



F plus 4 Family insurance

Insurance terms no. GH25

The insurance contract is governed by:

- The insurance policy including endorsements and special terms.
- These insurance terms, no. GH25.
- The Insurance Contracts Act No. 30/2004.

The provisions of the insurance policy and of the renewal receipt take precedence over the provisions of the insurance contract terms. The provisions of the insurance policy, renewal certificate, and insurance terms shall supersede any statutory provisions that may be derogated.

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I. Home insurance

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A. *Home Contents, loss of use of residential property and fraudulent use of payment card*

1. Insured interests

The insurance covers:

- 1.1 Home contents property of the insured parties.

“Home contents” shall mean:

- 1.1.1 Any common home furnishings and personal items that are commonly used in a household. Watches and jewellery will be indemnified up to 10% of the amount of insurance coverage,

provided that these items are located in the registered domicile of the policyholder when the insurance event occurs.

- 1.1.2 Specified contents, i.e. cash, securities, manuscripts, original drawings, coin or stamp collections will be indemnified 2% of the amount of the home contents insurance coverage per item, provided these items are located in the registered domicile of the policyholder at the time of the insurance event.

- 1.2 The following itemised leisure time equipment and their accessories provided that account is taken of the value of these items in the determination of the insurance amount for home contents.

- 1.2.1 Jetskis, sailboards, kayaks, canoes, rowing boats with or without outboard engines.

- 1.2.2 RIBs and other comparable boats under 5 metres in length.

- 1.2.3 Gliders, with or without engines, and hang gliders without engines.

- 1.2.4 Golf carts.

- 1.2.5 Parachutes and diving equipment.

- 1.3 Tools, spare parts and utensils which are the property of the insured and used for his/her profession will be indemnified up to 5% of the amount of the home contents insurance coverage per item, provided these items are located in the registered domicile of the policyholder at the time of the insurance event.

- 1.4 One round of summer or winter tyres for each private car which is registered under the insured persons' names and is kept in a garage or other facility.

- 1.5 Accessories and spare parts for motorised vehicle, caravans, trailer tents or boats which are the property of the insured, are intended for private use and are kept in a garage or other facility appurtenant to the policyholder's domicile. The maximum compensation for each event of loss or damage is 2% of the amount of insurance coverage.

2. The insured and the co-insured

- 2.1 The policyholder is the person who is insured.

- 2.2 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.



3. Applicability of the insurance policy

The insurance contract applies inside policyholder's registered domicile and covers, moreover, the general home contents, cf. 1.1.1., that are temporarily outside the domicile of the policyholder in Iceland. The coverage of such items, however, is limited to 15% of the amount of the insurance coverage. The insurance contract applies also to itemised leisure time equipment, c.f. 1.2., that are outside the domicile of the policyholder in Iceland. The coverage of such items when located outside the domicile, however, is limited to 20% of the amount of the insurance coverage.

4. Scope of coverage

4.1 Fire, lightning, and explosion

The insurance compensates losses due to:

4.1.1 Fire. If items melt or scorch in the absence of open flames, the incident is not considered a fire.

4.1.2 Lightning.

4.1.3 Explosions.

The insurance contract will not compensate:

4.1.4 Damage resulting from work with explosives during construction.

Precaution rule

4.1.5 The insured shall ensure that objects are not at risk of damage due to fire or heat.

4.2 Soot

The insurance compensates losses caused by:

4.2.1 Soot that emits suddenly and unexpectedly from an approved heating device or fireplace.

The insurance does not cover damage caused by:

4.2.2 Soot or smoke that has gradually accumulated during use.

4.3 Fire fighting and rescue efforts

The insurance contract compensates:

4.3.1 Loss and damage resulting from fire fighting and rescue efforts whose objective is to avoid or limit damage covered by the insurance,

provided that the efforts are considered specific and justifiable.

4.3.2 Costs resulting from the necessary transport of home contents in connection with covered damage.

4.3.3 Items lost during above efforts.

4.4 Water, steam and oil

The insurance compensates losses caused by:

4.4.1 Water, steam and oil that suddenly and unexpectedly flows from the plumbing system in the building and originates from within the walls of the building.

4.4.2 Water that suddenly and unexpectedly flows from water compartments or fish tanks because of a failure.

4.4.3 Water that flows from sanitary fixtures because of an error or equipment failure.

4.4.4 Freezer or refrigerator leakage, not, however, for the equipment itself if the item is more than 5 years old.

4.4.5 Surface water caused by sudden downpour or thawing when the volume of water is so great that the drainage pipes cannot accommodate it. In determining liability, it is necessary to take into account whether there has been loss or damage in general to property in the area because of sudden downpour and/or thawing at the time when the insurance event occurred.

The insurance contract does not cover loss or damage caused by:

4.4.6 Water from external sources, such as groundwater, precipitation, flooding, tides; or damage due to water from balconies, roofs, gutters or drainage pipes connected to these.

4.4.7 Water that is pushed upwards from sewage or drainage pipes, or if sewage pipes suddenly cannot transport all the water channelled to them, with the exception, however, if pipes become clogged or burst indoors.

Precaution rules

4.4.8 The insured shall ensure that water inflow is closed off in unheated buildings and that water pipes are emptied when there is a danger of freezing temperatures.

4.4.9 The insured shall make sure that drain pipes are operable by clearing away any blockages



in order to prevent the damming up of surface water.

4.5 Theft

The insurance contract compensates loss or damage caused by:

4.5.1 Theft from residential property or storage that is attached to the policyholder's domicile. If a residential property is left unlocked without being unoccupied, the maximum compensation is 5% of the amount of the insurance coverage and does not, under such circumstances, cover the theft of cash, securities, watches, jewellery, scripts, original drawings, coin collections or stamp collections.

4.5.1 Theft from a car, private boat, private aircraft, garage or storage not attached to residential property, up to 5% of the amount of the insurance coverage. However, compensation with respect to the theft of CDs is limited to a maximum of 1% of the amount of the insurance coverage, and the theft of specified leisure equipment, cf. 1.2, is limited to a maximum of 20% of the insurance amount.

4.5.3 Theft from a summer cottage, caravan and hunting/fishing lodge.

4.5.4 Theft from a primary school, up to 5% of the amount of insurance coverage. This provision only covers theft of property owned by primary school students and also applies in gymnasiums and in swimming pools operated by the primary school at the time when students are under the supervision of a teacher.

4.5.5 Theft of bicycles, prams and pushchairs. VÍS' obligation to pay is limited to up to 1% of the amount of insurance coverage unless a warranty or payment receipt is produced that proves a higher value of the insured items.

4.5.6 Damage to the apartment of the insured due to burglary, with the exception of broken windows which are covered up to 5% of the amount of insurance coverage.

Precaution rules

4.5.7 All residential buildings, summer cottages, hunting/fishing lodges, garages, storages, cars, boats and aircraft must be locked, and all windows must be closed and latched. The insured shall ensure that unlocked residential housing is not left unoccupied.

4.5.8 The insured must lock a bicycle when he/she leaves it.

4.5.9 No items other than clothing may be left unattended in cloakrooms or lockers in primary schools or other buildings belonging to the primary school system, such as gyms and swimming pools.

4.6 Robbery

The insurance contract compensates loss or damage caused by robbery when the insured items are taken by means of physical violence or the threat of imminent violence; cf. the Penal Code, Article 252 of Act No. 19/1940.

4.7 Vandalism

The insurance contract compensates loss or damage caused by:

4.7.1 Vandalism carried out intentionally.

The insurance contract does not compensate loss or damage due to vandalism:

4.7.2 Perpetrated by the insured him-/herself

4.7.3 By the spouse of the insured

4.7.4 By an individual with whom the insured lives in a fixed permanent relationship

4.7.5 To items that are outdoors in locations other than outside the domicile of the insured.

4.8 Breakage or collapse

The insurance contract compensates loss or damage caused by:

4.8.1 Breakage or collapse of home contents in the domicile of the insured because of incidental malfunctions.

The insurance contract does not cover loss or damage:

4.8.2 Of tools, eyeglasses and watches that occur because of breakage or collapse.

4.8.3 Resulting from liquids that are spilt during breakage or collapse.

4.8.4 Resulting from man-caused breakage or collapse.

Precaution rule

4.8.5 The insured shall ensure that objects are properly and securely fixed according to user-guides.



4.9 Traffic accident

The insurance contract compensates loss or damage resulting from a traffic accident to home contents located in the car.

4.10 Boiling (overheating)

The insurance compensates loss of or damage to:

- 4.10.1 Laundry that suffers overheating in a washing machine or tumble dryer if the damage is caused by a failure of the washing machine or tumble dryer. In order to confirm that there has been a failure, the insured must produce an invoice for the repair including a fault description report by the repairman.

Precaution rule

- 4.10.2 The insured shall ensure that the use of a washing machine and drier is in compliance with the user-guide.

4.11 Unforeseen stoppage of the cooling system of a freezer or refrigerator

The insurance contract compensates loss off or damage to:

- 4.11.1 Food because of unforeseen stoppage of the cooling system of a freezer or refrigerator, provided this results in the destruction of food contained therein. Compensation may amount to up to 2% of the amount of insurance coverage.
- 4.11.1 The freezer or the refrigerator because of unforeseen stoppage of the cooling system of the appliance if it is aged less than 5 years and the seller's warranty does not cover the damage.

Precaution rule

- 4.11.3 The insured shall ensure that the use of appliances covered by this section is in compliance with the user-guide.

4.12 Short Circuit

The insurance contract compensates loss or damage:

- 4.12.1 For damage to electrical equipment due to short circuit of the equipment.

The insurance contract does not cover loss or damage:

- 4.12.2 To equipment that is more than 10 years old.

- 4.12.3 Which the seller's warranty for the relevant appliance covers.

- 4.12.4 Caused by electrical power supplier faults and electrical power fluctuations.

Precaution rule

- 4.12.5 The insured shall ensure that the use of electrical appliances covered by this section is in compliance with the user-guide.

4.13 Sudden heavy snow

The insurance contract compensates loss or damage caused by:

- 4.13.1 Sudden heavy snow that has overburdened the roof or walls of a property.

The insurance contract does not cover loss or damage:

- 4.13.2 That is attributable to a construction defect.

4.14 Storms

The insurance contract compensates loss or damage due to stormy weather when wind speeds reach 28.5 metres per second. Storm damage to home contents only includes damage occurring within the building when the wind has ruptured the roof, window(s) or other parts of the building. In determining liability, if no recognised wind speed data are available for the location where the damage occurred, consideration shall be given to whether general property damage occurred in the area as a result of inclement weather at the time the insurance event occurred.

