



General terms

Insurance terms no. YY10

These general terms apply to all insurance of the company if not otherwise provided for in the individual provisions of other terms.

The provisions stated in the insurance policy or in the renewal receipt supersede the provisions of the terms. The provisions in the insurance policy, the renewal certificate and the terms supersede the provisions of law that may be deviated from.

Contents:

1. Information duty upon entry into and renewal of an insurance contract.
2. Beginning and end of coverage.
3. Renewal and cancellation upon renewal.
4. Cancellation during insurance period.
5. Duties of the insured upon insurance incident.
6. Notification about insurance incident.
7. Information duty of the insured upon the settlement of damages.
8. Intent.
9. Gross negligence.
10. Fraudulent conduct.
11. Claim for compensation.
12. Value-added-tax.
13. Balancing of debt
14. Interest on compensation amount
15. Right to reimbursement
16. Notification about change of address
17. Currency.
18. Deadline for seeking solution.
19. Disposition of disagreements.
20. Venue.
21. Legislation.

1. Information duty upon entry into and renewal of an insurance contract

1.1. Non-life insurance

1.1.1. The policyholder or the insured, as the case may be, shall provide the company with the information it requires about circumstances that may affect its risk assessment, cf. Article 19 of Act no. 30/2004 on Insurance Contracts. Additionally, they should initiate the provision of information to the company about special 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 the company accordingly without undue delay.

1.1.3. The company is not liable if the policyholder or the insured has fraudulently neglected his information duty and if an insurance incident occurs.

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

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 the company with the information it requests and is of importance for its risk assessment; cf. Article 82 of Act no. 30/2004 on Insurance Contracts. 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.

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

1.2.3. The company is not liable if the policyholder or the insured has fraudulently neglected his information duty and if an insurance incident takes place.

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

2. Beginning and end of coverage

2.1. 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.

2.2. 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.



2.3. The insurance 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 ends if this is before the originally determined last day, unless otherwise agreed upon.

3. Renewal or cancellation upon renewal

3.1. 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 that the insurance becomes void at a certain point in time.

3.2. 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.

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

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

4. Cancellation during insurance period

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

4.1.1. On 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.

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

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

4.1.4. On two months notice in the wake of an insurance incident if the insured has intentionally caused an insurance incident or neglected his duties according to the precautionary rules, cf. Articles 15 and 76 of Act no. 30/2004 on Insurance Contracts.

4.1.5. 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.

4.2. The company may cancel all the insurance contracts of the relevant party when the policyholder or the insured has fraudulently neglected his information duty about the insured risk and if the insured or another party intentionally provides incorrect or unsatisfactory information that he knows or should know would result in him being paid compensation to which he does not have a right.

4.3. During the insurance period, the policyholder may cancel the insurance contract that is automatically renewed if he no longer needs the insurance or if there exist other certain circumstances that justify cancellation, cf. Article 14, paragraph 2, and Article 75, paragraph 3, of Act no. 30/2004 on Insurance Contracts.

5. Duties of the insured upon insurance incident

5.1. 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 for this reason suffers expenses he may claim the company for reimbursement to the extent that the measures to limit or prevent damage are deemed as being special and justifiable, cf. Articles 28 and 38 of Act no. 30/2004 on Insurance Contracts.

5.2. If it should be clear to the insured that the company could have a right to a reclaim 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.

5.3. 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.

5.4. The provisions of Article 5 only apply to non-life insurance.

6. Notification about insurance incident

6.1. 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 receives information or suspects that



a claim for damages, which the insurance may cover, will be made against him.

6.2. 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.

6.3. 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.

7. Information duty of the insured upon the settlement of damages

7.1. Upon the settlement of damages the insured shall provide the company with information and present documents to which he has access and the company needs for assessing its liability and pay compensation.

