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Insurance terms no. GH25

Valid from 12 April 2019

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The insurance contract is governed by:

- The insurance policy including endorsements and special terms.
- These insurance terms, no. GH25.
- The company's General Terms, no. YY10.
- 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.

This is a translation of the authoritative Icelandic text. In the event of any discrepancies between the translation and the original Icelandic text, the original text shall prevail.

I. General terms

Contents:

1. Insured and co-insured
2. Insurance amount
3. Deductible
4. Multiple insurance
5. Special limitations on liability
6. Violations of the precautionary principles
7. Payment of premiums
8. Premium refund
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1. Insured and co-insured

- 1.1 The policyholder is the insured.
- 1.2 Co- insured are:
 - 1.2.1 Co-insured are the spouse or cohabiting partner of the policyholder and their unmarried children, including foster children, provided they have the same registered domicile in Iceland, are members of the same household and live at the same address.
 - 1.2.2 The policyholder's children and/or those of his spouse who are younger than 18 years of age are also insured, even though they have a different registered domicile in Iceland from that of the policyholder.

2. Insurance amount

- 2.1 The amount of insurance coverage is the amount specified in the insurance policy or the renewal certificate.
- 2.2 The amount of the insurance coverage does not provide proof of the value of the insured interests.
- 2.3 The maximum compensation for each single case of loss or damage, maximum compensation during the period of insurance or for each individual item, pair or set is indicated in the insurance policy or the renewal receipt.
- 2.4 The amount of the insurance coverage is adjusted in accordance with the Consumer Price Index excluding the housing component.
- 2.5 Further details for Individual liability insurance, Legal expenses insurance and Leisure Time Accident Insurance can be seen in Insurance amount chapter for each insurance.

3. Deductible

- 3.1 The amount of deductible is specified in the insurance policy or in the renewal receipt.
- 3.2 If the principal of the indemnification claim does not amount to the insurance deductible, the company will also not pay the cost even when the claim and the cost will, when combined, amount to more than the insurance deductible.
- 3.3 When the maximum compensation is specified as an amount or as a percentage of the amount of insurance coverage, this then refers to compensation when the deductible has been deducted.

4. Multiple insurance

- 4.1 If the same loss or damage is covered by more than one insurance contract, the insured may choose which insurance contract he wishes to apply until he has received the compensation to which he is entitled. If more than one insurance company is liable to pay compensation the companies shall pay compensation proportionally, in accordance with each company's liability to pay compensation, unless otherwise agreed. This does not apply for Individual liability insurance, Trauma Counselling, Leisure Time Accident Insurance, Child Care Insurance, Hospitalization Coverage and Baggage delay insurance.

5. Special limitations on liability

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

- 5.1 Earthquakes, volcanic eruptions, landslides, snow avalanches or other natural disasters.
5.2 War, invasion, military actions, civil unrest, rebellion, riots, strike or similar activities.
5.3 Nuclear reaction, ionizing radiation, pollution from radioactive substances, nuclear fuel or nuclear waste.

6. Violations of the precautionary principles

Complying with the precautionary principles herein is mandatory. In the event of non-compliance with the precautionary principles, the Company may be absolved of its liability, wholly or in part, cf. Article 26 of Act No. 30/2004 on Insurance Contracts.

7. Payment of premiums

- 7.1 The insurance premium is due and payable upon demand.
7.2 Non-payment of premiums can result in loss of rights or cancellation of the policy, as provided for in Article 33 of Act No. 30/2004 on Insurance Contracts.

8. Premium refund

In the event that an insurance contract is cancelled before the period of insurance has expired, the company will return the premium for the period paid 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 covered loss or damage.

9. Expiry

- 9.1 As regards the liability insurance contract, the liability of VÍS will expire under the principles concerning the expiration of liability in tort, cf. the second paragraph of Article 52 of Act No. 30/2004 on Insurance Contracts.
9.2 As regards 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.

II. Home Insurance

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A. Home contents

1. Insured interests

The insurance covers:

- 1.1 Home contents property of the insured parties.

“Home contents” refers to:

- 1.1.1 Any common home furnishings and personal items that are commonly used in a household. Watches and jewelry 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.

Property covered by the fire insurance valuation of the premises in accordance with laws and regulations can never be included under the definition of common home furnishings in this insurance.

- 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 Spectacles, false teeth and hearing aids owned and used by the insured.

- 1.3 Tools, spare parts, utensils and widgets which are the property of the insured and used for his 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 tires 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 motorized 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.

- 1.6 The following itemized 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:

- 1.6.1 Jet skis, sailboards, kayaks, canoes, rowing boats with or without outboard engines.

- 1.6.2 RIBs and other comparable boats under 5 meters in length.

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

- 1.6.4 Golf carts.

- 1.6.5 Parachutes and diving equipment.

- 1.6.6 Drones.

- 1.6.7 Paragliders without engines and microlights, with or without engines.

2. Applicability of the insurance policy

- 2.1 The insurance contract applies inside policyholder's registered domicile but also applies to:
 - 2.1.1 General home contents, cf. 1.1.1 that are outside the domicile of the policyholder in Iceland for up to 90 days. The coverage of such items, however, is limited to 15% of the amount of the insurance coverage.
 - 2.1.2 Home contents cf. 1.1 which is permanently located in storage in Iceland outside of the policy holders domicile. The coverage of such items, however, is limited to 15% of the amount of the insurance coverage.
 - 2.1.3 Home contents cf. 1.1 which is put in storage because of change of housing or construction in the policy holders home for up to 12 months.
 - 2.1.4 The insurance contract applies also to itemized leisure time equipment, c.f. 1.6., 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.

3. Scope of coverage

3.1 Fire, lightning, and explosion

The insurance contract compensates loss or damage caused by:

- 3.1.1 Fire. If items melt or scorch in the absence of open flames, the incident is not considered a fire.
- 3.1.2 Lightning.
- 3.1.3 Explosions.