4.15 Aircraft

The insurance compensates for damage due to aircraft and objects that fall from them.

4.16 Loss of use of residential building

- 4.16.1 VÍS pays compensation under this insurance contract when a residential building is damaged because of a recoverable insurance event and the repair work would be so extensive that it would be unavoidable to move out of the building.

- 4.16.2 The compensation will be based on the average rent for a residence of similar size and condition in the place and time in question. Compensation paid for each month, however, will never exceed 1% of the amount of insurance coverage.



4.16.3 The compensation will be paid for a period of up to 6 months from the date of loss or damage but not, however, for a longer period than equivalent to normal repair time with respect to the damage involved.

4.17 Fraudulent use of payment card

4.17.1 If the payment card of the insured is lost and it is used by an unauthorised person in a fraudulent manner resulting in loss or damage, VÍS will pay compensation provided the loss or damage will not be compensated by the relevant payment card company.

4.17.2 Compensation during each period of insurance may amount to up to 4% of the amount of insurance coverage for home contents.

Precaution rule

4.17.3 The insured must comply in all matters with the rules of the pertinent payment card company and notify of its loss without delay.

5. Identification

In determining its liability, VÍS reserves the right to take into account the conduct of the insured's spouse or registered domestic partner; cf. Article 29 of the Insurance Contracts Act No. 30/2004.

6. Amount of insurance coverage

6.1 The insurance amount is the amount specified in the insurance policy or the renewal certificate.

6.2 The insurance amount does not provide proof of the value of the insured interests.

6.3 The amount of insurance coverage is adjusted in accordance with the Consumer Price Index.

7. Deductible

7.1 For every event of loss or damage, there is a deductible which is specified in the insurance policy or in the renewal receipt. The deductible with respect to theft occurring in a primary school is 50% of the deductible.

7.2 When the maximum compensation is specified in a percentage of the amount of insurance coverage for home contents, this then refers to compensation when the deductible has been deducted.

7.3 The amount of the deductible is adjusted in accordance with the Consumer Price Index.

8. Determination of compensation

8.1 Compensation shall be based on the value of a new item comparable to the damaged item on the date when the damage occurred. VÍS is authorised to reduce the compensation by an amount corresponding to the reduction in value due to age, use or other factors that may affect the value of the item in question.

8.2 VÍS may either pay the estimated cost of repair or get the damaged item repaired and then pay the repair cost if the item can be restored to its pre-damaged condition and it is worth the effort in the opinion of VÍS.

8.2 VÍS may pay compensation in cash or procure a similar item to that which was lost or damaged, taking into account the reduction in value under Section 8.1, if the damage to the item is such that repairing it is not feasible, or it is not worth the effort in the opinion of VÍS. In the event that VÍS has paid compensation under this section, VÍS reserves the right to place a claim on the item that was damaged.

8.4 VÍS has the right to pay the difference between the value of the item that was damaged as the value stood prior to the insurance event and the value after the insurance event.

8.5 Notwithstanding the stipulations in Section 8.1, the depreciation of the following items may not exceed the percentages in the table below. Depreciation may, however, never exceed 70%, see, however, depreciation for computers and their accessories.

Type	Years w/o depr	Depr. per year%
Clothing	1 year	20%
Audio equipment	2 years	10%
Digital cameras	1 year	20%
DVD and home cinema	1 year	20%
Televisions and video players	2 years	10%
Radios	2 years	10%
Other electrical equipment	1 year	10%
Bicycles	1 year	10%
Skiing and camping equipment	1 year	10%

Computers and their accessories are depreciated by 10% every six months, for the first time when the computer is six months old. Depreciation, however, may never exceed 80%.



- 8.6 Compensation for loss or damages to audio and video tapes is limited to the cost of new unexposed CDs, films or video tapes, taking into account reasonable depreciation. However, compensation will be paid for published productions of sound or video tapes based on the purchasing price, taking into account reasonable depreciation.
- 8.7 Computer data and software are not covered.
- 8.8 Sentimental value will not be compensated.
- 8.9 The insured shall not profit from an insurance event. The insurance policy shall only compensate the actual loss or damage of the insured.
- 8.10 Stolen items that are recovered after VÍS has compensated the loss or damage are the property of VÍS and shall be handed over to the Company. The insured may nevertheless keep the items if he/she wishes by paying back the compensation.

9. Underinsurance

If the total value of the insured property exceeds the amount of insurance coverage, the loss or damage will be compensated proportionally.

10. Multiple insurance

- 10.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.
- 10.2 If more than one insurance company is liable to pay compensation in accordance with Article 10.1, the companies shall pay compensation proportionally, in accordance with each company's liability for the loss, unless otherwise agreed.

B. Individual Liability Insurance

Introduction

According to Icelandic law, a person is liable for tort damages with respect to any harm which he/she causes others in a culpable and unlawful manner. This principle is called the *culpa* rule, and it is a basic principle of Icelandic law. If the person who is subject to a litigation claim for tort damages is not culpable, that person will generally speaking not be liable in tort.

The purpose of a business liability insurance contract is to pay indemnity for the insured person in the event that he/she has incurred tort liability, to the extent that the injured party will not have to cover his/her own loss or damage on account of shared liability or shared accountability, and its purpose is also to pay the cost incurred by the insured party in case a tort claim is made against him/her.

Because liability in tort is frequently a complex legal issue, the insured person has a duty to consult VÍS with respect to his/her legal position if he/she is presented with a claim for tort damages regarding injury for which he/she is believed to be culpable. At the same time, it is recommended that the insured person read the insurance contract terms with this in mind.

An admission of liability in tort by the insured person is only binding upon him-/herself, and not upon VÍS. The insured person, therefore, may by such acceptance incur a risk of personally having to pay tort damages for loss or damage that the business liability insurance policy does not cover.

11. The insured and the co-insured

- 11.1 The policyholder is the person who is insured.
- 11.2 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.

12. Applicability of the insurance policy

The insurance is valid in Iceland and on travels abroad for up to 92 days from the day of departure from Iceland.

13. Term of insurance

- 13.1 The insurance covers an insurance event that takes place within the insurance period.
- 13.2 If the consequences of an event that damage has been caused by, and which has happened within the insurance period is not revealed until the insurance is no longer valid, the company will, nevertheless, compensate for it.
- 13.3 The company does not compensate for damage caused by an event that took place before the start of the insurance period, even though the damage is only revealed after the insurance period has started.



14. Scope of indemnity

The insurance contract compensates:

- 14.1 Any direct personal injury or property damage of items belonging to a third party caused by the insured's liability in tort as an individual under to Icelandic law. For the purposes of this contract, "property" means real estate and personal property, including animals. The insurance will compensate such loss or damage to the extent that the injured party will not have to carry his/her own loss or damage on account of shared culpability or shared liability.
- 14.2 Without prejudice to any statutory tort liability on the part of the insured, direct personal injury or property damage of items belonging to a third party that the insured may cause while playing golf on a golf court or on a practice area by a golf court. For the purposes of this contract, "property" means real estate and personal property, including animals. The insurance will compensate such loss or damage to the extent that the injured party will not have to carry his/her own loss or damage on account of shared culpability or shared liability.
- The insurance contract will not compensate:***
- 14.3 Contractual damage, i.e. loss for which the insured is accountable because of non-fulfilment of contract.
- 14.4 Loss or damages caused by the insured parties to each other.
- 14.5 Loss that occurs because of the occupation of the insured, whether in his/her own business enterprise or remunerative work in the employment of another party. "Occupation" also means extra jobs of any kind which the insured performs in exchange for remuneration.
- 14.6 Loss or damage to items which the insured has the use of, or stores, or which are for any other reason in his custody.
- 14.7 Loss or damage for which the insured is responsible because of his/her liability in tort as owner or user of:
- 14.7.1 Real estate property, aircraft, boats, motorised vehicles or heavy machinery. However, the insurance contract will cover the items specified in 1.2 in the home insurance section of this insurance contract and which are owned by the insured.

- 14.7.2 Horses, dogs, other domestic animals or pets.
Risk according to Section 14.7 can be insured separately.
- 14.8 Loss or damages resulting from firearms for which the insured does not have a permit.
- 14.9 Property damage if caused by fire, water from fire fighting, smoke, soot or explosion.
- 14.10 Fines, legal costs or other expenses in relation to a criminal case.
- 14.11 Damage that can be attributed to air pollution, ground pollution, pollution of vegetation, sea water, or water. VÍS will, however, compensate such loss or damage if it can be attributed to a single sudden event.
- 14.12 Damage caused by prolonged dampness or water leakage.
- 14.13 Damage that is attributable to asbestos or a material containing asbestos in some form.

15. Precaution rules

The insured must fully comply with the applicable laws and regulations at any particular time concerning the manufacture, delivery, transportation, storage or custody of explosives, poison or other similar hazardous materials.

16. Amount of insurance coverage

- 16.1 The company's liability due to each single insurance event is limited to the insurance amount specified in the insurance policy or renewal certificate. In case of more than one insurance event resulting from the same cause, they will be considered to have been caused by a single insurance event.
- 16.2 Cost that comes about to determine whether or not the insured is liable, and which the company has agreed upon, and interests from the sum insured are paid for, even if the company's payment thus exceeds the sum insured.
- 16.3 If the sum insured amounts to less than the capital of the damages, the company only pays for the part of cost and interests that amounts to the damages it is to pay. However, liability for compensation outside the Nordic countries is limited to the amount of insurance coverage.



17. Deductible

17.1 For every event of loss or damage, there is a deductible which is specified in the insurance policy or in the renewal receipt.

17.2 If the capital of a damage claim does not exceed the deductible the company does not pay for cost either, although the claim and the cost summed up exceed the amount of the deductible.

17.3 The deductible is adjusted in accordance with changes in the Consumer Price Index.

18. Determining the amount of compensation for personal injury

The insurance policy pays compensation for the personal injury of a third party on the grounds of the Tort Damages Act No. 50/1993.

19. Determining compensation for property damage

19.1 Compensation shall be based on the value on the date the damage is incurred.

19.2 The company can either pay the estimated cost of repair, or have the damaged item repaired and pay for the cost, if it is possible to repair it, so that it is in a similar state as before the damage and the company believes that it will be worth it.

19.3 The company may remit compensation in cash or may procure an article comparable to the damaged article if it is not possible to repair the damaged goods or it is not worthwhile to do so, in the company's estimation. In the event that VÍS has paid compensation under this section, VÍS reserves the right to claim ownership of the item that was damaged.

19.4 The company has the right to pay the difference between the value of the goods before and the value after the insurance incident.