7.2. If the insured or the party, who has a claim against the company, intentionally provides incorrect or unsatisfactory information he knows or should know leads to him being paid compensation to which he does not have a right, all of his rights according to this and other insurance contracts because of the particular insurance incident become void. In certain circumstances, however, the insured may have a right to compensation in part; cf. Article 47, paragraph 2, and Article 120, of Act no. 30/2004 on Insurance Contracts.

8. Intent

If an insurance incident may be traced to intent by the insured, he has no claim against the company for compensation unless he was unable to realize the consequences of his conduct due to his age or mental condition.

9. Gross negligence

9.1. 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 regarding personal insurance if the consequences of an insurance incident are more extensive than they should due to gross negligence by the insured.

9.2. When evaluating the company's liability, the fault of the insured for the occurrence of the insurance incident shall be studied, whether the insured was under the influence of alcohol

or narcotics which he voluntarily consumed, or other circumstances.

9.3. The provisions of Article 9 do not apply to third-party liability insurance.

10. Fraudulent conduct

A party exercising fraudulent conduct towards the company loses all his rights according to the insurance contract. In the instance of there being more insurance contracts, he may also lose his rights according to them in respect of the same insurance incident, cf. Articles 20 and 47 of Act no. 30/2004 on Insurance Contracts, as well as the act's Articles 83 and 120.

11. Claim for compensation

The insured or the party, who has the right to compensation, may claim the payment of compensation 14 days after the company had the opportunity to obtain the necessary documents for studying its liability and determine the amount of compensation, cf. Article 48 and 121 of Act no. 34/2004 on Insurance Contracts.

12. Value-added-tax

If the insured or the injured has the right to the reimbursement of value-added-tax, the company reserves the right to arrange the execution of repairs and/or the settlement of damage in such a manner that the reimbursement of value-added-tax decreases the amount of the damage in conformity with appropriate law and regulations.

13. Balancing of debt

The company is authorized to balance default payments of premium against the insurance compensation it is to pay, cf. Articles 49 and 122 of Act no. 30/2004 on Insurance Contracts.

14. Interest on compensation amount

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

15. Right to reimbursement

In the instance of any of the insured having a claim for monetary compensation against a third party because of liable damage, the



company receives this right insofar it has paid compensation.

16. Notification about change of address

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

17. Currency

Any amounts pertaining to this insurance contract are in the Icelandic currency (ISK) unless otherwise derived from law or especially negotiated.

18. Deadline for seeking solution

If the company rejects in full or in part a claim by the insured or the party who has the right to compensation, he loses his right to compensation if he has not launched litigation or demanded case procedure by The Insurance Complaints Committee within one year after receiving a notification about the rejection of his claim, cf. Articles 51 and 124 of Act no. 30/2004 on Insurance Contracts.

19. Disposition of disagreements

19.1. Disagreements over the company's liability, including fault and the division of fault, may be brought before the Insurance Companies Claims Committee.

19.2. Rulings by the Insurance Companies Claims Committee may be appealed to The Insurance Complaints Committee. Other disagreements may also be presented to the

Insurance Ruling Committee, cf. Act no. 30/2004 on Insurance Contracts.

19.3. The rulings by the Insurance Ruling Committee may be brought to court.

20. Venue

The company's domicile and venue are in Reykjavík. Matters that may arise over this insurance shall be brought before the District Court of Reykjavík unless otherwise derived from international treaties by which Iceland is bound.

21. Legislation

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

These insurance terms are effective as of 1 January 2006

These terms of insurance were translated into English from Icelandic. In instances of interpretation, the Icelandic version shall apply.

For information purposes:

The Iceland Catastrophe Insurance

The fire insurance of real estate and personal effects automatically establishes insurance protection with the Iceland Catastrophe Insurance; cf. Act no. 55/1992.

The Catastrophe Insurance covers damage caused by natural disaster, i.e., volcanic eruptions, earthquake, mudslides, avalanches and water floods; cf. the act's Article 4.