The insurance contract does not compensate:

- 3.1.4 Damage resulting from work with explosives during construction.

Precautionary principle:

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

3.2 Soot

The insurance contract compensates loss or damage caused by:

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

The insurance does not cover loss or damage caused by:

- 3.2.2 Soot or smoke that has gradually accumulated during use.

3.3 Additional costs for contents damage

The insurance contract compensates:

- 3.3.1 Loss and damage resulting from firefighting and rescue efforts whose objective is to avoid or limit damage covered by the insurance, provided that the efforts are considered specific and justifiable.
- 3.3.2 Costs resulting from the necessary transport of home contents or storage in connection with covered damage.
- 3.3.3 Items damaged during above efforts.

3.4 Water, steam and oil

The insurance contract compensates loss or damage caused by:

- 3.4.1 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.
- 3.4.2 Water that suddenly and unexpectedly flows from water beds or fish tanks because of a failure.
- 3.4.3 Water that flows from sanitary fixtures because of an error or equipment failure.
- 3.4.4 Freezer or refrigerator leakage, not, however, for the equipment itself if the item is more than 5 years old.
- 3.4.5 Surface water caused by sudden downpours or thawing when the volume of water is so great that 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 does not cover loss or damage caused by:

- 3.4.6 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.

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

Precautionary principles:

- 3.4.8 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.
- 3.4.9 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.

3.5 Theft

The insurance contract compensates loss or damage caused by:

- 3.5.1 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, jewelry, scripts, original drawings, coin collections or stamp collections.
- 3.5.2 Theft from summer cottage, caravan, hunting/fishing lodge, 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 specified leisure equipment, cf. 1.6 is limited to 20% of the insurance amount.
- 3.5.3 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, leisure centers and in swimming pools operated by the primary school at the time when students are under the supervision of a teacher or staff.
- 3.5.4 Theft of bicycles, light motorcycles in Category I as defined in the Traffic Act, 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.

Precautionary principles:

- 3.5.5 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 an unlocked residential property is not left unoccupied.
- 3.5.6 The insured must lock a bicycle and Category I light motorcycle when he leaves them and the keys must be stored in a secure location.
- 3.5.7 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.

3.6 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.

3.7 Vandalism

The insurance contract compensates loss or damage caused by:

- 3.7.1 Intentional vandalism.

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

- 3.7.2 Perpetrated by the insured
- 3.7.3 Perpetrated by the spouse of the insured
- 3.7.4 Perpetrated by an individual with whom the insured lives in a fixed permanent relationship
- 3.7.5 To items that are outdoors in locations other than outside the domicile of the insured.

3.8 Breakage or collapse

The insurance contract compensates loss or damage caused by:

- 3.8.1 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:

- 3.8.2 Of tools, spectacles, false teeth, hearing aids and watches that occur because of breakage or collapse.
- 3.8.3 Resulting from liquids that are spilt during breakage or collapse.
- 3.8.4 Resulting from man-caused breakage or collapse.

Precautionary principle:

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

3.9 Traffic accident

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

3.10 Boiling (overheating)

The insurance contract compensates loss or damage to:

- 3.10.1 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 together with a fault description report by the repairman.

Precautionary principle:

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

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

The insurance contract compensates loss or damage to:

- 3.11.1 Food, due to the 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.

- 3.11.2 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.

Precautionary principle:

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

3.12 Short circuit

The insurance contract compensates loss or damage:

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

The insurance contract does not cover loss or damage:

- 3.12.2 To equipment that is more than 10 years old.
3.12.3 Appliances covered by the seller's warranty.
3.12.4 Caused by electrical power supply malfunction which causes electrical power fluctuations.

Precautionary principle:

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

3.13 Sudden heavy snow

The insurance contract compensates loss or damage caused by:

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

The insurance contract does not cover loss or damage:

- 3.13.2 That is attributable to a construction defect.

3.14 Storms

The insurance contract compensates loss or damage due to stormy weather when wind speeds reach 28.5 meters 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 recognized 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.

3.15 Aircraft

The insurance compensates for damage caused by aircraft and objects that fall from them.

4. Identification

In determining its liability, the company reserves the right to take into account the conduct of the insured's spouse or registered domestic partner, as provided for in Article 29 of Act No. 30/2004 on Insurance Contracts.

5. Determination of compensation

- 5.1 Compensation shall be based on the value of a new item comparable to the damaged item on the date when the damage occurred. The Company is authorized 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.
- 5.2 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.
- 5.3 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 5.1, 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 the company has paid compensation under this Article, the company reserves the right to recover the item that was damaged.
- 5.4 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.
- 5.5 Notwithstanding the stipulations in Section 5.1, the depreciation of the following items may not exceed the percentages in the table below. Depreciation, however, may never exceed 70%, cf. however 5.5.1 and 5.5.2.

Type	Years without depreciation	Depreciation per year
Clothing	1 year	20%
Furniture	1 year	10%
Audio equipment	1 year	10%
Cameras	1 year	20%
Televisions and players	1 year	20%
Bicycles and Cat.I light motorcycles:	1 year	10%
Skiing and camping equipment:	1 year	20%
Spectacles	1 year	10%
Hearing aids	1 year	20%
Cordless speakers	1 year	20%
Other electrical equipment	1 year	10%

- 5.5.1 The following items depreciate fully after 2 years:

Type	Depreciate	Depreciation per year
Smartwatches, smartphones and other mobile phones together with accessories	Every 6months.	25%

- 5.5.2 The following items depreciate fully after 5 years:

Type	Depreciate	Depreciation per year
Tablets and palm computers together with accessories	Every 12 months	25%
Table computers and laptops together with accessories	Every 12 months	25%

- 5.6 Compensation for damaged sound or 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.
- 5.7 Computer data and software are not covered.
- 5.8 Sentimental value will not be compensated.
- 5.9 The insured shall not profit from an insurance event. The insurance contract shall only compensate the actual loss or damage of the insured.
- 5.10 Stolen items that are recovered after VÍS has compensated the loss or damage are the property of VÍS and shall be returned to VÍS. The insured may nevertheless keep the items if he wishes by paying back the compensation.

