INFORMATION FOR POLICYHOLDERS WISHING TO CONCLUDE A CONTRACT

According to to the Unit-linked life insurance terms and conditions No IG23-01

This document is translated into English from the original version in Lithuanian. In the event of any discrepancy between English and Lithuanian, Lithuanian text (terms) shall prevail.

Insurer:	UAB Artea Life Insurance (hereinafter – the insurer).
Company code:	110081788, data is collected and stored in the Register of Legal Entities of the Republic of Lithuania.
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The insurer was issued a life insurance licence by the Bank of Lithuania. Detailed information on the issued licence is available on the website of the Bank of Lithuania https://www.lb.lt/lt/frd-licencijos/view_license?id=4.

The insurer’s statement on solvency and financial position is available on the website www.artea.lt or contact the insurer.

Identifying the policyholder’s needs, assessing the suitability or acceptability of the product

When concluding an insurance contract, the insurer or insurance intermediary, in order to act in the best interests of the customer, shall ask questions to the potential policyholder in order to determine the needs and to assess the suitability and acceptability of the insurance contract. A recommendation shall be provided at the time of conclusion of the insurance contract. It is very important that the potential policyholder answers all the questions, otherwise the insurer or insurance intermediary will not be able to properly assess the potential policyholder’s needs, the suitability and acceptability of the insurance contract, and make recommendations on the insurance contract.

During the term of validity of the insurance contract, the insurer shall not carry out a periodic assessment of the suitability of the insurance contract or the investment directions for the policyholder, but the policyholder may contact the insurer and request, on its own initiative, an assessment of the suitability of investment directions. The policyholder is responsible for monitoring the status of its insurance contract in the insurance self-service and the unit prices of the investment directions (available at www.artea.lt) and, if necessary, contact the insurer for amendments to the contract.

Insurance contract and applicable conditions

The insurance contract concluded according to the Unit-linked life insurance terms and conditions No IG23-01 (hereinafter – the insurance terms and conditions), is an unit-linked life insurance contract (where the investment risk is borne by the policyholder). The insurance terms and conditions are available on the insurer’s website at www.artea.lt.

The fees and deduction principles applicable to the insurance contract are described in the insurance terms and conditions and more detailed information is available in the price list applicable to the insurance contract. Fees that reduce the unit price of an investment direction are set out in the rules of the investment direction or in other documents providing information about the investment direction.

The Life insurance conditions and those Additional Insurance Conditions shall apply to the insurance contract which are specified in the insurance policy or in amendments and supplementations to the terms of the insurance contract drawn up in a manner established by the insurer.

Only one person can be covered by the insurance contract.

By agreement between the parties, the following Additional Insurance Conditions may be included in the terms of the insurance contract:

- Severe injury due to an accident;
- Injury due to an accident;
- Death due to an accident;
- Critical illnesses.

The amounts of the sums insured shall be determined by mutual agreement between the policyholder and the insurer and are specified in the insurance contract. A separate sum insured shall be set for each Life insurance condition and Additional Insurance Condition applicable to a specific insurance contract.

Before the conclusion of the contract, the policyholder and the insured person must disclose all information requested by the insurer. Failure to disclose these circumstances or provision of incomplete information shall be considered a material breach of the insurance contract. Information requested by the insurer that the policyholder and the insured person are required to disclose to the insurer is considered material and may result in:

- increased insurance risk;
- the insurer’s decision not to enter into the insurance contract and/or not to provide certain insurance coverage.

The policyholder shall not be obliged to notify the insurer of an increase in the insurance risk after the conclusion of the insurance contract, unless the policyholder wishes to change the terms of the insurance contract, and the insurer requests the information necessary to assess the insurance risk. If the policyholder breaches the terms of the insurance contract, it may lead to the consequences set out in the insurance terms and conditions.

Right of the insurer to change the documents and conditions of the insurance contract and the list of investment directions

During the term of validity of the insurance contract, the insurer shall have the right to unilaterally amend the insurance terms and conditions, price list and other components of the insurance contract, as well as the premium rates for life and additional insurance risk coverage rates, in accordance with the procedure laid down in the insurance terms and conditions. The insurer shall also have the right to change the investment directions offered to policyholders (to add new investment directions to the list of investment direction offered, to merge investment direction or to terminate individual investment directions).

