



# Home Protection 4

Terms E-34

Home Protection 4 provides comprehensive insurance coverage for the home and family.

The insurance policy includes certain basic insurance, including home contents insurance and leisure time accident insurance, and optional travel insurance is also available.

The insurance policy comprises the certificate of insurance, clauses and special terms, these terms, the Company's general terms AS-1 and the provisions of the Insurance Contracts Act No. 30/2004, hereafter the Insurance Contracts Act. The provisions of these terms take precedence over the general terms in the event of any discrepancy.

When you pay an insurance premium on this policy, you also pay a natural disaster insurance premium. Therefore the property covered by fire insurance is automatically insured against natural disasters such as earthquakes, avalanches, volcanic eruptions and other comparable events as is further provided for in the Natural Catastrophe Insurance of Iceland Act No. 55/1992.

*This document is a translation of the official Icelandic text. In the event of any discrepancy between the translation and the original Icelandic version, the Icelandic version shall take precedence*

## Definitions

**The company:** Vörður tryggingar hf.

**Policyholder:** The person taking out insurance under their own name and the person paying for the insurance.

**The insured:** The policyholder, their spouse or co-habitant and their unmarried children, provided that these people share the same legal residence in Iceland, live in the same place and belong to the same household. The spouse of the policyholder is also insured even if they have a different legal residence. The children of the policyholder and children of the spouse or co-habitant under the age of 18 are insured even if they have a legal residence in Iceland in a different location from the policyholder. Persons registered on the certificate of insurance at the request of the policyholder are insured provided those persons have the same legal residence as the policyholder, share a household and live in the same place

**Home:** The place indicated on the certificate of insurance as the insurance location and which is also the legal residence of the policyholder and household members.

**Proportionality rule:** The proportionality rule is used to calculate total medical disability. The proportionality rule shall be applied if the injured party has sustained physical loss or damage in a previous accident or has previously undergone a medical disability assessment (table on degree of injury). The same applies if the injured party suffers multiple injuries in the same accident. The rule assumes that it is not possible to have more than 100% permanent medical disability. When applying the proportionality rule, it is assessed how the different symptoms of the injured party combine and cause permanent disability.

**Home contents:** Movable property and personal items which form part of a normal household but are not considered part of the real property or its property accessories. Home contents are considered anything that the insured would generally take with them when moving house. Animals, trailer tents, caravans, boats, cars and other motor vehicles are not considered household contents, nor are products intended for sale and/or processing.

**Accident:** The word "accident" refers to a sudden external event which causes physical injury to the insured and happens without their intent. Injury to the limbs and teeth denotes a sudden event which causes physical injury to the insured and happens without their intent. Benefits in the event of accidental death are paid if it is demonstrated that the accident is the direct and sole cause of the death of the insured.

**Permanent medical disability:** Benefits in respect of medical disability are calculated according to a medical assessment of the level of physical or mental damage thought to have been caused by the accident. Damage shall be assessed using a table on degree of injury. The nature and the consequences of the damage from a medical point of view should be taken into account when determining the amount of benefits in respect of medical disability. Permanent medical disability shall be assessed to determine the level of disability and shall be deemed to be the level of health of the injured party when stable and when a doctor deems that no further improvement can be expected. Permanent medical disability is assessed without regard to the cause of physical damage in each case and does not take into consideration the education, employment or interests of the person suffering physical injury.

**Insurance amount:** The amount specified on the insurance certificate as the maximum benefits for each insurance item.

**Disability committee:** The disability committee has three members who are appointed on the basis of Article 10 of the Tort Act. The disability committee draws up the table on different levels of disability. The table indicates the level of impairment to the physical, and as applicable, mental abilities of the persons suffering injury.

## Contents:

1. Home contents insurance
2. Comprehensive home contents insurance
3. Personal liability insurance
4. Leisure time accident insurance
5. Childcare insurance
6. Hospitalization insurance
7. Legal assistance insurance
8. Trauma insurance
9. Domestic violence emergency assistance
10. Cancellation insurance (optional)
11. Overseas medical insurance and travel disruption insurance (optional)
12. Overseas luggage insurance (optional)
13. Luggage delay insurance (optional)

## 1. Section. Home contents insurance

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### 1. Art. Fire insurance

#### What is covered?

The insurance policy covers loss or damage to insured property caused by:

- fire.** Scorching or melting in the absence of open flames is not considered a fire as defined in this article.
- lightning.** Lightning refers to heat or the action of electricity from the conduction of a lightning bolt to the ground. The insurance policy covers loss or damage caused by lightning even though there are no open flames.
- explosions.** This refers to a sudden chemical reaction which produces enormous heat and violent expansion of material.
- short-circuit in electronic devices.**
- Soot from approved heaters or fireplaces.** When loss or damage occurs under sudden and unforeseen circumstances.
- firefighting or rescue actions.** The company pays reasonable costs incurred during the rescue, removal and storage of insured home contents when the aim of the actions is to avoid or limit loss or damage covered by the insurance policy. The same applies to home contents lost during firefighting or rescue actions.
- air crashes.** This refers to loss or damage caused by an aircraft or parts of an aircraft falling to the ground. The insurance policy covers loss or damage even in the absence of open flames.

#### What is not covered?

The insurance policy does not cover loss or damage:

- Loss or damage due to scorching or melting, which is not considered to be a fire, such as when things are scorched by an iron, the embers of cigarettes, fireplaces or similar, or loss or damage to property which is put at risk of loss or damage from fire or heat on purpose.
- Loss or damage caused by working with explosives during construction projects.
- Loss or damage caused by short-circuiting of equipment more than 10 years old.
- Loss or damage which is covered by the seller's warranty.
- Loss or damage attributable to a breakdown at an electricity company and which causes a change in voltage.
- Loss or damage caused by soot accumulating by using a heater.

### 2. Art. Water loss or damage insurance

#### What is covered?

The insurance policy covers loss or damage caused by:

- water, oil and steam suddenly and unexpectedly flowing from the plumbing system of the building and originating from within the walls of the building.
- water suddenly and unexpectedly flowing from water beds or fish tanks due to malfunctions.
- water flowing from sanitary fixtures by accident or due to malfunctions of such fixtures or due to leaks from freezers and refrigerators.
- surface water from a sudden downpour or rapid thawing causing drainage pipes to overflow. The insurance policy only covers loss or damage pursuant to this article which is caused by water penetrating the seal around doors or windows on the ground floor or the basement of the property.

- To qualify as a downpour, precipitation must measure more than 15 mm in three hours or more than 80 mm over a 24-hour period.
- A thaw is when snow or ice melts due to warm weather where the temperature in lowland areas reaches at least 5°C for 36-48 hours, accompanied by heavy precipitation and strong winds of at least 10 m/sec.

#### **What is not covered?**

The insurance policy does not cover loss or damage:

- caused by water unexpectedly or suddenly flowing out of drains or gutters.
- caused by external water, such as groundwater, precipitation, floods or water from gutters or their drainage pipes.
- water which is forced up through sewage or drainage pipes or if sewage pipes are suddenly unable to transport all the water passing through, with the exception if the pipe is blocked or cracked within the building.
- external water from roofs, gutters, balconies or due to tides, floods or groundwater.

#### **Precautionary rules**

- Water inflow must be closed off in unheated buildings and water pipes together with attached fixtures emptied of water when there is a risk of freezing temperatures.
- The insured is obliged, insofar as it is within the insured's power, to ensure that drains are in good order by clearing away mud or ice.

### **3. Art. Insurance against break-ins**

#### **What is covered?**

The insurance covers loss or damage due to:

- break-ins into a locked apartment, vehicle, private boat, private aircraft.
- break-ins into a holiday home, caravan and fishing lodge when occupied.
- loss or damage to the apartment caused by the break-in, excepting broken windows, up to 5% of the insurance amount of the home contents.
- the maximum benefits for each break-in claim into a vehicle, private boat, private aircraft, garage and storage facility outside the residential housing is 5% of the insurance amount of the home contents.

#### **Precautionary rules**

- The residential housing, vehicle and other such locations covered by this insurance policy must be securely locked when left unoccupied or when household members are asleep.
- the insured must close and latch all windows, and the premises must in other respects be left in such a state as to prevent unauthorized persons from having access to valuables.

The company's obligation to pay is subject to the submission of a police report as proof of loss or damage and that the scene shows clear and indisputable signs of having been broken into.

