, without their written consent, information which has come to their knowledge during or after the period of validity of the insurance contract. Confidentiality shall be maintained for an unlimited period of time, irrespective of the validity of this Agreement. Confidential information does not include information that is in the public domain and has not become so by breach of law or breach of a contractual obligation.

12. General exceptions

12.1. The obligation of the Insurer to pay the insurance indemnity in respect of an insured event shall not arise in the event that the loss has occurred as a result of exclusions provided for in the laws and regulations of the Republic of Latvia or in the insurance contract.

12.2. The Insurer will not pay the insurance indemnity if:

12.2.1. the conditions and instructions set out in the insurance terms and conditions and in the programme have not been complied with;

12.2.2. the person is not diagnosed with a critical illness according to the criteria set out in the insurance programme;

12.2.3. The Insured has misled the Insurer by providing false information about his/her state of health;

12.2.4. the cause of the disease is:

12.2.4.1. as a result of use of alcohol or any narcotic or other toxic substance

12.2.4.2. Intentionally self-inflicted injury, suicide or attempted suicide;

12.2.4.3. unlawful act by the insured person, serving a sentence in a custodial institution;

12.2.4.4. use of medicines and similar preparations or participation in drug trials;

12.2.4.5. human immunodeficiency virus (HIV), other than acquired through blood transfusion, or acquired immunodeficiency syndrome (AIDS) and any derivatives thereof, or other diseases resulting from HIV infection;

12.2.4.6. mental or psychiatric disorders resulting in stroke, seizures, epileptic or other spastic seizures;

12.2.4.7. the result of a long-term chronic illness;

12.2.4.8. the illness/condition diagnosed in the insurance programme is listed as an exclusion (not an insured event).

12.2.5. general exceptions:

12.2.5.1. Terrorism: acts of terrorism, or the result thereof, irrespective of any other cause, which, by chance or otherwise, have contributed to loss, damage or expense; in the context of this provision, terrorism means violence or dangerous activity which threatens human life, tangible or intangible property or infrastructure, with intent to influence any government or to keep the public or any section thereof in fear;

12.2.5.2. war, military invasion, civil war, insurrection, revolution, rebellion, military or other usurpation of power;

12.2.5.3. global disasters and natural disasters.

12.2.6. in case of an individual insurance contract, the event of critical illness occurs during a waiting period after the effective date of the insurance contract;

12.2.7. during the term of the group contract, an additional Insured Person is added and becomes critically ill during the waiting period;

12.2.8. The insured dies during the survival period, after diagnosis of a critical illness;

12.2.9. instructions given by your doctor are not followed;

12.2.10. a critical illness occurs to an insured child as a result of intentional or unintentional acts caused by the parents, guardians or the policyholder, beneficiary named in the policy;

12.2.11. the Insured has received medical advice and/or treatment, or is aware of a diagnosed Critical Illness, before the start date of the Period of Insurance.

13. Critical Illness Programme

13.1. The insurance programme consists of the insured risks included in the insurance programme – critical illnesses diagnosed in the Register of Health Care Institutions, Companies, Practices and Certifications of the Republic of Latvia and/or in medical institutions registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia.

14. Documents required for payment of the insurance indemnity

14.1. To assess and establish whether an insured event has occurred, the Recipient of Indemnity must submit:

14.1.1. Application in the form prescribed by the Insurer for the occurrence of an insured risk www.compensa.lv;

14.1.2. a copy of a passport or other proof of identity

14.1.3. documents relating to the occurrence of the insured risk, as specified in the programme descriptions for the relevant risk;

14.1.4. documents confirming and proving the first initial positive diagnosis and the final positive diagnosis of a critical illness in the life of the Insured, as certified by the doctor specified in the programme descriptions for the diagnosed illness;

14.1.5. a copy of the Insured's medical history and a written report issued by a medical examination committee, stating the exact diagnosis and the date of the final diagnosis;

14.1.6. a copy of the Insured's death certificate (in case of death);

14.1.7. a notary's or court's decision on the distribution of succession rights (in the event of the Insured's death)

14.1.8. a certificate of the hospital stay, stating the exact diagnosis and length of stay;

14.1.9. at the request of the Insurer, additional documents proving the occurrence of the insured event;

14.1.10. an expert medical report, at the request of the Insurer;

14.1.11. autopsy of the deceased, at the request of the Insurer (expenses to be borne by the Insurer).

