Group Life Insurance – Companies and Associations

Policy Terms L-18

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.

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.

Group: Those employees/members of the policyholder who are permanently employed and have been fully fit for work and in employment with the policyholder for at least 3 months prior to the insurance coming into effect.

Insured: Those employees of the policyholder who fall within the group.

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.

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.

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.

Art. 1. Introduction

This insurance is a group life insurance for those employees/members specified in the contract between the policyholder and the company.

The basis of the insurance contract is these policy terms, the policyholder's declaration or information from the insurance application, as applicable, and other documents related to the insurance contract both at the time of its original conclusion and subsequently.

The provisions of the Insurance Contracts Act no. 30/2004 apply to matters not covered by these policy terms.

Art. 2. Term and age limits

The insurance applies anywhere in the world.

The insurance contract is valid from the date of issue stated on the insurance certificate and the term of the insurance is linked to the insured's cessation of employment, but never beyond the insured's 75th birthday. The company does not insure individuals under the age of 18.

Art. 3. Fraud and misrepresentation

If the policyholder or the insured has fraudulently or in a manner that cannot be considered immaterial failed to fulfil their duty of disclosure with regard to circumstances that are relevant to the company's risk assessment, this may result in the company's liability lapsing in whole or in part, cancellation of the contract, or an increase in the premium, cf. Chapter XIII of Act no. 30/2004.

Art. 4. Renewal and cancellation

The insurance contract renews on the main due date each year, for one year at a time, unless either party has given notice of cancellation one month before the main due date.

Art. 5. Participation

The company's procedures govern the minimum number and participation rate in the group. If the group does not meet the requirements for minimum number and participation rate at the end of the insurance year, the company is entitled to terminate the contract at the end of the following insurance year if the requirements are still not met at that time.

Art. 6. Commencement and termination of group membership

The company's liability towards individual members commences when an individual meets the conditions for group membership pursuant to the contract between the policyholder and the company. The company's liability towards a group member likewise ends at the close of the calendar month in which the conditions for group membership are no longer met pursuant to the contract.

Art. 7. What the insurance covers

Upon death, the company pays the sum insured in force on the date of death pursuant to the insurance certificate, renewal receipt, these terms, and the contract between the policyholder and the company.

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

The provisions of Chapter XV of Act no. 30/2004 govern the beneficiary of benefits under this insurance.

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.

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, the company is released from liability.

Art. 10. Payment of premium

The premium is determined in accordance with the current premium schedule at any given time and the policyholder pays the premium for all group members.

At the end of each insurance year, the policyholder pays the premium for each group member who has joined the group during the insurance year, and the premium is calculated proportionally for the period during which the group member's life insurance has been in force. At the same time, the company refunds to the policyholder the premium for group members who have left the group during the same period, with the premium refunded proportionally for the time elapsed since the group member left the group.

Art. 11. Premium changes and right to amend terms

The company reserves the right to amend the terms and premium of the insurance during the insurance period, cf. Art. 133 of Act no. 30/2004.

The 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, unless otherwise stated in the policy terms.

Art. 12. Sum insured

The sum insured is determined for one year at a time pursuant to the contract between the policyholder and the company.

Art. 13. Limitation periods

Claims arising from insurance contracts are time-barred after 10 years from the end of the calendar year in which the claimant obtained the necessary information about the circumstances on which the claim is based. Claims under the insurance are however time-barred at the latest after 20 years from the end of the calendar year in which the insured event occurred.

Other claims related to the insurance contract, such as claims for premium, are time-barred in accordance with the general rules of Act no. 14/1905 on the limitation of debts and other claims.

Art. 14. Disputes regarding liability

Disputes regarding the company's liability may be referred to the claims committee of the insurance companies, a referral body, free of charge. By completing a formal referral and paying the referral fee, disputes regarding liability, fault, and apportionment of liability, as well as disputes regarding matters relating to the provisions of Act no. 30/2004, may be referred to the Insurance Complaints Committee, which is hosted by the Financial Supervisory Authority. The company provides information about these committees and their procedures.

Use of these bodies or referral to them does not diminish the right of the party concerned to bring the matter before the ordinary courts of Iceland.

Art. 15. Legal proceedings

Cases that may arise in connection with this insurance shall be brought before the District Court of Reykjavík.

Art. 16. Right to obtain information

Upon notification of death, the company and its reinsurers are entitled to obtain necessary information from physicians, institutions, and hospitals regarding the health and medical history of the insured, including copies of medical records, in order to assess the company's liability.

Art. 17. Termination of insurance

The insurance lapses:

- if the contract between the company and the policyholder has lapsed
- 2 months after the insured leaves the group or falls out of the group due to age. If the insurance lapses for any reason other than payment of benefits, it has no surrender value.

These terms are valid from 03.07.2020
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