Life Insurance

Policy Terms L-9

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, hereinafter referred to as ICA. Provisions in these terms take precedence over provisions in the general terms where there is any conflict.

The basis of the insurance contract is these policy terms, the information on the insurance application, the current risk assessment procedures applicable at any given time for personal insurance, and other documents related to the contract both at the time of its original conclusion and subsequently.

Definitions

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.

Age-linked premium: The premium of the insurance is gender-neutral and is calculated on the basis of the sum insured, increasing each year in accordance with the age of the insured.

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

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

Policyholder: The person who enters into an individual contract with the company.

Insured: The individual 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.

Chapter 1. Scope of Benefits

Art. 1. What does the insurance cover?

a. **Death benefit.** The company pays the beneficiary benefits if the insured dies during the term of the insurance.

b. **Child death benefit.** If a live-born child of the insured dies during the insurance period, the company pays a death benefit of ISK 2,000,000. Benefits under this article are paid to the biological parents of the child. If the child has been adopted, benefits are paid to the adoptive parent(s) and at the same time the right of the biological parent(s) lapses if their legal ties to the child have been severed pursuant to Art. 25 of Act no. 130/1999 on Adoption. Payment of benefits under this article applies to children aged 18 and under and does not affect the life insurance of the insured.

c. **Terminal illness.** The insured may request payment equivalent to the life insurance benefit if they are diagnosed with a terminal illness up to the age of 65. Benefits are paid to the insured if they are diagnosed with an illness considered to be terminal before the end of the insurance period. It is assumed that the life expectancy of the individual in question is then considered to be less than six months. In determining whether the relevant conditions are met, the opinion of the insured's specialist physician, the opinion of the company's specialist physician, and comparable cases regarding the life expectancy of those diagnosed with a similar stage of the same illness are taken into account. The benefit under this item is the sum insured stated on the insurance certificate and is always equal to the life insurance sum. Benefits are paid only once and upon payment the life insurance lapses.

Chapter 2. General Provisions

Art. 2. Who is insured?

The individual to whom the insurance applies.

Art. 3. Where does the insurance apply?

The insurance applies anywhere in the world.

Art. 4. Term

The insurance is valid from the date of issue stated on the insurance certificate and until the time specified on the insurance certificate, but no longer than until the insured reaches the age of 75. The company does not insure individuals under the age of 18 (cf. however Art. 1(b)). The policyholder has a 30-day period (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.

Art. 5. Risk assessment procedures

The company follows specific risk assessment procedures for personal insurance, both its own procedures and the detailed procedures of its reinsurer at any given time.

Art. 6. Policyholder's right to cancel the insurance

The insured may cancel the insurance at any time during the insurance period. Cancellation must be made in writing. The policyholder shall pay the premium for the period during which the company is liable under the insurance.

Art. 7. Benefit payments under the insurance contract

Upon the death of the insured, the company pays the beneficiary the sum insured in force on the date of death pursuant to the insurance certificate and these terms.

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. 8. Beneficiary of the sum insured

If the policyholder has not designated a beneficiary of the sum insured, the provisions of Chapter XV of the ICA apply.

Art. 9. Limitations on the company's liability

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

Art. 10. Sum insured, premium, and indexation

The first premium for this insurance is calculated in accordance with the company's current premium schedule, based on the sum insured and the age of the insured at the time the insurance comes into effect, unless otherwise stated in the policy terms.

The sums insured under this insurance follow the development of the price level in the country and therefore change in accordance with the consumer price index at each renewal. A decrease in the index does not result in a reduction of the sum insured or the annual premium.

The premium of the insurance is gender-neutral, is calculated on the basis of the sum insured, and changes each year in accordance with the age of the insured.

Up to the age of 55, the premium increases on the main due date in accordance with the age of the insured. From the age of 56, the premium is adjusted annually in line with index changes and the sum insured decreases in proportion to the increasing age of the insured.

The company reserves the right to determine the renewal premium in accordance with a new premium schedule, taking into account general changes in risk and other factors that cause a disruption to the basis for benefits, if these factors do not result in changes to the sum insured of the insured.

Art. 11. Right to increase the sum insured without a health declaration

The insured may request an increase in the sum insured without providing further information about their health. A written request for an increase and the necessary documentation must be received by the company within six months of any of the following events:

a. the insured has a child.

b. the insured adopts a child.

c. the insured purchases a residential property.

The sum insured may increase by a maximum of 25% or a maximum of ISK 3,500,000, subject to the condition that the total sum insured does not exceed ISK 20,000,000. The said increase has the same term as the insurance being increased.

The sum insured may only be increased once in connection with a property purchase. The right to an increase lapses from the insured's 45th birthday.

Art. 12. Right to reinstate life insurance without new health information

If the insurance has been in force for at least one year and the company's liability has lapsed due to non-payment, it is permitted to reinstate the insurance without providing new health information, provided that the outstanding premium is paid within three months of the expiry of the 14-day payment grace period following a reminder.

Art. 13. 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 within one year of receiving written notification of the rejection from the company, cf. Art. 124(2) of the ICA.

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