Insurance premiums

The insurance premium and the period of the insurance contract shall be determined by mutual agreement between the policyholder and the insurer, taking into account the terms and conditions of the insurance, the sums insured, and the insurance risks covered. The procedure and time limits of payment of insurance premiums are specified in the insurance policy or in amendments and supplementations to the terms of the insurance contract drawn up in a manner established by the insurer.

Changes to the insurance premium during the first three years of the insurance period are limited and can only be made under conditions set by the insurer.

The insurance premiums shall be paid in euros. Insurance premiums can be lump sum, annual, semi-annual, quarterly or monthly. The policyholder may also pay additional premiums for investment purposes only.

The insurance premiums can be paid by an e-invoice or by a bank transfer to an account specified by the insurer. The policyholder who has opted for the e-invoice automatic payment service must ensure a sufficient cash balance in its chosen bank account on the day of payment of the insurance premium.

Given the long-term nature of an insurance contract, a situation may arise where, from a certain point in the validity of the contract, the premium and/or the accumulated capital chosen in the contract may no longer be sufficient to cover the fees and/or other costs of the insurance contract. In order to avoid a suspension of coverage and the contract, the terms of the insurance contract must be reviewed, with an increase in the premium and/or a reduction in the coverage chosen.

Insured events, exclusions and insurance benefits

Investment returns are not guaranteed, the amount of the payout at the end of the insurance contract is unknown and may be higher or lower than expected, and the policyholder shall bear the losses due to the investment risk.

The insurance benefit shall be paid only when the event for which the insurer has assumed the insurance risk has occurred during the period of insurance coverage. No insurance benefit shall be paid in case of an exclusion.

Insured events and exclusions are defined in the Life Insurance Condition No 100 and in the Additional Insurance Conditions (No 200: Severe injury due to an accident, No 300: Injury due to an accident, No 400: Death due to an accident, No 500: Critical illnesses).

In the cases provided for in the insurance terms and conditions, the insurer shall have the right to refuse payment of or reduce the insurance benefit.

The insurance benefit shall be calculated and paid in accordance with the procedure set out in the insurance terms and conditions. The insurance benefits shall be paid in euros. Any bank fees paid by the insurer in connection with the performance of its obligations under the contract, including fees for the payment of the insurance benefit to an offshore bank account, shall be borne by the payee.

Investment direction and capital accumulation principles

The investment plan shall be established by agreement between the policyholder and the insurer, specifying the investment directions and which proportions applicable to the premiums paid (after deduction of the fees specified in the insurance contract) will be allocated. When paying the additional premium, the policyholder may, upon agreement of the insurer, specify investment directions or proportions other than those set out in the investment plan. The policyholder can choose one or more of the investment directions offered by the insurer. The capital accumulated in the investment directions shall be recorded in investment units (hereinafter – the investment units). The value of the capital accumulated in investment directions shall be directly linked to the price of units in those directions.

The policyholder shall bear the risk of investing in the investment directions: any investment gains or losses on these directions shall have a corresponding effect on the price of the units, which may go up or down.

For more information on investment directions, please refer to the rules of the specific investment direction and the key information documents available on the insurer's website www.artea.lt.

Sustainability related information

Sustainability risk shall be understood as an environmental, social, and governance (ESG) event or situation that, if it occurs, could have a real or significant negative impact on the value of an investment. This risk may be relevant both as a separate risk category and as a component of other risks, including market, credit, liquidity and other risks. Sustainability risk can vary by asset class, geographic region or sector.

When making investment decisions, an insurer seeks to assess all the risks and factors that could affect the value and performance of its investments. Accordingly, the insurer also assesses the ESG factors and risks relevant to the specific investment under analysis. To this end, the insurer has adopted and applies the Responsible investing and sustainability risk integration policy which provides for the integration of elements such as adverse selection, ESG risk and opportunity analysis, engagement and participation, and monitoring into investment decisions and subsequent investment management.

