

Insurance and pension for everyday needs

"Insurance and pension for everyday needs" describes in outline the risks typically covered by the individual classes of insurance as well as non-covered risks. First of all, we tell you about personal insurance, but as the job plays an important part of our everyday lives, we also provide a section on the types of insurance that apply at the workplace.



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The insurance contract

An insurance contract is an agreement between an insurance company and a customer (policyholder). The insurance company accepts the contract by sending an insurance policy and insurance conditions to the customer. In these documents you will find the answers to a variety of questions, for instance:

- What property have you insured?
- What losses will the insurance company compensate you for, and what losses will not be reimbursed?
- Where does the insurance cover geographically, and what is the sum insured?
- How long will the insurance be in force, and when is the contract terminable?
- How much does the insurance cost?

When you receive your insurance policy and insurance conditions, you should carefully check the documents to verify that everything is as you have agreed with the company. From the date you receive the insurance conditions, you are entitled to cancel the insurance contract within a period of 14 days. If you want to exercise your right of cancellation, you should do so in writing.

The purpose of insurance

An insurance policy cannot prevent the occurrence of any loss, damage, injury or accident, but it can offer you a source of financial relief. The purpose of insurance is to restore you to the same financial situation as before you sustained the loss.

Preconditions for insurance

In principle everything is insurable, but the following preconditions have to be met:

- The person taking out the insurance must have a legal interest in the property
- Many people have to be exposed to the same risk



- The loss must occur by chance
- The insurance company must be able to calculate the risk and cost of the loss.

Coverage under your own insurance

The insurance company can compensate for damage to property in various ways. The insurance company can:

- Take over the damaged property against payment of cash compensation
- Take over the damaged property against replacing it with a similar item
- Restore the damaged property to the same condition as before the damage occurred
- Compensate for the reduced value if the item is still in working order.

In case of permanent injuries, the company will pay the agreed amount of benefits. On the death of the insured, benefits will be payable to his relatives or beneficiaries.



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Coverage under third-party insurance

Sometimes you may have the possibility of claiming compensation even if your own insurance policies do not provide coverage. This is the case if other people cause you a loss for which they are liable in damages. Here you can claim compensation from the wrongdoer and, in some cases, directly from the wrongdoer's insurance company.

Example

If your trousers are torn by a strange dog, your own insurance will not cover for the loss, but instead you may claim compensation from the dog's owner or the owner's insurance company.

The Danish Insurance Contracts Act lays down the mutual rights and obligations of insurance companies and their customers. The most important rights and obligations will practically always be mentioned in the insurance conditions.

Supervision of insurance

The Danish Financial Supervisory Authority, under the Ministry of Economic and Business Affairs, keeps an eye on insurance companies to verify that they do not violate insurance legislation. The authority supervises both life and general insurers.



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When the damage is done

The insurance contract specifies that you have an obligation as a policyholder to do everything in your capacity to minimise the loss as much as possible and report the claim to the insurance company without delay.

To qualify for compensation for theft, you are usually required also to report the theft to the police.

The legal framework of insurance

The Danish Financial Business Act ensures that insurance companies pursue their business in an adequate manner that serves their customers' interests.

In October 2003 the Executive Order on Good-Practice Rules Applying to Financial Services Companies entered into force (the "good-practice rules"). The good-practice rules give directions as to how insurance and pension companies should provide advisory services to their customers.

The risk of everyday life

We take out insurance to protect ourselves from the financial consequences of a loss. In our day-to-day activities, our financial situation may be affected in a variety of ways:

Earning capacity: We can lose our earning capacity in whole or in part as a result of illness or accident.

Property: We can lose our property or experience damage to our property caused by fire, theft, malicious damage, water and storm damage, etc.

Liability: We can become liable for injury to other persons or damage to their property.

Different rules on liability apply, depending on whether we cause the injury or damage while at work or off duty. The rules may also depend on whether we are homeowners, motorists, employers or dog owners.

Who pays for the financial consequences?

When a loss has occurred, you might be in a position to cope with the financial consequences yourself. But if your funds are insufficient, it is a natural step to apply for government assistance. In this case, you can generally only count on receiving assistance if you have suffered bodily injury. This means if your earning capacity is affected.

Where a particular person is responsible for the loss, he may pay for the loss personally or may have a liability insurance policy to provide coverage. If the person responsible for the loss has neither money nor liability insurance, you cannot receive compensation.

Several options of personal injury compensation

After an accident involving personal injury, it is in certain cases possible for an insured to receive compensation

under his own insurance policies, from the at-fault party or under his insurance and, at the same time, receive benefits from the public sector.

Example

In a traffic accident a car passenger suffers an injury with a permanent medical impairment rating of 60 per cent and a loss of earning capacity of 75 per cent. The passenger can obtain compensation under the third-party liability insurance taken out on the car and also from his own personal insurance policies that cover permanent injuries or loss of earning capacity. The same applies to, for instance, accident insurance as well as life and pension insurance with periodic disability benefits.

At the same time, it is also possible to be awarded public anticipatory pension. This pension may be somewhat reduced, however, because of the other benefits.

Insurance you MUST have (compulsory)

- Compulsory third-party liability insurance for a car, motorcycle, scooter or moped
- Comprehensive motor insurance if you have borrowed money to finance the purchase of a motor vehicle
- Compulsory dog-owner's third-party insurance
- Compulsory horse-owner's third-party insurance
- Fire insurance for buildings if you are a homeowner with a loan secured against your house

Insurance you CAN have (optional)

- Contents insurance (combined contents and liability insurance)
- Buildings insurance if you are a homeowner (usually combined with fire insurance for buildings)
- Comprehensive motor insurance (usually combined with compulsory third-party motor liability insurance)
- Personal accident insurance
- Life and pension insurance
- Health or medical expense insurance.



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Liability

Some insurance contracts automatically contain liability insurance, which provides coverage if one of the persons insured is liable to pay damages for a loss. Many people find it difficult to assess when they are liable for a loss and when their liability insurance provides coverage. Therefore, the rules on liability will be described in brief. In the following section, “[Personal liability insurance](#)”, you can read when the liability insurance pays compensation and when it does not pay compensation.



stance motor vehicle insurance, horse and dog-owner’s insurance. On the other hand, an employer is not legally obligated to take out liability insurance.

