

Terms of insurance for group life insurance

The terms of insurance are valid as from 1 January 2017 and replace the previous terms of 1 January 2016

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

Clause 1. Insurance agreement

Subclause 1. The insurance agreement comprises the group life agreement and the terms of insurance described below.

Subclause 2. The terms of insurance may be derogated from by provisions laid down in the group life agreement and agreed upon between FG and the policyholder, cf. clause 3 d.

Subclause 3. The Danish Insurance Contracts Act applies as supplementary contractual basis if the Act has not been derogated from by provisions in the insurance agreement.

Clause 2. Group life agreement

Subclause 1. The group life agreement contains the general provisions regarding the insured persons under the group life agreement, their entry in and exit from the agreement and the scope of the insurance cover, etc.

Subclause 2. The group life agreement may comprise the following:

- a) Cover on the death of the insured person under the group life agreement, cf. clause 7.
- b) Cover on the disability of the insured person under the group life agreement, cf. clauses 8 and 9.
- c) Cover on the retirement due to age of the insured person under the group life agreement, cf. clause 10.
- d) Cover on the death of the spouse of the insured person under the group life agreement (spousal cover), cf. 11 A.
- e) Cover on the critical illness of the insured person under the group life agreement, cf. subclause 3.
- f) Cover on the critical illness of the spouse of the insured person under the group life agreement, cf. subclause 3 and clause 11 B.
- g) Cover on the critical illness of the children of the insured person under the group life agreement, cf. subclause 4 and clause 3 b.
- h) Cover on the death of the children of the insured person under the group life agreement, cf. subclause 4 and clause 3 b.
- i) Cover on the diabetes type 1 of the children of the insured person under the group life agreement, cf. subclause 4 and clause 3 b.

Subclause 3. Critical illnesses are covered pursuant to FG's terms regarding: "**Cover on certain critical illnesses**", which are provided as an addendum to group life agreements covering critical illnesses.

Subclause 4. Critical illnesses of children, death of children and children's diabetes type 1 are covered under FG's provisions on: "**Cover on certain critical illnesses of children**". The terms of insurance are provided as an addendum to group life agreements covering critical illnesses of children.

Clause 3. Definitions of terminology used in the insurance agreement

a) *Children comprised by child's sum/child's benefit*

The insured person's biological children and adopted children and the spouse's biological children and adopted children. A cohabitant's biological children and adopted children rank equally with those children when the terms under clause 4 are met.

It is a precondition that the group life agreement contains a provision on the payment of child's sum/child's benefit.

The right to child's sum/child's benefit for a child that is not the biological child or adopted child of the insured person under the group life agreement will be terminated upon legal separation or divorce or when a cohabitation comprised by clause 4 is considered to have been terminated.

The right is not affected if the marriage/cohabitation has been terminated due to death. The right to child's sum/child's benefit under spousal cover will take effect and be terminated in accordance with the provisions in clause 11 A.

b) *Children covered in case of critical illness, death and diabetes type 1*

The insured person's biological children and adopted children and the spouse's/cohabitant's biological children and adopted children.

It is a precondition that the group life agreement contains a provision on the payment of an insurance sum on the critical illness of a child, death of a child and/or diabetes type 1 of child, respectively.

Cover of the spouse's/cohabitant's biological children/adopted children is contingent on the spouse/cohabitant and the child living with insured person under the group life agreement at the same address at the date of the diagnosis of the child's critical illness/the date of the child's death and for at least six months prior to the date of the diagnosis/date of death.

The right of payment will be terminated upon legal separation or divorce.

c) *The insured person*

The insured person under the group life agreement on whose life and health the insurance is taken out or this person's spouse/cohabitant or child if it has been agreed that the insurance will cover these persons.

d) *Policyholder*

The entity, association, organisation or similar with which FG has entered into the insurance agreement.

Binding on the insured persons under the group life agreement, FG may enter into an agreement with the policyholder on all matters regarding the insurance agreement. However, the individual insured persons, cf. item f, are entitled to agree on individual terms with FG regarding beneficiary.

e) *The policy period*

The policy period comprises the period from the entry of the insured person's co-insured spouse/cohabitant/child in the group life agreement to the exit from the agreement in accordance with the terms of the insurance agreement or due to the termination of the group life agreement or individually according to agreement.

f) *Insured persons under the group life agreement*

The persons who, according to the group life agreement between FG and the policyholder, have entered into the group life agreement as holders of the agreed-upon insurance cover.

g) *Cohabitation/cohabitant*

Cohabitation comprises both cohabitation between persons of the same sex and cohabitation between persons of different sexes where there is no impediment to marriage.

h) *Marriage/spouse*

Marriage/spouse also comprises registered partnership/registered partner.