19.5 The insured shall not profit from an insurance event. The insurance policy shall only compensate the actual loss or damage of the insured.

20. The status of the injured party when loss or damage occurs

20.1 If the insurance covers the insured's damage because of the liability the claimant can demand compensations directly from the company. It is mandatory for VÍS and the

insured to inform the injured party of any existing liability insurance contract.

20.2 If a claim for compensations is made against the company the insured is to be notified without unreasonable delay, and informed about the claim's procedure. The accepting of VÍS of certain details that concern liability does not constitute a binding commitment on behalf of the insured person.

20.3 In the event that the claimant informs the company that he intends to file a lawsuit against it and the company can then demand that he also files a lawsuit against the insured. VÍS shall notify the injured party of its demand without any unnecessary delay and in a verifiable manner.

20.4 With respect to the position of the injured person in other respects, we refer to Article 44 of the Insurance Contracts Act No. 30/2004.

21. Handling of compensation claims

21.1 The insured must not admit his liability, or make agreements regarding compensations without the company's permission.

21.2 The company represents the insured, and is in charge of the complete case procedure, and is in charge of case procedures in the court of law if necessary. The same applies regarding salvage fees or assistance.

C. Legal Expenses Insurance

Introduction

The purpose of Legal Expenses Insurance is to pay legal costs incurred in civil suits. A pre-condition of insurance coverage is that the insured seeks legal assistance. The attorney shall inform VÍS when accepting the case and before further steps are taken. However, the attorney may proceed in matters of urgency. VÍS is required to notify the insured as to whether or not the matter is covered by the Legal Expenses Insurance once satisfactory information has been presented pertaining to the case.

22. The insured and the co-insured

22.1 The policyholder is the person who is insured.

22.2 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that



address and are members of the same household.

23. Applicability of the insurance policy

The insurance policy applies in Iceland and on travels abroad for up to 92 days from the day of departure from Iceland.

24. Term of insurance

24.1 The insurance policy covers disputes that arise during the period of insurance, provided the insurance has been in force for at least two consecutive years. If the insured has been similarly insured with another company, that insurance will be taken into account.

24.2 Notwithstanding the provisions of Section 24.1, the insured can nevertheless be recompensed for legal costs if the events or issues that form the basis of the claim happened after the insurance came into force.

24.3 If the insured no longer has Legal Expenses Insurance or comparable insurance when a dispute arises, he can nevertheless be recompensed for legal costs from this insurance 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.

25. Scope of indemnity

The insurance contract does not cover legal expenses:

25.1 For a dispute that affects the insured as an individual and which may be brought before a district court for dispute resolution or before the Supreme Court in Iceland. 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 contract covers only the costs incurred on the conclusion of such legal action. The insurance contract also covers a retrial, although only when the retrial is permissible and the conditions of Article 24 are fulfilled.

The insurance contract does not cover legal expenses:

25.2 In criminal cases.

25.3 Disputes or actions that can only be submitted to be ruled upon by the executive branch or by special courts.

25.4 Cases concerning legal divorce or cases that may arise in connection with divorce cases. The same applies to cases regarding legal

separation and other matters concerning disputes about the custody of children and access rights and paternity suits.

25.5 In connection with the insured's occupation or performance in an official capacity.

25.6 Concerning commitments into which the insured has entered.

25.7 Concerning financial measures that are unusual or on an exceptionally large scale for an individual or exist because one individual provides guarantees for another.

25.8 Concerning claims or other demands that the insured has assigned.

25.9 Concerning the insured as the owner of real estate property.

25.10 Concerning the insured as the owner, user or operator of a motor vehicle, caravan, trailer-tent or other trailer, aircraft, ship, steamship, motorboat or sailboat.

25.11 Concerning compensation or other claims concerning conduct leading to suspicion or indictment against the insured because of a culpable offence.

25.12 Concerning cases involving bills of exchange against the insured where the claim is uncontested or incontestable, and cases relating to bankruptcy agreements or composition where the insured himself/herself is insolvent or seeks composition.

25.13 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 cancelled.

25.14 Concerning a dispute between the insured and VÍS.

26. Selection of litigation lawyer

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

27. Determination of compensation

VÍS will, in connection with each case of loss or damage, pay the necessary and reasonable



legal fees and legal costs that the insured cannot reclaim from the opposing party or from the state when the case has reached a conclusion by judgment or a court settlement. This means *i.a.* that VÍS does not pay if the insured surrenders the opportunity to collect the legal costs from the counterpart with or without legal action.

27.1 VÍS reimburses:

27.1.1 Attorney's fees and expenses.

27.1.2 The cost of producing opinion reports, if the insured's lawyer requests an opinion report before the matter goes to court or if it is clear that a judgment will not be forthcoming without such an opinion report.

27.1.3 Costs incurred by the testifying of witnesses or in presenting other evidence before courts of law.

27.1.4 Court expenses.

27.1.5 Legal costs that the insured is ordered by the court to pay to the opposing party at the conclusion of the case.

27.1.6 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.

27.2 **VÍS does not reimburse:**

27.2.1 The insured's own work, loss of earnings, travel and accommodation expenses or other expenses of the insured.

27.2.2 The enforcement of a judgement, ruling or settlement.

27.2.3 Additional costs incurred by appointing extra attorneys or by replacing attorneys.

27.2.4 Additional costs resulting from the insured or his/her attorney being guilty of negligence in the conduct of the case or having, in any other respect, exhibited negligence.

27.2.5 Higher compensation for legal costs than the amount of the interests under dispute.

27.3 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.

27.4 If a legal dispute arises concerning the reasonableness of a lawyer's remuneration, the insured is required to bring the dispute before the Lawyers' Disciplinary Committee of the Icelandic Bar Association in accordance with Article 26 of the Lawyers Act No. 77/1998.

28. Amount of insurance coverage

The amount of insurance coverage is indicated in the insurance policy or in the renewal receipt.

29. Deductible

29.1 For every event of loss or damage, there is a deductible which is specified in the insurance policy or in the renewal receipt.

29.2 The amount of the deductible is adjusted in accordance with the Consumer Price Index.

30. Multiple insurance

30.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.

30.2 If more than one insurance company is liable to pay compensation in accordance with Section 30.1, the companies shall pay compensation proportionally, in accordance with each company's liability to pay compensation, unless otherwise agreed.

31. Recourse

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



II. Comprehensive Household Contents Insurance

Contents:

1. Insured interests
2. The insured and the co-insured
3. Applicability of the insurance policy
4. Scope of indemnity
5. Precaution rules
6. Identification
7. Amount of insurance coverage
8. Deductible
9. Determination of compensation
10. Multiple insurance

Introduction

This insurance contract compensates loss or damage of such home contents that are not recoverable under the Home Contents or the Luggage Insurance section of the Family Insurance Policy. This insurance contract does not cover loss or damage that is recoverable under the same insurance contracts even if full compensation will not be paid.

1. Insured interests

The insurance contract covers general home contents and personal items that are commonly used in a household, cf. Section 1.1.1, and specified leisure time equipment, cf. Section 1.2 of the Home Contents Section of the Home Insurance part of the Family Insurance Contract.

2. The insured and the co-insured

2.1 The policyholder is the person who is insured.

2.2 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.

3. Applicability of the insurance policy

The insurance is valid in Iceland and during international travel for up to 92 consecutive days of travel from the day of departure from Iceland until the return to Iceland. The items insured according to Section 1.2 in the home insurance section of the family insurance contract only applies in Iceland.

4. Scope of coverage

The insurance contract compensates:

4.1 The insurance covers loss or damage caused by sudden and unforeseen external circumstances during the insurance period, which are not recoverable under other provisions of the Family Insurance Contract terms, or which are excluded under Sections 4.2 to 4.5 below.

The insurance contract will not compensate:

4.2 Loss or damage resulting from normal wear and tear, as well as loss or damage that only causes visual defects but does not diminish the usefulness of the insured item.

4.3 Loss or damage resulting from defects, incorrect assembly or internal failure, such as mechanical malfunction.

4.4 Loss or damage caused by sudden changes in temperature and/or humidity.

4.5 Theft from tents or trailer tents.

5. Precaution rules

5.1 The insured shall comply with the instructions of the manufacturer with respect to handling, setup, use and maintenance of the insured item.

5.2 The insured shall close windows and latch them and shall lock dwellings, motor vehicles, boats and other places where insured property is stored.

5.3 The insured shall not leave the insured property unattended in public and shall ensure that he or she brings the insured property along when leaving a public place.

6. Identification

In determining its liability, VÍS reserves the right to take into account the conduct of the insured's spouse or registered domestic partner; cf. Article 29 of the Insurance Contracts Act No. 30/2004.

7. Amount of insurance coverage

7.1 The maximum compensation for each single case of loss or damage as well as the maximum compensation during the period of insurance is indicated in the insurance policy or the renewal receipt.

7.2 The amount of insurance coverage is adjusted in accordance with the Consumer Price Index.



8. Deductible

- 8.1 For every event of loss or damage, there is a deductible which is specified in the insurance policy or in the renewal receipt.
- 8.2 The amount of the deductible is adjusted in accordance with the Consumer Price Index.

9. Determination of compensation

- 9.1 Compensation shall be based on the value of a new item comparable to the damaged item on the date when the damage occurred. VÍS is authorised to reduce the compensation by an amount corresponding to the reduction in value due to age, use or other factors that may affect the value of the item in question.
- 9.2 VÍS may either pay the estimated cost of repair or get the damaged item repaired and then pay the repair cost if the item can be restored to its pre-damaged condition and it is worth the effort in the opinion of VÍS.
- 9.3 VÍS may pay compensation in cash or procure a similar item to that which was lost or damaged, taking into account the reduction in value under Section 9.1 if the damage to the item is such that repairing it is not feasible, or it is not worth the effort in the opinion of VÍS. In the event that VÍS has paid compensation under this section, VÍS reserves the right to recover the item that was damaged.
- 9.4 VÍS has the right to pay the difference between the value of the item that was damaged as the value stood prior to the insurance event and the value after the insurance event.
- 9.5 Compensation for loss or damages to audio and video tapes is limited to the cost of new unexposed CDs, films or video tapes, taking into account reasonable depreciation. However, compensation will be paid for published sound or video tape productions based on the purchasing price, taking into account reasonable depreciation.
- 9.6 Computer data and software are not covered.
- 9.7 Sentimental value will not be compensated.
- 9.8 The insured shall not profit from an insurance event. The insurance contract shall only compensate the actual loss or damage of the insured.
- 9.9 Stolen items that are recovered after VÍS has compensated the loss or damage are the property of VÍS and shall be handed over to the Company. The insured may nevertheless

keep the items if he/she wishes by returning the compensation.

