



# NORDICA LIFE Ltd.

## General Conditions applicable for Global Exclusive Bond July 2017

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# NORDICA LIFE Ltd.

## Section 1 Definitions

- Company:* Nordica Life Ltd., 1st Floor, Limegrove Centre, Holetown, St. James, Barbados, BB 24016.
- Service department:* 9A, Boulevard Prince Henri, L-1724 Luxembourg.
- Policyholder:* The person(s) who owns the insurance and is entitled to insurance benefits which are due for payment while the policyholder is alive.
- Life assured:* The person(s) upon whose life/lives the insurance is written. If more than one life assured is named in the policy schedule, the death of the life assured means the death of the last surviving life assured.
- Beneficiary:* The person(s) entitled to the insurance benefit after the death of the policyholder when any such benefit comes to payment, or the person(s) entitled to continue the insurance as new policyholder.
- Next-of-kin:* The spouse, if there is no spouse then the children, if there are no children, then the legal heirs according to the legislation where the policyholder has the residence.
- Policy schedule:* The document issued to the policyholder by the company as a proof of the insurance contract.
- Policy account:* The investments linked to the policy, e.g. the individual portfolio of assets held with a custodian bank that is approved by the company, uninvested cash and unlisted securities registered with the company.
- Policy value:* The value of the insurance computed monthly by the company in the statement currency and where possible based on the market value of the policy account less fees and risk premiums.
- Single premium:* The value as per the effective date of the assets received and converted into the statement currency by the company before deduction of fees.
- Acceptable assets:* Bank transfers in cash in convertible currencies and securities subject to the company's approval and acceptance. The assets must be available and not be subject to any lien, encumbrances or other rights with regard to third party.
- Unlisted securities:* Securities linked to the policy (such as shares, bonds, warrants, options, profit participation certificates, etc) that are not listed at a public/recognised exchange or that are not subject to regular trading in an organized market place open to the public.

## Section 2 Insurance Contract

- A The insurance contract consists of a policy schedule, any attachments to the policy schedule, the current general conditions, an investment contract, the application form and health statements accepted by the company, other information or declaration forms provided by the policyholder and any agreement in writing between the policyholder and the company.

## Section 3 Policy Schedule

- A The policy schedule is not a negotiable asset and the possession of the policy schedule does not provide any rights against the company. Several policy schedules may be issued for the same insurance, for example when the insurance is amended, adjusted, or if the policy schedule has been lost.
- B Any payments of surrender values and insurance benefits will be made to the appropriate person(s) without submission of the policy schedule.
- C Any pledging and transfer of rights under the insurance agreement, possibly of the whole insurance, must be made by written request, subject to approval by the company, in order to maintain these rights against the company.



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- D Appointment and amendment of beneficiary(ies) shall be effective only by written request, subject to approval by the company. Any other transaction concerning the insurance shall also be requested in writing and approved by the company in order to take effect against the company.

## Section 4 Effective Date

- A The company's liability commences as of the first day of the month following the month in which the company has accepted the insurance on normal terms and subject to the receipt of the single premium.
- B If the insurance cannot be accepted on normal terms, the company's liability does not take effect until the first day of the month after the company has received both the single premium and the policyholder's written acceptance of the terms under which the company can accept the insurance.

## Section 5 Cover on Death

- A On the death of the life assured, or if the insurance includes two lives assured, on the death of the last surviving life assured, payment of the policy value plus a supplementary lump sum corresponding to a percentage of the policy value or a fixed amount will take place. The percentage or the fixed amount is specified in the policy schedule.
- B The policy value payable upon death is equal to the contents of the policy account less any fees due to the company, the custodian bank and/or the investment manager. The company may transfer or deliver the assets of the policy account in full discharge of all liabilities with respect to the assets part of the policy value payable upon death.
- C The company has a right to request additional health declarations from the life assured at any time, if the total cover on death for a life assured, due to investment gains, exceeds an amount fixed by the company (40,000 USD July 2017).
- D If the company does not receive the requested health declarations within 30 days after the request has been sent or if the health declarations received cannot be approved by the company, the total cover on death will be fixed to the amount mentioned above, but no less than the amount previously accepted by the company.
- E The insurance will be effective all over the world, excluding the exceptions outlined in Section 14.