Assets in the investment directions may be invested in financial instruments that meet certain criteria, including ESG ratings, and/or are linked to certain sustainable development themes and adhere to good environmental, social and corporate governance practices. Such investments may represent a smaller proportion of total assets than other investments that do not meet specific sustainability criteria. The return on such investments may (i) lag behind the overall market return if such investments lag behind the overall market return during the period and/or (ii) lag behind the return on other investments not subject to the ESG criteria. The insurer may sell ESG-related investments that have been profitable and are likely to be profitable later.

Unless otherwise provided for in the rules of a specific investment direction, the principal adverse impacts (PIAs) of investment decisions on sustainability factors, as defined in Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector, are not currently taken into account when making investment decisions. This is mainly due to the lack of consistent, accessible and accurate data on how to measure portfolio investments in this respect, and the absence of a harmonised reporting framework across the sector. The insurer shall regularly review this position and, if it changes, update the information provided to policyholders accordingly.

Unless otherwise specified in the rules of a particular investment directions, investments related to the investment direction proposed by the insurer shall not take into account the EU criteria for environmentally sustainable economic activity.

More detailed information on the integration of ESG risks into the investment decision-making process and other aspects of the assessment of ESG factors can be found in the insurer's approved Responsible investing and sustainability risk integration policy, the rules of the specific investment direction and other pre-contractual disclosure documents. These documents are available on the insurer's website at www.artea.lt.

Returning part of the accumulated capital

The policyholder, having submitted a request to the insurer in writing or in another manner agreed upon by the parties and the information requested by the insurer, shall have the right to withdraw part of the accumulated capital under the conditions specified in the insurance terms and conditions and price list, without terminating the insurance contract. After repayment of part of the accumulated capital, the remaining amount of the accumulated capital must not be less than the minimum amount set out in the price list. The fee to be deducted on repayment of part of the accumulated capital is specified in the price list.

Termination of insurance contract and surrender value

The conditions and procedures for termination of the insurance contract are set out in the insurance terms and conditions.

The policyholder (natural person) shall have the right to terminate the insurance contract on preferential terms within 30 days from the date on which the policyholder is notified of the conclusion of the insurance contract. If the policyholder (natural person) terminates the contract by exercising this right to terminate the contract on preferential terms, the insurer shall reimburse to the policyholder the amount of the premiums paid by the policyholder, adjusted by the investment result achieved during the period of validity of the insurance contract.

If the policyholder terminates the insurance contract on its own initiative before the expiry of the insurance period, the policyholder shall be paid the surrender value (except in the case of termination on preferential terms as described above). The procedure for calculating the surrender value is set out in the terms and conditions of the insurance contract, and the fees applicable for calculating the surrender value are set out in the price list applicable to the insurance contract.

Insurance intermediary remuneration

The insurer shall pay its employees, who advise potential customers on the conclusion of an insurance contract, a remuneration which is a component of the insurance premium, and shall pay the insurance intermediaries a commission which is also a component of the insurance premium. The insurer may also provide other types of remuneration or economic benefits to employees and insurance intermediaries, which are related to the insurance contract. During the term of validity of the insurance contract, if the policyholder makes additional payments over and above those provided for in the premium payment plan, the employee or insurance intermediary advising the policyholder may be remunerated for the additional premiums paid by the policyholder.

Where an insurance broker advertises, promotes or represents him/herself as providing services as an independent intermediary, the intermediary fee shall be paid by the policyholder.

Complaints and disputes handling procedure

Disputes arising from or in relation to this insurance contract shall be settled under the procedure set forth in the legal acts of the Republic of Lithuania.

The policyholder, the insured person, the beneficiary or any other person who considers that the insurer has violated their rights or interests in connection with the insurance contract may apply to the insurer in writing by submitting a complaint or claim. The insurer's procedure governing the handling of complaints and the provision of responses to applicants can be found on the website www.artea.lt or available at the insurer's customer service departments.

The complaints related to insurance contracts and disputes between consumers and insurers shall be examined by the Bank of Lithuania in an out-of-court procedure. The insurer shall be contacted in writing prior to contacting the Bank of Lithuania about a complaint or dispute. For more information on examination of complaints and disputes by the Bank of Lithuania, please visit www.lb.lt.

Taxation of the insurance contract

More information on the tax treatment of insurance contracts is provided in the separate document.

Law governing the insurance contract

The present insurance contract shall be governed by the law of the Republic of Lithuania.

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