### **4. Art. Insurance against theft and robbery**

#### **What is covered?**

The insurance covers loss or damage due to:

- theft from an unlocked apartment, with the exception of money, securities, jewellery and manuscripts. Benefits are limited to 5% of the insurance amount.
- theft from a primary school [Icelandic: grunnskóli], with the exception of money and jewellery. Benefits are limited to 5% of the insurance amount. This provision applies solely to the theft of property owned by the primary school student and also applies to school visits to sports halls, recreation centres and swimming pools when pupils are in the care of teachers.
- theft of a bicycle, electric bicycle, class I moped as defined in Icelandic Traffic Act, pram and pushchair. Maximum benefits are 5% of the insurance amount.
- robbery, i.e. the taking of insured property through physical violence or threat of violence.

The company's obligation to pay is subject to the submission of a police report as proof of loss or damage and that the scene shows clear and indisputable signs of having been broken into.

#### **What is not covered?**

The insurance does not cover loss or damage due to:

- theft from cars, caravans or holiday homes which have been unoccupied for 6 months.
- theft from housing or vehicles which the insured has leased or lent to other people.
- theft from tents or trailer tents.

#### **Precautionary rules**

- Residential housing, vehicles, garages and other storage facilities and habitations should be locked and the windows closed and latched.

- b. Do not leave residential housing unlocked when unoccupied or when household members are asleep.
- c. Do not leave anything other than clothes in cloakrooms or unlocked lockers in primary schools, sports centres, swimming pools and recreation centres.
- d. Bicycles and class I mopeds must be locked up when not in locked buildings and the keys must be kept in a safe place.
- e. Normal precautions should be taken when storing prams and pushchairs.

**5. Art. Insurance against breakage or collapse**

**What is covered?**

The insurance policy covers loss or damage due to the breakage or collapse of home contents in the home of the insured due to incidental malfunctions.

**What is not covered?**

**The insurance policy does not cover loss or damage:**

- a. to tools, smart devices, hearing aids, dentures, spectacles and watches due to breakage or collapse.
- b. caused by liquid spilling after breakage or collapse.
- c. due to human-caused breakage or collapse.

**6. Art. Insurance against damage caused by heavy snow**

**What is covered?**

The insurance policy covers loss or damage caused by sudden heavy snowfall which overburdens the roof or walls of the property so that the home contents are damaged.

**What is not covered?**

The insurance policy does not cover loss or damage:

- a. caused by avalanches
- b. resulting from construction defects.
- c. due to inadequate maintenance.

**7. Art. Insurance against loss or damage caused by wind and storms**

**What is covered?**

The insurance policy covers loss or damage caused by storms (winds of 28.5 m/s or more) and if the loss or damage is caused by wind tearing off a roof, window or other part of the building. In the absence of reliable information about the wind speed at the site of the loss or damage when it occurred, the guideline when determining liability shall be whether general loss or damage to property occurred in the area due to the weather conditions when the claim event took place.

**8. Art. Chilled and frozen goods**

**What is covered?**

The insurance policy covers loss or damage caused by the unforeseen stoppage of the cooling system of refrigerators or freezers if it results in the spoiling of the food contained in them. Maximum benefits are 2% of the insurance amount.

**What is not covered?**

The insurance policy does not cover loss or damage to a refrigerator or freezer due to the unforeseen stoppage of the cooling system of the device, if the device is more than 5 years or old and/or the seller's warranty does not cover the loss or damage.

**Precautionary rules**

The insured should ensure that electronic devices are being used in accordance with the user guide.

**9. Art. Overheating of washing**

**What is covered?**

The insurance policy covers loss or damage due to overheating (boiling) of the washing in a washing machine or dryer if the loss or damage is due to the malfunction of the device. The company's obligation to pay is subject to the insured submitting an invoice for repairs containing a description of the malfunction by the repairman.

**What is not covered?**

The insurance policy does not cover loss or damage to the washing machine or dryer itself.

**Precautionary rule**

The insured should ensure that the washing machine or dryer is being used in accordance with the user guide.

## 10. Art. Vandalism

### What is covered?

The insurance policy covers acts of vandalism, i.e. loss or damage to insured property caused on purpose.

### What is not covered?

The insurance policy does not cover:

- a. vandalism to property stored outside in a place other than the home of the insured.
- b. Vandalism to property caused by the insured themselves or any other person who is authorized to be present at the home of the insured.

The company's obligation to pay is subject to the submission of a police report as proof of loss or damage.

## 11. Art. Traffic accidents

### What is covered?

The insurance policy covers loss or damage due to traffic accidents, i.e. loss or damage to home contents which are in the vehicle involved in the accident and which are covered by other insurance policies.

### What is not covered?

The insurance policy does not cover loss or damage caused when moving house or moving for which a fee has been paid, nor loss or damage which is covered by other insurance policies when moving.

## 12. Art. What is insured?

Home contents insurance covers general home contents owned by the insured located at the property specified in the certificate of insurance.

### General home contents are:

- a. Home contents and personal items which form part of a normal household but are not considered part of its real property or its property accessories. Animals, trailer tents, caravans, boats, motorized leisure equipment, cars and other motor vehicles are not considered to be home contents as defined in these terms.
- b. Spectacles, false teeth and hearing aids owned by the insured.

In addition to the items listed in sub-paragraphs a. and b. of Article 12, the following home contents are insured, subject to the restrictions stated below:

- c. Cash, securities, manuscripts, original drawings, coin and stamp collections are compensated for up to 2% of the value of home contents as stated in the certificate of insurance, provided that these items are at the registered home of the insured when the claim event occurs.
- d. Jewellery and watches are compensated for up to 15% of the value of home contents as stated in the certificate of insurance provided that these items are at the registered home of the insured when the claim event occurs.
- e. Car seats, roof racks, ski racks, bicycle racks and cargo boxes, whether stored in the garage or other storage facility at the home of the insured specified in the certificate of insurance or attached to or inside the private vehicle of the insured.
- f. Tools, spare parts, equipment which the insured owns and uses for their work as a salary earner. Maximum benefits are 5% of the insurance amount of the home contents.
- g. One set of summer or winter tyres for each private vehicle registered to the insured and which are stored in the garage or other storage facility. Maximum benefits are 5% of the insurance amount of the home contents.
- h. Accessories or spare parts belonging to a motor vehicle, caravan, pop-up campers, trailer tent or pleasure boat owned by the insured and which are for private use and stored in a garage or other storage facility. Maximum benefits are 2% of the insurance amount of the home contents.
- i. Rowing boats with or without outboard motors, inflatable boats and other comparable boats less than 5 metres, kayaks, canoes, windsurf boards, jet skis, microlights and hang gliders with or without motors, golf buggies, tractor mowers, skydiving and diving equipment.

## 13. Art. Property located away from the home

- a. The insurance policy covers general home contents located in Iceland but away from the home for up to three months under section 1. General home contents in holiday homes, movable property in horse stables or other comparable valuables which are permanently located elsewhere than the home are not covered by this insurance policy. Benefits pursuant to this article are restricted to 15% of the insurance amount, cf. however section 1. Special insurance can be bought to cover the risks excluded in this article.
- b. The insurance policy also covers the equipment and property listed in Article 12 i. and which are located in Iceland away from the legal residence of the policyholder. Insurance of such property is, however, limited to 20% of the insurance amount when they are located away from the legal residence.

- c. The insurance policy covers home contents pursuant to Article 12 which are moved into storage due to renovations at the home of the insured or moving house for up to 12 months from the start of the storage period.

#### 14. Art. Determining benefits

Benefits are designed, as far as is possible, to ensure that the financial position of the insured is the same as it was before the claim was made.

The company is permitted to compensate loss or damage by making a cash payment, paying for the cost of a satisfactory repair to the damaged item or to provide the insured with an undamaged item of property which corresponds to the one damaged. In the case of monetary payment, the benefit amount is the maximum of the amount paid by the company for the repair or replacement of the insured property.

Benefits are paid on the basis of the price of the new items minus depreciation due to age and usage.

The company may use the table below to determine benefits for the following items.

Depreciation can never exceed 70% of the figures in the table.

Category	Years without depreciation	Depreciation
Adult clothing	1 year	20%
Children's clothing	1 year	30%
Furniture	1 year	10%
Electrical appliances	1 year	10%
Bicycles, electric bicycles and mopeds	1 year	15%
Carpets and other loose floor coverings	1 year	20%
Skiing, golf and outdoor equipment	1 year	10%
Cameras and accessories	1 year	15%
Spectacles	1 year	10%
Hearing aids	1 year	20%

The following items will be depreciated in full in three years. Devices only begin to be depreciated 12 months from the date of purchase and then subsequently every six months.