## Section 6 Payment of Cover on Death

- A The cover on death is paid to the policyholder unless otherwise specified in the insurance contract. If the life assured and the policyholder is the same person, the cover on death is paid to the beneficiary of the insurance.
- B Before the cover on death is payable, the policyholder/beneficiary must provide the information required by the company, e.g. identification and proof of address, death claims form, death certificate issued by a medical practitioner, and where appropriate a certificate of inheritance issued by the Probate Court or similar authority.
- C Payment of the cover on death is effected as per the first day of the month following the month in which the death of the life assured is reported and when the company has received the required information mentioned in subsection B. The company has fulfilled its liability when it has remitted the cover on death to the policyholder/beneficiary not later than 14 days hereinafter.
- D The company shall not pay any costs or charges involved in the transfer of the cover on death.



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## Section 7 Single Premiums

- A The insurance can only be taken out against a single premium. Supplementary single premium top-ups may be added after the insurance has become effective.
- B Payment of the single premium may be effected by bank transfer in cash or other acceptable assets. Unlisted securities that cannot be booked on the account held with the custodian bank must be delivered to the company either in physical form or by an asset transfer instrument approved by the company.

## Section 8 Administration of the Policy Account

- A The policy account is administered according to the rules laid down in the investment contract.
- B Investments in the policy account can be made in one of the following ways:
  1. The policyholder appoints a specific custodian bank to hold and to manage the assets in the policy account.
  2. The policyholder appoints a specific custodian bank to hold the assets and appoints an external investment manager to manage the assets in the policy account.
  3. The policyholder appoints the company to manage the assets in the policy account, whereas the company has the right to appoint one or several asset managers and to appoint a custodian bank to hold the assets.
  4. The policyholder may request that the company appoints a specific custodian bank to hold the assets in the policy account and make investment and divestment requests either to the appointed custodian bank or in certain situations to the company directly.Appointment of a custodian bank and investment manager is subject to approval by the company and the custodian bank.  
Custody and management fees are charged regularly to the policy account.
- C The investment decisions are made by the investment manager using his best judgment, but also following the company's advice and/or instructions if deemed appropriate. The policyholder recognises that investments may fluctuate in value, that rates of return may vary and that the policy account can incur considerable losses. The company and the investment adviser do not guarantee any specific investment results and cannot be held responsible for any losses.
- D The company has the right to return policy assets to the policyholder, instead of selling the assets, in case of partial or full surrender of the policy or in case of paying death benefits.

## Section 9 Payment for Administration and Cover on Death

- A Each month the company calculates, on the basis of the policy value, the administration fees and the risk premium for the cover on death.
- B The company will deduct the amounts from the policy account each month or quarter.
- C Extraordinary expenses in connection with regulations for automatic exchange of information or similar regulations that the company is required to follow now or in the future, will be charged to the insurance without prior approval from the policyholder. It may be, but is not limited to, costs of legal services and other administrative charges. The policyholder will receive documentation for any extraordinary expenses.
- D If there is insufficient liquidity in the policy account to cover fees and charges made to the policy, the company has the right, but not an obligation, to sell assets at the company's discretion to recover any fees, charges or debit balances. Prior to a forced sale of unlisted securities, the



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company must give the policyholder notice in writing in order to allow the policyholder to cover the debt through other means.

## Section 10 Surrender

- A A full or partial surrender of the insurance may be requested at any time with effect at the end of the month.
- B The surrender value is equal to the contents of the policy account less any fees due to the company, the custodian bank and/or the investment manager. The company may transfer or deliver the assets of the policy account in full discharge of all liabilities with respect to the assets part of the surrender value.
- C The surrender can be effective, at the earliest, at the end of the month in which the company receives a written request signed by the policyholder, and the pledgee if the policy is pledged. The company has fulfilled its liability when it has remitted the surrender value to the policyholder not later than 14 days after the time of surrender.
- D One surrender may be effected free of charge per calendar year. Subsequent surrenders within the same calendar year may be subject to deduction of a fee determined by the company at any time.
- E The company does not bear any expenses or loss of interest incurred by payment or transfer of surrendered amounts.

## Section 11 Currency

- A Single premiums, policy value, insurance benefits, surrender amounts and payment for administration and cover on death will be determined in the statement currency of the policy.
- B A change of the statement currency is not possible.
- C Conversion to the statement currency is made by the company on the basis of the exchange rates published by a recognised institution.

## Section 12 Ownership and Right of Disposal

- A The policyholder at any time has the sole right of disposal of the insurance, provided that this right has not been restricted through a decision under the policy.
- B If the insurance contract includes several policyholders on a joint basis, an acceptance from all policyholders is needed at any amendments to or disposals over the contract.

