

# Danish Insurance Law

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## Preface

This presentation of Danish insurance law would not have been possible without the substantial personal and financial support of 'Det Danske Selskab for Forsikringsret' – the Danish Section of the INTERNATIONAL ASSOCIATION FOR INSURANCE LAW – AIDA.

The study draws upon a large number of other works. References to such works have been omitted, since most of them are only available in Danish and therefore of little use to the international readership. The more recent treatises on Danish insurance law are referred to in the paragraph 'Selected Bibliography'.

The main focus is on the provisions of insurance law proper. Thus, my review of the pertinent company law and tax law provisions plays a less prominent part.

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## Introduction

### 1. General Background Information

1. Geographically, *Denmark's* southern border is shared by Germany, and stretches from the North Sea on the west to the Kattegat and the Baltic on the east. Denmark's northern territory, Greenland, is actually part of the North American continent. Finally, Denmark's last outpost, the Faroe Islands, are west in the Atlantic Ocean. Denmark proper covers an area of approx. 43,000 km<sup>2</sup> and has a population of about 5 million. The language spoken is Danish, a northern subdivision of the Germanic group of languages. Danish is understood in Norway and Sweden, just as Danes understand Norwegian and Swedish. A large percentage of the population understands and speaks English and German.

### 1. POLITICAL SYSTEM

2. According to the Danish Constitution of 1953 [Grundloven], Denmark is a *constitutional monarchy*. Upon the death of a king or a queen, his or her oldest son or daughter succeeds to the throne. However, regardless of age, a son precedes a daughter in the line of succession.

The legislative power is held jointly by the Queen or the King and the Danish Parliament [Folketinget]. Formally, the executive power is vested in the Queen or the King. The judicial power is vested in the courts.

3. *The Danish Parliament*, which is the only legislative assembly, is elected for a term of four years at a time and is composed of a maximum of 179 members, including two from Greenland and two from the Faroe Islands. All Danish citizens with permanent residence in Denmark who have attained the age of 18 have the right to vote. Any person entitled to vote is eligible for membership of the Danish Parliament, unless he has been convicted of an infamous crime, i.e. involving a loss of civil rights.

4. *The Queen* or the King exercises her/his executive powers through the Ministers of the Crown. Formal appointment and dismissal of the Prime Minister and other Ministers, as well as of senior government officials, are carried out by the Queen. The Queen also presides over meetings in the Council of State, and Acts of Parliament become legally valid when they have been signed by the Queen as well as by one or more Ministers.