10. Multiple insurance

- 10.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.
- 10.2 If more than one insurance company is liable to pay compensation in accordance with Section 10.1, the companies shall pay compensation proportionally, in accordance with each company's liability to pay compensation, unless otherwise agreed.

III. Breakdown coverage for electrical appliances

Contents:

1. Insured interests
2. The insured and the co-insured
3. Applicability of the insurance policy
4. Scope of indemnity
5. Precaution rules
6. Identification
7. Amount of insurance coverage
8. Deductible
9. Determination of compensation
10. Multiple insurance

1. Insured interests

- 1.1 Electrical appliances less than 4 years old owned by the insured and which are commonly used in a household.
- 1.2 The insurance does not cover electrical appliances used for commercial purposes.
- 1.3 The insurance does not cover electrical appliances that are generally located outside the domicile of the insured, such as in summer cottages, boats, caravans, aircraft and vehicles.
- 1.4 The insurance does not cover mobile phones, electrical tools, electrical toys and their accessories.

2. The insured and the co-insured

- 2.1 The policyholder is the person who is insured.
- 2.2 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same



registered domicile in Iceland, live at that address and are members of the same household.

3. Applicability of the insurance policy

The insurance is valid in Iceland and during international travel for up to 92 consecutive days of travel from the day of departure from Iceland until the return to Iceland.

4. Scope of coverage

4.1 The insurance compensates for damages to the insured item that are caused by internal malfunctions.

The insurance contract does not cover loss or damage:

4.2 Caused by sudden changes in temperature and/or humidity.

4.3 Which can be traced to normal wear due to use, rust and corrosion.

4.4 Caused by pixel changes if such changes do not diminish the usefulness of the insured item.

4.5 Caused by repairs or maintenance.

4.6 Caused by an electrical power supply malfunction which causes electrical power fluctuations.

4.7 Caused by lost or damaged data and/or software.

4.8 Caused by viruses.

4.9 Which the manufacturer, seller, repairer or transporter is responsible for according to contract or by law.

4.10 To consumer goods which by their nature wear down, such as batteries, light bulbs, printheads, print cartridges, toner, films, memory cards, charging devices, wireless accessories, receivers, and audio or video tapes.

5. Precaution rule

The insured shall comply with the instructions of the manufacturer with respect to handling, setup, use and maintenance of the insured item.

6. Identification

In determining its liability, VÍS reserves the right to take into account the conduct of the

insured's spouse or registered domestic partner; cf. Article 29 of the Insurance Contracts Act No. 30/2004.

7. Amount of insurance coverage

7.1 The maximum compensation for each single case of loss or damage as well as the maximum compensation during the period of insurance is indicated in the insurance policy or the renewal receipt.

7.2 The amount of insurance coverage is adjusted in accordance with the Consumer Price Index.

8. Deductible

8.1 For every event of loss or damage, there is a deductible which is specified in the insurance policy or in the renewal receipt.

8.2 The amount of the deductible is adjusted in accordance with the Consumer Price Index.

9. Determination of compensation

9.1 Compensation shall be based on the value of a new device comparable to the damaged device on the date when the damage occurred.

9.2 VÍS may either pay the estimated cost of repair or get the damaged device repaired by a repair workshop approved by VÍS and then pay the repair cost if the device can be restored to its pre-damaged condition and it is worth the effort in the opinion of VÍS.

9.3 VÍS may pay compensation in case or supply a new device, of the same type and make, if this is not possible, then with a comparable new device, if the device has been so damaged that repairing it is not possible or is not worth the effort in the opinion of VÍS. In the event that VÍS has paid compensation under this section, VÍS reserves the right to recover the device that was damaged.

9.4 Notwithstanding the provisions of Section 9.1, VÍS may amortise the value of a device by up to 15% a year once the device is 3 years old.

9.5 Before compensation is determined, the insured must provide a warranty certificate for the insured device.

10. Multiple insurance

10.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.



10.2 If more than one insurance company is liable to pay compensation in accordance with Section 10.1, the companies shall pay compensation proportionally, in accordance with each company's liability to pay compensation, unless otherwise agreed.

IV. Leisure Time Accident Insurance

Contents:

1. The insured and the co-insured
2. Applicability of the insurance policy
3. The term "accident"
4. Scope of indemnity
5. Amount of insurance coverage
6. Determination of compensation

1. The insured and the co-insured

- 1.1 The policyholder is the person who is insured.
- 1.2 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.

2. Applicability of the insurance policy

- 2.1 The insurance policy applies anywhere in the world.
- 2.2 Notwithstanding the provisions of Section 1, the insurance contract is valid for students studying abroad for up to 9 months from the day of departure from Iceland.

3. The term "accident"

The term "accident" refers to a sudden external event causing personal injury to the insured person and occurs without his/her consent. In the case of injury to extremities, only a sudden event that causes physical injury to the insured and occurs against his/her will is required.

4. Scope of indemnity

- 4.1 VÍS pays compensation for an accident which the insured suffers during his/her leisure time, in the performance of domestic duties, school courses or when participating in sports activities if this causes:
 - 4.1.1 Death.
 - 4.1.2 Permanent medical disability.

4.1.3 Temporary loss of work capacity.

4.1.4 Broken tooth.

The company shall also bear medical expenses in Iceland:

4.2 If compensation is paid due to permanent disability or temporary loss of ability to work, VÍS will also pay medical costs in Iceland with respect to the same accident. Medical costs will not be paid until the commencement of payments for disability or temporary loss of work capability. The maximum payments for each individual case of loss or damage are listed in the insurance policy or renewal receipt.

4.2.1 Notwithstanding the provisions of Section 4.2, the insurance covers medical costs in Iceland for accidents involving children under 16 years of age even when there is no permanent disability. However, the insurance does not cover accidents covered by Section 4.1.4. The deduction for each individual case of loss or damage is indicated in the insurance policy or renewal receipt. Maximum payments in each individual case of loss or damage are listed in the insurance policy or renewal receipt.

4.2.2 Medical expenses in Iceland will only be paid against the presentation of a copy of the original invoice. Medical costs in Iceland means costs that are approved by Tryggingastofnun.

VÍS does not pay compensation for accidents:

4.3 Caused by the use in Iceland of a motor vehicle subject to registration, or a motor vehicle that is registered abroad where there is mandatory insurance for such vehicles against such accidents.

4.4 Occurring during participation in competitions or during training sessions in preparation for competitions in any sport. This exemption, however, does not apply to children below the age of 16.

4.5 Occurring during participation in mountain climbing, cliff rappelling, boxing, any form of wrestling and martial arts, driving sports, hang-gliding, gliding, parachuting, scuba diving and bungee jumping.

4.6 Occurring during flying, unless the insured is a passenger on a scheduled or chartered flight operated by a party having the requisite aviation authority permits.



- 4.7 Occurring during participation in fist-fights or a criminal offence.
- 4.8 Occurring due to sunbathing, medical treatment, surgical procedures or use of medicinal products, unless the treatment is undertaken on the advice of a physician due to a recoverable accident.
- 4.9 Occurring due to painkilling drugs or barbiturates.
- 4.10 Occurring as a result of toxic gases, unless these have occurred without warning and against the will of the insured.
- 4.11 Caused by food- or beverage-poisoning.
- 4.12 Occurring from infections caused by insect bites or stings.
- 4.13 Directly or indirectly caused by blindness, considerable near-sightedness or farsightedness, poor sight, poor hearing, paralysis, deformity, insanity, epilepsy, fits, stroke, heart attack, diabetes or other serious disease or debilitation.
- 4.14 Directly or indirectly caused by acts of terrorism, any sort of biological or chemical effects and/or poisoning, including those caused by microbes and viruses, or when the consequences of an accident are more severe because of these factors.
- 4.15 Occurring during travel directly to and from work.
- 5. Amount of insurance coverage**
- 5.1 The maximum amount of insurance coverage for death benefits, disability pension and per diem payments is indicated in the insurance policy or the renewal receipt.
- 5.2 Amount of insurance coverage shall be altered in accordance with the Consumer Price Index.
- 5.3 If the insured is 70 years of age or older, the amount of insurance coverage shall be limited to the following percentages of the maximum amounts of insurance coverage:
- 70 years 80%
 - 71 years 60%
 - 72 years 50%
 - 73 years 40%
 - 74 years 40%
 - 75 years 30%
 - 76 years 30%
 - 77 years and above – 20%
- 5.4 Children younger than 16 years are not covered for temporary loss of ability to work and not for death benefits more than 25% of the Accident Insurance death benefits.
- 5.5 Compensation amounts are calculated on the basis of the amount of insurance coverage on the date of the accident as follows:
- 5.5.1 Death benefits change in direct proportion to changes in the Consumer Price Index from the date of the accident to the date of death.
- 5.5.2 Disability benefits change in direct proportion to changes in the Consumer Price Index from the date of the accident to the day of settlement. The duration of the indexation of disability is, however, never longer than three years from the date of the accident.
- 5.5.3 Per diem benefits change in direct proportion to changes in the Consumer Price Index from the date of the accident and the whole period when loss of ability to work is actual.
- 6. Determination of compensation**
- 6.1 Death Benefits.
- 6.1.1 If the insured dies as a consequence of an accident within one year from the date of the accident, then death benefits will be paid, less benefits that VÍS may have paid to the insured for permanent disability for the same accident.
- 6.1.2 If the insured has no dependents, only 25% of the accident insurance's death benefits will be paid. A dependent is a child or an adult individual in the care of the insured.
- 6.1.3 If the insured dies as a result of an accident when more than one year has elapsed from the accident, but before the final disability assessment has been performed, compensation shall be paid in accordance with the interim disability assessment, with the amount, however, never exceeding the amount which the death benefits would have been.
- 6.1.4 Death benefits are only paid if the accident is the direct and only cause of the death of the insured. If a disease, debilitation or pathological condition suffered by the insured is a contributing factor to his death, no death benefits will be paid. This applies whether this condition was present when the accident occurred, or entered later, without, however, being a direct and the sole consequence of an accident covered by the insurance contract.



