

savings

# insurance conditions

## **Borea Invest**



**everything you need to know**  
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# Insurance conditions

## 1 Definitions

The following meanings shall apply under this policy:

- the **Company**: the public limited company AXA Assurances Vie Luxembourg, a Luxembourg life insurance company;
- the **Policyholder**: the person(s) taking out the insurance policy and mentioned in the specific terms and conditions. If there are several **Policyholders**, they shall be deemed to have taken out the policy jointly and shall be bound jointly and indivisibly by their obligations;
- the **Insured**: the person(s) bearing the risk, including the life and death covers and mentioned in the **specific terms and conditions**;
- the **Beneficiary**: the person(s) designated by the **Policyholder** as the beneficiary/beneficiaries of the insurance cover in the event of the survival of the **Insured** when the policy matures and in the event of the death of the **Insured** before the policy expires;
- the **premiums or payments of the insurance premiums**: the insurance premiums paid by the **Policyholder** including entry fees and taxes;
- the **savings accumulated**: shall be the reserve of the policy at any given moment. This shall be calculated per medium. In a guaranteed-rate fund, this shall be formed by all payments net of entry costs and any taxes, capitalised, with any redemptions and switches deducted. In a unit of account fund, they shall be determined by multiplying the number of units of account by its value on the calculation date. This number of allocated units comes from converting payments, net of entry costs and any taxes, reduced, if appropriate, by the number of units for the redemptions and switches. The calculation of reserves for each medium takes into account the collection of costs as provided for under article 8 of these **insurance conditions** and, if appropriate, the collection of premiums required for the optional supplementary death cover as provided for under point 13.

## 2 Contractual documents

### 2.1 The policy

The insurance policy ("the policy"), comprises the following documents:

- the **insurance proposal** and other questionnaires on the insurance characteristics and, for the optional death cover, the risk appraisal elements. It should be filled in and signed by the **Policyholder** and the **Insured**;
- the **insurance conditions** defining the rights and obligations of all contractual partners;
- the **specific terms and conditions** customising each policy and containing mainly the elements relating to the **Policyholder**, the **Insured**, the **Beneficiary**, the policy period, etc.;
- the **letter** to be returned formalising the agreement between the parties accompanying the **specific terms and conditions** and listing all the documents making up the policy;
- the **profit-sharing regulations** stating the allocation and distribution of financial benefit from guaranteed-rate funds;
- any **annexes** sent with the **specific terms and conditions** and all subsequent **endorsements** of any amendments made to the policy.

## 2.2 Amendments to the policy

All amendments made to the policy shall be confirmed by **endorsements**.

## 3 Purpose of the policy

**Borea Invest** is a life insurance policy in euros with flexible premiums linked to guaranteed-rate and/or unit of account investment funds.

If the **Insured** is still living when the policy matures or if the **Insured** dies before the policy expires, the **Company** shall pay a capital sum to the **Beneficiary** stated in the **specific terms and conditions**.

**Borea Invest** may include, at the request of the **Policyholder** supplementary death cover the modalities of which are set out in point 13.

## 4 Effective date and duration of the policy

The policy shall take effect from the date of definitive receipt of your first **payment** into the Company's account but not before the **Company** is in possession of all the elements required to be able to register the taking out of the policy. The policy shall be taken out for the period provided for under the **specific terms and conditions** and shall end on the date stated therein. The policy shall also end when the **Company** is advised of the death of the **Insured** or in the case of full surrender.

## 5 Withdrawal from the policy

The **Policyholder** may withdraw from the policy by letter with acknowledgement of Receipt, by registered letter or delivery by court bailiff sent to the **Company** within 30 days of being advised of the conclusion of the policy.

This withdrawal shall release the parties from any obligation resulting from the policy in the future and shall take effect at the time of the notification.

The premium paid, after deduction of any exchange charges shall be reimbursed within 30 days from the receipt by the **Company** of the original policy.