6. Underinsurance

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

B. Individual liability insurance

Introduction

According to Icelandic law, a person is liable for tort damages with respect to any harm which he 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 has incurred tort liability, to the extent that the injured party will not have to cover his 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.

Because liability in tort is frequently a complex legal issue, the insured person has a duty to consult the company with respect to his legal position if he is presented with a claim for tort damages regarding injury for which he 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.

Any admission of liability in tort by the insured person is only binding upon himself, and not upon the company. 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.

7. 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.

8. Term of insurance

- 8.1 The insurance contract covers an insurance event that occurs during the period of insurance.
- 8.2 In the event that the consequences of an occurrence that resulted in loss or damage, and which occurred during the period of insurance, do not materialize until the insurance policy has expired, then the company will nevertheless pay compensation.
- 8.3 The company does not compensate for loss or damage resulting from an event that occurred prior to the commencement of the period of insurance even when the loss or damage does not emerge until during the period of insurance.

9. Scope of coverage

The insurance contract compensates:

- 9.1 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 own loss or damage on account of shared culpability or shared liability.
 - 9.1.1 Notwithstanding the provisions of Article 9.8.1, the insurance does not cover Category I light motorcycles and bicycles that are not subject to insurance obligations according to the Traffic Act.
- 9.2 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 own loss or damage on account of shared culpability or shared liability.
- 9.3 Without prejudice to any statutory tort liability, direct physical or property loss or damage of a third party caused by the children (aged less than 10 years), spouse or cohabiting partner of the insured. 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 own loss or damage on account of shared culpability or shared liability. Insurance coverage pursuant to this Article does not apply when the child is party to a traffic accident or if the loss or damage is in relation to a registered motor vehicle that is in use.

The insurance contract does not compensate:

- 9.4 Contractual damage, i.e. loss or damage that the insured person is liable for on account of non-performance of contract.
- 9.5 Loss caused by the insured parties to each other.
- 9.6 Loss that occurs because of the occupation of the insured, whether in his 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.
- 9.7 Loss or damage to items which the insured has the use of, or stores, or which are for any other reason in his custody.
- 9.8 Loss or damage for which the insured is responsible because of his liability in tort as owner or user of:
 - 9.8.1 Real estate property, aircraft, boats, motorized vehicles or heavy machinery. The insurance contract will cover the items specified in Article 1.6 in the Home Insurance section of this insurance contract and which are owned by the insured, with the exception of drones.
 - 9.8.2 Horses, dogs, other domestic animals or pets.

Risk according to Article 9.8 can be insured separately.

- 9.9 Loss or damages resulting from firearms for which the insured does not have a permit.
- 9.10 Property damage if caused by fire, water from firefighting, smoke, soot or explosion.
- 9.11 Fines, legal costs or other expenses in relation to a criminal case.
- 9.12 Damage that can be attributed to air pollution, ground pollution, pollution of vegetation, sea water, or water. The company will, however, compensate such loss or damage if it can be attributed to a single sudden event.
- 9.13 Loss or damage caused by prolonged dampness or water leakage.
- 9.14 Loss or damage that is attributable to asbestos or a material containing asbestos in some form.

10. Precautionary principles

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.

11. Insurance amount

- 11.1 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.
- 11.2 Expenses incurred with the approval of the company for the purpose of determining the insured's liability for compensation and interest on the indemnification is paid even when the payment made by the company would then exceed the amount of insurance coverage.
- 11.3 If the amount of insurance coverage is less than the principal of the indemnification amount, the company will only pay that portion of the expenses and the interest that corresponds to the indemnification amount that the company has to pay. However, liability for compensation outside the Nordic countries is limited to the amount of insurance coverage.

12. Determination 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.

13. Determination of compensation for property loss or damage

- 13.1 Compensation shall be based on value on the date of loss or damage.
- 13.2 The company may either pay the estimated cost of repair or have 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 to do so in the opinion of the company.
- 13.3 VÍS may pay compensation in cash or may procure an item similar to the one lost or damaged, if the item cannot be repaired or this is not worth the effort in the view of VÍS. In the event that the company has paid compensation under this Article, the company reserves the right to claim ownership of the item that was damaged.
- 13.4 The company is entitled to pay the difference between the value of the item that was damaged as the value was prior to the insurance event and the value after the insurance event.

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

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

- 14.1 If the insurance policy covers the loss or damage of the insured due to his liability in tort, the injured party may demand that the company pay compensation directly to the injured party. The company and the insured are under obligation to inform the injured party of any existing liability insurance contract.
- 14.2 If a claim is presented against the company for compensation, the insured person must be informed without unreasonable delay and must be provided with information regarding the handling of the claim. The company's acceptance of certain details that concern liability does not constitute a binding commitment on behalf of the insured person.
- 14.3 In the event that the injured party notifies the company that he intends to bring legal action against the company, the company may demand that the injured party direct the action against the insured person. The company shall notify the injured party of its demand without any unnecessary delay and in a verifiable manner.
- 14.4 With respect to the position of the injured person in other respects, reference is made to Article 44 of the Insurance Contracts Act No. 30/2004.

15. Handling of compensation claims

- 15.1 The insured person may not accept his liability for compensation or enter into agreements concerning compensation without the approval of the company.
- 15.2 The company represents the insured, and handles the processing of the case, and handles the case in the courts of law if necessary. The same applies regarding salvage fees or assistance.

C. Legal expenses insurance

Introduction

The purpose of the 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 the company when accepting the case and before further steps are taken. The attorney may, however, 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 pertaining to the case has been presented.

16. 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.