- 6.1.5 VÍS has the right to request a post-mortem to ascertain the cause of death and other matters that may affect the liability of VÍS.
- 6.1.6 Death benefits are paid to the insured person's spouse. In the absence of a spouse, the benefits will be paid to the statutory heirs or testamentary heirs.
- 6.2 Compensation for permanent medical disability.
- 6.2.1 If an accident causes the insured permanent physical injury within three years from the date of the accident, disability compensation shall be paid.
- 6.2.2 The disability shall be assessed as a percentage in accordance with the applicable indices of the Disability Committee concerning the degree of disability when the disability assessment is performed. When assessing the disability, no account shall be taken of the injured person's occupation, special abilities or status in society. Accidents which only cause disfigurement shall not be assessed with respect to disability. If there is a likelihood that the condition of the insured may be improved through surgery or other such treatment, it is mandatory to take into account the possible improvement that such treatment could involve. If the injury of the injured person is not included in the disability level indices of the Disability Committee, it shall be evaluated separately based on the indices.
- 6.2.3 Compensation for permanent disability will be paid in proportion to the base amount of insurance coverage that was applicable on the date of the accident in such a way that each point of disability rating from 26% to 50% shall have double weight and each point of disability rating from 51% to 75% shall have quadruple weight and each point of disability rating from 76% to 100% shall have sixfold weight. Compensation paid for 100% permanent disability will therefore be 325% of the base amount of insurance coverage.
- 6.2.4 If the loss of extremities, eyesight or hearing is not total, the disability will be paid in proportion thereof. If extremities become totally useless, it will be considered as loss of such extremity. If they are in some respects useful, the disability will be calculated in proportion thereof.
- 6.2.5 The loss or deformity of an extremity or organ which was useless prior to the accident does not provide entitlement to benefits for permanent medical disability. As regards the loss or deformity of an extremity or organ which was already deformed prior to the accident, the disability shall be assessed taking into account the deformity prior to the accident.
- 6.2.6 The disability shall normally be assessed one year after the accident, otherwise when a physician thinks that the permanent consequences of the accident have materialised, but, however, no later than three years after the date of the accident.
- 6.2.7 If an accident causes permanent medical disability, VÍS and the insured must agree on one competent physician performing the assessment of the consequences of the accident.
- 6.3 Compensation for temporary loss of work capability.
- 6.3.1 If an accident causes the insured to temporarily lose work capability that is less than 50% of normal work capability, VÍS will pay per diem payments. Per diem payments are paid in proportion to the loss of work capability from the end of the waiting period and for as long as the insured is unable to work in the assessment of a physician or the loss of work capability has become permanent according to a medical certificate or a disability assessment. Per diem payments, however, will not be paid for more than 48 weeks and not for any periods following three years from the date of the accident.
- 6.3.2 "Waiting period" means the period which, according to the insurance policy or renewal receipt, must pass from the day of the accident until per diem payments commence. Per diem payments are not made during that period.
- 6.3.3 VÍS makes a decision regarding the payment of per diem payments on the basis of medical certificates and other available documentation.
- 6.3.4 If the loss of work capability of the injured 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 loss of work capability.
- 6.3.5 VÍS will not compensate temporary loss of work capability that is less than 50% of normal work capability.
- 6.4 Compensation for broken teeth.
- 6.4.1 VÍS pays for repairs to healthy and properly repaired teeth which break or are damaged in an accident.
- 6.4.2 Payment by VÍS is limited to 7.5% of the base amount of insurance coverage for disability for each accident, and accrued payments, with



respect to accidents over one insurance year, are limited to 11.5% of the same amount.

6.4.3 VÍS does not, however, compensate broken teeth occurring in a work-related accident, cf. the Social Security Act, or broken teeth that break while the insured is eating.

6.5 VÍS may have a physician of its choice examine the insured.

6.6 VÍS is entitled to gather information on the earlier health of the insured after having obtained the approval of the insured.

6.7 VÍS pays the cost of necessary medical certificates in connection with an insurance event when such certificates are obtained at the request of VÍS.

V. Child Care Insurance

Contents:

1. The insured and the co-insured
2. Scope of indemnity
3. Determination of compensation
4. Amount of insurance coverage

Introduction

VÍS pays compensation when a child that is under the age of 16 and is covered by the insurance contract under Section 1 must spend more than five consecutive days in a hospital due to illness or accident according to further provisions in the insurance contract. The compensation is paid to the custodian of the child.

1. The insured and the co-insured

1.1 The policyholder is the person who is insured.

1.2 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.

2. Scope of coverage

VÍS reimburses:

2.1 Compensation for each day from the date of arrival if an illness or an accident results in a child having to stay in a hospital for a period of five consecutive days or longer.

2.1.1 The maximum period of compensation for the same accident or illness is 180 days. Medically related diseases count as one and the same case.

2.1.2 If compensation has been paid pursuant to Section 2.1 and the child is hospitalised again within 12 months of the end of a previous hospitalisation because of the same illness or accident, the custodian of the child has the right to compensation from the day of his or her hospitalisation if the 180 days of compensation have not been fully used.

2.2 The cost of necessary medical certificates in connection with an insurance event when such certificates are obtained at the request of VÍS.

VÍS does not pay compensation:

2.3 For illnesses that pre-existed at birth or were diagnosed within three months of birth.

2.4 For illnesses that pre-existed when the insurance policy was purchased or accidents that occurred before the insurance was purchased.

2.5 For illnesses or accidents that occurred before the child received insurance coverage under the insurance policy.

2.6 For hospitalisation after the insurance contract has terminated.

3. Determination of compensation

3.1 A medical certificate specifying when an illness was first diagnosed or when and how an accident occurred must be presented before a decision can be made regarding compensation because of illness or an accident.

3.2 Compensation is paid to the custodian of the child once a written medical certificate from a hospital has been presented, confirming the length and reason for hospitalisation of the child.

4. Amount of insurance coverage

The amount of insurance coverage is indicated in the insurance policy or in the renewal receipt.



VI. Hospitalisation Coverage

Contents:

1. The insured and the co-insured
2. The insurance contract is valid
3. Scope of coverage
4. Determination of compensation
5. Amount of insurance coverage
6. Age limits

Introduction

VÍS pays compensation when the person enjoying insurance protection according to Section 1 must spend more than five consecutive days in a hospital due to disease, illness or accident according to further provisions in the insurance contract.

1. The insured and the co-insured

- 1.1 The policyholder is the person who is insured.
- 1.2 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.

2. The insurance contract is valid

The insurance is valid in Iceland and on travels abroad for up to 92 days from the day of departure from Iceland.

3. Scope of coverage

VÍS reimburses:

- 3.1 Compensation for each day (24 hrs.) exceeding 5 successive days that the insured must spend in hospital due to disease, illness or accident.
 - 3.1.1 The maximum period of compensation for the same disease, illness or accident is 180 days. Medically related diseases count as one and the same case.
- 3.2 The cost of necessary medical certificates in connection with an insurance event when such certificates are obtained at the request of VÍS.

The Company also pays compensation for hospitalisation for breast reconstruction that is performed as result of breast removal due to cancer and modifications of breast implants already in place are not covered by the insurance.

VÍS does not pay compensation for hospitalisation due to:

- 3.3 Diseases/illnesses that first showed symptoms before the insurance was purchased or the insured became covered by the insurance.
- 3.4 An accident that occurred before the insurance was purchased or the insured gained insurance coverage according to the insurance.
- 3.5 Hospitalisation that commences within 90 days from the date when the insurance was purchased or the insured gained insurance coverage according to the policy, unless hospitalisation is due to an accident.
- 3.6 Treatment that involves haemodialysis or treatment in connection with haemodialysis.
- 3.7 Epilepsy episodes.
- 3.8 Any form of anxiety, mental illness, senile dementia, Alzheimer's, treatment in a psychiatric ward or psychiatric nursing homes.
- 3.9 Pregnancy, foetal loss (except as a result of an accident), or childbirth and / or treatment related to pre-natal and post-natal birthing assistance.
- 3.10 Abortion, sterility, sterility operations as well as fertility treatment and contraception.
- 3.11 Hospitalisations not considered medically necessary, nor admittances taking place in naturopathic centres, sanatoriums, rehabilitation centres, nursing homes and comparable institutions.
- 3.12 Hospitalisation for the sole purpose of diagnosis, x-ray or general medical examination.
- 3.13 Hospitalisation for preventative purposes and or for bathing and/or respite care as well as hospitalisation due to obesity, weight loss, weight adjustment, overeating or anorexia.
- 3.14 Consumption of drugs, alcohol or other habit forming narcotic substances nor for diseases or accidents that directly or indirectly can be traced to the consumption of drugs, alcohol or other habit forming narcotic substances.
- 3.15 Participation by the insured in mountain climbing, cliff rappelling, boxing, any form of wrestling and martial arts, driving sports, hang-gliding, gliding, parachuting, scuba diving and bungee jumping.



- 3.16 Aircraft accidents, unless the insured is a passenger on a scheduled or chartered flight operated by a party having the requisite aviation authority permits.
- 3.17 Participation by the insured in fist-fights or a criminal offence.
- 3.18 Participation by the insured in competitions or during training sessions in preparation for competitions in any sport.
- 3.19 Birth defects, whether physical or mental nor for congenital diseases.
- 3.20 Plastic surgery, unless such surgery is due to an accident that occurred during the insurance period.
- 3.21 Sexually transmitted diseases, HIV infection and all infectious diseases requiring isolation or quarantine by law.
- 3.22 Hospitalisation which directly or indirectly is the result of or is connected to:
- 3.22.1 Infection, involving i.a. antibodies against the HIV or the AIDS virus or is the result of such infection or other diseases, drugs or syndromes that cause immune suppression.
- 3.22.1.1 Disease or illness which directly or indirectly can be traced to such infection, disease or syndrome.
- 3.23 Hospitalisation after the insurance contract has expired.
- 4. Determination of compensation**
- 4.1 A medical certificate specifying when a disease, illness was first diagnosed or when and how an accident occurred must be presented before a decision can be made regarding compensation because of a disease, illness or an accident.
- 4.1.1 Compensation is paid on the submission of a written confirmation from a chief physician or other medical specialist in the hospital in which the insured stayed, the length of the stay and the reason for it.
- 4.1.2 Compensation is paid in a lump sum after hospitalisation concludes.
- 5. Amount of insurance coverage**
- The amount of insurance coverage is indicated in the insurance policy or in the renewal receipt.

6. Age limits

The insurance is valid for persons aged 16 and above but no longer, however, than until the insured reaches the age of 60.

VII. Cancellation insurance

Contents:

1. The insured and the co-insured
2. Scope of coverage
3. Amount of insurance coverage
4. Determination of compensation
5. Multiple insurance

1. The insured and the co-insured

- 1.1 The policyholder is the person who is insured.
- 1.2 The co-insured are:
 - 1.2.1 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.
 - 1.2.2 The policyholder's children and/or those of his spouse who are younger than 16 years of age are also insured, even though they may have a different registered domicile from that of the policyholder, when they are travelling abroad in the charge of the policyholder and/or his spouse.