Non-statutory liability

Often no legislation is available to tell you when you are liable for a loss as a private individual. Instead, a rule on compensation or damages - known as “the general damages rule” - has been derived from many years of case law. According to this rule, you are liable for the financial loss you have caused by negligence or intentionally. The rule is also known as the principle of fault or negligence.

You are only liable to pay damages for pecuniary losses. In the event of property damage, this will be the value or repair cost of the damaged item. In the event of personal injury, the financial loss will be calculated in compliance with the Danish Liability for Damages Act. Compensation will for instance be payable for permanent injuries, loss of earning capacity or loss of breadwinner.

Each year the Danish Insurance Information Service publishes a booklet on the most important sections of the Act and updated rates of compensation.

Liability in general

If you have caused a loss, it is natural for you to have a sense of guilt and find that the injured party should receive compensation. Either from yourself or from the insurance company where you have taken out liability insurance.

Feeling guilty for a loss, however, does not imply that you are also legally liable and that the injured party is consequently entitled to claim compensation from you. In some cases, it will appear from legislation whether you are liable to pay damages. In other cases, where no statute law is available, it will be legal practice that determines whether you are liable or not.

Statutory liability

When liability is regulated by legislation, the statute specifies when liability arises and who is liable for a loss. This applies, for instance, in case of traffic accidents where motor vehicles are involved and damage and injuries caused by dogs and untethered horses. Legislation also prescribes when an employer is required to pay for any losses caused by employees in the course of their employment.

In most cases, it also appears from the statute whether or not a duty to buy liability insurance exists, for in-



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Pattern of behaviour

When a court of law assesses whether the person responsible for the loss has acted tortiously, the court takes into account whether the person can be blamed for his behaviour based on a recognised pattern of behaviour, which may be determined by statute law or case law or specified by customary law.

If the person can be blamed for his behaviour, the person has acted tortiously and will generally be held liable in damages.

Accidental loss. If the person causing the loss has acted as other people would normally have acted in a similar situation, he is not liable for the loss and will not incur liability in damages. This is called an accidental loss. See example on the next site.

Example

If a hotel guest opens the door to his room from the inside just as a waiter is passing by in the hallway, holding a tray with glasses, and the door hits the tray so that the glasses fall to the floor and shatter, this is an accidental loss. The hotel guest cannot be blamed for the accident as he had no possibility of avoiding it. He cannot be blamed as he has behaved as any other hotel guest would have done.

If the person causing a loss has acted tortiously - is responsible - it is important to find out whether the loss was caused by ordinary negligence, gross negligence or wilful negligence (intentionally). This assessment of the act is mainly relevant to determining whether the responsible person's liability insurance is going to pay for the loss.

Ordinary negligence. If the person causing the loss has acted more recklessly than others in a similar situation would have done - the negligence we commonly see in the normal run of things - the person is liable in damages. This is called ordinary or simple negligence.

Example: A pedestrian steps into the carriageway without looking out for traffic and causes a passing cyclist to be thrown off the bike. The pedestrian can be blamed for the accident as he has been more reckless than a prudent pedestrian. Therefore, the pedestrian is liable to pay damages for the financial loss suffered by the cyclist.

Gross negligence. If a pedestrian crosses a street illegally and knocks over a cyclist, the pedestrian is now more careless than even a reckless pedestrian. This is called gross negligence, and the pedestrian is liable in damages.

Wilful negligence/intentional conduct. If a person throws a stone at a cyclist with the intention to hit the cyclist and succeeds in doing so, the damage and injury to the cyclist result from intentional conduct - wilful negligence. In this case, the wrongdoing party is naturally also liable in damages.

In the event of ordinary and gross negligence, the main rule is that a liability insurance policy covers the loss. However, see the section below about general elimination of liability. Losses caused by wilful negligence are not covered by the insurance policy unless the person causing the loss is under 14 years of age.

It has to be proved

To claim compensation from a person who has caused a loss, the injured party is required under case law to prove as follows:

- Damage has occurred and a loss has been suffered
- A person (the at-fault party) has caused the loss by ordinary, gross or wilful negligence.

If the injured party cannot prove this, it is not possible to claim compensation from the at-fault party or his liability insurance.



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Liability for omissions

A person can not only incur liability in damages for his actions. In some cases, a person can also incur liability in damages for his omissions. This is most frequently seen in situations involving a duty to act.

Examples: Homeowners who fail to throw gravel on their icy pavement, or parents who fail to keep an eye on their children.

General elimination of liability

Even if the person responsible for the loss has acted tortiously - been negligent - there are certain situations where the at-fault party is not liable to pay damages after all.

If the loss that has occurred is already covered under a property insurance policy or a business interruption insurance policy, the at-fault person is not liable in damages. This applies only, however, if the loss was not caused by wilful or gross negligence. This appears from the Danish Liability for Damages Act.

Example: If a boy breaks the neighbour's window by ordinary negligence and the window is covered under a glass insurance policy, the boy is not liable in damages. The glass insurance will pay for the window damage.

The Liability for Damages Act also lays down that if the central government, a local authority or any other public institution is self-insured, they should - in terms of damages - be regarded in the same way as if they had actually bought insurance. This means that it makes no difference whether the boy, by ordinary negligence, breaks the neighbour's glass-insured window or a window in the local authority school where the local authority is self-insured.

In neither of the cases will the boy incur liability in damages. As far as the local authority is concerned, it means that it has to pay for the window damage itself.

Parental liability

On 1 July 2009, the Danish Act on Liability for Damage Caused by Children entered into force. This means that if a resident child under 18 years of age has caused damage for which the child can be blamed, the injured party can now claim compensation of up to DKK 7,500 from the parent who has parental responsibility for the child. In case of joint parental responsibility, the parents will be jointly and severally liable. This new liability may be covered by a liability insurance policy.

However, under certain circumstances, parents can incur liability to pay the entire amount of compensation for the damage caused by their children. This occurs in situations when they have failed to supervise their children adequately.