Clause 4. Cohabitation in connection with spousal cover/child's sum/child's benefit

Subclause 1. A cohabitant of an insured person under the group life agreement is covered by the spousal cover of the group life agreement, and the cohabitant's biological children and adopted children are comprised by child's sum/child's benefit of the group life agreement if the conditions in subclause 2 are met:

Subclause 2. The cohabitant must live together with the insured person under the group life agreement at the same address and 1) expect, have or have had a child with the insured person, or 2) have lived together with the insured person as husband and wife at the same address for the last two years prior to the death.

Clause 5. The insured person's entry

Subclause 1. Entry in the insurance covers under the group life agreement is conditioned on the disclosure of – subject to FG's estimate – satisfactory risk information, including information on the insured person's health. The terms are disclosed in the group life agreement together with the conditions for changes to the agreed-upon insurance cover.

Subclause 2. The insurance cover will take effect when FG has approved the group life insurance without any reservation unless another inception date has been agreed.

Subclause 3. If the policyholder or the insured person provides FG with misrepresentations on entry under the insurance agreement or on change of the insurance cover, the legal consequences will be determined in accordance with sections 4-10 of the Danish Insurance Contracts Act.

Clause 6. Exempted risks

Subclause 1. In the event of war, civil commotions, riots or other increase of risk of similar nature on Danish soil, the insurance cover will be terminated. Based on recommendation from the Danish Financial Supervisory Authority, the minister responsible will decide whether the event can be considered to have occurred, and if so, the minister will also specify the dates when the increase of risk commenced and ended.

Subclause 2. Abroad, the insurance does not cover disability or death caused by active participation in war, riots or similar situations.

Clauses 7-11. Special provisions for group life agreements comprising payment on death, disability, age or spouse's death/critical illness

The provisions of clauses 7-11 only apply if the group life agreement states that one or more of these insurance covers have been agreed upon.

Clause 7. Payment on the death of the insured person under the group life agreement

Subclause 1. The insurance sum on death of the group life agreement will be paid out if the insured person under the group life agreement passes away during the policy period, cf. clause 3 e. The group life agreement describes the effect on the cover on death of any payments made due to the disability, critical illness or age of the insured person under the group life agreement.

Subclause 2. Unless otherwise explicitly disclosed to FG by the insured person under the group life agreement or described in the group life agreement, the insurance sum on death will be paid out to the "next of kin" of the insured person under the group life agreement pursuant to the rules in section 105 a of the Danish Insurance Contracts Act if the insured person under the group life agreement entered the group life agreement **subsequent to 1 January 2008**. "Next of kin" includes the insured person's spouse, a cohabitant meeting the requirements laid down in subclause 3, children, heirs according to testament or heirs under the Danish Inheritance Act.

If the insured person under the group life agreement entered the group life agreement prior to 1 January 2008, a cohabitant is only considered "next of kin" if agreed with the insured person or the policyholder.

Subclause 3. The cohabitant must live together with the insured person under the group life agreement at the same address and 1) expect, have or have had a child with the insured person, or 2) have lived together with the insured person as husband and wife at the same address for the last two years prior to the death.

Subclause 4. The right to cover on death will be terminated if a beneficiary cannot be found in accordance with specific beneficiary provision, the beneficiary provision of the group life agreement, testament or beneficiary under intestacy.

Subclause 5. If the cover on death comprises child's sum/child's benefit, cf. clause 3 a, payment of these insurance sums will take place as laid down in the group life agreement.

Clause 8. Payment of disability sum

Subclause 1. Disability sum is paid out if the insured person's working ability is assessed to have been permanently reduced to at least half or a third, respectively, due to illness or accident during the policy period, depending on the group life agreement. If the insured person under the group life agreement can increase his or her working ability to exceed the above-mentioned limit by means of medical treatment, retraining, rehabilitation or education, the conditions for payment are not met.

Subclause 2. The reduction in working capacity is assessed by FG taking into consideration the insured person's health based on a medical evaluation. FG is entitled to obtain information from general practitioners who are treating or have treated the insured person under the group life agreement and to have a general practitioner chosen by FG examine the insured person.

Subclause 3. The payment includes the disability sum applicable at the date at which the insured person's working capacity was assessed to have been permanently reduced to the extent described in subclause 1.

Subclause 4. The right to receive the disability sum will be terminated upon the death of the insured person unless the insured person has submitted a written request for payment to FG and provided that the insured person met the conditions described in subclause 1 at the date of submission.

Subclause 5. If the insured person has exited the group life agreement, or if the group life agreement has been terminated as a consequence of notice or otherwise, a written request for payment is to be presented to FG within six months upon the expiry of the policy period, cf. clause 3 e. Upon expiry of this time limit, the right of payment of the disability sum for an unreported disability will lapse.

