

Terms of insurance for group life insurance

These terms of insurance are effective from 1 January 2020 and replace the previous terms of 1 January 2017

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.

1. Insurance agreement

(1) The insurance agreement comprises the group life agreement and the insurance terms described below.

(2) These insurance terms may be derogated from in the provisions of the group life agreement and agreed upon between FG and the policyholder, cf. clause 3 (d).

(3) The Danish Insurance Contracts Act (Lov om forsikringsaftaler) applies as a supplementary contractual basis if the Act has not been derogated from in the provisions of the insurance agreement.

2. Group life agreement

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

(2) The group life agreement may comprise the following:

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

(3) Critical illnesses are covered pursuant to FG's provisions on: **'Cover in the event of certain critical illnesses'**.

(4) Critical illnesses of children, death of children and children's type 1 diabetes are covered pursuant to FG's provisions on: **"Children's cover for certain critical illnesses"**.

3. Definition of terminology used in the insurance agreement

a) *Children covered by a children's lump sum/children's annuity*

The insured'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 condition that the group life agreement contains provisions on payment of a children's lump sum/children's annuity.

The right to children's lump sum/children's annuity for a child who is not the biological child or adopted child of the insured ceases upon legal separation or divorce or when a cohabitation covered by clause 4 is regarded as discontinued.

This right is not affected if the marriage/cohabitation terminates due to death. The right to children's lump sum/children's annuity under spousal cover takes effect and ceases pursuant to the provisions in clause 11 (A).

b) *Children covered in the event of critical illness, death and type 1 diabetes.*

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

It is a condition that the group life agreement contains provisions on payment of a lump sum in the event of the child's critical illness, cover in the event of the child's death and/or cover in the event of the child's type 1 diabetes.

It is a condition for cover of the spouse's/cohabitant's biological children or adopted children that the spouse/cohabitant and the child live with the insured at the same address on the date of the diagnosis of the child's critical illness/the date of the child's death, and that they have done so for at least six (6) months prior to the date of diagnosis or death.

The right to payment ceases upon legal separation or divorce.

c) *The insured*

The person based on whose life and health the insurance is taken out, or said person's spouse/cohabitant or child if it has been agreed that the insurance policy will cover these persons.

d) *The policyholder*

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

FG may enter into agreements with the policyholder on all matters regarding the insurance agreement, and such agreements will be binding on the persons insured under the group life agreement. However, the individual insured person, cf. (f), is entitled to agree on individual terms with FG regarding beneficiaries.

e) *Policy period*

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

f) Persons insured 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 insurance cover.

g) Cohabitation/cohabitant

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

h) Marriage/spouse

This also covers registered partnership/registered partner.

4. Cohabitation in connection with spousal cover/children's lump sum/children's annuity

(1) A cohabitant of the insured is covered by group life spousal cover, and the cohabitant's biological children and adopted children are covered by a group life children's lump sum/children's annuity if the conditions in (2) are met.

(2) The cohabitant must live with the insured at the same address, and 1) be expecting, have or have had a child with the insured, or 2) have lived with the insured in a marriage-like partnership at the same address for the two years prior to death.

5. Commencement of cover

(1) Commencement of insurance cover under the group life agreement is conditional on disclosure of – in FG's opinion – satisfactory risk information, including information about the person's state of health. The terms are disclosed in the group life agreement together with the conditions for amendments to the agreed insurance cover.

(2) The insurance cover commences once FG has unconditionally approved the group life insurance, unless another effective date has been agreed upon.

(3) The legal consequences of the policyholder or the insured providing FG with wrongful information on entry into the insurance agreement or on amendment of the insurance cover are specified in sections 4-10 of the Danish Insurance Contracts Act.

6. Exempted risk

(1) In the event of war, civil unrest, riots or other increase in risk of a similar nature on Danish soil, the insurance cover will be terminated. Based on a recommendation from the Danish Financial Supervisory Authority, the minister responsible determines whether the state in question is regarded as having occurred and, if so, the dates to be applied for commencement and expiry of the increase in risk.