Duty of supervision

Parents' duty to supervise their children is obviously greatest in the case of infants, who do not themselves have the full ability to judge day-to-day situations and act prudently.

To make the parents liable, the injured party is required to prove that the loss would not have occurred if the parents had kept an eye on their child in an adequate manner. The degree to which parents are required to keep an eye on their children depends on the child's age. Infants require more supervision than older children. In many cases it can be difficult to prove inadequate supervision by parents.

As far as older children are concerned, the parents' duty of supervision usually extends to preventing the children from getting hold of dangerous objects, such as knives, darts, bows, air guns, fireworks and matches.



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Third-party supervision

In some circumstances, other people take over the parents' duty to supervise their children. This may be the day-care facility, the school or a nanny.

Children's own liability

Children incur liability in damages for their own tortious acts. This appears from the Danish Liability for Damages Act, which lays down that children under 15 years of age are liable for any damage or injury (loss) they cause under the same rules as those applying to adults: The general damages rule. See page 5.

Age and normal behaviour

To determine whether a child who has caused a loss is liable, the child's action is compared with how children of the same age level would normally act in a similar situation.

If the child in question has acted as children of the same age would normally do, the child has not acted tortiously and is therefore not liable for the loss sustained. If, on the other hand, the child has acted differently, the child incurs liability in damages.

If a child becomes liable, the child itself is required to pay for the loss. No one can force the parents to pay. If the child has no money, it may be required to pay when it has started making money itself. However, the injured party always has the option of directing his claim for the first DKK 7,500 to the parent who has parental responsibility.

Lower age limit for children

Under the Danish law of torts, the main rule is that children under the age of 4 or 5 years are normally not liable for their acts. This is because children under this age have difficulty distinguishing between right and wrong.



Reduction or elimination of children's liability

In some circumstances, a child's liability can be reduced or eliminated. According to the Danish Liability for Damages Act, this may be allowed in the event of:

- Inadequate development of the child.

Example: If a six-year-old child has only developed as a three-year-old child, the child will be compared to what a three-year-old child should know.

- The nature of the act. For instance if the loss has occurred in a way that is complex to the child.

Example: If two ten-year-old boys make a kite that gets tangled up in overhead lines and cause a short-circuit, the boys' liability in damages will be eliminated. The boys are not old enough to understand what makes overhead lines short-circuit.

- Other circumstances:

Here the financial situation of the injured party and the child may play a role. Who is best able to sustain the loss? Who has the possibility of obtaining coverage for the loss under an insurance policy?



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Personal liability insurance

You can take out separate personal liability insurance. But it is rarely necessary as most of us are covered by liability insurance if we have contents insurance.

The contents insurance - also known as personal insurance, household insurance, family insurance or Basic Family Insurance - is a package solution which includes liability insurance.

Liability insurance provides coverage in Denmark and during short trips lasting up to three months throughout the world.

Who is covered by liability insurance?

The liability insurance policy covers all family members who are registered with the Resident Registration Authority at the address of the policyholder, including resident children, even if they are of age.

The insurance also covers domestic helps, but not lodgers. Finally, the insurance covers children who have left home. But only if they are under 21 years of age, live alone and have no resident children at their own address.

What is covered by liability insurance?

Personal liability insurance provides coverage for the liability in damages the members of the family can incur if, as private individuals, they cause injury to other people or damage to their property. This means that the insurance pays compensation and costs to meet a justified claim from the injured party.

Parental liability for the tortious acts of resident children may be covered by the liability insurance policy for up to DKK 7,500.

Liability insurance also helps the policyholder reject an unjustified claim, for instance if the injured party claims compensation for an accidental loss.

The insurance provides between DKK 5 and 10 million in coverage for bodily injuries, depending on the insurance company, as well as between DKK 2 and 10 million in coverage for property damage.

What does the insurance not cover?

It is essential that you read the exclusion provisions in your policy. For instance, the liability insurance does not cover any damage or injury caused by wilful negligence or intentional conduct unless the wrongdoer is under 14 years of age.

There are also other exclusions where the insurance does not cover damage or injury, for instance:

- Damage to the policyholder's own property or injuries to the policyholder
- Damage or injury caused by motor vehicles (in these cases coverage is provided by the compulsory third-party liability insurance)
- Damage or injury caused by dogs (in these cases coverage is provided by the compulsory dog-owner's third-party insurance)
- Damage or injury caused by a person under the influence of alcohol
- Damage to property a person has borrowed, rented, keeps or stores for another person or, for any other reason, has taken into his possession.

In the event of short-term borrowing or renting of common household items for private use, however, most insurance companies provide liability coverage for damage to such property. By short-term is usually understood up to 30 days.

This coverage will often be subject to an excess. You will have to pay the excess, if applicable, to the owner of the borrowed or rented item.



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Damage to property of others

If, during a private social gathering with other people, a person causes minor property damage by displaying slight negligence, such a person will not be held liable according to normal legal practice. Such damage will often be referred to as “damage to the property of others”, and the injured party cannot claim compensation.

In the opinion of the courts of law, we have to accept that minor property damage occurs during private social gatherings without entitling us to claim compensation from the person causing the damage. Even if the courts of law find that there is no legal liability for such damage, the liability insurance held by the person who has caused the damage will in most cases cover an incident of unintentional “damage to the property of others”. The injured party will usually not receive full compensation, however, as the insurance will often be subject to a small excess.



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Universal coverage

Liability insurance provides coverage in Denmark and during short trips lasting up to three months throughout the world.

Contents insurance

Personal property such as clothes, furniture and bicycles may be damaged or lost as a result of fire, theft, malicious damage, water damage or a traffic accident. Together with our liability for damages, such risks may be insured under the combined contents and liability insurance.

Who and what are covered?

The contents insurance covers the same individuals as mentioned under liability insurance. Domestic help, however, is only covered when residing with the policyholder – e.g. in the position as a maid. The insurance covers all items considered home contents, such as hobby equipment, camping equipment and gardening tools. Coverage includes rented or borrowed contents.

Sum insured at least equal to value

The sum insured under the policy must at any time be at least equal to the insured value of the contents. The insured value corresponds to the cost of replacing contents in the event of total loss – e.g. fire.