Subclause 6. When the disability sum has been paid out, the insured person's right to additional payments of disability sums will be terminated.

Clause 9. Payment of disability benefit

Subclause 1. Disability benefit is paid out if the insured person's working ability is assessed to have been reduced to at least half or a third, respectively, due to illness or accident during the policy period, depending on the group life agreement.

Subclause 2. Reduction according to subclause 1 has taken place when the insured person under the group life agreement subject to FG's estimate is no longer able – assessed based on the insured person's present health, education and former employment – to earn more than a third of the usual salary for persons in full working capacity of similar education and age.

When first assessing the insured person's reduced working ability, the reduced working ability is assessed in respect of the insured person's current occupation. If FG assesses that the insured person cannot return to his or her current occupation no later than 18 months after the first sickness day, the general working ability is assessed. The general working ability means the working ability in both the insured person's current occupation and in other occupations.

FG is entitled to obtain information from general practitioners who are treating or have treated the insured person under the group life agreement and to have a general practitioner chosen by FG examine the insured person.

Subclause 3. The disability benefit is paid out from the date when the working ability has been reduced continuously for three months; however, no earlier than from the date when the request for payment is made in writing to FG. Payment is made monthly in advance to the insured person under the group life agreement unless otherwise laid down in the group life agreement.

Subclause 4. Payment will cease when the insured person's working ability has been recovered to an extent where the described assumptions for payment are no longer present; however, no later than when the insured person reaches the age of termination stated in the group life agreement.

Subclause 5. If the insured person has exited the group life agreement, or if the group life agreement has been terminated as a consequence of notice or otherwise, a written request for payment is to be presented to FG within six months upon the expiry of the policy period, cf. clause 3 e. Upon expiry of this time limit, the right of payment of the disability benefit for an unreported disability will be terminated.

Clause 10. Payment of expiry sum

Subclause 1. A group life agreement comprising expiry sum only entitles the insured person under the group life agreement to payment of the agreed-upon expiry sum if the insured person entered the group life agreement before reaching the age of 60.

Subclause 2. The expiry sum will be paid out to the insured person under the group life agreement at the age between the age of 60 and the age of 70 which is the age of termination under the group life agreement.

Clause 11 A. Payment of spousal cover

Subclause 1. The insurance sum on death is paid out when the insured person's spouse passes away during the policy period.

Subclause 2. If the marriage is ended as a consequence of legal separation or divorce, the right of payment upon the death of the spouse will be terminated at the date of the legal separation or divorce.

Subclause 3. If the marriage is ended as a consequence of the death of the insured person before the spouse, the right of payment upon the death of the spouse will be terminated 30 days after the death of the insured person.

Subclause 4. If the group life agreement comprises a child's sum upon the death of the spouse, this will be paid out as laid down in the group life agreement.

Subclause 5. Payment upon the death of the spouse is made to the insured person. Payments made after the death of the insured person, cf. subclause 3, are made to the next of kin of the insured person.

Subclause 6. The spouse cannot effectively revoke or change the provisions of the group life agreement regarding beneficiary under the spousal cover.

Subclause 7. The terms stated above in subclauses 4, 5 and 6 also apply to cohabitation when the rules in clause 4 are met.

Clause 11 B. Payment upon the critical illness of the insured person's spouse

Subclause 1. The insurance sum is paid out to the insured person's spouse when he or she is diagnosed with a critical illness, cf. clause 2, subclause 3, during the policy period.

Subclause 2. The right of payment will be terminated if the marriage is ended as a consequence of legal separation or divorce.

Subclause 3. If the marriage is ended as a consequence of the death of the insured person before the spouse, the right of payment will be terminated 30 days after the death of the insured person.

Subclause 4. The terms stated above also apply to cohabitation when the rules in clause 4 are met.

Clause 12. Cover under a waiver of premium

Subclause 1. The cover on death, disability and critical illness and spousal cover stated in the group life agreement can be maintained without payment of premium if the insured person under the group life agreement exits the group life agreement due to such medical reasons which entitles the insured person to disability benefit under clause 9 if cover under a waiver of premium is comprised by the group life agreement. Waiver of premium may be maintained for up to three years or until the expiry of the policy period depending on the group life agreement.

Subclause 2. The right to cover under a waiver of premium takes effect from the exit date and ends after three years or at the expiry of the policy period, respectively, or at an earlier date when the assumptions for cover under a waiver of premium stated in subclause 1 are no longer met or the insured person under the group life agreement reaches the age of termination stated in the group life agreement.

Subclause 3. If the policyholder is an association or an organisation, the right to cover under a waiver of premium does not take effect until the date when the professional disability has lasted at least three months and provided that the insured person under the group life agreement is still covered by the group life agreement at this time.

