



# 321 Life Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

## INSURANCE TERMS AND CONDITIONS

### 1. The Basis of the Insurance Contract and Definition of Terms.

- 1.1 The basis of the life insurance contract are these terms and conditions, information in the application form, and other documents related to the contract, both at its original composition and later, if the liability of the Company lapses.
- 1.2 In these terms and conditions, the following terms mean the following:
  - a. **the Company** is TM líftryggingar hf.,
  - b. **the Policyholder** is the individual who enters into a contract with the Company regarding Life Insurance,
  - c. **the Insured** is the one whose life or health is covered by the insurance,
  - d. **the life insurance contract** is the contract which applies between the Company and the Policyholder regarding the life insurance,
  - e. **the amount of life insurance** is the amount which is paid out in case of an insurance event,
  - f. **index** is the Consumer Price Index for indexation.

### 2. The Insurance Period, Beginning and End of the Company's Liability.

- 2.1 The Company's liability begins when it has received written application for an insurance, provided that the application is not refused on the basis of risk information. The Company's liability also does not cover damage or loss caused by incidents that have happened by the time of the application's receipt and that the Company has learned about while considering the application, resulting in it being denied.
- 2.2 The Insurance is renewed yearly, until the Insured is 75 years old, and ultimately lapses on the maturity date specified in the insurance certificate, if it has not lapsed earlier due to non-payment of premium, cf. Article 3.2.
- 2.3 If the Policyholder wants to terminate the Insurance, the termination shall be made in writing.

### 3. Premium Payments and the Consequences of Non-Payment of the Premium.

- 3.1 The first premium shall be paid when the Insurance comes into effect and later premiums on specified due dates. The Company sends notifications of the premium payments to the Policyholder. The notification shall specifically state the grace period which shall be at least one month from the date the notification is sent.
- 3.2 If the premium is not paid by the end of the grace period pursuant to Paragraph 1, the Company is authorized to send a special warning wherein payment is demanded within 14 days, after which the Insurance is terminated if the premium is still unpaid.
- 3.3 If the Policyholder has not specifically negotiated the payment of the premium with the Company before the expiration of the grace period pursuant to Paragraph 2, it is considered unpaid if it is not paid in full when the grace period expires.
- 3.4 A claim for the payment of the premium is sent to the address of the Policyholder as registered in the National Registry (Þjóðskrá) unless he or she has specifically designated another address. The Company shall be immediately notified of any changes to the designated address.
- 3.5 If the Insurance lapses pursuant to Paragraph 2, the Policyholder shall nonetheless pay the premium for the period that the insurance was in effect.
- 3.6 If the Company's liability lapses due to non-payment pursuant to Paragraph 2 after the premium has been paid for at least one year, the Insurance may be renewed without new health information being submitted if the overdue renewal premium together with the premium pursuant to Paragraph 5 and late-payment interest is paid in full within three months after the coverage lapsed. The coverage then begins the day after the supplementary payment was carried out.
- 3.7 When collecting the premium, the Company is authorized to collect a special fee, which is further specified in the premium tariffs, in order to cover the collection costs of the premium. It shall also be specifically noted in the premium payment notification.

### 4. Fraud and False Information.

- 4.1 If the Policyholder or the Insured, when establishing or renewing an insurance contract, has neglected his



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or her duty, fraudulently or otherwise, to inform the Company of circumstances that may be significant for its risk assessment, and an insurance event has occurred, the Company's liability is rendered void in whole or in part, cf. Article 83 of the Act on Insurance Contracts. False and incomplete information moreover entitle the Company to terminate the Insurance, cf. Article 84 of the Act.

- 4.2 If the Claimant provides incorrect information that he or she knows or should know will result in the payment of compensation that he or she is not entitled to, his or her right to compensation is rendered void, and the Company can terminate all insurance contracts with the Insured as is further specified in Article 120 of the Act on Insurance Contracts.

### 5. Payment of Compensation and Interest.

- 5.1 The payment of the sum insured may be requested 14 days after the Company has had the opportunity to obtain the documentation necessary to assess the insurance event and determine the amount of compensation. For the payment of the compensation, the life insurance certificate signed by the Beneficiary is to be presented.
- 5.2 The Beneficiary has the right to interest on his or her claim pursuant to Article 123 of the Act on Insurance Contracts.