Where the sum insured under the policy is too low, the policyholder is underinsured. In the event of damage, this means that compensation will be less than the cost of replacing the damaged items.

The policyholder is personally responsible for the sum insured being high enough.

In the event of underinsurance, compensation is calculated as follows:

$$\text{Compensation} = \frac{\text{loss} \times \text{sum insured}}{\text{insurable value}}$$

Example: If the insurable value of the contents is DKK 200,000, but the sum insured under the policy is only DKK 100,000, compensation will amount to only 50 per cent.

Fire insurance

Fire insurance covers damage resulting from contents catching fire and fire extinguishing.

Items catching fire as the result of intentional exposure to fire or heat are not covered.

Example: You are deep-frying a chicken. Unfortunately, the oil gets too hot and catches fire. As you have intentionally exposed the pot and contents to heat, compensation is not payable.

The condition of fire, i.e. flames, means that scorching damages are not covered. As an example, a cigarette burn on a sofa is not covered. Compensation is payable only if the sofa catches fire, i.e. there must be flames.

Fire insurance also covers damage resulting from explosion, the building being struck by lightning and sudden sooting from stove or oil burner.



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Always report theft

To claim compensation, theft must be reported to the police without delay. This also applies if the theft takes place abroad. In this case, make sure to ask the local police to confirm the report in writing. Theft must also be reported to your insurance company.

Please note

e.g. enters through an un-locked window or steels your purse without you noticing. Simple larceny also includes property stolen from an unlocked car. In the case of simple larceny coverage is limited. Money, jewellery, items of gold and silver are not covered, and for other high-risk items – referred to in the policy as special personal contents – compensation amounts to no more than 10 per cent of the sum insured. To what degree simple larceny is covered under your policy is set out in the insurance conditions.

Theft insurance

Coverage under a theft insurance policy varies, depending on whether it is a case of burglary, open theft, robbery, simple larceny or bicycle theft.

As the theft coverage offered by various insurance companies may differ – in terms of excess as well – it is important that you read the section on theft coverage in your policy carefully.

The principal rule is that the insurance covers damage and loss resulting from burglary. Theft from securely locked buildings with closed and fastened windows is characterised as burglary. Compensation is conditional upon the thief having gained unauthorised access by for instance forcing open a door or window.

Theft insurance also covers loss resulting from robbery or open theft. If someone robs you of your personal property by the use of violence or threatened violence, this is characterised as robbery.

Open theft is obvious theft not involving the use of violence or threatened violence, where the victim or another person present at the time observes the theft as it takes place. Examples are bag snatching or pickpocketing. Compensation, however, is conditional upon the victim calling out “stop the thief” or words to that effect.

If your contents insurance is a Basic Family Insurance 2, bags or purses snatched from one of the insured persons are covered.

All other types of theft are characterised by the insurance companies as simple larceny, i.e. where the thief

Bicycle theft

Compensation for a stolen bicycle is payable only if the bicycle was locked with an approved lock. You prove this by enclosing your lock certificate with your claim to the insurance company. Please remember to include the bicycle frame number.

If the insurance conditions have been met, and the bicycle is not found, you will be compensated. Compensation is calculated as the price of a new bicycle less a rate of depreciation depending on the age of the stolen bicycle. Compensation, however, will never be less than 10 per cent of the price of a similar, new bicycle, and this is only the case if the bicycle is 19 years old. With some insurance companies, bicycle theft is subject to an excess and possibly a maximum value on the insured bicycle.

With some insurance companies, bicycle theft insurance is an option subject to an additional premium.

Water damage insurance

Water damage to your contents is covered by the insurance if caused by the sudden leaking of water from household installations.

Damage caused by a leaky radiator or rainwater penetrating through the roof is not covered.

If you are a tenant compensation may under certain circumstances be payable for water damage caused by



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precipitation or melt water penetrating through leaks in the building.

Water damage caused by heavy rainfall or thaw where the water is prevented from escaping and consequently floods the building or rises up through drain pipes is covered by the insurance. Damage caused by flooding from the sea, fjords, lakes or streams is not covered.

If damage is caused by storm surge, compensation may be payable subject to the specific rules of the "flood insurance scheme". In this case, the Flood and Wind-storm Council will publish notices in daily newspapers on the possibility of obtaining compensation, which will, however, never include contents placed in the basement. For further information, see The Danish Storm Council's website at www.stormraadet.dk (only in danish).

Rehousing

If your apartment becomes uninhabitable due to damage that is covered by insurance, the insurance company shall pay reasonable and necessary expenses in connection with moving and rehousing.

Malicious damage

Compensation is payable under the contents insurance if items in the home are maliciously damaged. If, for instance, someone throws a stone through an open window breaking a lamp, or if a burglar smashes part of the home.

Chilled and frozen products insurance

If items kept in refrigerators or freezers are ruined as the result of unforeseen power failure, such as short circuit, the ruined items are covered. If the power is switched off by you or a member of your family, compensation is not payable.

Travel insurance

Personal luggage is insured during trips and temporary stays abroad. Coverage and exclusions under the policy

are identical to those applicable when you are not travelling. When travelling abroad, however, coverage is limited to a certain percentage of the contents sum insured.

Please note that your contents insurance may include annual travel insurance valid throughout the world or in a specific geographical area. Please read the insurance conditions carefully well in advance of your departure, as coverage may differ from one company to the other.

Cover of damage caused by electricity

Often, damage due to lightning strike is caused by over-voltage in the electricity grid. This can destroy electronic equipment without causing a fire. This sort of damage will only be covered if your insurance policy includes cover of damage caused by electricity - which you are normally required to buy separately.

Traffic accidents

Compensation is also payable if personal property belonging to you or your family is damaged in a traffic accident, i.e. an accident involving a means of transportation.

Damage to the means of transportation is not covered by your contents insurance.

Example:

If you fall off your bicycle because you run over a stone, damaging the front wheel and your jacket, you will only be covered for the damage to your jacket.

Legal expenses insurance

Under certain circumstances, expenses incurred in connection with civil cases are covered by the insurance. The conditions for this type of coverage are identical in all companies and are available upon request from your insurance company.



