



# Life insurance

Insurance terms no. LI 31

Valid from 18 October 2018

The insurance contract is governed by:

- The insurance policy including endorsements and special terms.
- These insurance terms, no. LI31.
- The Insurance Contracts Act No. 30/2004.

The provisions of the insurance policy and of the renewal receipt take precedence over the provisions of the insurance contract terms. The provisions of the insurance policy, renewal certificate, and insurance terms shall supersede any statutory provisions that may be derogated.

This is a translation of the authoritative Icelandic text. In the event of any discrepancies between the translation and the original Icelandic text, the original text shall prevail.

The insurer is Líftryggingafélag Íslands hf.

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## 1. The insured

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- 1.1. The insured is the party named in the insurance policy or policy renewal receipt.
- 1.2. The co-insured are the children of the insured, together with his stepchildren and foster children who have the same domicile and live in the same place as the insured.

## 2. Beneficiaries

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- 2.1. The beneficiary is the person entitled to the payment of the insurance amount after an insurance event has occurred. The insured may designate one or more beneficiaries of the insurance amount. If the insured does not designate a beneficiary, the insurance amount is paid to his spouse. In the absence of a spouse, the insurance amount will be paid to the statutory or testamentary heirs.
- 2.2. In the event of the death of a child of the insured, as well as that of his stepchildren and foster children, the compensation shall be paid to the insured. The payment of compensation pursuant to this article has no impact on the insurance of the insured.

### 3. Applicability of the insurance policy

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The insurance policy is valid universally.

### 4. Beginning and end of coverage

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The company's coverage begins when the company has accepted and approved the application for life insurance, unless otherwise negotiated. The insurance is renewed annually, but no longer, however, then until the insured reaches the age of 70.

### 5. Scope of coverage

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- 5.1 The company pays compensation on the demise of the insured.
- 5.2 In the event that the insured committed suicide, the company is liable if more than one year has elapsed from the time that its liability began or if it may be considered proven that the insurance was purchased with no intent of suicide.
- 5.3 The company does not pay compensation for the demise of a child of the insured, or that of his stepchildren or foster children, that can be directly or indirectly traced to the child's condition before the entry into effect of the insurance and which the insured knew about or should have known about. In the same manner, no compensation is paid on the demise of a child of the insured, or that of his stepchildren or foster children, that can be traced to the child's condition before the entry into effect of the insurance as provided for in Item c of the first paragraph of Article 86 of Act No. 30/2004 on Insurance Contracts, as the company does not collect information on the health of the child. As regards adopted children, moreover, the company is not liable if the death can be traced to an affliction that the child had before the child was adopted.

### 6. Insurance amount

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- 6.1 The amount of insurance coverage is indicated in the insurance policy or in the renewal receipt.
- 6.2 The insurance amount is dependent on the age of the insured. From the age of 54, the amount shall decrease once a year in accordance with the company's effective premiums table, i.e. at 00:00 on the first day of each insurance period.
- 6.3 If a child of the insured, born living and younger than 18 years, dies during the insurance period, the company will pay death benefits amounting to a maximum of ISK 1,000,000 (takes account of the consumer price index at 364.1 points) for a particular child, even if more than one life insurance with compensation entitlement is in effect.
- 6.4 The amount of insurance coverage shall increase in accordance with changes in the consumer price index. In the event that consumer price index decreases, this will not have the effect of decreasing the insurance amount.

### 7. Duty to inform when entering into an insurance contract

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- 7.1 The policy holder or the insured, as the case may be, must provide the company with the information that it requests when entering into the insurance contract. Additionally, they should initiate the provision of information to the company about certain circumstances they know or should know as being of significant importance for the company's risk assessment.
- 7.2 VÍS is not liable if the policy holder or the insured has fraudulently neglected his duty to inform.
- 7.3 If the policyholder or the insured has neglected his duty to provide information to an extent that is not deemed insignificant, the company's liability may become void in full or in part.

### 8. Change of risk level

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The company must be immediately informed of any changes that can have an impact on the company's risk, such as about smoking or particular risks connected to work or recreational activities, e.g. private and glider flying, hang gliding, mountain climbing, scuba diving and vehicle sports. The company must also be notified of any travel to countries that are at war. If the policy holder or the insured do not notify the company of the change in risk, this may result in the reduction of compensation, as provided for in Article 88 of Act No. 30/2004 on Insurance Contracts.

### 9. Calculation of premiums

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- 9.1 The insurance premium is dependent on age and whether the insured smokes or is exposed to increased risk due to his occupation or recreational pursuits. Moreover, travel to countries at war has an effect on the premium.

- 9.2. The insurance premium changes upon the renewal of the insurance in proportion to changes in the consumer price index. If the insurance amount increases by more than 35% within each year due to increases in the consumer price index, the company reserves the right to collect an additional premium for increases beyond that level.
- 9.3 The company reserves the right to determine a renewal premium with regard to general modifications of the risks involved and other causes which disrupt the compensation base.

## 10. Premium payment

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- 10.1 The first insurance premium is due and payable upon demand. The renewal premium becomes due on the renewal date of the insurance.
- 10.2 Default on the payment of the premium may cause the loss of rights and the termination of the insurance contract, as provided for in Article 96 of Act No. 30/2004 on Insurance Contracts.
- 10.3 If the company's liability was terminated due to payment failure after the premium was paid for at least one year, the insurance policy can be renewed as a pure risk life insurance without new health information if the unpaid premium is paid within three months of the expiration of the policy.

## 11. Premium refund

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If the insurance contract expires before the insurance period is concluded, the company shall reimburse the premium in proportion to the period paid for and during which the insurance contract was not in effect. This does not apply if an insurance contract is invalid because the company has completed its duties by paying the agreed sum insured.