17. Term of insurance

- 17.1 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.
- 17.2 Notwithstanding the provisions of Article 17.1, 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.
- 17.3 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.

18. Scope of coverage

The insurance contract covers legal expenses:

- 18.1 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 17 are fulfilled. The insured is required to seek legal aid except when it is obvious that he does not meet the conditions.

The insurance contract does not cover legal expenses:

- 18.2 In criminal cases.
- 18.3 Disputes or actions that can only be submitted to be ruled upon by the executive branch or by special courts.
- 18.4 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.
- 18.5 In connection with the insured's occupation or performance in an official capacity.
- 18.6 Concerning commitments into which the insured has entered including third party collateral in real estate.
- 18.7 Concerning financial measures that are unusual or on an exceptionally large scale for an individual or exist because one individual provides guarantees for another.
- 18.8 Concerning claims or other demands that have been assigned to the insured.
- 18.9 Concerning the insured as the owner of real estate property.
- 18.10 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 including all financial commitments relating to these affects .
- 18.11 Concerning compensation or other claims concerning conduct leading to suspicion or indictment against the insured because of a culpable offence.
- 18.12 Concerning cases involving bills of exchange against the insured where the claim is uncontested or incontestable.
- 18.13 If there are no legitimate interests served by obtaining a judgement 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.
- 18.14 Concerning a dispute between the insured and VÍS.
- 18.15 Concerning cases relating to bankruptcy agreements or composition where the insured is insolvent or seeks composition.

19. Choice of litigation lawyer

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

20. Determination of compensation

- 20.1 The company 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 judgement or a court settlement. This means i.a. that the company does not pay if the insured surrenders the opportunity to collect the legal costs from the counterparty with or without legal action.
- 20.2 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.
- 20.3 If a legal dispute arises concerning the reasonableness of a attorney'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.

The company pays:

- 20.4 Attorney's fees and expenses.
- 20.5 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.
- 20.6 Costs incurred by the testifying of witnesses or in presenting other evidence before courts of law.
- 20.7 Court expenses.
- 20.8 Legal costs that the insured is ordered by the court to pay to the opposing party at the conclusion of the case.
- 20.9 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.

The company does not pay:

- 20.10 The insured's own work, loss of earnings, travel and accommodation expenses or other expenses of the insured.
- 20.1 The enforcement of a judgement, ruling or settlement.
- 20.12 Additional costs incurred by appointing extra attorneys or by replacing attorneys.
- 20.13 Additional costs resulting from the insured or his attorney being guilty of negligence in the conduct of the case or having, in any other respect, exhibited negligence.
- 20.14 Higher compensation for legal costs than the amount of the claim, if stated, otherwise the equivalent of the amount of the interests under dispute. The compensation paid, however, will never be higher than the amount of insurance coverage.

21. Insurance amount

- 21.1 In the event that the same attorney and/or same law firm accepts a case where five or more insured parties have the same legally protected interests and their legal proceedings fulfil the conditions provided for in Act No. 91/1991 on Civil Procedure as regards joinder of parties and/or class action, the company will not pay a greater proportion of the insurance amount of the legal costs stated on the insurance policy certificate or renewal receipt than are stated in the following table:

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

22. Recourse

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

III. Trauma Counselling

Contents:

- 1. Applicability of the insurance policy
- 2. Scope of coverage
- 3. Determination of compensation

1. Applicability of the insurance policy

- 1.1 The insurance is valid in Iceland.
- 1.2 The insurance policy applies during travels abroad for up to 92 days from the day of departure from Iceland.

2. Scope of coverage

VÍS pays for trauma counselling for the insured according to Section 2.1-2.4. A precondition for liability is that the loss or damage incident(s) that cause the insured to need trauma counselling is compensable and paid in accordance with any section of the F plus insurance.

- 2.1. The home of the insured is burglarized.
- 2.2. The home of the insured is significantly damaged.
- 2.3. When insured items are taken from the insured, i.e. when taken by violent means or the threat of imminent violence; cf. Article 252 of Act No. 19/1940, the General Penal Code.
- 2.4. One of the insured suffers a serious accident.

VÍS does not pay compensation:

- 2.5. For loss or damage that occurred before the insured gained insurance protection as regards trauma counselling.

3. Determination of compensation

- 3.1. VÍS will pay the cost of up to four hours of counselling treatment in the facility of treatment entities in Iceland. The treatment must begin within 6 weeks of the event and be completed within 6 months.
- 3.2. The company pays only the cost of the interviews, while other costs, such as travel expenses, are not paid.
- 3.3. The approval of the company must be obtained before assistance is sought.

IV. Changes and aids cost due to an accident

Contents:

1. Scope of coverage
2. Determination of compensation
3. Payment of compensation

1. Scope of coverage

The insurance covers cost of necessary changes to insurers home or/and necessary aid following an accident that is liable from this insurance and causes permanent medical disability.

2. Scope of coverage

- 2.1 The insured shall submit a receipt necessary for a claim for compensation. The receipt should show which changes were made to the house or which aids were bought.
- 2.2 All changes and purchases of aids should be done in consultation with VÍS.

3. Payment of compensation

Compensation will only be paid once for each insured or co-insured from this chapter of the insurance.

V. Comprehensive Household Contents Insurance

Contents:

1. Insured interests
2. Applicability of the insurance policy
3. Scope of coverage
4. Precautionary principles
5. Identification
6. Determination of compensation

Introduction

This insurance contract compensates loss or damage of such home contents that are not covered by 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, 1.2 and specified leisure time equipment, cf. Section 1.6 of the Home Contents Section of the Home Insurance part of the Family Insurance Contract.

2. Applicability of the insurance policy

- 2.1 The insurance is valid in Iceland.

- 2.2 The insurance policy applies during travels abroad for up to 92 consecutive days from the beginning of travel from Iceland and return back home provided that travel insurance is included in the insurance.

3. Scope of coverage

The insurance contract compensates:

- 3.1 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 3.2 to 3.7 below.