## 6 Investment fund

### 6.1 Type of investment funds

The funds shall take the form of Undertakings for Collective Investment in Transferable Securities (UCITS) or internal funds that represent a set of hived-off assets within the **Company**.

The investment funds are guaranteed-rate funds or unit of account funds.

#### 6.1.1

In the guaranteed-rate funds, the **Company** shall guarantee the rate of interest in effect on the date of investment for each payment.

The **Company** shall reserve the right to close a guaranteed-rate fund at any time by refusing new payments if market conditions imply that new payments would endanger the current and actual yields of the fund.

In this case, the **Company** shall advise the **Policyholder** by post of the closure of the fund and the options open to him.

6.1.2 In unit of account funds, the investment risks shall be borne by the **Policyholder** and the units of account are subject to the upward and downward fluctuations of the financial markets.

The **Company** furthermore reserves the right to amend significantly the investment policy of a unit of account fund or to close it.

In this case, the **Company** shall advise the **Policyholder** by registered letter of the options open to him:

- switching without charge to another medium with a similar investment policy and loading level;
- switching at no charge to media without investment risk;
- terminating the insurance policy, without surrender indemnity unless the value of shares in the fund in question is less than 20% of the total policy value; in this case, the option of surrender without costs shall be limited to the shares of the fund in question.

If no response from the **Policyholder** is forthcoming within 60 days of this letter being sent, the **Company** may switch free of charge to a medium without investment risk.

## 6.2 Information on the investment funds

The **Policyholder** may receive, at his request and free of charge, the following information for each fund selected at the time of investing in this fund:

- for the unit of account funds: the name, investment policy, risk classification or, in terms of the standard investor profile, the nationality, whether or not it complies with Directive 2009/65/EC amended, the launch date and, if appropriate, the closing date, the annual historical performance of the last five financial years or since its launch date, the possibilities of obtaining or consulting the prospectus and annual and six-monthly reports, the publication modalities of inventory values and any restrictions of this fund.
- for the guaranteed-rate funds: the name, the investment policy, indications about the standard investor profile or in terms of investment horizon, the launch date and, if appropriate, the closing date and the annual historical performance of the last five financial years or since its launch date.

## 7 Payment of premiums

The payment and amount of premiums shall be flexible provided that when the policy is agreed, the minimum amount of the first payment is at least EUR 2,500.00 per fund or medium. The **Policyholder** may also make additional payments of no less than EUR 1,250.00 at any time

The **Policyholder** shall indicate when taking out the policy, the distribution of his premium between the investment funds chosen. Unless the Policyholder specifies otherwise, the same distribution shall be used for the next premiums.

No premium can be paid to the **Company** before it has accepted **the insurance proposal**. Any payment made to the **Company** without its prior agreement shall be placed, if necessary, in a stand-by bank account until the end of the acceptance procedure by the **Company**.

## 8 Fees applicable to the policy

### 8.1 Entry fees

The entry costs shall be a maximum of 3% of the amount of the premium paid.

### 8.2 Management fees

The management costs applied to the unit in account funds shall be 1.15% on an annual basis. The costs shall be debited at each listing date of the financial medium on the number of shares.

The **Company** shall be entitled to alter the management costs every five years if they are not enough to cover the management and administrative costs relating to the **Borea Invest** policies. In the event of disagreement, the **Policyholder** may terminate this policy without charge.

### 8.3 Surrender fees

Any surrender during the first three years following the effective date of the policy shall be reduced by a surrender indemnity equal to 0.1% of the amount withdrawn per month remaining to run (month of surrender included) until the end of this period.

The surrender indemnity shall not apply to the part of the total amount of surrenders in a same year that does not exceed 15% of the savings accumulated as at 31 December of the previous year.

The surrender indemnity shall not apply either to a total or partial surrender if one of the following events occurs after the policy has been taken out:

- in the event that the **Policyholder**, his spouse or cohabiting partner domiciled at the same address becomes unemployed due to redundancy;
- in the event that the **Policyholder**, his spouse or cohabiting partner domiciled at the same address or any other person dependent for tax purposes on the **Policyholder** suffers **permanent physiological disability** of at least 25% following an illness or accident.