2. Scope of indemnity

The insurance policy will compensate prepaid travel expenses which the insured is not entitled to be refunded for if he/she has to cancel his/her trip because:

- 2.1 A serious accident or the sudden illness of the insured that is confirmed by a certificate from a physician stating that the insured is not able to travel. The same applies if the insured dies prior to the trip.
- 2.2 Death, serious accident or sudden serious illness of a spouse, children, children's children, parents, grandfather, grandmother, parents-in-law, children-in-law or siblings of the person insured.
- 2.3 Of substantial property damage to the insured's home or private business which necessitates the presence of the insured. VÍS must be consulted as to whether it is necessary to cancel a trip.



- 2.4 Of government quarantine.
- 2.5 Of summons to the insured to testify in court.
- 2.6 Of work that the insured cannot avoid performing according to legal provisions on mandatory quarantine.
- 2.7 The insured is not able to travel due to government restrictions caused by an epidemic.

The insurance contract does not compensate pre-paid travel expenses:

- 2.8 Because of an illness that was pre-existing prior to the purchase of the insurance policy or which existed when the travel costs were paid.
- 2.9 Because of diseases occurring during the ninth month of pregnancy.
- 2.10 A serious accident that occurred before the insurance was purchased or had already occurred when the travel costs were paid.
- 2.11 For parties other than those covered by the insurance under Section 1.
- 2.12 Because of obligations towards a carrier, travel agency, hotel or tenants when no payments have been made.
- 2.13 Because of loss or damage caused by neglect to inform a travel agency or the entity organising the transportation craft or accommodation that it was necessary to cancel the journey.
- 2.14 Because of airport taxes and other charges that may be collected from carriers.

3. Amount of insurance coverage

The maximum compensation for each insured party in each insurance event is stated in the insurance policy or the renewal receipt.

4. Determination of compensation

- 4.1 VÍS will pay the amount that the insured has paid in advance for his/her trip in accordance with the original copy of the invoice.
- 4.2 The insured shall submit the necessary documents for a claim for compensation, e.g. medical certificate, travel ticket and receipt for the payment of travel expenses.
- 4.3 The insured shall not profit from an insurance event. The insurance policy shall only compensate the actual loss or damage of the insured.

5. Multiple insurance

- 5.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.
- 5.2 If more than one insurance company is liable to pay compensation in accordance with Article 5.1, the companies shall pay compensation proportionally, in accordance with each company's liability for the loss, unless otherwise agreed.

VIII. International Travel Health and Travel Interruption Insurance

Contents:

- 1. The insured and the co-insured
- 2. Applicability of the insurance policy
- 3. Scope of indemnity
- 4. Amount of insurance coverage
- 5. Deductible
- 6. Determination of compensation
- 7. Multiple insurance

1. The insured and the co-insured

- 1.1 The policyholder is the person who is insured.
- 1.2 The co-insured are:
 - 1.2.1 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.
 - 1.2.2 The policyholder's children and/or those of his spouse who are younger than 16 years of age are also insured, even though they may have a different registered domicile from that of the policyholder, when they are travelling abroad in the charge of the policyholder and/or his spouse.

2. The insurance contract is valid

The insurance applies:

- 2.1 During leisure time when travelling abroad for up to 92 consecutive days from the day of departure from Iceland until the return to Iceland.
- 2.2 During work when travelling abroad for up to 92 consecutive days from the day of departure



from Iceland until the return to Iceland if this involves business transactions, conferences or theoretical courses.

The insurance does not apply:

- 2.3 When the insured is studying or working abroad if the duration of study or occupation lasts longer than 92 days. However, the insurance contract is valid during travel to and from Iceland.

3. Scope of indemnity

If the insured sustains an accident, becomes ill or dies while travelling abroad, the insurance contract will pay compensation for:

- 3.1 Medical expenses.
- 3.1.1 Hospitalisation abroad, including medical assistance, medicinal products and other services provided by the hospital. The stay and treatment shall be ordered by a physician, and payment shall be based on a general hospital in the country in question.
- 3.1.2 Medical assistance and medicinal products recommended by a physician.
- 3.1.3 Pain relieving dental repair in an emergency. The maximum compensation for dental repair is 1% of the maximum amount of insurance coverage for medical expenses.
- 3.2 Extended cost.
- 3.2.1 Extra expenses for special hotel accommodation when the physician is of the opinion that treatment can take place in a hotel. These expenses include, e.g. nursing costs and medically recommended diet. The maximum compensation per 24 hours for such cost is 1% of the maximum amount of insurance coverage for medical expenses.
- 3.2.2 Extra expenses for the return trip, or travel to return to a predetermined travel schedule due to delays caused by the hospitalisation of the insured at the recommendation of a physician, including the travel expenses of a companion, if the physician thinks such travelling companion is necessary.
- 3.2.3 In addition to the travel expenses and accommodation costs of a close relative, incurred when the insured is injured, becomes seriously ill or dies during his travel, the company will pay the travel and accommodation expenses of a close relative who is summoned to the residence of the insured, in consultation with the VÍS consulting physician. The maximum compensation for

these costs is 10% of the maximum amount of insurance coverage for medical expenses.

3.3 Patient transport.

If the physician who has attended the insured because of illness or accident during travel is of the opinion that travel back home is necessary and that normal means of travel are adequate, his written confirmation will suffice for VÍS. In such cases, extra expenses for the travel home, such as an extra seat, more expensive seat, etc. will be paid. If the illness or accident is so serious that the physician is of the opinion that the insured must be transported home in another manner, a written confirmation by the VÍS consulting physician responsible for such transport will be needed.

3.4 Transport of the deceased.

In the event of the death of the insured during his travel, VÍS will pay for the transportation of the deceased as well as the additional cost for his travel companion as well as costs resulting from mandatory arrangements that have to be made.

3.5 Expenses in connection with holiday trip.

- 3.5.1 If a holiday trip is cut short due to the instruction of a physician before the trip has reached its half point or if the insured has stayed in a hospital for at least half the travel period, VÍS pays the cost of the patient's trip. If a trip is cut short without the above conditions being met, VÍS pays neither for the unused part of the travel expenses nor for a new trip overseas to replace the trip which was abandoned.

- 3.5.2 The maximum compensation for reimbursement of a holiday trip is 10% of the maximum amount of insurance coverage for medical expenses.

The insurance also covers:

3.6 Expenses in connection with travel abandonment.

- 3.6.1 The necessary additional expenses of returning to Iceland if the insured is forced to abandon his overseas stay due to:

- 3.6.1.1 Death, serious accident or a sudden and serious illness of a spouse, children, children's children, parents, grandfather, grandmother, parents-in-law, children-in-law or siblings of the person insured.

- 3.6.1.2 Substantial property damage to the insured's home or private business which necessitates



the presence of the insured. VÍS must be consulted as to whether it is necessary to return home.

- 3.6.2 The maximum compensation for travel abandonment is 10% of the maximum amount of insurance coverage for medical expenses.

The insurance contract does not compensate:

- 3.7 Hospitalisation cost because of diseases occurring during the ninth (9) month of pregnancy, during childbirth or abortion.
- 3.8 Hospitalisation cost because of chronic diseases and accidents for which the insured has received medical assistance or treatment during the past twelve (12) months.
- 3.9 Medication costs for drugs that the insured has been using on a regular basis before the trip commenced.
- 3.10 Medical costs because of continuing medical treatment, if the insured refuses to be transported home despite the recommendation of the physician attending him/her and the recommendation of VÍS' consulting physician.
- 3.11 Medical costs for more than three months on account of medical treatment abroad.
- 3.12 Cost of drugs without medical advice, prosthetic limbs and false teeth, glasses, eye lenses, hearing aids and other comparable aids.
- 3.13 Medical expenses because of illnesses or accidents that are excluded according to Section 4 of the Leisure Time Accidents insurance policy, if applicable. However, VÍS will pay costs relating to the illness, accident or death of the insured due to food or beverage poisoning, infections caused by insect bites or stings, as well as due to a motor vehicle subject to mandatory registration.

4. Amount of insurance coverage

- 4.1 The amount of insurance coverage is indicated in the insurance policy or in the renewal receipt.
- 4.2 The amount of insurance coverage is adjusted in accordance with the Consumer Price Index.

5. Deductible

- 5.1 For every event of loss or damage, there is a deductible which is specified in the insurance policy or in the renewal receipt.

- 5.2 The amount of the deductible is adjusted in accordance with the Consumer Price Index.

6. Determination of compensation

- 6.1 VÍS pays compensation in accordance with the original copy of the invoice.
- 6.2 The insured shall submit the necessary documents for a claim for compensation, e.g. medical certificate, travel ticket and receipt for the payment of travel expenses.
- 6.3 The insured shall not profit by an insurance incident. The insurance contract shall only compensate the actual loss or damage of the insured.

7. Multiple insurance

- 7.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.
- 7.2 If more than one insurance company is liable to pay compensation in accordance with Section 7.1, the companies shall pay compensation proportionally, in accordance with each company's liability to pay compensation, unless otherwise agreed.

IX. International Luggage Insurance

Contents:

1. Insured interests
2. The insured and the co-insured
3. Applicability of the insurance contract
4. Scope of indemnity
5. Precaution rules
6. Identification
7. Amount of insurance coverage
8. Underinsurance
9. Multiple insurance
10. Deductible
11. Notification of loss or damage to airlines
12. Determination of compensation

1. Insured interests

- 1.1 The insurance contract covers personal effects in the possession of the insured when travelling.
- 1.2 The insurance contract does not cover cash, travel tickets, traveller's checks, cheques, bonds or other securities, manuscripts and stamps.



2. The insured and the co-insured

2.1 The policyholder is the person who is insured.

2.2 The co-insured are:

2.2.1 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.

2.2.2 The policyholder's children and/or those of his spouse who are younger than 16 years of age are also insured, even though they may have a different registered domicile from that of the policyholder, when they are travelling abroad in the charge of the policyholder and/or his spouse.

3. Applicability of the insurance contract

The insurance contract applies:

3.1 When travelling abroad for 92 consecutive days from the day of departure from Iceland until return to Iceland.

The insurance contract does not apply:

3.2 When the insured is studying or working abroad if the duration of study or occupation lasts longer than 92 days. However, the insurance contract applies during travel to and from Iceland.