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Dog-owner's third party insurance

The Danish Dog Act lays down the liability for any loss or damage caused by a dog. Where proof exists that the claimant caused or contributed to the occurrence of the loss or damage, by for instance teasing the dog, compensation may be reduced or lapse entirely. The Act stipulates that dog-owner's third party insurance is compulsory.

Dog-owner's third liability insurance covers liability as laid down in the Danish Dog Act, and as a general rule it covers liability in Denmark only. Many companies, however, are prepared to provide international coverage as well if you travel with your dog. It is recommended, therefore, that you contact your insurance company before going abroad.

If your dog is left in the care of others, if for instance you go on holiday, the insurance does not cover any loss or damage caused by the dog to the property of the people looking after the dog. By accepting to look after the dog, they accept the risk that the dog may cause damage, and consequently they are not entitled to compensation.

Horse-owner's third party insurance

The Danish Act on No-fault Liability and Compulsory Third-party Liability Insurance for Untethered Horses lays down that the owner of the horse is liable for any personal injury or property damage caused by the horse when it has broken loose.

The owner of the horse is also under an obligation to take out insurance. Typically, the horse owner's liability for loss or damage caused by the untethered horse is covered by an existing contents or agricultural insurance.



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Home buildings insurance

Most homeowners have a mortgage on their house. For the homeowner to obtain a loan, he must take out fire insurance on the house, as the value of the house is provided as security for the lender. Most homeowners, however, appreciate that other damage to the house such as storm and water damage may jeopardise their financial situation. Consequently, they take out combined home buildings insurance, such as house insurance, home insurance or homeowners insurance.

Fire insurance

Fire insurance for buildings provides coverage similar to fire insurance for contents. In this case, however, the object insured is the house including installations and fixtures, such as washing machine, dishwasher and cooker.

Other home buildings insurance

In addition to fire insurance, the combined insurance also covers other types of building damage, such as storm, water and frost damage, damage resulting from theft and malicious damage, damage caused by dry-rot or insects and other sudden damage.

In the context of fire insurance, sudden damage means suddenly occurring and unforeseen damage.

Example: Overnight, cracks appear in the wall of a building as the soil underneath the house has been washed away over time. This claim will not be covered as the cause of the cracks is not sudden.

Example:

In connection with the high-pressure flushing of the municipal sewer, the basement of a single-family house is flooded by rising sewage. The claim is covered, as the actual cause of the damage and the damage itself meet the condition of being sudden, just as the damage was unforeseen.

Homeowner's liability insurance

The combined home buildings insurance covers homeowner's liability for e.g. injuries resulting from someone slipping on an icy pavement that ought to have been gravelled.

Rehousing

If as the result of damage covered by the insurance, the house is deemed uninhabitable, the insurance covers reasonable and necessary resettlement expenses and the cost of rehousing.

Legal expenses insurance

The insurance includes legal expenses insurance, which may cover part of the legal expenses incurred in connection with legal actions resulting from disagreement on the purchase and sale of properties, conversion, etc.

Plumbing and cable insurance

For a separate premium, the insurance may be extended to cover hidden pipes, cables and service pipes. For instance, an insurance policy covering hidden pipes will cover damage resulting from leaks. Even where the pipe is corroded. Cable insurance covers defective, hidden cables for space heating.

Calculating compensation

Today, a single-family house is usually insured in accordance with the principle of full and replacement value. In the event of damage, the house is repaired or restored to its pre-damage state. Compensation may be reduced if the house is in disrepair. Where the state of disrepair is the cause of the damage, the insured may lose his right to compensation.

As for certain types of damage, compensation may be subject to specific rules. Such as damage caused by short-circuit, and in some companies, also damage to hidden pipes.



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Latent defects insurance

The Danish Consumer Protection on Acquisition of Real Property Act came into effect on 1 January 1996. As a result, seller's 10-year liability for defects has been significantly limited. Prior to the sale, the seller is obliged to arrange for a structural survey report on the property and obtain a binding quotation from an insurance company for latent defects insurance.

The purpose of latent defects insurance is to cover defects not stated in the surveyor's report as they were not immediately identifiable during the survey. If you do not take out latent defects insurance, you are not covered. Latent defects insurance also covers damage not listed by the surveyor by mistake.

Latent defects insurance only covers defects if the state of repair of the house differs from that of properties of a similar type and age. As it is not uncommon for the basements in old houses to be damp, claims in this connection will not be covered.

The scope of latent defects insurance is subject to statutory requirements, which must be met to prevent the seller from being liable for any defects and to ensure that the buyer is entitled to demand that the seller should pay half of the insurance premium.

Since Maj 1. 2012 the latent defects insurance covers electrical installations that do not work, have reduced function or are illegal, plumbing fixtures that do not work, have significantly reduced function or are illegal and additional costs required to meet today's rules and building regulations when the damage / illegality must be repaired (increased construction costs).

The buyer has the opportunity to expand the insurance with a longer maturity for example, from 5 years to 10 years.



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Motor insurance

By far the majority of private car owners insure their car by way of a combined comprehensive motor insurance, which includes liability insurance. If the car is unencumbered and old, many choose only compulsory third-party liability insurance.

Responsibility for motor vehicles

Pursuant to the Danish Road Traffic Act, the person responsible for a motor vehicle is liable for damage caused by the vehicle in a traffic accident, by explosion or by the fuel tank catching fire. Consequently, the owner is always liable for such accidents. Compensation is payable via the compulsory third-party liability insurance.

Reduction of compensation

In the event of personal injury, compensation may be reduced or excluded if the claimant or deceased intentionally or by gross negligence contributed to the injury. The same applies to property damage. In this case, however, negligence is sufficient, not necessarily gross negligence.

Motor third-party liability insurance

Motor third-party liability insurance is compulsory and covers liability incurred by the owner or user of the vehicle. The insurance covers personal injury or loss of breadwinner for up to DKK 111 million per accident and property damage up to DKK 22 million (the sums insured are subject to annual adjustment as at 1 January).

Driver not covered

Third-party liability insurance does not cover injuries sustained by the driver of the vehicle. Nor does the insurance cover damage to the property of the insured, the driver or user or damage to a towed vehicle, such as a trailer. Passengers, on the other hand, are covered.

