Disability Insurance

(linked to supplementary pension savings)

Policy Terms L-21

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.

This disability insurance is a group insurance for members who contribute to the policyholder's supplementary pension fund. The basis of the insurance contract is these policy terms, the information on the insurance application, the supplementary pension savings agreement, and other documents related to the contract both at the time of its original conclusion and subsequently.

The insurance is governed by the 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.

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: Vörður líftryggingar hf.

Group: Members of the policyholder's supplementary pension fund.

Supplementary pension: An agreement for supplementary pension savings with disability insurance covering accidents and illnesses, intended for members of a supplementary pension fund that enters into a group contract with the company.

Illness: A deterioration of health that does not qualify as an accident. 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.

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

Insured: A member of the group who has applied for and been granted insurance with Vörður líftryggingar hf. and to whom the insurance applies.

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

Policyholder: The party who enters into the group contract with the company.

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

Date of loss: The date of the accident or the date of diagnosis of the illness.

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 an assessment physician 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. If the insurance lapses before payment of benefits on the basis of a disability assessment, the sum insured in force on the date of loss shall be used.
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 insurance came into effect
b. an accident suffered by the insured that occurred before the insurance came into effect
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, 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. 11).
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

When the insurance is taken out, the annual premium is determined as up to the equivalent of the first 2 monthly contributions to the supplementary pension fund, based on the information provided in the insurance application. The premium is deducted from the balance in the relevant member's supplementary pension fund and transferred to the company accordingly.

Art. 9. The company's liability

The company's liability commences on the date the insurance application was approved, provided that payment of the first year's premium as defined in Art. 8 has been received by the company within 10 months of signing.

Art. 10. 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 in respect of that member.
b. The sum insured decreases on the main due date each year, with the decrease calibrated to keep the premium unchanged.

c. If benefits become payable, the sum insured is deposited into the insured's supplementary pension fund and paid out in accordance with the applicable legislation on pension savings disbursements.
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. 11. Termination of insurance

An individual member's insurance lapses upon payment of benefits. The insurance also lapses if:

a. the insured's total contributions to the supplementary pension fund over the preceding 24 months are less than the amount of the next annual insurance premium
b. the insured cancels the disability insurance contract
c. the contract between the company and the policyholder has lapsed

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

Art. 12. Continuation insurance

If a member leaves the supplementary pension arrangement, the company is obliged to offer them the same type of insurance as they had within the group. The premium for the continuation insurance remains the same as was determined at the start of the contract. The right to continuation insurance lapses 24 months after the end of the contract or departure from the group.

These terms are valid from 01.05.2025