Traditional insurance
Information sheet

Before you buy the insurance, we have to make sure that you have knowledge and experience to understand the characteristics and risks of the insurance. Below you will find information regarding the most important characteristics and risks of the type of insurance in which you have expressed an interest. If you do not have knowledge and experience, we recommend that you do not purchase the insurance.

How insurance with traditional asset management works

Traditional asset management requires a long-term investment perspective, and the objective is to create a good return over time. The insurance includes a guaranteed beneficial amount. The insurance company is responsible for the guarantees and asset management, by selecting investments from different asset classes in order to diversify and thereby reduce investment risk.

Guarantee and insured benefit

The insurance includes a guaranteed beneficial amount to be paid out under the insurance contract. The guarantee is based on premiums paid in or on transfers in and the level of the guarantee. The latter depends on whether the policy is a pension insurance or an endowment policy. The guaranteed beneficial amount is calculated based on these conditions and on actuarial assumptions such as mortality rates, interest rates etc.

Value of the insurance

Your premiums or transfers are invested in the insurance and are expensed on regular bases with the repayment rate and charged with fees. This is the value of the insurance, also known as insurance capital.

The repayment rate is established on a regular basis, based on a forecast of the expected return of the portfolios of assets and the level of the Collective Consolidation Fund (KOVÅ).

The KOVÅ shows the difference between the insurance portfolio's total assets and the total of the policyholder's contracts values. The purpose of the KOVÅ is to serve as a buffer in order to smooth the fluctuations in the asset movements and the policyholders' capital.

The insurance capital is not guaranteed, and may decline in the event of unfavourable outcomes, in other words when a deficit arises.

Repayment cover

The insurance may include repayment cover, which means that the value of the insurance capital is paid to beneficiaries at the death of the insured.

For life insurance without repayment cover there are no beneficiaries. In case of death of the insured, the insurance contract will cease to exist.

Beneficiary

A beneficiary of the contract is the person or persons who will receive benefits under the insurance. The beneficiaries can be more or less restricted depending on the tax classification of the insurance.

Other insurance protection

In addition to the repayment cover, it is possible to select additional insurance protection. For example, waiver of premium insurance is available. In that case SEB Pension & Försäkring AB will pay part of the agreed premiums if your ability to work is reduced by at least 50 per cent due to illness or accident. It is also possible to buy extended death cover. However, this requires that you pass a health declaration.

Pay-outs

A traditional insurance can be paid out monthly or as a lump sum to you or the selected beneficiaries, depending on the insurance tax category. It is not possible to repurchase or transfer the insurance to another insurance company during the first year. After a year there are rules for repurchase and transfer, which depend on the type of insurance.

Fees and taxes

A traditional insurance is subject to a fixed annual fee, percentage fee applied to the insurance capital and a cost for the asset management. In addition to these fees, a fee is also charged for the yield tax.

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