The insurance contract does not compensate:

- 3.2 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.
- 3.3 Loss or damage resulting from defects, incorrect assembly or internal failure, such as mechanical malfunction.
- 3.4 Loss or damage caused by sudden changes in temperature and/or humidity.
- 3.5 Loss or damage attributable to mold.
- 3.6 Damage or loss due to theft.
- 3.7 Damage or loss due to animals.

4. Precautionary principles

- 4.1 The insured shall comply with the instructions of the manufacturer with respect to handling, set-up, use and maintenance of the insured item.
- 4.2 The insured must close windows and latch them and must lock dwellings, motor vehicles, boats and other places where insured property is stored.
- 4.3 The insured shall not leave the insured effects unattended in public and shall ensure that he brings the insured effects along when leaving a public place.

5. Identification

In determining its liability, the company reserves the right to take into account the conduct of the insured's spouse or registered domestic partner, as provided for in Article 29 of Act No. 30/2004 on Insurance Contracts.

6. Determination of compensation

- 6.1 Compensation shall be based on the value of a new item comparable to the damaged item on the date when the damage occurred. The Company is authorized 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.
- 6.2 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.
- 6.3 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 6.1, 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 the company has paid compensation under this Article, the company reserves the right to recover the item that was damaged.
- 6.4 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.
- 6.5 Compensation for damaged sound or 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.
- 6.6 Computer data and software are not covered.
- 6.7 Sentimental value will not be compensated.
- 6.8 The insured shall not profit from an insurance event. The insurance contract shall only compensate the actual loss or damage of the insured.

- 6.9 Stolen items that are recovered after VÍS has compensated the loss or damage are the property of VÍS and shall be returned to VÍS. The insured may nevertheless keep the items if he wishes by paying back the compensation.

VI. Breakdown Coverage for Electrical Appliances

Contents:

1. Insured interests
2. Applicability of the insurance policy
3. Scope of coverage
4. Precautionary principles
5. Identification
6. Determination of compensation

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. Applicability of the insurance policy

- 2.1 The insurance is valid in Iceland.
- 2.2 The insurance policy applies during travels abroad for up to 92 consecutive days from the beginning of travel from Iceland and return back home provided that travel insurance is included in the insurance.

3. Scope of coverage

- 3.1 The insurance compensates for damages to the insured item that are caused by internal malfunctions.
The insurance contract does not cover loss or damage:
- 3.2 Caused by sudden changes in temperature and/or humidity.
- 3.3 Which can be traced to normal wear due to use, rust and corrosion.
- 3.4 Caused by pixel changes if such changes do not diminish the usefulness of the insured item.
- 3.5 Caused by repairs or maintenance.
- 3.6 Caused by an electrical power supply malfunction which causes electrical power fluctuations.
- 3.7 Caused by lost or damaged data and/or software.
- 3.8 Caused by viruses.
- 3.9 Which the manufacturer, seller, repairer or transporter is responsible for according to contract or by law.
- 3.10 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.

4. Precautionary principles

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

5. Identification

In determining its liability, the company reserves the right to take into account the conduct of the insured's spouse or registered domestic partner, as provided for in Article 29 of Act No. 30/2004 on Insurance Contracts.

6. Determination of compensation

- 6.1 Compensation shall be based on the value of a new device comparable to the damaged device on the date when the damage occurred.
- 6.2 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.
- 6.3 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 Article, VÍS reserves the right to recover the device that was damaged.
- 6.4 Notwithstanding the provisions of Section 6.1, VÍS may amortize the value of a device by up to 15% a year once the device is 3 years old.
- 6.5 Before compensation is determined, the insured must provide a warranty certificate for the insured device.

VII. Leisure Time Accident Insurance

Contents:

1. Applicability of the insurance policy
2. The term accident
3. Scope of coverage
4. Insurance amount
5. Determination of compensation

1. Applicability of the insurance policy

- 1.1 The insurance is valid universally.
- 1.2 Notwithstanding the provisions of Section 1 of the General terms, the insurance contract is valid for students studying abroad for up to 9 months from the day of departure from Iceland if the student keeps his legal address in Iceland.

2. The term “accident”

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

3. Scope of coverage

- 3.1 VÍS pays compensation for an accident which the insured suffers during his/her leisure time, in the performance of domestic duties, education where the student does not get paid or when participating in sports activities if this causes:
 - 3.1.1 Death.
 - 3.1.2 Permanent medical disability.
 - 3.1.3 Temporary loss of work capacity.
 - 3.1.4. Broken teeth.
- The company will also pay medical expenses in Iceland:**
- 3.2 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.
 - 3.2.1 Notwithstanding the provisions of Section 3.2, the insurance covers medical costs in Iceland because of accidents involving children under 16 years of age even when there is no permanent disability, however not because of accidents covered by Section 3.1.4.

- 3.2.2 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 Sjúkratryggingar Íslands (Icelandic Health Insurance).
- 3.2.3 Notwithstanding the provisions of Article 3.3, VÍS pays compensation for accidents caused by Category I light motorcycles according to the Traffic Act.

VÍS does not pay compensation for accidents:

- 3.3 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.
- 3.4 During participation in competitions or during training sessions in preparation for competitions in any sport if the insured has reached the age of 16 years. Sports refers to individual- and team sports which are trained for regularly under coach supervision connected to a club or an organization which focus on sports competition.

Those restrictions do not apply for public participation in competition or preparation for golf, road cycling, triathlon, cross country- or street running.
- 3.5 In fighting, wrestling or self-defense sports where the object of the sport in question is to hit, punch or kick the opponent or to tackle the opponent in any other manner. This exemption, however, does not apply to children below the age of 16.
- 3.6 In driving sports. This exemption, however, does not apply to children below the age of 16.
- 3.7 During cliff rappelling and cliff, mountain and ice climbing.
- 3.8 When mountain hiking of any sort higher than 4.000m above sea level.
- 3.9 When scuba diving with an oxygen tank and during free-diving (without oxygen) to a depth greater than 10 m.