Category	Depreciates over	Depreciation
Smart phones and mobile phones plus accessories	Every 6 months	20%

Category	Years w/o depreciation	Depreciation
Tablets and handheld devices plus accessories	1 year	20%
Desktops, laptops plus accessories	1 year	20%
Smart watches, smart devices plus accessories	1 year	20%

The following items will be depreciated in full in five years.

- a. Computer data and software are not compensated.
- b. Sentimental value is not compensated.
- c. Lost and stolen property which is recovered after benefits have been paid is the property of the company and should be returned to the company. The insured can however keep the property if they so choose by repaying the benefits. The company can ask the insured to show it the damaged property which it has compensated in full.

#### 15. Art. Extra costs due to having to move house

The insurance policy covers loss or damage to insured property which may occur due to action taken which is necessary to prevent an imminent insurance event. If it proves necessary for the insured to move out of their home due to an insurance event there, unavoidable extra costs are paid for, including rent in comparable accommodation, although never more than 1% of the insurance amount per month. Benefits are not paid for more than six months.

#### 16. Art. Scope of insurance

Home contents insurance is only valid in Iceland. When the policyholder is moving house, the policy is valid for 30 days both at the old and new homes of the policyholder.

## 2. Section. Comprehensive home contents insurance

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#### 17. Art. What is covered?

The insurance policy covers loss or damage attributable to sudden and unforeseen external events during the insurance period which are not covered pursuant to Section 1 on home contents insurance or the provisions of Section 12 on luggage insurance abroad, even if full benefits are not paid for the loss or damage in question.

#### 18. Art. What is not covered?

The insurance policy does not cover loss or damage:

- a. Due to theft.
- b. Caused by rapid changes in heat and/or humidity.
- c. Attributable to normal wear and tear, inadequate maintenance and loss or damage which only affects the appearance but does not reduce the utility value of the insured property.
- d. Attributable to animals.
- e. Attributable to defects, incorrect assembly and internal malfunctions, such as mechanical malfunctions.
- f. Due to lost or damaged data and/or software.
- g. To cash, securities, manuscripts, coins, stamp collections and sentimental value.
- h. Attributable to mould or fungal growth.
- i. Attributable to insured property being mislaid, forgotten, lost or left in a public place.
- j. Attributable to any kind of vermin.

#### 19. Art. Precautionary rules

- a. The home, vehicles and other locations where valuables are stored must be securely locked when left unoccupied or when household members are asleep. Windows must also be closed and latched, and the premises in other respects left in such a state as to prevent unauthorized persons from having access to valuables.
- b. The insured shall not leave insured property unattended in public and shall ensure that they take the insured property with them when leaving the public place.
- c. Follow the manufacturer's guidelines on handling, assembling, using and maintaining insured property.

#### 20. Art. What is covered?

The insurance policy covers general household contents and personal items which form part of a normal household. The insurance policy also covers household contents under paragraphs d, e and i article 12 of Section 1 of the Terms.

#### 21. Art. Scope of insurance

The insurance policy is valid in Iceland and while travelling abroad for 92 consecutive days from the date of departure from Iceland and back again, but only if the insured also has luggage insurance from the company as part of this insurance policy.

#### 22. Art. Other provisions

This insurance policy is in other respects governed by the terms of the home contents insurance policy as applicable.

## 3. Section. Personal liability insurance

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The purpose of the liability insurance is to pay the injured party damages in the event that the insured has become liable, and the injured party does not share culpability or share liability. In addition, the purpose is to pay the costs of the insured in the event a claim for damages has been filed against them. Since tort liability is frequently a complex legal issue, the insured has a duty to consult the company with respect to their legal position if they are presented with a claim for tort damages regarding injury for which they are believed to be culpable. An admission of tort liability by the insured is only

binding upon the insured, not upon the company. The insured, therefore, may, by such acceptance, incur a risk of personally having to pay compensation for loss or damage that the liability insurance policy does not cover.

### **23. Art. What is covered?**

The insurance policy covers:

- a.** those liabilities that fall on any of the insured according to Icelandic law as an individual, provided that such liability is the direct result of the injury or death of persons or loss or damage to property (including buildings and animals) and that it is no broader than usual extra-contract liability. Loss or damage insofar as the injured party (third party) is not responsible for the loss or damage due to shared responsibility or shared liability.
- b.** Loss or damage caused by a child younger than the age of 10, irrespective of liability according to law, to the extent that the injured party (third party) does not have to carry their own loss or damage on account of shared culpability or shared liability. Such extensive liability does not apply when a child younger than 10 years is party to a traffic accident and the loss or damage is to a registered motor vehicle being used.
- c.** irrespective of liability according to law, loss or damage which the insured causes to home contents as visitors to other homes, up to the insurance amount specified on the certificate of insurance. If the person suffering loss or damage shares culpability or liability, the right to compensation is restricted accordingly.
- d.** Loss or damage which one of the insured causes and is liable for, as a user of a moped in class I, bicycle or light vehicle as defined in the Traffic Act. In the case of loss or damage caused by motor vehicles it is a condition for the payment of benefits pursuant to this provision that it is a vehicle which cannot exceed 25 km/h by electric or mechanical power.
- e.** The cost of defending a legal case which the company has agreed should take place.

In the event that loss or damage pursuant to Articles 23 b and c. is covered by another insurance policy, no entitlement to benefits is established, cf. Article 19 of the Act on Tort Law No. 50/1993.

### **24. Art. What is not covered?**

The insurance policy does not cover:

- a.** Loss or damage which insured parties cause to each other.
- b.** Loss or damage caused by the work of the insured, irrespective of whether it involves their own business activities or work in the service of others.
- c.** Loss or damage to property which the insured has use of, is storing or for other reasons has in their possession.
- d.** Loss or damage to property which the insured has taken possession of illegally.
- e.** Loss or damage due to a claim for damages made against the insured as owners or users of:
  - Real estate, aircraft, including drones of any kind unless otherwise agreed, pleasure boats or any kind of motor vehicles or machinery, but see Article 23 d.
  - Horses, dogs, other domestic animals or pets.
- f.** Claim for damages relating to a loss or damage to property if it is caused by fire, water from firefighting, smoke, soot or an explosion.
- g.** Fines, legal costs and other expenses in connection with a criminal case.
- h.** Refund claims from Tryggingastofnun ríkisins (Social Insurance Administration), Sjúkratryggingar Íslands (Icelandic Health Insurance) or other comparable public bodies.
- i.** Loss or damage that can be attributed to air pollution, ground pollution, pollution of vegetation, sea water, or water. The company will, however, compensate such loss or damage if it can be attributed to a single determinable, unexpected event.
- j.** Loss or damage caused by firearms.
- k.** Loss or damage from legal agreements, i.e. loss or damage which the insured is responsible for due to the non-fulfilment of an agreement.
- l.** Loss or damage from fighting or the insured's participation in criminal activities.
- m.** Loss or damage from prolonged dampness, leakage, mould or fungal growth.

### **25. Art. Precautionary rule**

The insured is not permitted to tamper with or alter any kind of vehicle such as electric bicycles, light vehicles or mopeds in class I so that the vehicle is able to exceed 25 km/h on its own electric or mechanical power.

### **26. Art. Scope of insurance**

The insurance policy is valid in Iceland and on trips abroad for up to 92 days from the date of departure from Iceland.

### **27. Art. Insurance amount**

The maximum insurance amount for each claim event is the maximum of the principal claim that the company guarantees. In the event of more than one claim event resulting from the same cause, these will be considered to have been caused by a single claim event.

The company pays interest on the benefit amount and costs that are incurred with the approval of the company in order to determine the insured's liability even when the payment made by the company would then exceed the insurance amount. If the insurance amount is lower than the principal of the benefit amount, the company only pays for the part of the cost and interest that corresponds to the insurance amount.

#### **28. Art. Insurance period**

Liability insurance applies to events that occur during the effective term of the insurance policy even if the consequences are not discovered until later. The insurance policy does not, however, cover events that occurred before the policy was purchased.

#### **29. Art. Handling of claims for damages**

In the event of a claim for damages against the insured, the company represents the insured as regards such claim and may employ any measures to handle the claim, such as recognizing liability, presenting a defence against the claim or reaching an agreement on the claim, given that these measures are at the expense of the company, as are any associated legal costs.