Subclause 4. An insured spouse's/cohabitant's professional disability does not give the right to cover under a waiver of premium for the coverage in clauses 11A and 11B.

Subclause 5. A spouse/cohabitant who has entered the group life agreement does not have the right to waiver of premium in case of professional disability.

Subclause 6. If the insured person has exited the group life agreement, or if the group life agreement has been terminated as a consequence of notice or otherwise, a written request for cover under a waiver of premium is to be presented to FG within six months upon the expiry of the policy period, cf. clause 3 e. Upon expiry of this time limit, the right of cover under a waiver of premium for an unreported disability will be terminated.

Clause 13. Continuing insurance

An insured person under the group life agreement is entitled to take out a continuing insurance with FG without having to provide his or her medical history.

The terms of continuing insurance are described in FG's "Terms of insurance for continuing insurance".

Clause 14. Contribution holiday during leave of absence

Subclause 1. During statutory leave of absence or other leave of absence, the insurance cover may be maintained without the payment of premium according to agreement with the policy holder.

Subclause 2. If a group incurs a loss due to the contribution holiday, FG is entitled, without notice, from the following policy year to increase the premium by an additional charge which may amount to no more than the same percentage as the insured persons on leave of absence constitute out of all the insured persons under the agreement.

Clause 15. Termination of the insurance agreement

Subclause 1. The insurance agreement may be terminated by both the policyholder and FG at three months' notice to expire on the last day of any calendar year.

Subclause 2. FG may change the insurance conditions and rates at three months' notice to expire on the last day of any calendar year.

Subclause 3. In connection with changes of the insurance terms and changes in rates causing higher premiums, the policyholder is entitled to terminate the insurance agreement at 30 days' notice when the termination takes place within 30 days after the notice of the change.

Clause 16. Payment of premium and calculation of premium

Subclause 1. The premium is fixed for one year at a time. The guaranteed premium (tariff rate) is determined based on the age composition of the insured persons and FG's rates reported to the Danish Financial Supervisory Authority.

Subclause 2. The premium falls due for payment on the first day of each agreed-upon premium payment period. If a premium is not paid, the insurance cover will be terminated within a specified time limit after a reminder has been sent.

Clause 17. Indexing

If indexing has been agreed, the stated original sums will be increased annually on 1 January. The increase is made at the same ratio as the increase in Statistics Denmark's wage index for the private and public sectors (ILON 12, 22 and 32).

The increase in the private sector is weighted 50%, while the increase in the government and municipal sectors are weighted 25% each. The index from the second quarter two years before to one year before the policy year shows the increase. If the index decreases, the insurance sum obtained before the decrease is maintained.

Clause 18. Bonus

Bonus is awarded in accordance with the applicable bonus regulation reported to the Danish Financial Supervisory Authority. When calculating bonus, costs and guarantee premium, etc., are deducted from the premium paid by the group. The size of the costs and guarantee premium, etc., is determined by FG in accordance with the bonus regulation.

Clause 19. Direct and indirect taxes

Pursuant to legislation, FG may be obligated to withhold direct and indirect taxes on payments received and made.

Clause 20. General rules

Subclause 1. In connection with any payment made, FG is entitled to request presentation of any documentation that FG finds necessary.

This documentation may also be requested as a precondition of cover under a waiver of premium – or continued maintenance thereof – in accordance with the terms in clause 12.

Subclause 2. The group life agreement may contain terms regarding the payment of insurance sums in instalments over at least 10 years upon the death or disability of the insured person under the group life agreement. Upon the death of the insured person, the remaining instalments are paid out in accordance with the guidelines stated in clause 7, subclause 2.

Clause 21. Disposition

Subclause 1. The insured persons' rights under the group life agreement cannot be sold, charged or in any other way be made the object of trade or legal action.

Subclause 2. The insured persons' rights under the insurance agreement do not imply any claim for cash compensation (surrender value) upon exit of the group life agreement.

Clause 22. Governing law and complaint procedure

Subclause 1. The general provisions on insurance contracts under Danish law and Danish legislation in general will apply unless specifically derogated from by provisions in the insurance agreement.

Subclause 2. FG is affiliated with Ankenævnet for Forsikring (the Danish Insurance Complaint Board), which handles complaints from consumers regarding insurance matters.

Subclause 3. Complaints to the Complaint Board are to be submitted on a special complaint form. The form may be obtained by contacting FG, the secretariat of the Complaint Board, Forbrugerrådet (the Danish Consumer Council) or Forsikringsoplysningen.

Subclause 4. When the complaint is submitted, a fee determined by the Complaint Board must be paid. If the complaint is upheld or partially upheld, the Complaint Board will repay the fee.