Comprehensive motor insurance

In addition to compulsory third-party liability insurance, owners of a motorised vehicle (car, motor cycle, scooter or moped) may take out comprehensive motor insurance. If the vehicle is purchased with borrowed funds, comprehensive motor insurance is usually also required.

The insurance covers damage to and theft of the insured vehicle. Certain exceptions, however, apply.

The comprehensive motor insurance does not cover:

- Damage to mechanical parts only, unless such damage results from fire, explosion, short-circuit, lightning, robbery, theft or malicious damage, or during transportation using another means of transportation
- Damage occurring during treatment or processing unless such damage results from driving, fire or falling from a lift
- Damage resulting from rust, wear and tear, pebble damage to paint, scratches, etc.
- Intentional damage or damage resulting from gross negligence
- Damage occurring while the vehicle was driven by a person under the influence of alcohol, unless it is established that the driver was not responsible for the accident
- Damage occurring while the vehicle was driven by a person who does not have a driving licence, unless it is established that the damage was not the result of the driver's lack of driving skills.



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Driving abroad

When driving abroad in a vehicle with an approved total weight of no more than 3.5 tons, the comprehensive motor insurance includes emergency roadside assistance. The insurance conditions appear from the red SOS Card, which is available from your insurance company upon request.



Add-ons to comprehensive motor insurance

In addition to the standard comprehensive motor insurance, most companies offer various add-ons. The most important are:

- No-claim discount protection means that the premium will not increase in the event of e.g. damage to car parts made of glass, damage caused by falling objects and damage resulting from theft and fire
- Vehicle loss insurance offers compensation either as a fixed amount towards the cost of repair in the event of accidental damage or as a daily amount if the car is stolen
- Depreciation in value means that you will receive cash compensation if your new car (usually no more than three years old) is involved in an accident.



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Personal Accident Insurance

Personal accident insurance covers personal injury resulting from an accident.

In principle, there are two types of personal accident insurance. Most insurance companies offer one of the following two types:

Traditional accident coverage

You are entitled to compensation if you are exposed to a sudden external event resulting in personal injury.

Example

You are entitled to compensation if you are hit by a falling roof tile or are run over.

Many insurance companies, however, also cover injuries resulting from the twisting and straining of arms and legs. Injuries caused by fainting or indisposition are not covered.

Extended coverage on accidents

You are entitled to compensation for injury resulting from a sudden accident. The accident need not be the result of external factors.

Example

You are injured because you fall asleep, faint or feel indisposed while driving.

You are entitled to compensation for injuries resulting from twisting or straining. Not only your arms and legs, but also your back, neck, etc.

Example

You lift an armchair, straining your back.

Sum insured and compensation

The sum insured is fixed according to your needs and requirements at an amount payable on a degree of permanent injury of 100 per cent rating and an amount on death. If your degree of permanent injury is five per cent or more, as a result of an accident, the insurance company will pay compensation equal to the percentage disability of the sum insured. Some companies pay compensation when the degree of permanent injury is five per cent or more.

Example

If your sum insured is DKK 500,000, and your degree of permanent injury is 10 per cent, you are entitled to compensation of DKK 50,000.

Dental injuries may be covered

The insurance may cover the cost of dental work in part or in full if the dental injury results from an accident. Even though children are covered by public dental care until they reach the age of 18, dental injuries must be reported under a children's accident insurance, if any, as work on dental injuries in children may not be fully completed until after the child reaches the age of 18.

Usually, dental injuries caused by chewing are not covered by the accident insurance.



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Report the injury without delay

When the injury occurs, a report must be filed with the insurance company together with medical information, if applicable, as soon as possible.

Personal accident insurance

If you are employed for a certain period of time, typically 30 hours a week, you can take out personal accident insurance covering accidents occurring in your spare time.

Full-time accident insurance

If you take out full-time accident insurance, you are covered 24 hours a day. An injury sustained at work resulting in disability is covered under your full-time accident insurance and the compulsory industrial injuries insurance.

Students, homemakers, self-employed and unemployed persons can only take out full-time accident insurance.

Insuring children

Children under the age of 18 may be insured by their parents taking out a personal accident insurance for them. Children sustaining injuries while performing paid work are usually not covered, as they are covered by the employer's compulsory industrial injuries insurance.



Other types of accident insurance

Travel insurance often includes accident insurance covering accidents occurring while travelling.

A motor accident insurance policy is linked to a specific car and covers injuries if the driver or a passenger is injured in a traffic accident. In some cases, only the driver is covered.

Group accident insurance is often taken out by employers or associations for employees or members.



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Pension schemes

The Danish pensions system consists of three arms:

- Social schemes: Old-age pension, anticipatory pension, ATP (Labour Market Supplementary Pension), LD Pensions and voluntary early-retirement benefits.
- Occupational pension schemes, including corporate pension schemes: These pension schemes are agreed between the social partners as part of the collective agreements or between a company and its employees.
- Personal pension schemes: These are pension schemes you can set up yourself with pension companies and banks.

All three arms of life and pension insurance offer you financial security in the event of death, illness and retirement. The social schemes guarantee an income after working life, which will prevent you from suffering financial hardship when you reach retirement age.

Occupational pension schemes are designed to secure a reasonable relationship between the pension you can obtain and your income while you are in active employment. And, finally, the personal pension schemes give you an opportunity to secure an additional income on your own initiative when you retire.

Occupational pension schemes, including corporate pension schemes

These pension schemes are agreed between the social partners as part of the collective agreements or between a company and its employees. Occupational pension schemes are available in a large variety of types. As a main rule, the employer pays two thirds of the pension contribution, while the employee pays the rest.

The pension schemes are established with pension companies or pension funds, which may set up the schemes with periodic benefits, i.e. a monthly amount will be paid out from retirement age until death. It is also possible to establish pension schemes where benefits are paid

out in instalments for a limited period (annuity pension scheme) or as a lump sum (capital pension scheme).

Benefits and contributions

The benefits to which the individual policyholder is entitled under his pension scheme are determined by pension terms, articles of association/byelaws or the collective agreement between the social partners. The same applies to the size of the contributions. The size of payouts when you reach retirement age depends on various factors, including the size of contributions and your age at the time of enrolment and withdrawal.

