Trip Cancellation Insurance

Terms F-2

Trip Cancellation Insurance pays the value of a prepaid trip where the insured is unable to travel and is not entitled to a refund from the airline or another third party. Please note that this insurance cannot be purchased if more than 10 business days have elapsed since the trip was booked.

This insurance is governed by the insurance policy, together with any endorsements and special terms, these Terms, the Company's General Terms and Conditions No. AS-1, and the provisions of the Insurance Contracts Act No. 30/2004, hereafter the Insurance Contracts Act. In the event of any inconsistency, the provisions of these Terms shall take precedence over the General Terms and Conditions.

In these Terms, the term "the Company" means Vörður tryggingar hf.

Chapter 1. Scope of Cover

Art. 1 What does the insurance cover?

The insurance pays:

a. travel costs that have been prepaid, or for which payment has been agreed, and which are not refundable, in respect of a trip the insured is unable to take. The Company pays up to the amount specified in the insurance policy in respect of prepaid travel costs that the insured is not, under the relevant contract, entitled to have refunded, where the insured is forced to cancel their trip due to:

b. Compensation is paid only where the reason for cancellation is one of the following:

- the death of the insured.
- a serious accident, sudden illness, bodily injury, childbirth, or quarantine of the insured, confirmed by a physician's certificate stating that the insured is not fit to travel.
- the death, serious accident, or sudden serious illness of the insured's spouse, children, grandchildren, parents, grandparents, parents-in-law, children-in-law, siblings, or a close colleague, confirmed by a physician's certificate.
- significant property damage at the insured's home or private business that makes the insured's presence necessary. The Company shall be consulted regarding whether it is necessary to cancel the trip.
- a summons for the insured to give testimony before a court.
- inability to travel due to work that the insured cannot avoid performing under legislation on mandatory quarantine, or where travel is prevented by public restrictions resulting from an epidemic.
- a disruption resulting in a delay of at least 12 hours in the departure of the insured's outbound public transport, according to the travel itinerary provided to them.
- hijacking of the means of transport.

The above events must be of such a nature that it is unavoidable to cancel the previously made booking.

Art. 2 What is not covered by the insurance?

The insurance does not cover loss:

a. due to any illness or condition that existed before the insurance was taken out, or at the time the confirmation fee was paid.

b. due to conditions arising after the 36th week of pregnancy.

c. due to a serious accident that occurred before the insurance was taken out, or that had already occurred when the travel costs were paid.

d. due to self-inflicted injury, or loss occurring where the insured has needlessly exposed themselves to danger.

e. resulting directly or indirectly from the following:

- government orders (except those relating to mandatory quarantine).
- oversights or negligence on the part of a carrier or accommodation provider, or oversight by an agent responsible for organising the trip.
- the insured's reluctance to travel, or their poor financial circumstances.
- expenses that a travel agency, hotel, or airline is required to pay.
- a change in the planned summer holiday period.
- additional charges imposed by a travel agency that increase the basis of its price list.

f. resulting from a failure to notify the travel agency, or the party providing transport or accommodation, that it has proved necessary to cancel the trip.

g. resulting from the insured's failure to check in for departure according to the travel itinerary provided to them, where any change to the scheduled time has not been confirmed by the airline or travel agency.

h. resulting from an aircraft or ship being temporarily or otherwise withdrawn from service pursuant to an order of a public authority.

i. due to industrial action that was known, at the time the confirmation fee was paid, to be due to commence before departure.

j. due to the financial difficulties or bankruptcy of a travel agency or other similar party responsible for passenger transport.

k. airport taxes and other charges that may be recovered from the carrier.

l. due to events occurring in boxing, combat sports, wrestling, or self-defence sports where the purpose of the sport is to strike, punch, or kick an opponent, or otherwise engage them physically.

m. due to events occurring in motorsports.

n. due to events occurring in rappelling, rock climbing, mountaineering, and ice climbing.

o. due to events occurring in mountain climbing of any kind where the mountain's height exceeds 4,000 metres above sea level.

p. due to events occurring in scuba diving and free diving (without oxygen) at depths greater than 10 metres.

q. due to events occurring in bungee jumping, parachuting, BASE jumping, and other similar activities.

r. due to events occurring in hot air ballooning, paragliding, kite flying, gliding, microlight flying, and other similar activities.

s. due to events occurring in other extreme sports comparable and similar in nature to those mentioned above.

t. due to events occurring directly or indirectly as a result of terrorism, or due to any biological or chemical effects and/or poisoning, including from pathogens and viruses, or where the consequences of an accident are aggravated by the foregoing factors.

u. due to events occurring during flight, unless the insured is a passenger on a scheduled or charter flight operated by a party holding the requisite authorisation from the relevant aviation authorities.

v. due to events occurring as a result of sunbed use, medical treatment, surgery, or the use of medication, unless prescribed by a physician in connection with a compensable accident and performed at an approved healthcare institution.

w. due to events occurring as a result of the use of medication with a sedative effect.

x. due to events occurring as a result of the consumption of alcohol, narcotics, or other intoxicating substances.

y. due to events suffered by the insured in a physical altercation or while participating in a criminal act.

z. due to toxic gases, unless this occurred suddenly and against the will of the insured.

aa. caused by vehicles capable of exceeding 25 km/h on electric or motor power. Accidents caused by the use of electric bicycles and other small vehicles, and Class 1 light motorcycles/mopeds as defined in the Traffic Act No. 77/2019, are, however, compensable.

Art. 3 Determination of Compensation

The insured shall submit the documentation necessary to support their claim for compensation, such as a medical certificate, travel invoice, and receipt for payment of the travel costs.

The insured shall not profit from an insured event. The insurance shall compensate only the insured's actual loss.

Art. 4 Sum Insured and Deductible

The deductible and the maximum compensation for each insured person, per insured event, are specified in the insurance policy.

Art. 5 Commencement

The insurance is valid for the period specified in the insurance policy. This is a short-term insurance policy and does not renew unless otherwise agreed.

Art. 6 Who is insured or co-insured?

The insured is the person specified in the policy.

These Terms are effective from 1 December 2025.

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