15. Terms used in the Regulations

15.1. **Insurance object** – a person's life or health.

15.2. **Sum insured** – the amount of money specified in the insurance contract which, in the event of an insured event during the insurance period, is paid according to the insured risk.

15.3. **Insurance premium** – the payment for the insurance, as specified in the insurance policy.

15.4. **Application for insurance** – a document of a form and content specified by the Insurer, which the Policyholder and/or the Insured shall complete and submit to the Insurer in order to inform about the insured object, its condition, as well as other facts and circumstances.

15.5. **Insurance offer** – an offer made by the Insurer before the conclusion of the insurance contract in order to inform the Policyholder about the terms of the insurance contract and/or changes thereto.

15.6. **Insured risk** – an event, independent of the Insured's will and provided for in the insurance contract, the occurrence of which is probable in the future. The insurance contract is valid only for the insured risks specified in the relevant insurance policy.

15.7. **Insurance event** – a sudden and unforeseeable event causally related to the insured risk, independent of the will of the Policyholder or the Insured, the occurrence of which provides for the payment of an insurance benefit in accordance with the provisions of the insurance contract.

15.8. **Date of the insured event** – when the Insured is diagnosed with the first positive diagnosis of the disease, which is confirmed as a positive, definitive diagnosis by the relevant documents required for each insured event, as specified in the insurance conditions, after additional examinations have been carried out during the survival period.

15.9. **Initial diagnosis** – a positive diagnosis of a critical illness for an insured risk that requires confirmation of the final diagnosis.

15.10. **Definitive diagnosis of the disease** – confirmation of an initial diagnosis, proven by laboratory and instrumental examinations, in accordance with the conditions laid down for the establishment of the insured risk.

15.11. **Survival period** – a period of 30 (thirty) days from the date of the insured event during which the insured person must be alive. If the Insured dies during the survival period, no insurance benefit is payable.

15.12. **Waiting period** – the first 90 (ninety) days from the date of entry into force of the insurance contract, when no benefit is payable if during that period the Insured has received a positive initial or final diagnosis of a critical illness. This Waiting period does not apply if the insurance contract is renewed without interruption for a further insurance period and the terms of the insurance contract are not changed.

15.13. **Insurance indemnity** – the amount of insurance payable for an insured event under an insurance contract. In the event of a diagnosed critical illness, the insurance indemnity is payable only once during the insurance period and the insurance contract is terminated for the Insured once the insurance indemnity has been paid.

15.14. **Recipient of indemnity** – in the event of the occurrence of the insured risk, the recipient of indemnity is the insured, but in the event of death, the recipient of indemnity is the beneficiary or the heirs of the insured, in accordance with the procedures for distribution of inheritance established by the laws and regulations of the Republic of Latvia, if the beneficiary is not specified in the insurance policy.

15.15. **Beneficiary** – a person who is entitled to receive an insurance indemnity in the event of the Insured's death in accordance with the terms of the insurance contract and following the procedures established by the laws and regulations of the Republic of Latvia for such cases, provided that the Insured's death occurs after the survival period.

15.16. **Child's provider** – parents or guardians who provide for the Insured Child in accordance with the requirements of the laws and regulations of the Republic of Latvia.

15.17. **Expert Doctor** – a doctor who makes a final diagnosis of the Insured's illness.

Important!

Health insurance pays for the unforeseen expenses of insured persons when receiving medical treatment. The Insurer shall pay the insurance indemnity in accordance with the insurance programme specified in the insurance policy, up to the sum insured and/or the insurance limit specified in the insurance policy.

Critical illness insurance is a type of personal insurance that provides for a lump sum payment to the Insured of the sum insured specified in the insurance contract when, during the insurance contract period, the Insured is diagnosed with one of the critical illnesses covered by the insurance contract and the waiting period provided for in the insurance contract has expired for the insured person to use the indemnity paid for the treatment of the critical illness or for everyday expenses.

Accident insurance pays compensation if the insured person suffers injury or physical damage to the body as a result of unforeseen external circumstances. The amount of the indemnity is determined according to the risks included in the policy and the indemnity tables.

Life insurance is a type of insurance – life insurance with the possibility of saving – where you can save for your future by making regular payments, while providing material protection for your family in the event of your death.