Physiological disability is a reduction in physical integrity. Its level shall be decided medically based on the scale applied in the Grand Duchy of Luxembourg in terms of mandatory insurance against occupational accidents. The permanent nature of the disability is permitted as such during the consolidation of the state of health of the person in question and the formal establishment of the permanence of this disability.

### 8.4 Switching fees

Each switch shall be subject to fees set at 0.5% of the transferred amount. Nevertheless, the **Policyholder** may switch once a year free of charge.

## 8.5 Financial correction

To safeguard the interests of all Holders of a Borea Invest policy at a guaranteed rate, the Company shall reserve the right, apart from applying surrender or switching fees stated under points 8.3 and 8.4, to retain a financial correction for exceptional circumstances in the event of withdrawal or a switch.

This financial correction is based on the ratio between the level of average interest rates in effect on the OLO market (Belgian State linear bonds) at the time of the surrender or switch and the level of those in effect of eight-year duration at the time of the investment or at the commencement of the application period of the minimum guaranteed rate in effect, given the time left to run until the end of the validity period of this minimum guaranteed rate.

## 9 Investment in the funds

### 9.1 Investment in the guaranteed-rate funds

The premium is invested in a guaranteed-rate fund on the second working day following definitive receipt of the payment into the **Company's account**.

Each payment, after deduction of entry costs and any tax shall attract the rate of interest in effect at that time.

The interest rate for a payment shall be guaranteed until 1 January of the eighth calendar year from that of the payment. Then, during consecutive eight-year periods, the interest rate applied to this payment shall be the one in effect on 1 January at the start of each period.

The savings accumulated in a guaranteed-rate fund are formed by all payments net of entry costs and any taxes, capitalised, with any redemptions and switches deducted.

The **Company** shall also be obliged to distribute and allocate as profit-sharing a determined share of profits achieved by the hived-off fund **as described in the profit-sharing regulations**. This issuance assumes that the fund's operations are profitable.

### 9.2 Investment in the unit of account funds

Every payment into a unit of account fund after deduction of entry costs and any taxes shall be converted up to the investment limit of this unit of account fund.

The value of the unit of account adopted shall be the next net asset value of the unit after the premium investment date.

The investment of the initial premium in the unit of account funds shall nevertheless be delayed until expiry of the 30-day withdrawal period stated in point 5 above. During this period, the net payments shall be invested in a monetary fund.

The savings accumulated in a unit of account fund shall be determined by multiplying the number of units of account by their value on the calculation date.



## 10 Availability of the savings

### 10.1 Surrender

The **Policyholder** may at any time surrender the value of his policy partially or totally.

A surrender shall be authorised from a minimum amount of EUR 500.00 and a minimum reserve of EUR 2,500.00 shall remain in each financial medium.

In addition, for the unit of account funds, the policy's savings shall respect the investment limits set for each fund as the **Company** shall be entitled on this basis to reject a request for partial surrender.

Total surrender terminates the policy.

The request shall be made based on the form available to the **Company** signed and dated by the **Policyholder** stating on it any distribution between the various financial media and accompanied by a photocopy of the **Policyholder's valid identity card or passport** and complying with all the requirements provided for on the form.

Where the benefit of the policy is accepted by a **Beneficiary**, the surrender request shall be signed jointly by the **Policyholder** and the **accepting** Beneficiary.

The date retained to calculate the surrender value in the guaranteed-rate fund shall be the day on which the **Company** receives the surrender request. For a total surrender, the savings accumulated shall be totally divested on this date.

The value of the unit of account retained to calculate the surrender value in the unit of account funds is the next net asset value of the unit after the date on which the **Company** receives a surrender request duly completed. For a total surrender, the savings accumulated shall be totally divested on this date.