All members of the same pension scheme are offered the same benefits. It could for instance be a combination of two or more of the following benefits: Retirement pension, premium capital pension, lump-sum retirement benefit/capital pension, disability benefits, survivorship annuity, children's pension, single person's lump-sum benefit, waiver of premium, group life insurance or insurance covering certain critical illnesses.

The benefits are typically established with compulsory coverages, but you may also be allowed to determine the size of some of the benefits yourself, or a range of optional benefits may be available. Your pension scheme specifies the benefits that are compulsory and the benefits you are allowed to control to some extent. - If you have any questions, please feel free to ask your pension company or your pension fund.

Possibilities of switching

As most occupational pension schemes are compulsory group schemes linked to a specific contract of employment, you cannot simply transfer them to another pension company yourself. If you change jobs, however, you are usually entitled to switch your old pension scheme to the new pension scheme. Some pension companies offer switching free of charge, whereas others charge a handling fee for this service. Instead of transferring the



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pension scheme, you can also choose to become a dormant member/have the scheme converted into a paid-up policy.

Personal pension schemes

You can establish personal pension schemes with pension companies and banks. If you would like to establish this type of pension scheme, you should basically tailor it to suit your own situation and consider the financial security you need.

A pension scheme generally serves three purposes:

- to protect your family's financial future on your death
- to protect your own and your family's financial future if illness prevents you from working and earning money
- to secure your old age financially with pension savings.

You can establish a pension scheme that meets your specific needs. Normally, you are also allowed to change your personal insurance/pension scheme at all times as your own or your family's situation is changing. You should be aware, though, that this may mean you will be obliged to submit a new health declaration to the pension company.

When considering the option of establishing a pension scheme and having your needs assessed, you may choose to include the benefits payable under public social schemes, such as old-age pension, voluntary early-retirement benefits, anticipatory pension, ATP (Labour Market Supplementary Pension), etc. as well as other pension schemes you are enrolled in.

The most common pension schemes

Capital pension scheme

A capital pension scheme is a pension scheme distributing your savings as a lump sum payment when you reach early-retirement age or later.

Annuity pension scheme

An annuity pension scheme is a pension scheme distributing your savings in monthly benefits over a period of 10 to 25 years. Payouts can begin when you reach early-retirement age or later. On your death, benefits will be payable to your survivors, who have the option of converting the benefits into a lump-sum payment.

Pure annuity

A pure annuity is a pension scheme distributing your savings in monthly benefits. Payouts can begin when you reach early-retirement age or later and will continue for as long as you live. You can also establish a pure annuity with a guarantee period. If you die before the expiry of the guarantee period, the remaining benefits up to the expiry of the guarantee period will be paid to your survivors. If you are married or have a cohabitant, you may also choose that a monthly amount should be paid to your spouse/cohabitant, either for life or for an agreed period.

Life insurance

An agreed sum insured will be paid to your survivors if you die before the agreed date of expiry. As a private individual, you can establish a group life policy in addition to your pension savings although group life insurance is typically taken out by employees of a company or by members of an association.

Joint life insurance

This insurance is usually taken out by unmarried couples. You take out life insurance on your boyfriend's or girlfriend's life. If your boyfriend or girlfriend dies, the sum insured will be paid to you. Your boyfriend or girlfriend takes out corresponding insurance on your life.

Disability benefits

Gives you financial protection if your earning capacity is reduced as a result of illness or accident to usually one third or lower.



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In some cases, however, you will also qualify for benefits if your earning capacity is reduced by 50 per cent. The disability lump sum benefit is payable in the event of permanent loss of earning capacity, and periodic disability benefits are paid out in monthly instalments for as long as the earning capacity is reduced beyond a waiting period of usually three months. Periodic disability benefit payouts can only continue up to the date when benefits end in accordance with the policy. Typically when you reach ordinary retirement age. Disability benefit schemes are often established in combination with other types of insurance.

Health or medical expense insurance

Health or medical expense insurance gives you financial protection if you would like to supplement public-hospital treatment with private-sector treatment.

Certain critical illnesses

Under this policy you will receive an agreed amount if you are diagnosed with one of a range of specified critical illnesses such as thrombosis, cancer, brain haemorrhage or sclerosis.

Possibilities of switching

The possibilities of switching available under a personal pension scheme - and not least the expenses involved in the switch - vary between pension companies and between different types of schemes. It is essential that you study the expenses carefully before making a decision to terminate your pension scheme.

About beneficiaries, health declarations, etc.

Health declarations

When you establish a pension scheme, you will in many cases be required to submit a health declaration. This may also be required if you want to change an existing pension scheme. The pension company will send you

some guidelines on how to fill out the health declaration form, and you will typically receive a comprehensive questionnaire - the "health declaration" - in which you must provide details of your health.

It is essential that you inform the pension company of your medical history - i.e. state the illnesses you have had and the medical treatments you have received. You should not personally assess which illnesses are necessary to include in the declaration. If you fail to provide information about an illness that is of relevance to the company's assessment of whether the policy can be taken out on normal conditions, this may involve reduced coverage or - in a worst-case scenario - no compensation at all. Therefore, pay close attention to ensuring that the health declaration you submit to the company contains adequate and correct information.

If you are not sure whether you have included all information, ask your GP for information from your case record. The insurance company is bound by a duty of secrecy in connection with the personal information you provide in the health declaration.

Waiver of premium

If you establish a pension scheme with waiver of premium coverage, it means that you will receive the agreed benefit at the specified time of payout even if you have not - as a result of reduced earning capacity - paid the insurance premium. To qualify for waiver of premium coverage, your earning capacity must be reduced to one third or half, and it typically implies a waiting period of three months.

Beneficiary

Before a pension scheme enters into force, it is essential that you decide to whom the proceeds are to be paid on your death. The person or persons you designate in the policy are known as beneficiaries. Depending on how



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your pension scheme is established, legislation may contain restrictions as to who you are allowed to designate as beneficiary. If you are in doubt, your pension company can inform you of these rules.

How are your savings invested?