4. Scope of indemnity

The insurance contract compensates loss of or damage to the insured luggage:

4.1 Caused by fire.

4.2 Caused by theft.

4.3 Caused by robbery.

4.4 Caused by transport accidents.

4.5 If the luggage is totally lost during transport.

4.6 Caused by vandalism.

The insurance contract does not compensate:

4.7 Loss or damage of fragile or delicate items such as radios, audio equipment, televisions, video players, DVD players, recording equipment, cameras, eye glasses, ceramics, items made of glass, unless the loss or

damage is caused by fire, theft or because of an accident to the means of transport, or because of a collision between vehicles and the loss or damage cannot be compensated according to law under the liability insurance for these items.

4.8 Damage to suitcases and other protective bags.

4.9 Loss or damage to property because of scratches, dents or mashes if this does not impair their utility.

4.10 Loss or damage to items if they are torn or damaged by use, e.g. clothing, skis and other sports equipment.

4.11 Loss or damage that is caused by normal wear and tear or defect, or damage caused by harmful bugs e.g. moths.

4.12 Theft from tents or trailer tents.

4.13 Internal damage, such as mechanical breakdowns, short circuits and other damage to electrical systems.

4.14 Loss or damage because of confiscation, the freezing of assets and similar actions by government entities.

5. Precaution rules

5.1 The insured shall close windows and latch them and shall lock dwellings, motor vehicles, boats and other places where insured property is stored.

5.2 The insured shall not leave the insured property unattended in public and shall ensure that he or she brings the insured property along when leaving a public place.

5.3 The insured shall ensure that the insured property is packaged in appropriate and sufficient packaging so that it can withstand the transport.

6. Identification

In determining its liability, VÍS reserves the right to take into account the conduct of the insured's spouse or registered domestic partner; cf. Article 29 of the Insurance Contracts Act No. 30/2004.

7. Amount of insurance coverage

7.1 The amount of insurance coverage is indicated in the insurance policy or in the renewal receipt.



7.2 The amount of insurance coverage is divided proportionally between the insured during travel abroad, with, however, the limitation that the maximum amount of insurance coverage for each of the insured is 10% of the amount of insurance coverage for the home contents. However, the total amount of insurance coverage may never exceed the amount of insurance coverage stated in the insurance policy or renewal receipt.

7.3 The maximum amount of insurance coverage for each individual item, pair or set of luggage is listed in the insurance policy or the renewal receipt, and the liability is limited to that amount less the deductible.

7.4 Watches and jewellery will be compensated by up to 4% of the amount of the insurance coverage for home contents for each event of loss or damage.

7.5 The insurance amount does not provide proof of the value of the insured interests.

7.6 The amount of insurance coverage is adjusted in accordance with the Consumer Price Index.

8. Underinsurance

If the value of the luggage is greater than the amount of insurance coverage specifies, then compensation shall be paid proportionally.

9. Multiple insurance

9.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.

9.2 If more than one insurance company is liable to pay compensation in accordance with Section 9.1, the companies shall pay compensation proportionally, in accordance with each company's liability to pay compensation, unless otherwise agreed.

10. Deductible

10.1 The insured shall bear the cost of each loss up to the amount of the deductible, which is specified in the insurance policy or the renewal receipt.

10.2 The amount of the deductible is adjusted in accordance with the Consumer Price Index excluding the housing component.

11. Notice to airline of loss or damage

In the event that luggage is damaged or lost during flight or while luggage is in the custody of an airline, the injured party is under obligation to notify the damage/loss immediately on landing or within 7 days to the airline service desk by means of the appropriate form (P.I.R. form). The claimant shall submit a copy of the form including receipts stating whether and, if so, how much the airline company has paid to VÍS when notice of the loss or damage was filed.

12. Determination of compensation

12.1 Compensation shall be based on the value of a new item comparable to the damaged item on the date when the damage occurred. VÍS is authorised to reduce the compensation by an amount corresponding to the reduction in value due to age, use or other factors that may affect the value of the item in question.

12.2 VÍS may either pay the estimated cost of repair or get the damaged item repaired and then pay the repair cost if the item can be restored to its pre-damaged condition and it is worth the effort in the opinion of VÍS.

12.3 VÍS may pay compensation in cash or procure an item similar to that which was lost or damaged, taking into account the reduction in value under Section 12.1, if the damage to the item is such that repairing it is not feasible, or it is not worth the effort in the opinion of VÍS. In the event that VÍS has paid compensation under this section, VÍS reserves the right to recover the item that was damaged.

12.4 VÍS has the right to pay the difference between the value of the item that was damaged as the value stood prior to the insurance event and the value after the insurance event.

12.5 Compensation for loss or damages to audio and video tapes is limited to the cost of new unexposed CDs, films or video tapes, taking into account reasonable depreciation. However, compensation will be paid for published sound or video tape productions based on the purchasing price, taking into account reasonable depreciation.

12.6 Computer data and software are not covered.

12.7 Sentimental value will not be compensated.

12.8 The insured shall not profit from an insurance event. The insurance contract shall only compensate the actual loss or damage of the insured.



12.9 Stolen items that are recovered after VÍS has compensated the loss or damage are the property of VÍS and shall be handed over to the Company. The insured may nevertheless keep the items if he/she wishes by returning the compensation.

X. Baggage Delay Insurance

Contents:

1. The insured and the co-insured
2. Applicability of the insurance contract
3. Scope of indemnity
4. Precaution rules
5. Amount of insurance coverage
6. Notice to airline of loss or damage
7. Multiple insurance

1. The insured and the co-insured

- 1.1 The policyholder is the person who is insured.
- 1.2 The co-insured are:
 - 1.2.1 The co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, provided they have the same registered domicile in Iceland, live at that address and are members of the same household.

2. Applicability of the insurance contract

The insurance contract applies on scheduled or chartered flights:

- 2.1 For 92 consecutive days from the day of departure from Iceland.

The insurance contract does not apply:

- 2.2 When the insured is studying or working abroad if the duration of study or occupation lasts longer than 92 days. However, the insurance contract applies during travel to and from Iceland.

3. Scope of indemnity

- 3.1 VÍS pays compensation for the purchase of necessities for each insured party aged 16 and above if they do not receive their checked-in baggage within 12 hours of arrival to their destination, due to delays or incorrect processing.
 - 3.1.1 VÍS pays compensation for children under 16 years of age if they are travelling without a parent or custodian.

3.2 VÍS does not pay compensation for baggage delay that appears after arriving in Iceland.

3.3 VÍS does not pay compensation if the baggage delay is discovered within the same 24-hour period of the completion of the travel in Iceland.

3.4 Payment of compensation under this section does not require the presentation of invoices for cost outlays.

4. Precaution rule

The insured shall organise his or her travel arrangements so that the time between connecting flights is not less than the minimum stipulated by the airline/airport in question and note of which is made in travel booking.

5. Amount of insurance coverage

- 5.1 The maximum compensation for each insured party in each insurance event is stated in the insurance policy or in the renewal receipt.
- 5.2 The amount of insurance coverage is adjusted in accordance with the Consumer Price Index.

6. Notice to airline of loss or damage

In the event that baggage is lost during a journey or while luggage is in the custody of an airline, the claimant is under obligation to notify of loss to the service desk of the airline immediately on landing by means of the appropriate form (P.I.R. form). The claimant shall submit to VÍS a written confirmation from the airline which clearly states the length of the delay.

7. Multiple insurance

- 7.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.
- 7.2 If more than one insurance company is liable to pay compensation in accordance with Section 7.1, the companies shall pay compensation proportionally, in accordance with each company's liability to pay compensation, unless otherwise agreed.



XI. General Terms and Conditions

These general terms and conditions apply to all F plús 4 insurance contracts if not otherwise provided for in separate stipulations.

Contents:

1. Duty to inform when making or renewing an insurance contract
2. Special limitations on liability for compensation
3. Breach of precaution rules
4. Payment of the premium
5. Return of the premium
6. Commencement and end of liability
7. Renewal or cancellation upon renewal
8. Cancellation during period of insurance
9. Duties of the insured when the insurance event occurs
10. Notification of insurance event
11. The insured's duty to inform when performing settlement of claims.
12. Intent
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15. Claim for compensation
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18. Interest on compensation amount
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20. Notice of change of address
21. Currency
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23. Expiry
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25. Venue
26. Applicable law

1. Duty to inform when making or renewing an insurance contract

1.1 Non-life insurance contracts.

1.1.1 Vátryggingartaki, eða eftir atvikum vátryggður, skal veita félaginu þær upplýsingar sem það óskar eftir um atvik sem haft geta þýðingu fyrir mat þess á áhættu, sbr. 19. gr. laga um vátryggingarsamninga nr. 30/2004. Additionally, they should initiate the provision of information to the Company about certain circumstances they know or should know as being of considerable importance for the Company's risk assessment.

1.1.2 If it becomes clear to the policyholder or the insured that he has provided incorrect or unsatisfactory information about the risk, he shall inform VÍS accordingly without undue delay.

1.1.3 VÍS is not liable if the policyholder or the insured has fraudulently neglected his/her

duty to inform and an insurance event has occurred.

1.1.4 If the policyholder or the insured has neglected his/her duty to inform to an extent that is not deemed as being insignificant, VÍS' liability may become void in full or in part, cf. paragraphs 2 and 3 of Article 20 of the Insurance Contracts Act No. 30/2004.

1.2 Personal insurance.

1.2.1 When entering into an insurance contract, the policyholder or the insured, as the case may be, shall provide VÍS with the information it requests and is of importance for its risk assessment; cf. Article 82 of the Insurance Contracts Act No. 30/2004. Additionally, they should initiate the provision of information to VÍS about certain circumstances they know or should know as being of considerable importance for the Company's risk assessment.

1.2.2 When renewing the insurance contract, the policyholder or the insured, as the case may be, shall provide VÍS with new information about his/her health if VÍS requests such information in writing, cf. paragraph 3 of Article 79, of Act No. 30/2004 on Insurance Contracts.

1.2.3 VÍS is not liable if the policyholder or the insured has fraudulently neglected his/her duty to inform and an insurance event has occurred.

1.2.4 If the policyholder or the insured has neglected his/her duty to inform to an extent that is not deemed as being insignificant, VÍS' liability may become void in full or in part, cf. paragraphs 2 and 3 of Article 83 of the Insurance Contracts Act No. 30/2004.

2. Special limitations on liability for compensation

The insurance contract does not compensate loss or damage or increase thereof that is directly or indirectly the result of or caused by:

2.1 Earthquakes, volcanic eruptions, landslides, snow avalanches, or other natural disasters.

2.2 War, invasion, military action, civil commotion, uprisings, riots, strikes, or similar incidents.

2.3 Nuclear reactions, ionic radiation, pollution stemming from radioactive materials, nuclear fuel, or nuclear waste.



3. Breach of precaution rules

Complying with the precaution rules herein is mandatory. In the event that precaution rules are not complied with, the liability of VÍS may be cancelled in whole or in part, cf. Article 26 of the Insurance Contracts Act No. 30/2004.