### 10.2 Switch

The **Policyholder** may alter at any time how the savings under his policy are channelled by requesting the transfer of all or part of it into one or more other financial media provided that the savings invested in each financial medium remain higher than the minimum amount set by the **Company**. The request shall be made based on the form available to the **Company** signed and dated by the **Policyholder** and shall be processed by the **Company** according to the rules and within the times stated under point 9.

The switch shall respect the investment limits set for each fund as the **Company** shall be entitled on this basis to reject the request for switching or to make it dependent on compliance with a minimum amount set by the **Company**.

### 10.3 Advances

The policy does not allow advances.



## 11 Benefits

### 11.1 In the event of survival of the Insured

If the **Insured** is still living when the policy matures, the **Company** shall pay the **Beneficiary** an amount equal to the savings accumulated and set out:

- in the guaranteed-rate funds: the day on which the policy matures;
- in the unit of account funds: at the next net asset value of the unit after the day on which the policy matures.

The savings accumulated by this date shall be totally divested.

### 11.2 In the event of death of the Insured

If there are several **Insured members** and in the event of death of one of them, the benefit shall only be executed on the death of the last **Insured member**.

If the **Insured** dies before the policy matures, the **Company** shall pay the **Beneficiary** an amount equal to the savings accumulated and set out:

- in the guaranteed-rate funds: on the next working day after receipt by the **Company** of a letter announcing the death;
- in the unit of account funds: at the next net asset value of the unit after receipt by the **Company** of a letter announcing the death.

A certified copy of the death certificate shall be sent to the **Company** as proof of the death of the Insured. It is recommended to send this by registered post.

The savings accumulated on this date shall be totally divested. The **Company** cannot be held liable for any drop in yield of financial media likely to occur between the death of the **Insured** and its notification to the **Company**.

These savings shall, if appropriate, be increased by the capital insured under the supplementary death cover provided for under point 13 of these **insurance conditions**.

### 11.3 In case of death of the Policyholder

If there are several **Policyholders** and in the event of death of one of them before the policy matures, all the rights and obligations of the policy shall be transferred to the surviving **Policyholder**. In the event of death of the **Policyholder** if he is not the **Insured**, ownership of the policy shall be transferred automatically to the latter.

## 12 Settlement of benefits

Sums due shall be settled within a maximum of 15 working days of receipt by the **Company** of the acknowledgement duly returned signed and dated by the **Beneficiary**.

The payment of benefits shall depend on the **Company** receiving the following documents:

#### 12.1 In the event of survival of the Insured

- copies of both sides of the valid identity card or passport of the **Beneficiary**;
- a certificate of life of the **Insured** if he is different from the **Beneficiary**;
- a document establishing the status of the **Beneficiary** if he is designated generically in the policy;
- if the **Beneficiary** is legally incapable, a copy of supporting documents attesting to the status of his legal representative and copies of both sides of this person's valid identity card or passport.

#### 12.2 In the event of death of the Insured

- a certified copy of the death certificate of the **Insured**;
- copies of both sides of the valid identity card or passport of the **Beneficiary**;
- a medical certificate indicating the cause of death if the policy includes supplementary death cover;
- an attestation as to the status of heirs if the **Beneficiaries** have not been designated in the policy or have not been determined;
- if the **Beneficiary** is legally incapable, a copy of supporting documents attesting to the status of his legal representative and copies of both sides of this person's valid identity card or passport.

The list of documents in points 12.1 and 12.2 is not exhaustive. It is given as a guide only as certain legal obligations may in fact require the **Company** to request additional documents from the **Beneficiary**.

### 13 Supplementary death cover

#### 13.1 Purpose

The **Policyholder** may opt for supplementary cover in the case of death of which the capital amount, cost and duration are indicated in the policy's **specific terms and conditions**.

The cover shall be limited in terms of amount and duration.

The **Company** shall nevertheless reserve the right to propose this option of supplementary death cover or not.