(2) Outside Danish territory, the group life 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, retirement 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 benefits have been agreed upon.

7. Payment on the death of the insured

(1) Death benefit is paid out if the insured passes away during the policy period, cf. clause 3 (e). The group life agreement describes the effect on the death benefit of any payments made due to the disability, critical illness or age of the insured.

(2) Unless otherwise explicitly disclosed to FG by the insured, or described in the group life agreement, death benefit is paid out to the insured's 'next of kin' pursuant to the rules in section

105 (a) of the Danish Insurance Contracts Act (forsikringsaftaleloven), provided that the insured entered into the group life agreement after 1 January 2008. 'Next of kin' includes the insured's spouse, a cohabitant who meets the requirements laid down under (3), children, and willed or legal heirs.

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

(3) The cohabitant must live with the insured at the same address, and 1) be expecting, have or have had a child with the insured, or 2) have lived with the insured in a marriage-like partnership at the same address for the two years prior to death.

(4) The right to death benefit ceases if there is no beneficiary according to the specific beneficiary provision or according to the group life agreement's beneficiary provision or no willed or legal heirs.

(5) If the death benefit comprises children's lump sum/children's annuity, cf. clause 3 (a), these benefits will be paid out as laid down in the group life agreement.

8. Payment of disability lump sum

(1) A disability lump sum is paid out if the insured's ability to work is assessed to be reduced according to the specific provisions of clause 8 A or 8 B.

(2) It is a condition that the group life agreement contains provisions on payment of a disability lump sum. The group life agreement specifies whether payouts are based on the provisions in clause 8 A or in clause 8 B.

8 A. Payment of disability lump sum in the event of permanent loss of ability to work

(1) The disability lump sum is paid out if the insured's ability to work is assessed to have been permanently reduced to a half or less, or depending on the group life agreement to a third or less, due to illness or accident during the policy period. If the insured is able to bring his or her ability to work above the above-mentioned limit by means of medical treatment, retraining, rehabilitation or education, the conditions for payment are not met.

(2) The decrease in capacity for work is assessed by FG, taking into consideration the insured's health based on a purely medical evaluation. FG is entitled to obtain information from general practitioners who are treating or have treated the insured and to have the insured examined by a general practitioner chosen by FG.

(3) Payment includes the disability lump sum applicable on the date on which the insured's ability to work was assessed to be permanently reduced to the extent described under (1).

(4) The right to receive the disability lump sum ceases upon the death of the insured, unless the insured has submitted a written request for payment to FG, and provided that the insured met the conditions described under (1) on the date of filing of the request.

(5) If an insured has exited the group life agreement, or if the group life agreement has terminated due to cancellation or for other reasons, a written request for payment must be presented to FG within six (6) months of expiry of the policy period, cf. 3 (e). On expiry of this deadline, the right to payment of the disability lump sum for a disability that has not been reported will cease.

(6) Once the agreed disability lump sum has been paid out, the insured's right to further payment of a disability lump sum will cease.

8 B. Payment of disability lump sum in connection with an interdisciplinary rehabilitation programme and early retirement pension

(1) If the insured is awarded state early retirement pension, the disability lump sum applicable at the time of the award is paid out.

(2) If the insured is approved for an interdisciplinary rehabilitation programme (ressourceforløb) with associated benefits, half of the disability lump sum is paid out when the following conditions are met:

- The insured is approved for an interdisciplinary rehabilitation programme, with associated benefits, lasting no less than 12 months,
- The insured has received rehabilitation benefits for six (6) consecutive months, and
- The rehabilitation programme is approved during the policy period.

The amount paid out is equal to half of the disability lump sum applicable on the day on which the insured has received rehabilitation benefits for six (6) months. The remainder of the disability lump sum, applicable on payout of half of the sum, is paid out if the insured is awarded state early retirement pension.