Risks according to Section 3.4 to 3.9 can be insured separately.

- 3.10 During hot-air ballooning and glider, kite, hang-gliding, ultralight aircraft flights and other comparable activities.
- 3.11 In bungee jumping, sky-diving and base jumping and other comparable activities.
- 3.12 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.
- 3.13 Occurring during participation in fist-fights or a criminal offence.
- 3.14 Occurring due to artificial indoor tanning, 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.
- 3.15 Occurring due to painkilling drugs or barbiturates.
- 3.16 Occurring as a result of toxic gases, unless these have occurred without warning and against the will of the insured.
- 3.17 As a result of food- or beverage-poisoning.
- 3.18 That is caused by infection due to an insect bite or sting.
- 3.19 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.
- 3.20 Occurring during travel directly to and from work.

4. Insurance amount

- 4.1 If the insured is 70 years of age or older, amounts of insurance coverage are limited to the following percentages of the maximum amounts:

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

- 4.2 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.
- 4.3 Compensation amounts are calculated on the basis of the amount of insurance coverage on the date of the accident as follows:
 - 4.3.1 Death benefits change in direct proportion to changes in the consumer price index from the date of the accident to the date of death.
 - 4.3.2 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, however, is never longer than three years from the date of the accident.
 - 4.3.3 Per diem benefits change in direct proportion to changes in the consumer price index as of the date of the accident and during the whole period when loss of ability to work is actual.

5. Determination of compensation

5.1 Death benefits

- 5.1.1 If the insured dies as a result of an accident within one year from the date of the accident, death benefits will be paid less any benefits that the company may have paid to the insured for permanent disability due to the same accident.
- 5.1.2 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.
- 5.1.3 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 carried out, 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.
- 5.1.4 Death benefits will only be paid if the accident is the direct and sole cause of the insured's death. 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 arose later, without, however, being a direct and the sole consequence of an accident covered by the insurance contract.
- 5.1.5 The company has the right to request that an autopsy be performed on the deceased to ascertain the cause of death and other issues that may affect the company's liability.
- 5.1.6 Death benefits are paid to the insured person's spouse. In the absence of a spouse, the benefits will be paid to the statutory or testamentary heirs.

5.2 Compensation for permanent medical disability

- 5.2.1 If an accident results in the permanent medical disability of the insured within three years of the accident date, disability compensation will be paid.
- 5.2.2 The disability shall be assessed in terms of percentages of the applicable tables of the Disability Committee on degrees of disability at the time of assessment. The disability assessment shall not take account of the occupation, particular talents or social status of the insured. Accidents which only result in disfigurement shall not be assessed in respect of disability. If there is any likelihood that the condition of the insured may be improved through surgery or other such treatment, the possible improvement that such treatment could involve must be taken into consideration. If the injury of the insured is not included in the disability tables of the Disability Committee, it shall be assessed specifically, having regard to the tables.
- 5.2.3 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 six fold weight. Compensation paid for 100% permanent disability will therefore be 325% of the base amount of insurance coverage.
- 5.2.4 If loss of extremities, eyesight or hearing is not total, the disability will be compensated proportionally. If extremities become completely useless, it will be considered as loss thereof. If they are in some respects useful, the disability will be calculated in proportion thereof.
- 5.2.5 Loss or further disablement of an extremity or organ which was useless prior to the accident does not give rise to 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.
- 5.2.6 The disability shall normally be assessed one year after the accident, but otherwise once a physician has concluded that the permanent results of the accident have come to light, but in no case later than three years after the accident date.
- 5.2.7 If an accident results in permanent medical disability, such results shall be assessed by a single competent physician agreed on by the company and the insured.

5.3 Compensation for temporary loss of work capacity

- 5.3.1 The company will make per diem payments if the insured suffers temporary loss of work capacity as a result of an accident. 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 opinion 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.
- 5.3.2 "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.
- 5.3.3 VÍS decides on per diem payments on the basis of a physician's certificates and other documentation on record.
- 5.3.4 If the loss of work capacity by the insured is partly the result of factors other than the accident, the per diem payments will be reduced in proportion to the contribution of such factors to the loss of work capacity.
- 5.3.5 VÍS will not compensate temporary loss of work capability that is less than 50% of normal work capability.

5.4 Compensation for broken teeth

- 5.4.1 The company pays for repairs to healthy and well repaired teeth that are broken or damaged in an accident.
- 5.4.2 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.
- 5.4.3 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.
- 5.5 VÍS may have a physician of its choice examine the insured.
- 5.6 VÍS is entitled to gather information on the earlier health of the insured after having obtained the approval of the insured.
- 5.7 VÍS pays the cost of necessary medical certificates in connection with an insurance event when such certificates are obtained at the request of VÍS.

VIII. Child Care Insurance

Contents:

1. Scope of coverage
2. Determination of compensation

Introduction

VÍS pays compensation when a child that is under the age of 16 and is covered by the insurance contract under Article 1 in General terms 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. Scope of coverage

The Company pays:

- 1.1 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.
- 1.1.1 The maximum period of compensation for the same accident or illness is 180 days. Medically related diseases count as one and the same case.
- 1.1.2 If compensation has been paid according to Article 1.1, and the child is hospitalized again within 12 months of the end of a previous hospitalization because of the same illness or accident, the custodian of the child has the right to compensation from the day of the child's hospitalization if the 180 days of compensation have not been fully used.
- 1.2 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:

- 1.3 For illnesses that pre-existed at birth or were diagnosed within three months of birth.
- 1.4 For illnesses that pre-existed when the insurance policy was purchased or accidents that occurred before the insurance was purchased.
- 1.5 For illnesses or accidents that occurred before the child received insurance coverage under the insurance policy.
- 1.6 For hospitalization after the insurance contract has terminated.

