



NORDICA LIFE
(Bermuda) Ltd.

General Conditions
applicable for
Global Exclusive Bond (GEB)
June 2015

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NORDICA LIFE (Bermuda) Ltd.

Section 1

Definitions

- Company:* Nordica Life (Bermuda) Ltd, P.O. Box HM 2904, Hamilton HM LX, Bermuda.
- Service department:* 9A, Bd. 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, unless it has been arranged that they shall be passed to others in full or partially.
- Life assured:* The person(s) upon whose life/lives the insurance is written.
- 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 take over the insurance.
- 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.
- Depot:* The investments linked to the policy, e.g. the individual portfolio of assets held with a custodian bank that is approved by the company, and any private investments registered with the company.
- Fund 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 depot less fees and risk premiums.
- Acceptable assets:* Bank transfers in cash in convertible currencies and securities subject to the company's approval and acceptance.
- 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 and risk premiums.

Section 2

Insurance Contract

- A The insurance contract consists of a policy schedule, any attachments to the policy schedule, the present 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.



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- C Any pledging and transfer of rights under the insurance agreement, possibly of the whole insurance, must be made by written notification to the company to maintain these rights against the company.
- D Appointment and amendment of beneficiary(ies) shall be effective only by written notification to the company. Any other transaction concerning the insurance shall also be notified in writing to 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 fund value plus a supplementary lump sum corresponding to a percentage of the fund value or a fixed amount will take place. The percentage or the fixed amount is specified in the policy schedule.
- B The fund value payable upon death is equal to the contents of the depot 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 depot in full discharge of all liabilities with respect to the assets part of the fund 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 June 2015).
- 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.



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- 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.

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. Private investments 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 Depot

- A The depot is administered according to the rules laid down in the investment contract.

Section 9 Payment for Administration and Cover on Death

- A Each month the company calculates, on the basis of the fund value, the administration fees and the risk premium for the cover on death.
- B 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.
- C The company will deduct the amounts from the depot at the beginning of each month or quarter.

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 depot 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 depot 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.



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D One surrender may be effected free of charge within one calendar year. Subsequent surrenders within the same calendar year are 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, fund 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 an insurance statement including information on the fund 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 radio-active 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.
- 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



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- 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 fund value, cf. Section 5B.

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 or future legislation enacted by Bermuda that provides for or is intended to secure the exchange of information including, without limitation, the Foreign Account Tax Compliance Act (FATCA), various Agreements to Improve International Tax Compliance entered into between the UK and its Crown Dependencies and its Overseas Territories 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 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 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 or tax advice.



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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 fund 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 fund 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 private investments in order to complete the termination.

Section 18 Legal Jurisdiction

- A This insurance contract shall be governed by the laws of Bermuda. The place of jurisdiction for all proceedings arising from matters provided in this insurance contract shall be Bermuda. 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.