(3) The right to receive the disability lump sum ceases upon the death of the insured, unless the insured has submitted a written request for payment to FG, and provided that the insured met the conditions described under (1) or (2) on the date of filing of the request.

(4) If an insured has exited the group life agreement, or if the group life agreement has terminated due to cancellation or for other reasons, a written request for payment must be presented to FG within six (6) months of expiry of the policy period, cf. 3 (e). On expiry of this deadline, the right to payment of the disability lump sum for a disability that has not been reported will cease.

(5) Payment of half of the disability lump sum, cf. (2), may only be made once and results in a corresponding reduction of the agreed disability lump sum. Once the agreed disability lump sum has been paid out, the insured's right to further payment of disability lump sums will cease.

9. Payment of disability benefit

(1) Disability benefit is paid out if, during the policy period, it is assessed that the insured's ability to work is reduced due to illness or accident to a half or less, or to a third or less, depending on the group life agreement.

(2) Ability to work is considered reduced according to (1) if, in FG's opinion, the insured is no longer able – assessed based on the insured's present state of health, education and former employment – to earn more than a third of the usual salary for persons fully capable of work and of similar education and age.

In the initial assessment of the insured's reduction in ability to work, job incapacity is assessed based on the insured's current occupation. If FG assesses that the insured cannot return to his or her current occupation within 18 months after the first sick day, general ability to work is assessed. General ability to work refers to ability to work both in the insured's current occupation and in other occupations.

FG is entitled to obtain information from general practitioners who are treating or have treated the insured and to have the insured examined by a general practitioner chosen by FG.

(3) Disability benefit is paid out from the date on which ability to work has been reduced for three (3) consecutive months; however, no earlier than from the date on which a written request for payment is submitted to FG. Benefits are paid out monthly in advance to the insured, unless otherwise specified in the group life agreement.

(4) Payment ceases when the insured recovers ability to work to an extent whereby the specified conditions for payment are no longer present; however, no later than on the date on which the insured reaches the age of expiry stated in the group life agreement.

(5) If an insured has exited the group life agreement, or if the group life agreement has terminated due to cancellation or for other reasons, a written request for payment must be presented to FG within six (6) months of expiry of the policy period, cf. 3 (e). On expiry of this deadline, the right to payment of the disability lump sum for a disability that has not been reported will cease.

10. Payment of retirement pension as an expiry lump sum

(1) A group life agreement that includes a lump sum to be paid out on expiry of the agreement only entitles the insured to payment of the agreed expiry lump sum if he or she entered into the group life agreement before reaching the age of 60.

(2) The expiry lump sum is paid out to the insured when he or she reaches the age – between 60 and 70 – at which the group life agreement expires.

11 (A). Payment of spousal cover

(1) Death benefit is paid out if the insured's spouse dies during the policy period.

(2) If the marriage is ended as a consequence of legal separation or divorce, the right to payment upon the death of the spouse ceases on the date of the legal separation or divorce.

(3) If the marriage ends due to the death of the insured before the spouse, the right to payment upon the death of the spouse ceases 30 days after the death of the insured.

(4) If the group life agreement comprises a children's lump sum upon the death of the spouse, this will be paid out as specified in the group life agreement.

(5) Payments upon the death of the spouse are made to the insured. Payments made after the death of the insured, cf. (3), are made to the insured's next of kin.

(6) The spouse cannot effectively revoke or change the provisions of the group life agreement regarding beneficiaries under the spousal cover.

(7) The terms stated above under (4), (5) and (6) also apply to cohabitation if the rules in clause 4 are met.

11 (B). Payment in the event of critical illness of the insured's spouse

(1) Insurance benefits are paid out to the insured's spouse when he or she is diagnosed with a critical illness, cf. 2 (3), during the policy period.

(2) The right to payment ceases if the marriage is ended due to legal separation or divorce.

(3) If the marriage ends due to the death of the insured before the spouse, the right to payment ceases 30 days after the death of the insured.