The company is not bound by the insured having paid or recognized any claim for damages unless it is established that the insured only did what they were under obligation to do by law when they paid the claim or recognized the legitimacy of the claim.

## **4. Section. Leisure time accident insurance**

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#### **30. Art. What is covered?**

The company pays benefits in respect of any accident suffered by the insured as stated in these terms.

The insurance policy is valid in leisure time, while doing domestic tasks, during periods of study and the company pays benefits if the accident suffered by the insured results in:

- Domestic medical costs
- Permanent medical disability
- Temporary inability to work
- Broken teeth
- Death

#### **31. Art. Domestic medical costs**

- a. The company pays domestic medical costs incurred by a coverable accident subject to the providing of receipts. The maximum benefit amount for each individual claim is specified on the certificate of insurance.
- b. The company does not cover medical costs which the insured can get reimbursed from Sjúkratryggingar Íslands (Icelandic Health Insurance).

#### **32. Art. Benefits in respect of permanent medical disability**

- a. If an accident causes the insured permanent physical injury within three years of the accident, disability benefits are paid on the basis of the basic insurance amount applicable on the day of the accident.
- b. Disability is assessed as a percentage according to the disability table valid at the time the disability assessment takes place. If the injury of the insured is not specified in the disability tables of the Disability Committee, it shall be assessed specifically with respect to the tables. Disability can never be more than 100%.
- c. If the accident results in permanent medical disability, the company and the insured shall agree on a competent doctor to perform an assessment of the consequences of the accident.
- d. No benefits are paid for accidents which only cause disfigurement.
- e. The level of physical disability is assessed without regard to the injured party's employment, special abilities or social standing.
- f. The loss or deformity of a limb or organ which was not functional before the accident does not provide entitlement to disability benefits. With respect to the loss or deformity of a limb or organ which was deformed before the accident, the disability shall be assessed taking into account the deformity before the accident. If the loss of limbs or organs is not total, the disability will be compensated proportionally.
- g. The disability shall be assessed one year after the accident at the earliest, taking into account the condition of the injured party at the time, or when a doctor has concluded that the permanent results of the accident have materialized, but never more than three years after the accident. If the injured party or the company is of the opinion that the disability may change, either party may request that the final disability assessment be postponed, but not for longer than three years

from the date of the accident. Each party can request a new disability assessment one year after the earlier assessment took place. The injured party is then under obligation to have a doctor appointed by the company examine them. If the injured party tries to avoid this duty, the company may cease payments to them until the examination has been performed.

- h.** The company reserves the right to apply the proportionality rule when assessing permanent medical disability.
- i.** Although the condition of the injured party may change, a disability assessment must be carried out, without exception, three years after the accident at the latest. In this case, the disability shall be determined as it what can be assumed to be the final level of disability. If there is a likelihood that the condition of the injured party may be improved through medical treatment or therapy, and they are reluctant without valid reason to undergo such treatment, it is nevertheless mandatory, when determining the degree of disability, to take into account the possible improvement that such treatment could involve.
- j.** Benefits in respect of permanent disability are paid in proportion to the basic amount of disability benefits in effect on the date of the accident and which is stated in the certificate of insurance policy, such that each degree of disability from 26–50% carries double weight, each degree of disability from 51–75% carries four-fold weight and each degree from 76–100% carries six-fold weight. Benefits in respect of disability assessed to be 100%, therefore, will be 325% of the basic amount of disability pension stated in the certificate of insurance.

### **33. Art. Benefits in respect of temporary inability to work**

- a.** If an accident causes temporary inability to work, the company will make per diem payments in accordance with the valid amount on the day of the accident. Per diem payments are paid in proportion to the inability to work from the end of the waiting period and as long as the insured is unable to work in the opinion of a doctor, but for no longer than 48 weeks and not for periods later than three years after the accident.
- b.** Waiting period refers to the period according to the certificate of insurance which must elapse before per diem payments can commence. No per diem payments are made in this period.
- c.** If the injured party's inability to work is to some extent attributable to causes other than the accident, the per diem payment shall decrease in direct proportion to the part that these causes affect the inability to work.
- d.** The company will not compensate temporary inability to work which is less than 50% of normal work capacity. The company assesses the inability to work and how long it will last on the basis of medical certificates and other available documentation.
- e.** The company does not pay benefits in respect of temporary inability to work if it is caused by a registered motor vehicle.
- f.** The company does not pay benefits in respect of temporary inability to work once this state has become permanent according to medical certificates or a disability assessment.

### **34. Art. Benefits paid in respect of broken teeth**

- a.** The company pays for repairs to healthy and well-maintained teeth which are damaged or break in an accident. Payments made by the company are limited to 7.5% of the basic amount of disability benefits for each accident and the combined payments for accidents in one insurance years are limited to 11.5% of the same amount.
- b.** However, the company does not compensate teeth broken in a work-related accident, cf. Health Insurance Act No. 112/2008 or teeth broken while the injured party is eating. The insurance policy only covers damage to teeth which is not covered by others, e.g. Icelandic Health Insurance [Sjúkratryggingar Íslands] or mandatory car insurance.
- c.** The insurance policy only covers damage to teeth which is not covered by others, e.g. Social Insurance Administration [Tryggingastofnun ríkisins], cf. Health Insurance Act No. 112/2008 and Regulation No. 451/2013 on the participation of health insurance in the cost of health insured dentistry.

### **35. Art. Death benefits**

- a.** If the insured dies as a result of the accident within a year of the accident, the insurance amount valid on the date of the accident is paid out, minus benefits in respect of permanent disability which the company may have paid out for the same accident.
- b.** Death benefits are therefore only paid if the accident is the direct and sole cause of the death of the insured. The beneficiary of death benefits is the spouse, whether through marriage or registered co-habitation.
- c.** If the insured is a child, death benefits are paid to its parents or to the parent who is considered the insured in this insurance policy, if both parties are not covered. If none of the above is applicable, the company pays death benefits to the beneficiary in accordance with the Inheritance Act No. 8/1962 or a will.
- d.** If the insured has no dependents, 25% of the insurance amount is paid. A dependent is a child or an adult individual verifiably in the care of the insured.
- e.** If the insured dies of accidental causes, the company is entitled to ask that an autopsy be performed in order to determine the cause of death and other factors which may affect the company's liability.

### **36. Art. General sporting activities**

The insurance policy covers accidents occurring during general sporting activities. The insurance policy also covers injuries occurring while playing or competing in golf, cycling, cross-country or road running where the general public is able to participate without meeting any conditions on minimum skills or ability, since it involves amateur competition.

However, the insurance policy does not cover accidents occurring during competitions or practice sessions for competitions in sports organized by district associations or special associations, by clubs within the ÍSí [The National Olympic and Sports Association of Iceland] or registered clubs with ID numbers whose main purpose is to participate in sports. However, these exemptions do not apply to children under the age of 18.

### 37. Art. What is not covered?

The insurance policy does not cover accidents occurring due to:

- a. boxing, combat sports, wrestling or self-defence sports where the aim of the sport is to hit, punch or kick the opponent or combat them in any other way. However, these exemptions do not apply to children under the age of 18.
- b. motor sport events.
- c. abseiling, rock climbing, mountaineering and ice climbing.
- d. hiking of any kind at altitudes of more than 4000 metres above sea level.
- e. diving with an oxygen tank and free diving (without oxygen) at a depth of more than 10 metres.
- f. bungee jumping, skydiving, BASE jumping or other similar activities.
- g. hot-air ballooning and glider, kite, hang-gliding, ultra-light aircraft flights or similar activities.
- h. other extreme sports which are similar in essence to those listed above.
- i. as a direct or indirect consequences of terrorism, due to any kind of biological or chemical impacts and/or poisoning, including due to germs and viruses, or when the consequences of the accident are amplified due to the above.
- j. a flight, unless the insured is a passenger on a scheduled or charter flight organized by a party with the required permits from the relevant aviation authorities.
- k. the use of solarium, medical treatment, surgery or the use of medication, except in accordance with medical advice in respect of a coverable accident and carried out at a recognized healthcare facility.
- l. the use of medication which induces drowsiness.
- m. food or alcohol poisoning.
- n. due to the use of alcohol, drugs or other stimulants.
- o. the insured suffers during a fight or while engaging in other criminal activities.
- p. infection from an insect bite or sting.
- q. toxic gases unless it occurred suddenly and not intentionally by the insured.
- r. a registered motor vehicle.
- s. a vehicle which can travel faster than 25 km/h by electric or mechanical power. However, accidents caused by the use of an electric bicycle and other light vehicle and class I moped as defined in the Traffic Act No. 77/2019 are coverable.
- t. accidents suffered by the injured in their line of work, either paid employment or remunerative work for themselves or for others where there is a risk of work-related accidents. Accidents which occur while traveling directly to and from work are considered accidents at work and are therefore not covered by this section.

