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May 2005, GlobalDenmark Translations

Executive Order on Information from the Insurance Company to the Policyholder on Establishment of a Life-Assurance Contract¹

Executive Order no. 609 of 14 July 1995 **EXCLUDING MINOR AMENDMENTS**

The following shall be laid down pursuant to section 256a(2) of the Insurance Business Act, cf. Consolidated Act no. 963 of 29 November 1994:

1. The regulations of this Executive Order on life-assurance companies shall apply to life-assurance activities of insurance companies and lateral pension funds (nationwide occupational pension funds) in Denmark.

2.-(1) The "proposer" shall mean the person who intends to become a policyholder, cf. however subsection (3).

(2) The "policyholder" shall mean the person who has entered into a contract with the insurance company to underwrite insurance, cf. however subsection (3).

(3) In pension schemes covered by part 1 of the "lov om beskatning af pensionsordninger m.v." (act on taxation of pension schemes etc.), the "policyholder" shall mean the person insured and owning the assurance policy.

3. Before a life-assurance contract is concluded, cf. however section 9, the insurance company shall submit the following information about the insurance company and about the legal basis to the proposer:

- 1) Name and legal form of the company.
- 2) Indication of the country in which the company has its registered office and, if relevant, the country where the branch with which the contract is entered into is located.
- 3) The address of the head office and, if relevant, the address of the branch with which the contract is entered into.
- 4) General indications as to the tax scheme applicable to the relevant type of policy.
- 5) Provisions regarding processing of complaints pertaining to the contract from the policyholders, the assured or the beneficiaries under the contract, including whether there is an appeals body which does not affect the access of the policyholder to institute legal proceedings.
- 6) The legislation to apply to the contract where the parties do not have a free choice or, where the parties do have a free choice, the legislation the insurance company proposes to use.

4. Before a life-assurance contract is concluded, cf. however section 9, the insurance company shall submit the following information about the primary contents of the assurance contract to the proposer:

- 1) Definition of the individual assurance benefits and options.
- 2) The term of the assurance contract.
- 3) Conditions for payment of premiums, including for how many years payments are to be made.

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- 4) The size of the assurance benefits and the premium for said benefits.
- 5) Charges.
- 6) Indication of how and how extensively the size or the regulations for determination of the size of benefits, premiums, etc. are guaranteed.
- 7) General indications as to the bonus provisions applicable to the assurance contract.
- 8) Conditions for termination of the assurance contract and for execution of the right of termination.
- 9) General indications as to the regulations for calculation of the surrender value and the paid-up policy value as well as the type of the guarantees attached hereto.

5.-(1) In the event of amendments to the conditions mentioned in section 3, nos. 1-3 and section 4 during the term of the assurance contract, the insurance company shall inform the policyholder hereof.

(2) Every year, the insurance company shall provide the policyholder with information on the size of the assurance benefits and on the bonus situation. As regards assurances that are not currently being paid out, information shall also be given regarding the surrender value and the paid-up policy value. However, it shall be sufficient to indicate the size of the life-assurance provision attached to the assurance policy as well as general indications as to the calculation of the paid-up policy value and the cash surrender value.

6. If the company presents the proposer or the policyholder with forecasts of future bonuses etc., it shall be stated clearly that such forecasts are not guaranteed and which assumptions have been applied for the forecasts.

7. For life-assurance contracts attached to collective investment funds (insurance class III), the insurance company shall - before an assurance contract is established, cf. however section 9, and in the event of amendments during the term of the assurance contract - provide the proposer or the policyholder with information indicating the reference values applied in the assurance contract and indicating the type of assets on which the assurance contract is based.

8.-(1) The information mentioned in this Executive Order shall be worded clearly and accurately and be presented to the proposer or the policyholder in writing and in Danish.

(2) The information may, however, be worded in another language if the proposer or the policyholder so requests.

9.-(1) Upon establishment of an assurance contract without a written request from the proposer and where the assurance contract enters into force immediately, the information required by this Executive Order to be given before establishment of the assurance contract shall, however, not be provided until immediately after establishment of the assurance contract.

(2) Subsection (1) shall apply correspondingly to situations where an agreement on an assurance contract is made in immediate connection with a request in this respect.

10.-(1) The provisions of this Executive Order shall apply to the relationship between the parties to agreements on group life assurance.

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(2) The information required under this Executive Order shall be submitted to the individual group member by the insurance company, a management company or by the group representative.

11. The Danish FSA may grant exemptions from the provisions of this Executive Order for assurances taken out before entry into force of this Executive Order; for premium-paid assurance where the annual payment of premiums does not exceed DKK 1,000; and for premium-free assurance where the paid-up policy value does not exceed DKK 10,000. For current assurance contracts, information shall, however, always be provided when benefits paid out are changed.

12. This Executive Order shall enter into force on 1 August 1995.

The Danish Financial Supervisory Authority, 14 July 1995

Eigil Mølgaard

/Frank Rasmussen

[Official notes](#)

¹ This Executive Order implements parts of Council Directive 92/96/EEC, Official Journal L 360 of 9 December 1992 (Third Life-Assurance Directive).