### 6. Limitation to the Company's Liability.

- 6.1 If the Insured commits suicide within one year from the Company's liability last beginning, the Company is released from liability unless it is considered proven that the Insurance has been purchased without suicide having been considered.

### 7. Changes to the Amount of Life Insurance and Premium.

- 7.1 The applicable amount of life insurance is stated on the insurance certificate and the renewal receipts. On the certificate it is also stipulated whether the amount of life insurance changes with age. If it does change, it is also recorded on the certificate by what age of the Insured the change comes into effect and the amount of life insurance then decreases yearly from that time, always at the beginning of the first day of each insurance year. The calculation of the reduction aims to keep the premium unchanged in real value between years, but in general, the life insurance premium is dependent on the age of the Insured and changes yearly at renewal.

### 8. Indexation Clause.

- 8.1 At renewal at the beginning of each insurance year, the amount of life insurance and the yearly premium, change in exact proportion to the change in the index from the base index of the life insurance, which is recorded on the certificate, to the index in the month prior to renewal. A decrease of the index does not have a decreasing effect, neither on the premium nor the sum insured of the life insurance.

### 9. Repurchase and Loan.

- 9.1 This life insurance has no repurchase value and does not confer the right to take out a loan from the Company.

### 10. Waiver of Premium.

- 10.1 If the Insured loses more than half of his or her ability to work, he or she acquires the right to proportional reduction of premiums while this situation lasts, though no sooner than after three months from the time that his or her ability to work was reduced and no longer than till 65 years of age.
- 10.2 Irrespective of Paragraph 1, the Insured does not acquire the right to the premium being waived:
- for a longer period of time than one year before the request for a premium waiver is received by the Company,
  - due to illnesses that were present or had presented symptoms before the Insurance came into effect, nor for consequences of an accident that happened before the Insurance came into effect,
  - if the loss of ability to work is caused by war, military actions, riots, uprisings, or similar events,
  - if the loss of ability to work is caused by abuse of alcohol or drugs, or by participating in criminal acts.



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- 10.3 Request for a waiver of premium shall be made in writing on the form provided by the Company and sent to the Company along with necessary documentation regarding the assessment of loss of ability to work, at no cost to the Company. As the basis of its assessment of the loss of ability to work, the Company will consider the Insured's capability to perform his or her usual job duties and options to perform other jobs. The Insured is obligated to immediately report to the Company if he or she regains his or her ability to work, in whole or in part. During the time the Insured is entitled to the waiver of premium, the Company can always request health information from him or her, such as a medical examination, at its own cost. The Company notifies the Insured in writing about its decision regarding the waiver of the premium.
- 10.4 Provisions in Article 4 about false information apply also about waiver of premium, as applicable.

#### 11. Change in the Basis of Premium.

- 11.1 If there is a significant change in expected mortality rate, the Company reserves the right to change the basis of the premium in its premium tariffs.

#### 12. Confidentiality.

- 12.1 The Company and its staff treat the information regarding Life Insurance as confidential.

#### 13. Act on Insurance Contracts.

- 13.1 Other than is stipulated in these terms and conditions, the insurance certificate, or other documentation that the insurance contract is based on, the Act on Insurance Contracts No. 30/2004 applies.

#### 14. Dispute Resolution and Venue.

- 14.1 In the event of a dispute about the Insurance, an Icelandic court of law shall rule on it according to Icelandic law.
- 14.2 Any disputes concerning the insurance contract and the Company's liability in other respects may be appealed to the Insurance Appeals Committee. Information on this committee and its procedures may be obtained from the Company.
- 14.3 Despite the provisions of Paragraph 2, the parties may bring the disputed matter before the courts. Such disputes, as well as other disputes that arise from this insurance, shall be brought before the District Court of Reykjavík. The Company may, however, also bring any dispute arising from the insurance before the jurisdiction in the Policyholder's domicile.
- 14.4 The domicile and venue of the Company are in Reykjavík.

These terms and conditions are valid from 10 May 2019.