### 38. Art. Other limitations on the payment of benefits

The company does not pay benefits, even if an accident is considered the proven cause, for the following diseases or pathological conditions: Slipped discs, lower back pain, rheumatoid arthritis, degenerative joint disease or any other form of arthritis. No benefits are paid if a disease, debility or medical condition of the insured are contributing causes to the death. This applies regardless of whether this was a pre-existing condition when the accident happened or whether it occurred later, without however it being just a consequence of the accident covered by the insurance policy.

### 39. Art. Age limits

If the insured is 70 years old or more when injured, disability benefits or death benefits are calculated as the following percentages of the insurance amount specified on the certificate of insurance:

Age	Percentage
70 years	80%
71 years	60%
72 years	50%
73 years	40%
74 years	35%
75 years	30%
76 years	25%
77 years and older	20%

Children under the age of 18 are not insured against the temporary inability to work and do not get death benefits of more than 25% of the death benefits under the non-life insurance policy.

If the insured is between the ages of 67 to 70 when the injury occurs, the maximum benefits for temporary inability to work will be 50% of the basic amount of weekly benefits.

If the insured is 71 or older when the injury occurs, they are not insured against temporary inability to work.

**40. Art. Measures in the event of an accident**

When an accident occurs, the company is permitted to obtain information on the previous state of health of the insured. The company pays the cost of necessary medical certificates relating to a claim when obtained at the request of the company. Necessary medical certificates include injury certificates, certificate of inability to work and the final certificate of the doctor treating the patient. The company's approval is required to obtain other certificates.

**41. Art. Scope of insurance**

The insurance policy is valid:

- a. Throughout the world.
- b. For students abroad for 9 months after their departure from Iceland.

**42. Art. Price indexation of benefits**

Benefits are calculated on the basis of the insurance amounts on the date of the accident but are adjusted in line with the consumer price index on the basis of price levels at the beginning of the following month, as follows:

- a. Death benefits change in proportion to changes in the index from the date of the accident to the date of death
- b. Disability benefits change in proportion to changes in the index from the date of the accident to the date of settlement. However, the duration of the indexation of disability benefits is never longer than three years from the date of the accident.
- c. Per diem payments change every day in proportion to the changes to the index from the date of the accident.

## 5. Section. Childcare insurance

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**43. Art. What is covered?**

The company pays benefits for:

- a. Stays in hospital when a insured child younger than 18 needs to stay, on doctor's orders, longer than 5 consecutive days due to illness or accident. Benefits are paid to one guardian of the child, if the child's condition requires the care and/or presence of the insured.
- b. the cost of necessary medical certificates relating to a claim when obtained at the request of the company.
- c. maximum of 180 days for the same illness or accident. Illnesses which are medically linked are considered to the same case of illness.
- d. if benefits have been paid according to paragraph a. and the child goes into hospital again within 12 months of the end of the previous stay in hospital due to the same illness or accident, one of the child's guardians is entitled to receive benefits from the date of entry into hospital, if the 10 benefit days have not already been fully utilized.

**44. Art. What is not covered?**

The insurance policy does not cover:

- a. congenital illnesses or illnesses diagnosed within 90 days of birth.
- b. symptoms that subsequently lead to a diagnosis that the illness was present at the birth of the child.
- c. pre-existing illnesses or accidents that occurred before the insurance policy was taken out.
- d. stays in hospital after the insurance policy has expired.

**45. Art. Determining benefits**

When a claim for benefits is made, a medical certificate stating when the illness was first diagnosed, or when and how an accident occurred, must be submitted. In addition, written confirmation from the hospital stating the length and reason for the child's stay in hospital must be submitted.

## 6. Section. Hospitalization insurance

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### 46. Art. What is covered?

The company pays benefits:

- a. When the insured needs to stay in hospital, on doctor's orders, longer than 5 consecutive days due to disease, illness or accident, in accordance with the provisions of the terms.
- b. For each day in excess of five days which the insured needs to stay consecutively in hospital due to disease, illness or accident.
- c. For the cost of necessary medical certificates relating to a claim when obtained at the request of the company.
- d. For a stay in hospital for breast reconstruction surgery performed after a mastectomy due to cancer. Modifications of breast implants already in place are not covered by the insurance policy.
- e. A maximum of 180 days for the same disease, illness or accident. Illnesses which are medically linked are considered to be the same case of illness.

### 47. Art. What is not covered?

The insurance does not cover stays in hospital due to:

- a. Diseases/illnesses which had shown symptoms before the insurance policy was taken out or before the insured got insurance coverage under the insurance policy.
- b. symptoms that subsequently lead to a diagnosis that the disease was present at the birth of the child.
- c. An accident that occurred before the insurance policy was taken out or before the insured got insurance coverage under the insurance policy.
- d. Hospital admissions which begin within 90 days of the insurance policy being taken out or insured getting insurance coverage under the insurance policy, unless the admission is due to an accident which does not come under paragraph c.
- e. Treatment which involves haemodialysis or related treatment.
- f. Any type of epileptic episode.
- g. Any form of anxiety, mental illness, senile dementia, Alzheimer's, treatment in a psychiatric ward or psychiatric nursing homes.
- h. Pregnancy, foetal loss (except as a result of an accident), or childbirth and/or treatment related to pre-natal and post-natal birthing assistance.
- i. Abortion, sterility, sterility operations as well as fertility treatment and contraception.
- j. Admission to hospital that is not considered medically necessary or admission to naturopathic centres, sanatoriums, rehabilitation centres, nursing homes and comparable institutions.
- k. Admission for the sole purpose of diagnosis, x-ray or general medical examination.
- l. Admission to hospital for preventative purposes and or for bathing and/or rest care, as well as admission due to obesity, weight loss, weight adjustment, overeating or anorexia.
- m. consumption of medication, alcohol or other addictive drugs or for diseases or accidents that directly or indirectly can be traced to the consumption of medication, alcohol or other addictive drugs.
- n. Participation by the insured in any of the following risk-related pursuits: Mountaineering, rock climbing, abseiling, hang-gliding, gliding, skydiving, bungee jumping, speed sports, motor sports, diving, boxing and any form of wrestling and combat sports.
- o. Air crash unless the insured is a passenger on a scheduled or charter flight organized by a party with the required permits from the relevant aviation authorities.
- p. Participation by the insured in a fight or other criminal offence.
- q. Birth defects, whether physical or mental or for congenital illnesses.
- r. Cosmetic or plastic surgery, unless it concerns plastic surgery for an accident occurring during the insurance period. The treatment must take place within 6 months of the accident and with the prior written approval of the company unless the main purpose of the treatment is to rehabilitate the part of the body that suffered damage and that such physical condition is not in other respects exempted in the terms and conditions (such as pre-existing disease, congenital condition, etc.).
- s. Sexually transmitted diseases, HIV infection and all infectious diseases requiring isolation or quarantine by law.
- t. Admissions, which are directly or indirectly resulting from or linked to:
  - Infection, involving for example antibodies against HIV or AIDS or which is the result of such infection or other diseases, drugs or syndromes that cause immune suppression.
  - Disease or illness which directly or indirectly can be traced to such infection, disease or syndrome.
- u. Dental surgery or dental treatments, including oral cavity surgery and tooth extraction.
- v. Admissions due to the insured's intentional self-inflicted injury. The same applies to admissions due to physical injury that is the result of attempted suicide by the insured.
- w. Stays in hospital after the insurance policy has expired.

- x. Events covered by Article 37, Section 4 on leisure time accident insurance with the exception of paragraphs a-j.

**48. Art. Scope of insurance**

The insurance policy is valid in Iceland and on trips abroad for up to 92 days from the date of departure from Iceland.

**49. Art. Determining benefits**

When an insurance claim is made, a medical certificate stating when a disease was first diagnosed, when an illness commenced or when and how an accident occurred, must be submitted. In addition, written confirmation from the hospital stating the length and reason for the stay in hospital must be submitted. Benefits will be paid out in a lump sum at the end of the stay in hospital.

**50. Art. Age limits**

The insurance policy is valid for persons aged 18 and over and until the insured reaches the age of 60.