4. Payment of the premium

4.1 The insurance premium is due and payable upon demand.

4.2 Non-payment of premiums can result in loss of rights or cancellation of the policy, cf. Article 33 of the Act on Insurance Contracts, no. 30/2004.

5. Return of the premium

In the event that an insurance contract is cancelled before the period of insurance has expired, VÍS will return the premium in proportion to the period paid for by the insured in proportion to the period when the insurance contract was not in effect. This, however, does not apply if an insurance contract has expired because VÍS has fulfilled its obligations by paying in full the agreed amount of insurance coverage for home contents in the event of recoverable loss or damage.

6. Commencement and end of liability

6.1 The insurance enters into force when the company has agreed to the insurance request, unless otherwise provided for by law or an agreement is reached on the insurance taking effect at a later date.

6.2 If the company's liability is to begin on a certain date without this being further specified, the liability begins at 00:00 hours on this day.

6.3 The insurance contract is in effect until 24:00 hours on the date stipulated as being the last day in the insurance policy or the renewal receipt, or on the day the insurance expires if this is before the originally determined insurance end day, unless otherwise agreed.

7. Renewal or termination upon renewal

7.1 The insurance is renewed once annually, for one year at a time, unless otherwise agreed upon. Short-term insurance is not renewed. The same applies in instances where it is clearly stated in the terms and conditions that the insurance becomes void at a certain point in time.

7.2 If the policyholder wishes to cancel the insurance in connection with its renewal, this shall be done in writing within one month from the date the company sent a renewal notification, however, not later than two weeks before the renewal date.

7.3 The company may refuse to renew insurance for certain reasons, cf. Articles 18 and 79 of Act no. 30/2004 on Insurance Contracts. VÍS shall notify the policyholder accordingly in writing not later than two months prior to the renewal date.

7.4 The insurance terms and the premium may change upon renewal, in which instance the change enters into force as of the renewal date.

8. Termination during period of insurance

8.1 The company may cancel the insurance unless otherwise provided for by law:

8.1.1 With 14 days notice if incorrect or unsatisfactory information is provided on the insured risk, cf. Articles 21 and 84 of Act No. 30/2004 on Insurance Contracts.

8.1.2 Immediately if the policyholder has fraudulently neglected his duty to provide information about the insured risk, cf. Articles 21 and 84 of Act no. 30/2004 on Insurance Contracts.

8.1.3 With a one-week notice if the insured intentionally provides incorrect or unsatisfactory information that he/she knows or should know would result in him/her being paid compensation to which he/she does not have a right, cf. Articles 47 and 120 of the Insurance Contracts Act No. 30/2004.

8.1.4 With two months' notice, following an insurance event, if the insured has intentionally caused an insurance event or if he/she has neglected his/her duties according to precaution rules or has had three or more accidents during the last 12 months covered by this insurance contract or other contracts from VÍS, cf. Articles 15 or 76 of Act No. 30/2004 on Insurance Contracts.

8.1.5 On two months notice if the use of an insured item, the operation of the insured or the circumstances in other respects change during the insurance period to such an extent that the company would not have agreed to the insurance had such information been available at the beginning of the insurance period.



- 8.2 VÍS may terminate all the insurance contracts of the relevant party when the policyholder or the insured has fraudulently neglected his/her duty to inform about the insured risk and if the insured or another party intentionally provides incorrect or unsatisfactory information that he/she knows or should know would result in him/her being paid compensation to which he/she does not have a right.
- 8.3 During the period of insurance, the policyholder may terminate the insurance contract that is renewed automatically if he/she no longer needs the insurance policy or if there exist other special circumstances that justify termination, cf. paragraph 2 of Article 14, and paragraph 3 of Article 75 of the Insurance Contracts Act No. 30/2004.
- 9. Duties of the insured when the insurance event occurs**
- 9.1 In the instance of a risk of a potential insurance incident or if it has taken place, the insured should do all in his power to prevent the damage or limit it. If he/she, for this reason, incurs expenses, he/she may demand a refund from VÍS to the extent that the measures to limit or prevent loss or damage are deemed as being specific and justifiable, cf. Articles 28 and 38 of Act No. 30/2004 on Insurance Contracts.
- 9.2 If it should be clear to the insured that the company could have a right to a claim against a third person, he shall do all in his power and everything necessary to ensure the claim until the company is able to protect its interests.
- 9.3 If damage has occurred because the insured has neglected his duties by intent or gross negligence, cf. this article, the company's liability may become void in full or in part.
- 9.4 The provisions of Section 9 only apply to non-life insurance.
- 10. Insurance event notice**
- 10.1 The insured or any party believing he has a claim against the company shall without undue delay notify the company about the insurance incident. The same applies if the insured becomes aware or suspects that a tort claim, which it is reasonable to expect is covered by the insurance contract, will be made against him/her.
- 10.2 Theft, burglary, sabotage or assault shall always be reported to the police or the nearest authority, and such reports shall be presented to the company. During travel abroad, the tour guide, if there is one, shall also be notified of the above events.
- 10.3 The insured or any party who has the right to compensation loses such right if he does not notify the company of his claim within one year from the date he knew about the circumstances upon which it is based.
- 11. Insured's duty to inform when settling indemnity payments**
- 11.1 When settling indemnity payments, the insured shall provide VÍS with information and deliver documentation which he/she has access to and which the Company needs for assessing its liability and paying compensation.
- 11.2 If the insured, or the party who has a claim against the Company, intentionally provides incorrect or unsatisfactory information he/she knows or should know leads to him/her being paid compensation to which he/she does not have a right, all of his/her rights according to this and other insurance contracts because of the particular insurance event will become void. Under specific circumstances, however, the insured may have a right to compensation in part, cf. paragraph 2 of Article 47, and Article 120, of Act No. 30/2004 on Insurance Contracts.
- 12. Intent**
- If an insurance event may be attributed to intent on behalf of the insured, he/she has no claim against VÍS for compensation unless he/she was unable to realise the consequences of his/her conduct due to his/her age or mental condition.
- 13. Gross negligence**
- 13.1 If an insurance incident is traced to gross negligence by the insured, the company is free of its liability in full or in part, unless he was unable to comprehend the consequences of his conduct due to his age or mental condition. This also applies with respect to personal insurance if the consequences of an insurance incident are more extensive than they should be due to gross negligence by the insured.
- 13.2 When assessing the liability of VÍS, the fault of the insured must be taken into account with regard to how the insurance event occurred, whether the insured was under the influence of alcohol or narcotics which he/she voluntarily consumed, and to other circumstances.



13.3 The provisions of Article 13 do not apply to third-party liability insurance.

14. Fraudulent conduct

Anyone acting fraudulently towards VÍS loses all his/her rights under the insurance contract. In the event of several insurance contracts, he/she may also lose his/her right to compensation under them in respect of the same insurance event, cf. Articles 20 and 47 of Act No. 30/2004 on Insurance Contracts, as well as Articles 83 and 120 of the Act.

15. Claim for compensation

The insured, or the party entitled to compensation, may demand payment of compensation 14 days after the company has had an opportunity to obtain the necessary documentation in order to find out about its liability and determine the amount of compensation, cf. Article 48 and 121 of Act No. 34/2004 on Insurance Contracts.

16. Value added tax

If the insured or the injured has the right to reimbursement of value-added tax, VÍS reserves the right to arrange the execution of repairs and/or the indemnity settlement in such a manner that the reimbursement of value-added tax is deductible from the loss in conformity with applicable laws and regulations.

17. Netting

VÍS may set off defaulted premium payments against the insurance benefits it must pay, cf. Articles 49 and 122 of Act No. 30/2004 on Insurance Contracts.

18. Interest on indemnification

The insured has the right to receive interest in accordance with the provisions of Articles 50 and 123 of Act No. 30/2004 on Insurance Contracts.

19. Right of recourse

In the event of any of the insured having a claim for monetary compensation against a third party because of a recoverable loss, VÍS acquires that right insofar it has paid compensation.

20. Notice of change of address

The policyholder shall notify the company immediately if he/she changes his/her address.

21. Currency

All amounts pertaining to this insurance contract are in Icelandic currency (ISK) unless otherwise stated by law or negotiated separately.

22. Time limit to seek remedial action

If the company rejects, in full or in part, a claim by the insured or by a party who has the right to receive compensation, he loses his/her right to compensation if he/she has not begun litigation or demanded that the case be referred to the Insurance Complaints Committee within a year of receiving written notification about the rejection of his claim, cf. Articles 51 and 124 of Act No. 30/2004 on Insurance Contracts.

23. Expiry

23.1 Because of the liability insurance contract, the liability of VÍS will expire under the principles concerning the expiration of liability in tort, cf. Article 52, paragraph 2 of the Insurance Contracts Act No. 30/2004.

23.2 Due to other insurance contracts, entitlement to receive compensation expires after four (4) years. The four-year time limit period shall begin at the end of the calendar year in which the insured received the necessary information about the incident on which his claim is based. The claim to compensation shall expire, however, no later than ten (10) years after the end of the calendar year in which the insurance event occurred.

24. Dispute handling

24.1 Dispute over VÍS' liability, including fault and the apportioning of culpability with respect to mandatory liability insurance for cars may be brought before the Insurance Companies Claims Committee.

24.2 Rulings by the Insurance Companies Claims Committee may be appealed to The Insurance Complaints Committee. Other disagreements may also be submitted to the Insurance Complaints Committee, cf. Act No. 30/2004 on Insurance Contracts.

24.3 The rulings by the Insurance Complaints Committee may be brought before courts of law.

25. Venue

VÍS' domicile and venue are in Reykjavík. Actions that may arise on account of this insurance contract shall be brought



before the District Court of Reykjavík unless otherwise stated in international treaties by which Iceland is bound.

26. Applicable law

Act No. 30/2004 on Insurance Contracts applies to this insurance contract.

These insurance terms enter into effect on 2nd of Desember 2011.

For information purposes:

The Iceland Catastrophe Insurance

The fire insurance of buildings and personal property will automatically establish insurance protection with the Iceland Catastrophe Insurance, cf. Act No. 55/1992.

The Catastrophe Insurance covers loss or damage caused by natural disasters, i.e. volcanic eruptions, earthquakes, landslides, snow avalanches and flooding, cf. Article 4 of that Act.