## 12. Premium discount due to loss of work capacity

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- 12.1 In the event that the insured has lost his capacity to work or if such capacity has been reduced by at least half, the insured gains the right to a premium discount for the time that the loss of capacity persists in excess of three months. Premium discounts are not granted for longer than one year retroactively from the date that a request for premium discount was received by the company.
- 12.2 Complete loss of capacity provides the right to full premium discount and a 50% or more loss of capacity the right to a proportionate premium discount. The insured, however, is not entitled to a premium discount if the loss of capacity is due to the abuse of alcohol, addictive or narcotic substances or is due to attempted suicide within one year of the purchase of the insurance.
- 12.3 Requests for premium discounts must be in writing. The request must be accompanied by the necessary documentation to assess the loss of work capacity, at no cost to the company. The insured's ability to undertake his former work, and the possibility of undertaking other work, must be used as the basis for the evaluation of the loss of capacity to work.
- 12.4 The insured is under obligation to immediately notify the company if he regains his capacity to work in part or in full. During the period that the insured enjoys the premium discount, the company may at any time require information on the insured's health and may also require a medical examination at its own cost.
- 12.5 The company informs the insured of its decision on the premium discount in writing.

## 13. Netting

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VÍS may set off a defaulted premium payment against the insurance benefits it must pay, as provided for in Article 122 of Act No. 30/2004 on Insurance Contracts.

## 14. Cancellation during period of insurance

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### 14.1 The company may cancel the insurance:

- 14.1.1 With 14 days' notice if incorrect or unsatisfactory information is provided on the insured risk, as provided for in Article 84 of Act No. 30/2004 on Insurance Contracts.
- 14.1.2 Immediately if the policyholder has fraudulently neglected his duty to provide information about the insured risk, as provided for in Article 84 of Act No. 30/2004 on Insurance Contracts.
- 14.2 The company may cancel all insurance contracts that it has with the insured if the insured has fraudulently neglected his duty to inform.

14.3 The insured can cancel the insurance contract at any time with a written cancellation.

## 15. Insurance event notice

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On the occurrence of an insurance event, the right holder must inform the company of such event without undue delay.

## 16. Duty to inform when settling indemnity payments

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- 16.1 Upon the settlement of compensation, the party who has a claim against the company shall provide the company with information and present documents to which he has access and the company needs for assessing its liability and pay compensation.
- 16.2 If the party who has a claim against the company intentionally provides incorrect or unsatisfactory information that he knows or should know will lead to him being paid compensation to which he is not entitled, all of his rights according to this and other insurance contracts because of the particular insurance incident become void. Under specific circumstances, however, he may have the right to compensation in part, as provided for in the second paragraph of Article 120 of Act No. 30/2004 on Insurance Contracts.

## 17. Fraudulent conduct

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Anyone acting fraudulently towards VÍS loses all his rights under the insurance contract. In the event of several insurance contracts, he may also lose his right to compensation under them in respect of the same insurance event, as provided for in Articles 83 and 120 of Act No. 30/2004 on Insurance Contracts.

## 18. Claim for compensation

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The right holder may demand payment of compensation 14 days after the company had the opportunity to obtain the necessary documentation in order to determine its liability and calculate the amount of compensation, as provided for in Article 121 of Act No. 30/2004 on Insurance Contracts.

## 19. Interest on compensation amount

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Entitlement to interest on the compensation amount is in accordance with Article 123 of Act No. 30/2004 on Insurance Contracts.

## 20. Time limitations on liability

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The right to claim the insurance amount expires after ten (10) years. The ten-year period begins at the end of the calendar year in which the claimant received the necessary information about the events on which his claim is based. However, the right to claim compensation expires no later than 20 years after the end of the calendar year in which an insured event took place.

## 21. Buy back

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This insurance has no buy back price.

## 22. Share in profits

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The policy holder is entitled to a share in profits according to the rules established by the company thereto.

## 23. Pledges

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This insurance may be pledged, as provided for in Article 107 of Act No. 30/2004 on Insurance Contracts. The company must be informed of pledges and will record such pledge in the life insurance register.

## 24. Assignment

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Rights pursuant to this insurance may be assigned, as provided for in Article 106 of Act No. 30/2004 on Insurance Contracts. The company must be informed of the assignment and will record such assignment in the life insurance register.

## 25. Notice of change of address

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The policy holder shall notify the company immediately if he changes his address.

## 26. Currency

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All amounts pertaining to this insurance contract are in Icelandic currency (ISK) unless otherwise stated by law or negotiated separately.

## 27. Dispute handling

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- 27.1 Disputes with the company may be presented to the Insurance Ruling Committee according to Act No. 30/2004 on Insurance Contracts.
- 27.2 The rulings by the Insurance Complaints Committee may be brought before courts of law.

## 28. Protection of personal privacy and processing of personal data

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The company places great importance on security in the processing of personal data. The employees of the company are required to maintain professional secrecy and confidentiality as regards any processing of personal data, and all the company's processing of personal data is carried out in accordance with Act No. 90/2018 on the Protection of Personal Privacy and Processing of Personal Data and the rules established thereunder. Further information on the processing of personal information may be found in the rules that the company has established for itself on the website of the company, vis.is (in Icelandic only), including as regards what personal information the company collects, for what purpose and on the basis of what authorisations, how long the information is kept and what rights customers have as regards the company's processing of such information.

## 29. Venue

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The domicile and venue of VÍS are in Reykjavík. Any disputes arising from this insurance policy shall be brought before the District Court of Reykjavík.