2. Determination of compensation

- 2.1 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.
- 2.2 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 the hospitalization of the child.

IX. Hospitalization Coverage

Contents:

1. Applicability of the insurance policy
2. Scope of coverage
3. Determination of compensation
4. Age limits

Introduction

VÍS pays compensation when the person enjoying insurance protection according to Article 1 in General terms 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. 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.

2. Scope of coverage

The company pays:

- 2.1 Compensation for each day (24 hrs.) exceeding 5 successive days that the insured must spend in hospital due to disease, illness or accident.
 - 2.1.1 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.
- 2.2 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 hospitalization for breast reconstruction that is performed as result of breast removal due to cancer. Modifications of breast implants already in place are not covered by the insurance.

VÍS does not pay compensation for hospitalization due to:

- 2.3 Diseases/illnesses that first showed symptoms before the insurance was purchased or the insured became covered by the insurance.
- 2.4 An accident that occurred before the insurance was purchased or the insured gained insurance coverage according to the insurance.
- 2.5 Hospitalization that commences within 90 days from the date when the insurance was purchased or the insured gained insurance coverage according to the policy, unless hospitalization is due to an accident.
- 2.6 Treatment that involves hemodialysis or treatment in connection with hemodialysis.
- 2.7 Epilepsy episodes.
- 2.8 Any form of anxiety, mental illness, senile dementia, Alzheimer's, treatment in a psychiatric ward or psychiatric nursing homes.
- 2.9 Pregnancy, fetal loss (except as a result of an accident), or childbirth and / or treatment related to pre-natal and post-natal birthing assistance.
- 2.10 Abortion, sterility, sterility operations as well as fertility treatment and contraception.
- 2.11 Hospitalizations not considered medically necessary, nor admittances taking place in naturopathic centers, sanatoriums, rehabilitation centers, nursing homes and comparable institutions.
- 2.12 Hospitalization for the sole purpose of diagnosis, x-ray or general medical examination.

- 2.13 Hospitalization for preventative purposes and or for bathing and/or respite care as well as hospitalization due to obesity, weight loss, weight adjustment, overeating or anorexia.
- 2.14 Consumption of drugs, alcohol or other habit forming narcotic substances or for diseases or accidents that directly or indirectly can be traced to the consumption of drugs, alcohol or other habit forming narcotic substances.
- 2.15 Accidents suffered by the insured and which are exempted in Articles 3.5–3.11 in the Leisure Time Accident Insurance section of the insurance.
- 2.16 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.
- 2.17 Participation by the insured in fist-fights or a criminal offence.
- 2.18 Birth defects, whether physical or mental nor for congenital diseases.
- 2.19 Plastic surgery, unless such surgery is due to an accident that occurred during the insurance period.
- 2.20 Sexually transmitted diseases, HIV infection and all infectious diseases requiring isolation or quarantine by law.
- 2.21 Hospitalization which directly or indirectly is the result of or is connected to:
 - 2.21.1 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.
 - 2.21.2 Disease or illness which directly or indirectly can be traced to such infection, disease or syndrome.
- 2.22 Hospitalization after the insurance contract has expired.

3. Determination of compensation

- 3.1 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.
 - 3.1.1 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.
 - 3.1.2 Compensation is paid in a lump sum after hospitalization concludes.

4. Age limits

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

X. Travel Insurance (Optional)

The insurance is included if it is specified in the insurance policy or the renewal certificate.

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A. Cancellation insurance

1. Scope of coverage

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

- 1.1 A serious accident or sudden illness suffered by 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.
- 1.2 The 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.
- 1.3 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.
- 1.4 Government quarantine.
- 1.5 Summons to the insured to testify in court.
- 1.6 Work that the insured cannot avoid performing according to legal provisions on mandatory quarantine.
- 1.7 The insured not being able to travel due to government restrictions caused by an epidemic.

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

- 1.8 An illness that was pre-existing prior to the purchase of the insurance policy or which existed when the travel costs were paid.
- 1.9 Because of diseases occurring during the ninth month of pregnancy.
- 1.10 A serious accident that occurred before the insurance was purchased or had already occurred when the travel costs were paid.
- 1.11 Accidents suffered by the insured and which are exempted in Articles 3.5–3.11 in the Leisure Time Accident Insurance section of the insurance.
- 1.12 Parties other than those covered by the insurance under Article 1 in General terms.
- 1.13 Obligations towards a carrier, travel agency, hotel or tenants when no payments have been made.
- 1.14 Loss or damage caused by neglecting to inform a travel agency or the entity organizing the transportation craft or accommodation that it was necessary to cancel the journey.
- 1.15 Airport taxes and other charges that may be collected from carriers.

2. Determination of compensation

- 2.1 VÍS will pay the amount that the insured has paid in advance for his trip in accordance with the original copy of the invoice.
- 2.2 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.
- 2.3 The insured shall not profit from the insurance event. The insurance policy shall only compensate the actual loss or damage of the insured.

B. International travel health and travel interruption insurance

3. Applicability of the insurance policy

The insurance applies:

- 3.1 During leisure time when travelling abroad for up to 92 consecutive days from the day of departure from Iceland.

- 3.2 During work, paid or unpaid, when travelling abroad for up to 92 consecutive days from the day of departure from Iceland if this involves business meetings, office work, conferences or theoretical courses.
- 3.3 In academic study abroad for 92 consecutive days from the beginning of the journey from Iceland.

Most jobs which do not fall under the scope of article 3 can be insured separately.

4. Scope of coverage

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

4.1 Medical expenses

- 4.1.1 Hospitalization abroad, including medical assistance, medicinal products and other services provided by the hospital. The stay and treatment must be ordered by a physician, and the payment shall be based on a general hospital in the country in question.
- 4.1.2 Medical assistance and medicinal products recommended by a physician.
- 4.1.3 Pain relieving dental repair in an emergency. The maximum compensation for dental repair is 1% of the maximum amount of insurance cover for medical expenses.