## 7. Section. Legal assistance insurance

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The purpose of the legal assistance insurance is to pay legal costs incurred in civil proceedings. A pre-condition of insurance coverage is that the insured seeks legal assistance. The attorney shall inform the company when accepting the case and before further steps are taken. The attorney may, however, proceed in matters of urgency. The company is under obligation, on the basis of available information, to announce whether the case as such is covered or not.

**51. Art. What is covered?**

The insurance policy pays:

- a. in respect of any each case of loss or damage, the necessary and reasonable legal fees and legal costs that the insured cannot reclaim from the opposing party or from the state. This means therefore that the company does not pay benefits if the insured relinquishes the opportunity to collect benefits from the counterparty with or without legal action.
- b. Attorney's fees and expenses. The company may set the requirement for the payment of benefits that the insured bring any dispute concerning the reasonableness of an attorney's remuneration before the Lawyers' Disciplinary Committee of the Icelandic Bar Association in accordance with Article 26 of the Lawyers Act No. 77/1998. The company will pay the case fee in such cases.
- c. The cost of producing legal opinions, if the insured's attorney requests a legal opinion before the matter goes to court or if it is clear that a judgment will not be forthcoming without such a legal opinion.
- d. Costs incurred by obtaining witness testimonies or in presenting other evidence before courts of law or tribunals.
- e. Court fees.
- f. Legal costs that the insured is ordered by the court or the tribunal to pay to the opposing party at the conclusion of the case.
- g. Legal costs that the insured agrees to pay to the opposing party as part of a court settlement when it is clear that the court would have imposed higher legal costs if the case had proceeded.

**52. Art. What is not covered?**

The insurance policy does not apply to disputes, cases or petitions concerning:

- a. legal divorce or cases that may arise in connection with divorce cases. The same applies to cases relating to legal separation and other matters concerning disputes about the custody of children and access rights.
- b. the insured's occupation or performance in an official capacity, including cases linked to occupational accidents.
- c. guarantees entered into by the insured.
- d. financial measures that are unusual or on an exceptionally large scale for an individual or exist because one individual provides guarantees for another.
- e. claims or other demands that have been assigned to the insured.
- f. the insured as the owner of real estate property.
- g. to the insured as the owner, user or operator of a motor vehicle, caravan or other trailer, aircraft, ship, steamship, motorboat or sailboat. other cases relating to the insured as an injured party in connection with motor vehicles subject to mandatory registration.
- h. compensation or other claims concerning conduct leading to suspicion or indictment against the insured because of a culpable offence.

- i. bills of exchange and collection cases against the insured where the claim is uncontested or incontestable and cases relating to bankruptcy agreements or composition where the insured is insolvent or seeks composition.
- j. proceedings against the company.
- k. if there are no legitimate interests served by obtaining a judgment in the case. Such interests would not be considered to be present, for instance, if an application for legal aid has for some reason been denied or the granting of legal aid has been withdrawn.

Benefits are not paid to the insured for:

- The insured's own work, loss of earnings, travel and accommodation expenses or other expenses incurred by the insured.
- The enforcement of a judgement, ruling or settlement.
- Additional costs incurred by appointing extra attorneys or by replacing attorneys.
- Payments to arbitrators.
- Additional costs resulting from the insured or their attorney being guilty of negligence in the conduct of the case or having, in any other respect, exhibited negligence.

#### 53. Art. What is covered?

The insurance policy covers disputes affecting the insured as an individual which are submitted to a District Court or the Supreme Court in Iceland for resolution and are resolved with a judgement, ruling or settlement according to Article 109 of Act No. 91/1991 on Civil Proceedings. If the dispute is of such a nature that it cannot be brought before a court of law except on the conclusion of legal action in another arena, the insurance policy only covers the costs incurred on the conclusion of such legal action.

The insurance policy also covers a retrial, although only when the retrial is permissible. The insured is duty bound to try to reclaim legal costs from the authorities, by e.g. applying for legal aid, except where it is clear that the insured does not meet the necessary requirements. The insurance does not cover criminal prosecutions or actions that can be ruled upon only by the executive branch or by special courts.

#### 54. Art. Scope of insurance

The insurance policy is valid in Iceland. The insured may also enjoy legal assistance if the event or issues underlying the claim occur in the Nordic countries or worldwide when the insured is travelling and the dispute involves the insured as a traveller.

#### 55. Art. Insurance amount

The insurance amount is specified in the certificate of insurance. In disputes relating to financial interests, however, compensation can never be greater than the value of the interests to which the dispute relates. It is to be considered a single case of loss or damage if the insured parties proceed jointly in a legal dispute or litigation. If the insured is involved in further legal disputes, then such disputes shall be considered to be a single case of loss or damage provided that the asserted claims arise essentially from the same facts.

If the same lawyer and/or same legal practice agree to take a case in which five or more insured persons have the same legally protected interests and the proceedings meet the conditions of the Civil Proceedings Act No. 91/1991 on collective redress and/or class actions, the company will never pay a higher percentage of the legal costs stated in the certificate of insurance than in the table below:

Number	Percentage
5-15	80%
16-30	65%
31-50	40%
51+	30%

**56. Art. When can legal assistance be requested?**

Legal assistance may be requested if the insurance is in force when a dispute arises and has been in force for at least two consecutive years. The insurance policy need not have been with the company the entire time. If the insured has had a comparable insurance policy with another company, such insurance will be taken in account to their advantage.

If the insured has insurance when the dispute arises, but has not had it for two years, the insured may nevertheless receive legal assistance if the events or the issues underlying the claim occurred after the legal assistance insurance came into force.

If the insured no longer has legal assistance insurance or comparable insurance when a dispute arises, the insured can nevertheless be recompensed for legal assistance from this insurance policy, if it was in force when the events or issues that form the basis of the claim occurred and no more than four years have elapsed since those events or issues occurred.

**57. Art. Choice of legal representation**

It is a pre-condition for liability that the insured has sought the assistance of an attorney who will take the case. The insured appoints an attorney from among the members of the Icelandic Bar Association. An attorney may not represent themselves without the consent of the company.

The company may request, as provided for in Article 26 of Act No. 1998, that the Lawyers' Disciplinary Committee of the Icelandic Bar Association address the reasonableness of the legal fees and costs.

**58. Art. Recourse**

Insofar as benefits under this insurance policy have been paid, the company will acquire the right of the insured to receive legal expenses from the opposing party or from the state.

## 8. Section. Trauma insurance

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**59. Art. What is covered?**

The insurance policy covers the cost of specialist help, subject to the providing of receipts, if the insured suffers psychological trauma or a mental health condition after one of the following events:

- a. Break-in at the home of the insured.
- b. The home of the insured sustains significant material damage.
- c. Insured property is taken from the insured during a robbery, i.e. the taking of insured property through physical violence or threat of violence.
- d. Any of the insured suffers a serious accident.
- e. Violence at the hands of a spouse or life partner.
- f. Death of a spouse, child or miscarriage.

**60. Art. What is not covered?**

The insurance policy does not pay benefits for:

- d. Events which occurred before the insurance policy came into effect.
- e. Difficulties which are not linked to the specific claim events pursuant to Article 59.

**61. Art. Scope of insurance**

The insurance policy is valid in Iceland and while travelling abroad for 92 consecutive days from the date of departure from Iceland and back again,

**62. Art. Insurance amount**

The maximum benefits for each insured claim event are specified in the certificate of insurance.

### 63. Art. Determining benefits

The insurance policy pays for up to six hours of conversation therapy at a recognized therapist in Iceland. The therapy must be completed within 12 months of the claim event. Only the cost of the conversation therapy is covered. Other costs, such as the cost of travelling to therapy, are not covered.

## 9. Section. Domestic violence emergency assistance

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### 64. Art. What is covered?

The insurance policy covers costs incurred if the insured is forced to leave their home in order to seek shelter due to violence in a close relationship. Costs incurred might include rent, buying food, transportation, clothing and hygiene products.

### 65. Art. Scope of insurance

The insurance policy applies in Iceland and after events while travelling abroad for up to 92 consecutive days from the date of departure from Iceland and back again.

### 66. Art. Insurance amount

The maximum benefits for each insured claim event are specified in the certificate of insurance. Benefits are only paid once to the claimant.

### 67. Art. Determining benefits

Confirmation must be provided from a professional whose help was sought following an episode of violence, and receipts for out-of-pocket expenses must be provided if so requested. Benefits to the claimant are paid in up to three separate payments.

