Vörður
hluti af Arion

Residential Life Insurance

Policy Terms L-12

This document is an AI translation of the official Icelandic text. In the event of any discrepancy between the translation and the original Icelandic version, the Icelandic version shall take precedence.

The insurance is governed by the insurance certificate together with its endorsements and special terms, these policy terms, the company's general terms no. AS-1, and the provisions of the Insurance Contracts Act no. 30/2004. Provisions in the general terms take precedence over provisions in these terms where there is any conflict.

Definitions

The company: The party who, by contract, undertakes to provide insurance — here Vörður líftryggingar hf.

Policyholder: The person who enters into a group insurance contract with the company.

Residential mortgage: A loan held by individuals with Arion banki hf. secured against residential property.

Group: Customers of Arion banki hf. aged 18–55 who take out or hold a loan as defined above.

Group insurance: Insurance covering members of a specifically defined group.

Insured: The person who has applied for insurance by means of a separate insurance application and is the party to whom the insurance applies.

Insured event: An occurrence which, pursuant to the insurance contract, may give rise to payment of benefits.

Insurance certificate: The company's confirmation that an insurance contract has been concluded.

Level premium: The premium is calculated on the basis of the sum insured and the duration of the contract and remains unchanged throughout the contract period.

Beneficiary: The person designated by the policyholder in the insurance application who is entitled to receive the sum insured after an insured event has occurred.

Main due date: The main due date of the insurance is once a year and is the first day of the month in which the insurance originally came into effect, unless otherwise agreed.

Residential Life: Life insurance available to individuals aged 18–55 who have obtained a loan from Arion banki hf. as defined above.

Financial Supervisory Authority: The public supervisory authority that oversees the operations of insurance companies in Iceland, pursuant to Act no. 100/2016 on Insurance Activities.

1. Residential Life Insurance

Art. 1. General

This insurance is a group life insurance. The basis of the insurance contract is these policy terms, the information on the insurance application, and other documents related to the contract both at the time of its original conclusion and subsequently.

Art. 2. Benefit payments under the insurance contract

Upon the death of the insured, the sum insured in force on the date of loss pursuant to the insurance certificate, renewal letter, and these terms is paid. The insurance is a single-payment insurance and lapses upon payment of benefits.

A claim for benefits or the sum insured falls due 14 days after sufficient proof of the company's liability has been received and the amount of benefits can be determined. The company reserves the right to obtain the necessary and sufficient documentation before benefits are determined and paid.

Art. 3. Continuation insurance

When the group life insurance ends due to cancellation pursuant to the company's general terms AS-1, each member of the group is individually entitled to a new life insurance policy without a health declaration. The company is required by law to inform the insured of this right. The sum insured of the new insurance may however never exceed the sum insured of the insurance previously in force. The premium of the new life insurance is calculated in accordance with the company's premium schedule for individual life insurance policies.

The application for continuation insurance must be made in writing. The right to continuation insurance lapses three months after the company's liability has ended.

Art. 4. Beneficiary of the sum insured

If the insured has not designated a beneficiary of the sum insured on the insurance application, the provisions of Chapter XV of Act no. 30/2004 apply.

Art. 5. Limitations on the company's liability

The company does not pay benefits during the first five years of the contract period if the insured was, prior to joining this insurance, diagnosed with or received treatment for an illness that leads to their death during the insurance period.

If the insured takes their own life within one year of the insurance coming into effect, the company is released from liability.

Art. 6. Termination of insurance

An individual's insurance lapses upon payment of benefits pursuant to Art. 2.

The insurance lapses upon cancellation pursuant to the company's general terms AS-1.

If the insurance lapses for any reason other than payment of benefits, it has no surrender value.

2. General Provisions

Art. 7. Commencement and term of insurance

The insurance applies anywhere in the world.

The insurance is valid from the date of issue stated on the insurance certificate, for 15 years from the date it came into effect, but never beyond the insured's 60th birthday. The company does not insure individuals under the age of 18.

The insured has a 30-day cooling-off period in which to cancel the insurance from the time they receive notification from the company that the contract has come into effect.

The insurance pays benefits for death resulting from an accident or illness of the insured occurring during the insurance period, subject however to the limitations on the company's liability.

Art. 8. Sum insured and premium

The sum insured is stated on the insurance certificate and in the renewal letter. The sum insured is a fixed amount chosen by the insured and stated on the insurance application.

Art. 9. Time limit for legal action

If the company rejects a claim for benefits in whole or in part, the person who considers themselves entitled to benefits loses that right if they have not commenced proceedings or requested that the matter be referred to an adjudication committee pursuant to Art. 141 of Act no. 30/2004 within one year of receiving written notification of the rejection from the company, cf. Art. 124 of the same Act.

These terms are valid from 01.02.2021