4.2 Extra costs

- 4.2.1 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.
- 4.2.2 Extra expenses for the return trip, or travel to return to a predetermined travel schedule due to delays caused by the hospitalization 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.
- 4.2.3 Additional travel expenses and accommodation costs of a travel companion when the insured is injured, becomes seriously ill or dies during his travel, if such companion is accompanying the insured or is summoned to the location 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.

4.3 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.

4.4 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.

4.5 Expenses in connection with holiday trip

- 4.5.1 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.
- 4.5.2 The maximum compensation for reimbursement of a holiday trip is 10% of the maximum amount of insurance coverage for medical expenses.

4.6 Expenses in connection with travel abandonment

- 4.6.1 The necessary additional expenses of returning to Iceland if the insured is forced to abandon his overseas stay due to:
 - 4.6.1.1 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.
 - 4.6.1.2 Substantial property damage to the insured's home or private business which necessitates the presence of the insured. The insurance company must be consulted as to whether it is necessary to return home.
- 4.6.2 The maximum compensation for travel abandonment is 10% of the maximum amount of insurance coverage for medical expenses.

The insurance contract does not compensate:

- 4.7 Hospitalization cost because of diseases occurring during the ninth (9) month of pregnancy, during childbirth or abortion.
- 4.8 Hospitalization cost because of chronic diseases and accidents for which the insured has received medical assistance or treatment during the past twelve (12) months.
- 4.9 Medication costs for drugs that the insured has been using on a regular basis before the trip commenced.
- 4.10 Medical costs because of continuing medical treatment, if the insured refuses to be transported home despite the recommendation of the physician attending the insured and the recommendation of VÍS' consulting physician.
- 4.11 Medical costs for more than three months on account of medical treatment abroad.
- 4.12 Cost of drugs without medical advice, prosthetic limbs and false teeth, spectacles, eye lenses, hearing aids and other comparable aids.
- 4.13 Medical expenses because of illnesses or accidents that are excluded according to Article 3 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.

5. Determination of compensation

- 5.1 VÍS pays compensation in accordance with the original copy of the invoice.
- 5.2 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.
- 5.3 The insured shall not profit from the insurance event. The insurance policy shall only compensate the actual loss or damage of the insured.

C. International luggage insurance

6. Insured interests

- 6.1 The insurance contract covers personal effects in the possession of the insured when travelling. Watches and jewelry will be compensated by up to 5% of the amount of the insurance coverage for home contents for each event of loss or damage.
- 6.2 The insurance contract does not cover cash, travel tickets, traveler's checks, checks, bonds or other securities, manuscripts and stamps.
- 6.3 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. Applicability of the insurance policy

The insurance applies:

- 7.1 When travelling abroad for 92 consecutive days from the day of departure from Iceland.

8. Scope of coverage

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

- 8.1 Caused by fire.
- 8.2 Due to theft from residences, cars, caravans and boats.
- 8.3 Caused by robbery.
- 8.4 Caused by transport accidents.
- 8.5 If the luggage is totally lost during transport.
- 8.6 Caused by vandalism.

The insurance contract does not compensate:

- 8.7 Loss or damage of fragile or delicate items such as radios, audio equipment, televisions, video players, DVD players, recording equipment, cameras, spectacles, 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.
- 8.8 Damage to suitcases and other protective bags.
- 8.9 Loss or damage to property because of scratches, dents or mashes if this does not impair their utility.
- 8.10 Loss or damage to items if they are torn or damaged by use, e.g. clothing, skis and other sports equipment.
- 8.11 Loss or damage that is caused by normal wear and tear or defect, or damage caused by harmful bugs e.g. moths.
- 8.12 Internal damage, such as mechanical break-downs, short circuits and other damage to electrical systems.
- 8.13 Loss or damage because of confiscation, the freezing of assets and similar actions by government entities.

9. Precautionary principles

- 9.1 The insured shall close windows and latch them and shall lock dwellings, motor vehicles, caravans and boats where insured property is stored.
- 9.2 The insured shall not leave the insured effects unattended in public and shall ensure that he brings the insured effects along when leaving a public place.
- 9.3 The insured shall ensure that the insured property is packaged in appropriate and sufficient packaging so that it can withstand the transport.

10. Identification

In determining its liability, the company reserves the right to take into account the conduct of the insured's spouse or registered domestic partner, as provided for in Article 29 of Act No. 30/2004 on Insurance Contracts.

11. Underinsurance

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

12. Notification of loss or damage to airlines

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.

13. Determination of compensation

- 13.1 Compensation shall be based on the value of a new item comparable to the damaged item on the date when the damage occurred. The Company is authorized 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.
- 13.2 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.
- 13.3 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 13.1, 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 the company has paid compensation under this Article, the company reserves the right to recover the item that was damaged.
- 13.4 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.
- 13.5 Compensation for damaged sound or 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.

- 13.6 Computer data and software are not covered.
- 13.7 Sentimental value will not be compensated.
- 13.8 The insured shall not profit from the insurance event. The insurance policy shall only compensate the actual loss or damage of the insured.
- 13.9 Stolen items that are recovered after VÍS has compensated the loss or damage are the property of VÍS and shall be returned to VÍS. The insured may nevertheless keep the items if he wishes by paying back the compensation.

D. Baggage delay insurance

14. Applicability of the insurance policy

The insurance contract applies on scheduled or chartered flights:

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

15. Scope of coverage

- 15.1 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.
 - 15.1.1 VÍS pays compensation for children under 16 years of age if they are travelling without a parent or custodian.
- 15.2 VÍS does not pay compensation for baggage delays that occur after arriving in Iceland.
- 15.3 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.
- 15.4 VÍS has the authority to ask for receipts for expenses.

16. Precautionary principles

The insured shall organize his 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.

17. Notification of loss or damage to airlines

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 the 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.