Continuation Disability Insurance

Policy Terms L-22

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Continuation Disability Insurance is available to those who previously held a supplementary pension arrangement (séreign). It is a condition that such an arrangement was in force at some point during the preceding 24 months. The basis of the insurance contract is these policy terms, the information provided in connection with the continuation insurance application, and other documents related to the contract both at the time of its original conclusion and subsequently.

The insurance is additionally governed by the insurance certificate together with its endorsements and special 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

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.

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

Continuation insurance: Insurance for individuals who previously held a supplementary pension arrangement as defined below but have left that group and are entitled by law to continuation insurance.

Supplementary pension arrangement (séreign): An agreement for supplementary pension savings with disability insurance covering accidents and illnesses, intended for members of a supplementary pension fund. This continuation insurance is built on that foundation.

Accident: A sudden, external event that causes bodily injury to the insured and occurs against their will.

Illness: A deterioration of health that does not qualify as an accident as defined above. The illness demonstrably results in a reduction of the insured's physical or mental capacity. The onset of an illness is determined by the date of diagnosis.

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.

Commencement of the company's liability: The commencement of liability is stated on the insurance certificate and is also set out in a confirmation email sent to the policyholder.

Permanent medical disability: An illness or accident has resulted in a permanent reduction in the physical capacity of the insured as a consequence of the insured event.

Disability Assessment Committee: Three members appointed pursuant to Art. 10 of the Act on Damages. The Committee draws up an impairment table.

Chapter 1. Scope of Benefits and Safety Requirements

Art. 1. What does the insurance cover?

The insurance covers permanent medical disability caused by illness or accident as assessed by assessors pursuant to Arts. 3 and 4 of these terms. Permanent medical disability shall be assessed once stability has been reached and no further recovery of the insured from the illness or accident is to be expected.

If the assessed permanent medical disability is below 25%, no disability benefits are paid.

Art. 2. Disability benefits for permanent medical disability

a. For 100% disability, assessed pursuant to Arts. 3 and 4 above, the full sum insured is paid, and for lesser disability proportionally. Disability can never exceed 100%. The sum insured in force on the date of loss shall be used as the basis, including if the insurance had lapsed.
b. Entitlement to benefits for permanent medical disability arises when an illness or accident has caused a permanent reduction in the insured's physical capacity and their condition has stabilised. In cases of permanent medical disability, the right to payment of disability benefits arises at the earliest 12 months after the illness was diagnosed or the accident occurred, and a disability assessment confirming permanent consequences must be available.
c. If it is likely that the insured's condition could be improved by surgery or other such procedures and they refuse without valid reason to undergo such procedures, regard shall be had to the possible improvement that such procedures might bring.
d. The disability assessment may be deferred for as long as necessary according to medical experience or due to existing rehabilitation prospects, but for no longer than 3 years from the date of loss.

Art. 3. Permanent medical disability due to accident

Disability shall be assessed as a percentage in accordance with the Disability Assessment Committee's impairment tables in force at the time the assessment is carried out. In determining the disability, no account shall be taken of the insured's occupation, special abilities, or social status.

If an injury or condition is not listed in the Disability Assessment Committee's impairment tables, it shall be assessed separately with reference to the tables.

Art. 4. Permanent medical disability due to illness

Disability shall be assessed as a percentage using a medical assessment. In determining permanent medical disability due to illness, no account shall be taken of the insured's occupation, special abilities, or social status. The assessment shall otherwise take guidance from the Disability Assessment Committee's impairment tables or, where applicable, other comparable recognised impairment tables.

Art. 5. What does the insurance not cover?

The insurance does not cover:

a. an illness or condition diagnosed before the original insurance came into effect, i.e. the original disability insurance contract

b. an accident suffered by the insured that occurred before the original insurance came into effect, i.e. the original disability insurance contract
c. consequences of an illness or condition that has manifested (i.e. symptoms or diagnosis) before the insurance came into effect and that the insured knew or ought to have known about upon signing the insurance contract, or after the insurance lapsed
d. consequences of an accident traceable to an event that the insured knew or ought to have known about and that occurred before the signing of the insurance contract, or after the insurance lapsed

In addition to the limitations listed above, the insurance does not cover consequences arising from:

a. accidents suffered by the insured in self-help, during participation in criminal conduct, or under the influence of any intoxicating substances, unless it is proven that there was no connection between such a condition and the accident
b. accidents occurring in mountaineering, rock climbing, abseiling, boxing, wrestling and combat sports, motor sports, parachuting, and scuba diving
c. accidents occurring as a result of deliberate conduct, intent, or gross negligence by the insured
d. illnesses or accidents caused by the consumption of alcohol, poisonous, anaesthetic, or recreational substances

Chapter 2. General Provisions

Art. 6. Who is insured?

a. The insured is the party stated on the certificate.
b. The insurance is valid from the time stated on the insurance certificate and until the time specified on the insurance certificate, up to a maximum of the insured's 60th birthday (see also Art. 10).
c. The insurance is not available to individuals under the age of 20.

Art. 7. Where does the insurance apply?

The insurance applies anywhere in the world.

Art. 8. Payment of premium

The insurance premium is fixed for the duration of the contract and is based on the original premium of the supplementary pension arrangement, i.e. while it was in force, and subsequently develops in accordance with the disability insurance premium schedule, which takes into account, among other things, the age of the insured.

The policyholder is personally responsible for paying the premium and must pay it on the due date of the invoice.

Art. 9. Sum insured and benefit payments

a. The sum insured is stated on the certificate and in the renewal letter provided to the insured annually via their online account where it is accessible. The insurance is a single-payment insurance and upon payment of disability benefits it lapses.
b. The sum insured decreases on the main due date each year, with the decrease calibrated to keep the premium unchanged.

c. Benefits under this insurance are paid into the insured's bank account if entitlement to benefits exists.
d. A claim for benefits falls due 14 days after sufficient proof of the company's liability has been received and the benefit amount can be determined. The company reserves the right to obtain the necessary and sufficient documentation before benefits are determined and paid.

Art. 10. Termination of insurance

The insurance lapses upon payment of benefits. The insurance also lapses if:

a. the insured has reached the age of 60, cf. Art. 6
b. the insured cancels the disability insurance contract
c. there is default on premium payments
d. other circumstances exist as specified in these terms or in general terms AS-1 that justify cancellation

These terms are valid from 01.06.2025