## Section 13 Information

- A Each year the company will send the policyholder a statement including information on the policy value, premiums paid, surrenders, yield and the risk premiums and administration expenses.

## Section 14 Increase of Risk

- A The insurance does not cover any direct or indirect consequences of, or any increased risk in relation to, a nuclear reaction or nuclear accident, e.g. nuclear fission, nuclear fusion, and radioactive fall-out whether any such event occurs in wartime or in time of peace.
- B Until the insurance has been effective for 12 months before the insurance event occurs, the insurance does not provide cover as a result of:
  1. Suicide or attempted suicide.



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2. Travelling to, or staying in, areas where the risk is increased due to war, state of war, civil war, revolt or civil unrest.
3. Travelling to, or staying in, areas where a public warning has been given about specific unhealthy conditions or any other uncommon peril.
4. Participation in, or training to participate in:
  - a. expeditions to dangerous areas
  - b. motor races of any kind
  - c. hang-gliding and similar activities
  - d. any sport activity whether on a professional or semi-professional basis

- C Cover may be extended to the increased risks mentioned under items A and B, subject to an agreement in writing with the company. The agreement may include payment of an additional risk premium.
- D When the life assured is a resident of one of the Nordic countries: If a life assured participates in war service in the defence of the country of residence, or according to government order from the country of residence, the insurance only provides cover, if it has been effective for 6 months before commencement of the war.
- E The insurance does not provide cover on participation in any other war service other than the above mentioned.
- F In the event of death of the life assured, the restrictions of items A to E reduce the company's liability to include only the policy value, cf. Section 5B.
- G Increased risk through revaluation or investment performance: If the policy value has increased with 50% or more during a period of 12 months preceding the death of the life assured, a special charge corresponding to the death cover percentage of the increased value, will be charged to the policy account.

### Section 15 US Persons

- A This product is not available for US Persons.
- B US persons are defined as persons who reside in the US (Substantial Presence Test), have US citizenship (including dual citizenship) or hold a US permanent residence permit (Green Card) or are corporations registered in the US.
- C If a policyholder becomes a US Person the insurance contract must be terminated or assigned to a non-US Person.
- D If a change in circumstances gives the company a reason to know that a policyholder has become a US Person and the policyholder does not provide information to prove otherwise within 30 days after notification has been sent, the company has a right to terminate the insurance contract. See also Section 17D.

### Section 16 Exchange of Information

- A The company is committed to comply with any existing and future legislation enacted by Barbados that provides for or is intended to secure the exchange of information including, without limitation, the Foreign Account Tax Compliance Act (FATCA) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information.
- B The policyholder and any other person, who may be regarded as "Account Holder" according to the definitions within the appropriate regulations, are obliged to give information regarding the



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tax residence or FATCA classification to the company and to ensure that any future changes are communicated to the company promptly.

- C The company is in certain circumstances obliged to share information with custodian banks and relevant tax and/or legal authorities either on request or automatically.
- D If the policyholder decides to get a court decision about the correct legal background for a request to exchange information that the company has received from any authority, the policyholder is obliged to employ a lawyer at his own expense.
- E The company does not provide legal advice or tax advice.

### **Section 17 Misrepresentation and Right of Termination**

- A In case of fraudulence regarding the information provided about the health of the life assured, the company's liability on the death of the life assured may be reduced to include only the policy value, cf. Section 5B.
- B If any information provided about the life assured is incorrect or incomplete, the company reserves the right to reduce the level of coverage provided by the policy. The reduced coverage can never be lower than the coverage the company would have accepted for the premium paid given that the company had known the complete and correct information.
- C If any other information provided, or if the company has reasonable grounds to suspect that any information provided, is false, inaccurate, outdated, incomplete, or violates these General Conditions, any additional terms, or any applicable law, the company may terminate the insurance contract. The company also reserves the more general and broad right to terminate the insurance contract or otherwise deny the access to it or its benefits – all in its sole discretion, for any reason, and without advance notice or liability.
- D Until the policyholder has submitted the necessary information that enables the company to finally terminate the insurance contract and transfer the surrender value to the policyholder, the policy value will be placed on a non-interest-bearing account. During this period the insurance cover ceases, but administration fees are charged. The company has a right to sell all securities held in a depot and to sell or return any unlisted securities in order to complete the termination.