(4) The terms stated above also apply to cohabitation if the rules in clause 4 are met.

12. Waiver of premium

(1) If waiver of premium is included in the group life agreement, cover in the event of death, disability and critical illness and spousal cover stated in the group life agreement may be maintained without payment of premium if the insured exits the group life agreement due to the medical reasons that, according to clause 9, entitle the insured to payment of disability benefit. Waiver of premium may be maintained for up to three (3) years or until expiry of the policy period, depending on the group life agreement.

(2) The right to waiver of premium is effective from the exit date and ends after three (3) years, on expiry of the term of the policy or at an earlier date if the conditions for waiver of premium specified under (1) are no longer met, or the insured reaches the age of expiry specified in the group life agreement.

(3) If the policyholder is an association or an organisation, the right to waiver of premium does not take effect until the date on which incapacity for work has lasted at least three (3) months, and provided that the insured is still covered by the group life agreement at this time.

(4) An insured spouse's/cohabitant's incapacity for work does not give the right to waiver of premium for the coverage defined in 11 (A) and 11 (B).

(5) A spouse/cohabitant who has entered into the group life agreement is not entitled to waiver of premium in the event of incapacity to work.

(6) If an insured has exited the group life agreement, or if the group life agreement has terminated due to cancellation or for other reasons, a written request for payment must be presented to FG within six (6) months of expiry of the policy period, cf. 3 (e). On expiry of this deadline, the right to payment of the disability lump sum for a disability that has not been reported will cease.

13. Continuing insurance

An insured is entitled to take out continuing insurance with FG without having to provide his or her medical history.

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

14. Non-contributory cover during leave of absence

(1) During statutory leave of absence or other leave of absence, insurance cover may be maintained without payment of premium according to agreement with the policyholder.

15. Termination of the insurance agreement

(1) The insurance agreement may be terminated by both the policyholder and FG with three (3) months' notice, such notice expiring at the end of a calendar year.

(2) FG may change the insurance terms and rates with three (3) months' notice, such notice expiring at the end of a calendar year.

(3) In the event of any changes to insurance terms and rates that lead to higher premiums for the group life agreement, the policyholder is entitled to terminate the insurance agreement with 30 days' notice, provided that notice of termination is given within 30 days of notification of the change.

16. Payment and calculation of premium

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

(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.

17. Indexation

If indexation has been agreed upon, the specified basic sums insured will be increased annually on 1 January. The increase is proportionate to 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 at 50%, while the increase in the government and municipal sectors are weighted at 25% each. The index from the first quarter two years before to one year before the policy year indicates the increase. If the index decreases, the insurance sum obtained before the decrease is maintained.

18. Bonus

Bonus is awarded according to the applicable bonus regulations 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 amount of the costs and guarantee premium, etc. is determined by FG in accordance with the bonus regulations.

19. Direct and indirect taxes

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

20. General rules

(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 prerequisite for waiver of premium – or continued maintenance thereof – in accordance with the terms in clause 12.

(2) The group life agreement may contain terms regarding payment of insurance benefits in instalments over at least ten (10) years upon the death or disability of the insured. Upon the death of the insured, the remaining instalments will be paid out according to the instructions in clause 7 (2).

21. Disposition

(1) The rights of the persons insured under the group life agreement may not be sold, charged or in any other way made the object of trade or legal action.

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

22. Governing law and complaint procedure

(1) This insurance agreement is subject to the general provisions of Danish law on insurance agreements, and of other Danish law, unless this legislation is derogated from in the provisions of the insurance agreement.

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

(3) Complaints to the Appeal Board must be filed using a special complaint form. The form is available from FG, the Appeal Board's secretariat, the Danish Consumer Council (Forbrugerrådet) and the Danish Insurance Association (Forsikringsoplysningen).

(4) When the complaint is filed, a fee determined by the Appeal Board must be paid. If the Danish Insurance Appeal Board finds fully or partly in favour of the insured, the Appeal Board will refund the fee.