## 10. Section. Cancellation insurance (optional)

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**Insurance is included if specified in the certificate of insurance.**

### 68. Art. What is covered?

The insurance policy pays:

- a. prepaid travel costs, or costs for which prepayment has been negotiated and which is non-refundable, for a journey that the insured cannot undertake. Travel costs refer to the cost of a flight, cost of journey by public transport, cost of rental car and accommodation costs. Other costs, such as the cost of tickets to an amusement park, ski passes, concert tickets or golf course fees, are not considered travel costs in this context.
- b. benefits are only paid in the following cases:
  - The death of the insured.
  - Serious accident or sudden illness, physical injury, childbirth or quarantine of the insured verified by a medical certificate which states that the insured is unfit to travel.
  - Death, serious accident or sudden serious illness of a spouse, children, grandchildren, parents, grandfather, grandmother, parents-in-law, son/daughter-in-law or siblings of the insured confirmed by medical certificate.
  - Substantial property damage to the insured's home or private business which necessitates the presence of the insured. The company must be consulted as to whether it is necessary to cancel a trip.
  - Summons to the insured to testify in court.
  - Absence due to work that the insured cannot avoid performing pursuant to legislation on mandatory quarantine or if a journey is prevented because of public restrictions established due to an epidemic.
  - Disruption leading to a delay of at least 12 hours in the scheduled departure of a public means of transport used by the insured to travel overseas, according to the itinerary provided to the insured.
  - Hijacking of means of transport.

**69. Art. What is not covered?**

The insurance policy does not cover loss or damage:

- a. due to any kind of illness or disease which existed before the policy was taken out or when a deposit was paid.
- b. due to illnesses occurring after the 36th week of pregnancy.
- c. due to serious accidents that occurred before the insurance was purchased or had already occurred when the travel costs were paid.
- d. relating to self-caused injuries or damage caused by the insured's taking of unnecessary risks.
- e. caused directly or indirectly from the following:
  - Directives issued by governmental authorities (except those regarding mandatory quarantine).
  - Omission or negligence by the party handling transport or accommodation, or omission by the agent in charge of organizing the trip.
  - The insured's reluctance to travel or their poor financial situation.
  - Expenses that should be paid by a travel agency, hotel or airline.
  - Changes to the planned summer holiday period.
  - Extra charges added by a travel agency, leading to an increase in the basis for the tariff.
- f. due to neglect in informing a travel agency or the party arranging transport or accommodation that it has been necessary to cancel a trip.
- g. loss incurred because the insured did not check in for departure in accordance with an itinerary provided to them and no change in scheduled time has been confirmed by the airline or travel agency.
- h. loss due to the removal of an airplane or ship from service, either temporarily or otherwise, by the decision of a public authority.
- i. loss due to a strike which it was known, at the time the confirmation fee for the trip was paid, would commence before departure.
- j. loss due to financial difficulties or bankruptcy of a travel agency and/or other such parties organizing passenger transport.
- k. the insurance policy does not cover airport taxes and other charges that may be collected from carriers.
- l. on account of any events specified in Article 37 of Section 4 of the leisure time accident insurance policy, with the exception of paragraphs m, p and r.

**70. Art. Who is insured or co-insured?**

The insured are the persons named at the beginning of these terms.

**71. Art. Determining benefits**

The insured must provide the necessary documentation to support their claim for benefits, e.g. medical certificate, travel ticket and receipt for the payment of travel expenses.

The insured may not profit from an insurance claim. The insurance policy shall only cover real loss/damage suffered by the insured.

**72. Art. Cancellation fee**

If the insured pays a special cancellation fee or similar fee to a travel agency or if the fee is collected from the insured when buying a trip for the purpose of repaying travel costs in the event of cancellation, this insurance policy does not pay any benefits.

Benefits under this insurance policy are paid due to cancellation up until departure from the home of the insured.

**73. Art. Insurance amount and deductible**

The deductible and maximum insurance amount for each insured person in each claim event is stated in the certificate of insurance.

## 11. Section. Overseas medical insurance and travel disruption insurance (optional)

Insurance is included if specified in the certificate of insurance.

### 74. Art. What is covered?

The insurance policy covers:

#### a. International medical costs

- Stays in hospital abroad, including medical assistance, medication and other services provided by the hospital. The stay and treatment must be ordered by a doctor, and the payment assumes the stay is in a general hospital in the country in question.
- Medical assistance and medication recommended by a doctor.
- pain-relieving dental repair in emergencies only; the maximum benefits paid for dental repair are 1% of the maximum amount of insurance coverage for medical expenses.

#### b. Additional costs

- additional expenses for special hotel accommodation when the doctor is of the opinion that treatment can take place in a hotel. These expenses include nursing costs and the cost of a medically recommended diet. The maximum benefit for such cost is 1% of the maximum amount of the insurance coverage for medical expenses per 24 hours.
- Extra expenses for the journey home, or journey to return to a predetermined travel schedule due to delays caused by the hospitalization of the insured at the recommendation of a doctor, and in consultation with the company's emergency service, including the travel expenses of a companion, if this is considered necessary in the doctor's opinion.
- If the insured is injured, becomes seriously ill or dies during their trip, the company will pay the extra travel expenses of a close relative who accompanies or who is summoned to the residence of the insured, in consultation with the company or SOS International.
- The maximum benefit for such cost is 10% of the maximum amount of the insurance coverage for medical expenses.

#### c. Patient transportation

- if the doctor who has attended the insured because of illness or an accident while travelling believes that it is necessary for the insured to return home immediately and if such a journey may be undertaken by normal means of transportation, the doctor's written confirmation will be sufficient for the insurance company. In such cases extra expenses for the return trip, such as an extra seat, more expensive seat, etc., will be paid. If the illness or accident is so serious that the doctor believes that the insured must be transported home by other means, the transportation shall be provided by the company's emergency service.

#### d. Transporting deceased persons

- in the event of the death of the insured during their journey abroad, the emergency service of the company shall be responsible for the transportation of the deceased and their travel companion to Iceland, as well as costs resulting from any compulsory measures taken.

#### e. Travel disruption expenses

Necessary additional expenses of returning to Iceland if the insured is forced to abandon their overseas stay due to:

- death, serious accident or a sudden and serious illness of a spouse, children, grandchildren, parents, grandfather, grandmother, parents-in-law, son/daughter-in-law or siblings of the person insured.
- Substantial property damage to the insured's home or private business which necessitates the presence of the insured. The insurance company must be consulted as to whether it is necessary to return home.
- The maximum benefits for travel disruption are 10% of the maximum amount of insurance coverage for medical costs.

**f. Refund of costs of holiday**

- if a holiday is disrupted in accordance with a doctor's orders before it has passed the halfway point, or if the insured has been in hospital for at least half the travel period, the insurance company will pay the cost of the patient's trip.
- If a trip is disrupted without the above requirements having been met, then the insurance company will not pay for either the unused travel expenses or a new overseas trip instead of the disrupted trip.
- Benefits will be paid only with respect to trips that last for six days or longer.
- The maximum benefits in this respect are 10% of the maximum amount of insurance coverage for medical costs.

If the insured is injured, becomes ill or dies while travelling abroad, the travel insurance policy will pay compensation for any unavoidable and reasonable costs incurred. The insurance company, however, will only pay the cost to the extent that such cost is not paid by Tryggingastofnun (the Social Insurance Administration) or by another similar entity. The travel health insurance policy will also cover any necessary and reasonable costs incurred by a disruption of the journey, see paragraph e of this section.

**75. Art. What is not covered?**

The insurance policy does not cover:

**a. Medical costs**

- due to illnesses occurring after the 36th week of pregnancy, in childbirth or abortion.
- due to continuing medical treatment, if the insured refuses to be transported home despite being fit to travel.
- Medical costs are not paid for more than three months of medical treatment abroad.
- relating to self-caused injuries or injuries caused by the insured's taking of unnecessary risks.
- Due to sexually transmitted diseases.

**b. Costs**

- Cost of medication that has not been prescribed, prosthetic limbs and false teeth, spectacles, contact lenses, hearing aids and other comparable aids.
- Costs of medication which the insured party has used regularly before the trip commenced.
- The insurance policy does not cover additional expenses for food and maintenance.
- Paid pursuant to a reciprocal health insurance agreement.
- Costs of search and rescued efforts.
- Costs relating to any accident, illness and disease which the insured has suffered or received medical attention and/or treatment for over the last 12 months before the payment of a deposit.
- Costs relating to diseases or accidents which are exempt under Articles 36, 37 and 39 of Section 4 of the leisure time accident insurance policy. However, the policy covers costs relating to the illness, accident or death of the insured caused by food or drink poisoning or as a result of infections due to insect bites or stings and due to a registered motor vehicle.