### **Section 18 Legal Jurisdiction**

- A This insurance contract shall be governed by the laws of Barbados. The place of jurisdiction for all proceedings arising from matters provided in this insurance contract shall be Barbados. The company, however, may also pursue its claims to any other court having jurisdiction. For the purpose of this insurance contract the policyholder elects domicile at the Company's registered office.

### **Section 19 Additional Conditions**

- A Communications by the Company: Communications by the company are deemed to have been made if dispatched to the last address notified by the policyholder. The date indicated on the copy of the mailed communication in possession of the company is presumed to be the mailing date and it shall be deemed to have been delivered no later than 10 days following the mailing date. Mail that is to be kept on deposit at the company shall be deemed to have been delivered at the date it bears.
- B Objections by the Policyholder: Any objections by the policyholder relating to the execution or non-execution of any request of any kind or to any other communication from the company, as well as any objection to any statement of account or to any other communication, must be made promptly upon receipt of the respective communication, but at the latest within 30 days. In case



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of non-receipt of any communication the policyholder must make this known to the company at the time when he/she should have received the communication in the ordinary course of business. Any damage resulting from late objection shall be solely borne by the policyholder.

- C Insufficient Identification and Forgeries: The policyholder has the duty not to permit unauthorized third parties to have knowledge of his/her relations with the company. Any damage resulting from his/her failure to comply with the above obligation shall be solely borne by the policyholder, in particular where the activity of a forger is facilitated or an error is created as to the existence of powers granted to a third party. Further, all loss, expense or damage deriving from reliance of the company upon insufficient identification or upon forged documents shall be borne by the policyholder.
- D Legal Incapacity: All loss, expense or damage resulting from the legal incapacity of the policyholder or a third party must be borne by the policyholder.
- E Error of Transmission: All loss, expense or damage resulting from the use of mail, courier, telephone, fax, e-mail, electronic file transfer or any other system of communication or means of transportation, especially from losses, delays, misunderstandings, misuse of technical devices, mutilations or duplications, must be borne by the policyholder.
- F Errors in Execution of Investment Requests: In case of damage or loss due to non-execution or defective execution of investment requests, the company is not liable for any loss or foregone gains. The policyholder has to ascertain himself that the investment request has been executed. The company does not guarantee immediate execution of investment requests. If the policyholder has given several different investment requests, the total amount of which exceeds the credit balance available or the credit granted to his/her policy account, the company is entitled to decide at its discretion and without consideration to the dates of the investment requests or the times of reception, which of the dispositions it wishes to execute, if any.
- G Saturdays as Legal Holidays: For all business relations with the company, Saturdays are equivalent to legal holidays.
- H Policy Account: The company debits the policy account monthly, quarterly or annually with customary interest, commissions and fees, as well as taxes, at its discretion. The company reserves the right to modify at any time the rates of the commissions and interest it levies, in particular if the conditions of the money markets have changed, and to inform the policyholder through the policy statements. In the absence of any complaint or objection brought forward within 30 days of the mailing date of the statement, the statement of account issued by the company is deemed to have been approved.
- I Right of Pledge and Set-off: For all its claims, irrespective of maturity or currency in which they are denominated, the company has a lien and, for all its claims, a right of set-off on all assets held in the policy account. Upon default on the part of the policyholder, the company may at its option, realize the assets and may make any set-off.
- J Right to Block Assets: The company reserves its rights to block indefinitely all assets and income in the policy account, should there be, or risk to be, a liability, guarantee or implied warranty associated with any transaction, business agreements or other engagement on behalf of the policy.
- K Cheques and other Instruments: The company is entitled to re-debit unpaid cheques, and other instruments that have been discounted or credited. Nevertheless, and until the settlement of any possible debit balance, the company retains, against anybody liable by virtue of the instrument concerned, the right to the claims arising out of the cheque or any other instrument for payment of their full amount plus any associated costs, be in virtue of the law on the cheque or any other legal stipulation.
- L Reservation for Special Regulations: Certain kinds of transactions such as foreign exchange and securities transactions are, besides these additional conditions subject to special regulations





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issued by stock exchanges, central banks, tax authorities, the International Securities Market Association or other authorities or by court order.

- M Securities Transactions: In securities transactions conducted for the policy accounts, the credit and debit entries are made subject to receipt of funds and subject to delivery of the corresponding securities or documents, respectively.
- N Modifications of the General Conditions: The company reserves the right to modify the general conditions at any time. The policyholder will be informed of these modifications by circular letter or in any other appropriate way in the absence of opposition within 30 days of the mailing date the modifications are deemed to be approved.