#### 13.2 Risks

The **Company** shall cover all the risks of death of the **Insured** worldwide, regardless of the cause, except for the following risks:

##### 13.2.1 Suicide

Suicide by the **Insured** shall be covered after one year has elapsed following the effective date of the supplementary death cover.

#### 13.2.2 Illness

Death of the **Insured** as a result of illness that was noted medically for the first time prior to the entry into effect of the cover and which was not declared to the **Company**.

#### 13.2.3 Riots

Death of the **Insured** following riots, civil disorders, all collective acts of violence driven by political, ideological or social beliefs, whether or not accompanied by rebellion against the authorities or any instituted powers, except if the **Insured** has not played an active part or was a member of forces tasked by the authorities to maintain order.

#### 13.2.4 War

Death deemed a war risk shall not be covered by the **Company**.

The following shall be considered risks of war:

- death, regardless of cause, occurring whilst the **Insured** belongs to an army or an armed unit of any type taking part in hostilities qualifying as war including any period as a prisoner of war;
- death, regardless of cause, occurring whilst the **Insured** is deported or interned by a warring faction;
- death resulting directly or indirectly from the action of forces of any warring party even without the participation of the **Insured** in the war operations, provided, however, that death occurs during the hostilities or within six months of the ending of hostilities.

#### 13.2.5 Deliberate acts

Death of the **Insured** by a deliberate act or instigated by the **Policyholder** or the **Beneficiary**.

#### 13.2.6 Airborne navigation

Death of the **Insured** following an accident involving an airborne navigation device with the **Insured** on board shall be covered, except if he is on board as a pilot or crew member. Death shall not however be covered if the device in question is:

- not authorised to carry people or goods;
- a prototype;
- used for competitions or exhibitions, speed trials, raids, records or attempted records and during a test to participate in one of these activities;
- carrying out test flights;
- a microlight.

#### 13.2.7 Other risks

The following shall not be covered: death of the **Insured** following carrying out of the death penalty, a duel or participation by the **Insured** in a crime or offence.

### 13.3 Premiums

The premiums relating to this cover shall be payable by monthly direct debit from the savings acquired from the majority investment medium.

If while the policy is in effect, the savings acquired prove insufficient for the direct debit of the said premiums, the **Company** shall consequently reserve the right to reduce the supplementary death cover.

### 13.4 Surrender

If the policy is surrendered totally, the supplementary death cover shall end immediately.

### 13.5 Obligations of the Policyholder and the Insured

The policy shall be drawn up based on information provided by the persons responsible for their accuracy, i.e. the **Policyholder** and the **Insured** if the latter is different.

The **Policyholder** and the **Insured** shall be obliged on pain of penalties prescribed by law to declare exactly all the constituent circumstances of the risk known to them enabling the **Company** to assess this risk.

For one year from the conclusion of the policy, the **Company** shall reserve the right to check the accuracy of declarations by the **Policyholder** and the **Insured** and, if necessary, to demand any additional information required for the risk assessment failing which the supplementary death cover shall be terminated in the event of refusal.

Any reluctance, omission or false declaration by the **Policyholder** or the **Insured** shall invalidate the supplementary death cover if this reduces the risk assessment or changes its nature so that the **Company**, if it had known, would not have contracted under the same condition.

The **Policyholder** notes that the premiums due up to the time when the **Company** became aware of the intentional omission or false declaration shall remain due.

## 14 Beneficiaries

The **Policyholder** may designate one or more **Beneficiaries**.

The **Policyholder** may alter the beneficiary clause by written request. Nevertheless, if the benefit is accepted, the **Policyholder** shall obtain the consent of the **Beneficiary**.

The **Beneficiary** may accept the benefit of the policy at any time. The benefit shall be accepted by an endorsement to the policy bearing the signatures of the **Beneficiary**, of the **Policyholder** and the **Company**.