**76. Art. Precautionary rules**

The insured must always follow doctor's orders and/or the orders of the company doctor.

**77. Art. Who is insured or co-insured?**

The insured are the persons named at the beginning of these terms.

**78. Art. Scope of insurance**

The insurance policy only applies while travelling to and from Iceland and:

- In leisure time while travelling abroad, for up to 92 consecutive days from the date of departure from Iceland and back again.
- For work purposes, paid or unpaid, while travelling abroad, for up to 92 consecutive days from the date of departure from Iceland, if it is connected to business meetings, office work, conferences or academic courses.
- Academic studies abroad for up to 92 consecutive days from the date of departure from Iceland.

The insurance policy does not apply to people who are studying or working abroad for periods of longer than 92 days.

#### 79. Art. Determining benefits

The company pays benefits on the basis of the receipt. The maximum benefit amount for each individual claim is specified on the certificate of insurance. The insured must provide the necessary documentation to support their claim for benefits, e.g. medical certificate, travel ticket and receipt for the payment of travel expenses.

## 12. Section. Overseas luggage insurance (optional)

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Insurance is included if specified in the certificate of insurance.

#### 80. Art. What is covered?

The insurance policy covers:

- a. damage to luggage caused by fire, robbery, transportation accidents, and if the luggage is completely lost during transportation, subject, however, to the limitations described in these terms.
- b. damage to luggage caused by break-ins to housing, vehicles, caravans and boats.

#### 81. Art. What is not covered?

The insurance policy does not cover:

- a. Money, tickets, traveller's cheques, bonds or other securities, documents, manuscripts and stamps.
- b. Fragile items, televisions, laptops, recording equipment, cameras, spectacles, electronic equipment and other similar equipment, internal damage, such as mechanical failures, short circuits and other damage to electrical systems.
- c. Damage caused by moths, vermin, atmosphere, weather, wear and tear or damage that does not impair the utility of the insured object (scratches, dents or abrasion).
- d. Damage to luggage due to liquid, food and the leaking other contaminants in the luggage, unless the leak is due to an accident involving public transport and the damage/loss is not covered by their liability insurance.
- e. Damage to clothing, sports equipment, sports gear, outdoor and camping equipment and other items being used.
- f. Damage and/or delays due to confiscation or impounding of items by the customs authorities or other authorities.
- g. Damage to bags in the care of an airline or other carrier.
- h. Damage to due to inadequate or substandard packing.
- i. Theft of items from checked-in luggage.
- j. Theft or burglary which the insured, intentionally or through negligence, has failed to report to the police within an hour of it occurring and being notified.
- k. Theft and/or damage to bicycles stored outside.
- l. Computer data or software.

#### 82. Art. Precautionary rules

- a. The insured must take good care of their luggage and take necessary measures, as far as is possible, to prevent any loss/damage.
- b. Homes, vehicles and other locations where valuables are stored must be securely locked when left unoccupied or when household members are asleep. Windows must also be closed and latched, and the premises in other respects left in such a state as to prevent unauthorized persons from having access to valuables.
- c. Do not leave insured items unattended in public, e.g. receptions, bathing places, camp site, public toilets etc. Also ensure that you take insured items with you when leaving a place.
- d. The insured must ensure that insured items are packed appropriately and adequately to enable them to be transported.

#### 83. Art. What is insured?

The luggage is the insured property. Luggage only refers to personal movable property which the insured has with them when travelling.

#### 84. Art. Who is insured or co-insured?

The insured are the persons named at the beginning of these terms.

#### 85. Art. Scope of insurance

The insurance policy applies while travelling abroad for up to 92 consecutive days from the date of departure from Iceland and back again.

The insurance policy does not apply to people who are studying or working abroad for periods of longer than 92 days. In such case the insurance policy only applies when travelling to and from Iceland.

#### **86. Art. Insurance amount**

The insurance amount is stated on the certificate of insurance. If the value of the luggage exceeds the insurance amount, benefits are paid proportionally.

The insurance amount is divided proportionally to the insured while travelling abroad, but subject to the restriction that the maximum amount of benefits for each of the insured is 10% of the insurance amount of the home contents. However, the combined insurance amount can never be higher than the insurance amount stated on the certificate of insurance.

The maximum benefits for each individual item, pair of items or set of luggage is registered on the certificate of insurance and the company's liability is restricted to that amount, minus the deductible, unless it involves an item that has been priced separately and is registered on the certificate of insurance and a special premium is paid for it. Maximum benefits paid in respect of watches and jewellery are 5% of the insurance amount of home contents for each claim.

The insured pays a deductible of 25% of each claim. The minimum deductible for each claim is stated on the certificate of insurance.

#### **87. Art. Determining benefits**

The insured may not profit from an insurance claim. The insurance policy shall only cover real loss/damage suffered by the insured.

Benefits shall be based on the value of the new item on date of the claim, comparable to the item damaged/lost. The company may reduce benefits due to the depreciation due to age, use, or other factors which may have an impact on the value of the item. In such case the depreciation rule of the home contents insurance (Section 1) shall be applied.

The company can either pay the estimated repair costs or send the item for repair and pay the repair costs, if the item can be repaired so that it is in similar condition as before the claim was made and it is cost effective to do so in the opinion of the company.

The company may compensate loss or damage by means of cash payment, by replacing the damaged or lost item with a comparable item, taking into account depreciation as described in paragraph 1, if the item was damaged to such an extent that it was not possible to repair or it is not worth doing so. If the company has paid benefits pursuant to this article, it may claim the item which was damaged.

The company is entitled to pay the difference between the value of the damaged item as it was before the claim event and its value after the claim event.

Benefits paid in relation to sound and film recordings are limited to the value of a blank disc, tape or film, allowing for reasonable depreciation. However, benefits are paid in respect of issued sound and film recordings and are based on the purchase price allowing for reasonable depreciation.

Stolen items which turn up after the company has compensated the loss are the property of the company and should be handed in to the company. The insured can however keep the property if they so choose by repaying the benefits.

#### **88. Art. Actions in respect of loss/damage**

In the event of loss/damage covered by this insurance policy, the insured should take the necessary measures to prove that the claim event has taken place. Theft, robbery or burglary must be reported to the police immediately and an investigation requested. In cases of theft abroad, a local police report must accompany the notification sent to the company. Loss or damage must always be reported to a tour guide if applicable.

If luggage is damaged or lost on a flight or while the luggage is in the care of the airline, the claimant must report the damage/loss immediately upon landing or within 7 days to the airline service desk using the appropriate claim form (P.I.R. form). The claimant shall submit a copy of the claim form to the insurance company when the loss or damage is reported.

Notification of a claim shall be sent to the insurance company without reasonable delay. The company can demand the further itemization and pricing of the insured items. The company can also demand that the insured produce the damaged items.

## 13. Section. Luggage delay insurance (optional)

**Insurance is included if specified in the certificate of insurance.**

### 89. Art. What is covered?

The company pays for essential items for each insured person aged 18 and above who due to delays or mishandling does not receive their checked-in luggage with 8 hours of arriving at their destination. Children younger than 18 are also covered if there are traveling without their parents/guardians.

Benefits under this article are paid without needing to provide receipts for cost outlays.

### 90. Art. What is not covered?

The insurance policy does not pay benefits for:

- a. Luggage delays when the insured is on their way home.
- b. If the luggage delay is discovered within the same 24-hour period as the journey ends in Iceland.

### 91. Art. Precautionary rule

The insured shall arrange their journeys so that the time limits for connecting flights are not shorter than the minimum stipulated by the relevant airline/airport and note of which is made in travel booking.

### 92. Art. Scope of insurance

The insurance policy applies to delays in delivering luggage on scheduled and charter flights on journeys of up to 92 consecutive days from departure from Iceland.

### 93. Art. Who is insured or co-insured?

The insured are the persons named at the beginning of these terms.

### 94. Art. Notifying an airline of loss/damage

If luggage is lost on a flight or while the luggage is in the care of the airline, the claimant must report the loss immediately upon landing to the airline service desk using the appropriate claim form (P.I.R. form). The claimant must provide the company with confirmation from the airline clearly stating the length of the delay.

**These terms come into effect on 10  
March 2025**