Traditionally, the pension company decides how your pension savings should be invested within the framework set by the Financial Supervisory Authority. However, most pension companies offer schemes that allow your involvement in the decisions as to how your savings should be invested. These are known as unit-linked schemes. The return on the pension savings is linked to the return on the specific investments the policyholder has chosen.



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Insurance in the workplace

In the workplace special rules apply as to who must pay compensation in the event of personal injury or property damage.

Employer's liability

The general rule under Danish law is that the employer is legally liable for his employees and the liability in damages they incur through the exercise of negligence while performing their work. This rule is based on the principle set out in King Christian IV's Act of 1683.

The principle means that the employer can be held liable without having acted tortuously himself.

Business liability insurance

By taking out business liability insurance, the employer can protect himself against the financial consequences of any claim for damages that may arise in the course of business. The insurance is voluntary, but if he does not buy the insurance, he will have to pay for the tortious acts of the employees.

The business liability insurance provides coverage for both the employer's and the employees' liability in damages. But in line with personal liability insurance, certain risks are excluded from the insurance coverage even if the person who causes the loss is held liable in damages. For instance if an employee causes damage or injury by intentional conduct

Injuries at work

If an employee is injured while at work, the employee in question is entitled to claim compensation. The possibilities of compensation appear from the Danish Workers' Compensation Act, which applies to anyone employed



or engaged to carry out work in Denmark, regardless of whether the employee carries out paid or unpaid work and whether the employment is of a permanent or temporary nature. Self-employed persons and assisting spouses of self-employed persons can also claim compensation under the Act if they have taken out appropriate insurance.

Obligation to insure

In principle, everyone who employs an assistant or help, be it for commercial purposes or in a private household, is obliged to buy industrial injuries insurance, under which compensation will be paid in the event of an industrial injury. The obligation to insure does not apply to central and local government bodies, which – instead of taking out insurance – are required to pay compensation in the event of an industrial injury.

Private individuals employing a domestic help for a maximum of 400 hours within a calendar year are also excluded from the obligation to insure. Instead, an injured domestic help will receive compensation from the National Board of Industrial Injuries.



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Industrial injury

Under the Danish Act on Protection against the Consequences of Industrial Injuries, an injury is classified as an industrial injury in the following cases:

- A bodily injury caused by an event or impact occurring suddenly or within a period of five days.
- Occupational diseases.

Compensation under the Act

After an industrial injury has been recognised, the following possibilities of benefits are available under the Act:

- Reimbursement of expenses for medical care, rehabilitation and aids. For instance glasses damaged on the job. The reimbursement of expenses for permanent injuries is paid as a lump sum.
- Compensation for loss of earning capacity.
- Compensation for permanent injury.
- Transitional allowance on death to the deceased person's survivors or cohabitant where cohabitation has existed for at least two years prior to the death.
- Compensation for loss of breadwinner.

Compensation beyond the provisions of the Act

If the employer or any other person has caused the industrial injury, the injured person can claim compensation for pain and suffering. Such compensation will be calculated at a fixed rate per day of illness. If the injury has resulted in a loss of salary, the injured person can also claim compensation for such a loss from the employer or other person who has caused the injury. These claims will not be payable under the industrial injuries insurance, but by the person who has incurred liability in damages or under this person's liability insurance.



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Consumer information and tools

Please note that the below mentioned websites are currently only available in Danish.

The Danish Insurance Association

This is the website of the Danish Insurance Association, which is the trade organization of insurance and pension companies in Denmark. www.forsikringogpension.dk

The Danish Insurance Information Services

You can call or write to our experts who are ready to help you with questions about insurance. On the website you will find general information on insurance and answers to a number of frequent questions. www.forsikringsoplysningen.dk

The Insurance Guide

At this site you can compare policy terms and prices of building, motor, contents, vacation home and accident insurance. www.forsikringsguiden.dk

The insurance meter

This site allows you to determine which insurance policies you need in relation to your type of residence, family situation, means of transport, leisure activities, and pets. www.forsikringsmaaler.dk

Travel insurance meter

Click on your destination and find out what an insurance policy should cover. Get an overview of what is covered by the public sector and what you should check with your own insurance company. www.rejseforsikringsmaaler.dk

Stopburglary

This site provides you with good advice on how to secure your home, vacation home, car, boat and company against burglary. Stopburglary is a cooperation between the Danish Insurance Association and the Danish Crime Prevention Council. www.stopindbrud.dk

The Danish Pension Information Services

You can call or write to our experts who are ready to help you with questions about pension. On the website you will find general information and answers to a number of frequent questions. www.pensionsoplysningen.dk

The pension meter

An interactive web tool that shows you the level of your pension payments on the basis of your current age, income and the pension payments made to your pension account. The pension meter is based on a number of prerequisites established by the trade organization. www.pensionsmaaler.dk

Pension ABC

The Pension ABC explains the basic correlations in the Danish pension system and addresses those who wish to obtain a greater knowledge about the Danish pension system. www.pensionsoplysningen.dk

Pension test

Test your knowledge of pension terms. You can challenge yourself and obtain knowledge by reading the explanations. You could also challenge your friends and family and find out who has the greater knowledge on pension issues. www.pensionsoplysningen.dk

The pension dictionary

This site explains the meaning of the various pension terms. www.pensionsoplysningen.dk

Pension info

Pension info gives you an overview of all your pension schemes. Pension info is a partnership between pension funds, life insurers, commercial banks, savings banks and government authorities. www.pensionsinfo.dk



**forsikring
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Complaint options

Private policyholders, who are dissatisfied with a decision made by an insurance company, have the option to pay a fee of DKK 150 and file a complaint with the Danish insurance appeals board:

The Danish Insurance Appeals Board
Anker Heegaards Gade 2
1572 Copenhagen V

Tel: +45 33 15 89 00 (hrs. 10-13)
www.ankeforsikring.dk

Business clients and claimants may address the Danish Insurance Information Service free of charge:

The Danish Insurance Information Service
1, Philip Heymans Allé
2900 Hellerup

Tel: +45 41 91 91 91 (hrs. 10-13)
www.forsikringsoplysningen.dk

The Danish Insurance Information Service is always at your service in matters of insurance queries.



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Be green - keep it on the screen