If the benefit is accepted, the exercising of the right to total or partial surrender, the right of transfer or pledge and the switch shall be dependent on the consent of the **accepting Beneficiary**.

## 15 Information and correspondence

Any communication from the **Policyholder** to the **Company** shall be sent in writing to the **Company's registered office**. The domicile of the **Policyholder** shall be elected automatically at the address stated in the **specific terms and conditions**.

The **Policyholder** shall inform the **Company** in writing of any change of address as quickly as possible.

If there are several **Policyholders**, any communication sent by the Company to the address stated in the **specific terms and conditions** shall be enforceable with respect to all **Policyholders**.

Once a year, the **Company** shall send the **Policyholder** a statement setting out the savings acquired by the policy as at 31 December of the year elapsed. This communication shall take place early the following year.

## 16 Tax aspects

All future and current taxes and contributions applicable to the policy or the sums payable by the **Policyholder** or the **Company** shall be borne by the **Policyholder** and/or the **Beneficiary**.

Taxes and any other costs that may be borne by the insurance benefits shall be determined by the law in the country of residence of the **Beneficiary** and/or by the law in the country of the source of income.

The inheritance rights shall be determined by the tax legislation of the country of residence of the deceased and/or the country of residence of the **Beneficiary**.

## 17 FATCA Identification of "US Persons"

In accordance with the FATCA legislation (Foreign Account Tax Compliant Act), whereby the American tax authorities (IRS - Internal Revenue Service) have introduced a system to collect information annually from foreign financial institutions on property and income held by American taxpayers outside the United States, the **Company** shall be obliged to identify its American customers when the policy is taken out and benefits are paid.

When taking out the policy, the **Policyholder** should complete the subscription form enabling the **Company** to detect the indicators of American affiliation.

If such indicators exist, the **Policyholder** shall be invited by the **Company** to provide certain documents and complete the appropriate form required by the competent tax authorities.

The **Policyholder** shall be responsible for any false, omitted or erroneous declaration regarding his status in terms of the FATCA regulations and whether or not he is a US Person. The **Company** shall under no circumstances be held liable for damaging consequences resulting from such an omission.

In accordance with the applicable legislation and the intergovernmental agreement signed with Luxembourg, if indicators of American affiliation are detected, the **Policyholder** shall expressly authorise the **Company** to communicate annually the information relating to the **Policyholder** to the competent tax authorities regarding his identity and the assets and income held with the **Company**.

Throughout the entire duration of the policy, the **Policyholder** shall be obliged to inform the **Company** immediately of any change in his circumstances. This information shall be sent by post to the **Company's registered office**.

The **Company** shall reserve the right to request at any time any additional document in order to make sure of the status of the **Policyholder**.

## 18 Bank charges

The costs of transferring sums between the bank accounts of the **Company** and of the **Policyholder** or the **Beneficiary** shall be payable by the **Policyholder** or the **Beneficiary**.

## 19 Disputes and mediation

If, despite the efforts made by the **Company**, the **Policyholder** wishes to formulate claims for which there has not been a satisfactory response from his usual contacts (intermediaries, Company sales or **administrative staff**), the latter shall be invited to submit his grievances to the **Company's General Management**.

He may also contact the Insurance Supervisory Authority (Commissariat aux Assurances, 7 boulevard Joseph II, 1840 Luxembourg) or the mediation body instituted on the initiative of the Association of Insurance Companies ([www.aca.lu](http://www.aca.lu)) and the Union Luxembourgeoise des Consommateurs (the Luxembourg Consumer Union ([www.ulc.lu](http://www.ulc.lu))) without prejudice to the possibility of taking legal action.

## 20 Applicable law and competent jurisdiction

The law applicable to the **Borea Invest** policy shall be the law of the State of Commitment, i.e. the State in which the **Policyholder** has his main residence when taking out the policy. In the case of legal action, the competence of the courts shall be determined by applying legal provisions in this matter in compliance with international treaties and agreements.

**For further details, contact your AXA Agent or your Broker**

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