



Equine Insurance

Insurance Terms No. ED15

Valid from 30 May 2018

The insurance policy is governed by:

- The insurance policy including endorsements and special terms and conditions.
- These insurance terms, No. ED15.
- The Company's general terms and conditions No. YY10.
- Act No. 30/2004, on Insurance Contracts.

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 certificate, a policy renewal receipt and the 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.

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I. Introduction

These terms and conditions contain the insurance terms for the Equine Insurance of VÍS as well as the general terms and conditions for such insurance. The insurance policy and the renewal receipt state what insurance is in effect for the horse in question.

II. General terms and conditions

Contents:

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1. Insured interests

The insurance applies to the horse specified in the insurance policy or the renewal certificate.

2. The insured

- 2.1 The owner of the horse is insured.
- 2.2 Pledgers and others who have financial interests in the insured are not co-insured in the sense of the Act on Insurance Contracts No. 30/2004.

3. Insurance policy's validity

The insurance is valid in Iceland.

4. 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:

- 4.1 Earthquakes, volcanic eruptions, landslides, snow avalanches or other natural disasters.
- 4.2 War, invasion, military action, civil commotion, uprisings, riots, strikes, or similar incidents.
- 4.3 Nuclear reactions, ionic radiation, pollution stemming from radioactive materials, nuclear fuel, or nuclear waste.

5. Precaution rules

- 5.1 The care of the horse, accommodation and feeding must be in accordance with provisions of the Animal Protection Act No. 15/1994 as amended, as well as other applicable laws and regulations.
- 5.2 The rules set by local authorities as regards free-roaming animals must be complied with. The horse must be kept within the intended and legal area by means of supervision and maintenance of fences.
- 5.3 The horse must be inoculated against diseases and infections according to the advice of veterinary surgeons and as applies to the location or region in question. Moreover, medicinal products to eliminate lice must be used as needed.
- 5.4 Attention must be paid to the care of teeth and hooves and the use of regular preventative actions such as the filing down of sharp points (floating), shoeing riding horses and trimming and cleaning hooves. Accredited farriers must shoe competition and breeding horses.
- 5.5 Worming must be performed at least twice a year according to the recommendations of veterinary surgeons.
- 5.6 When a horse goes missing, the policyholder is under obligation to advertise for the horse in the media and to initiate a search for the horse.
- 5.7 The policyholder must contact a veterinary surgeon as soon as possible if the horse shows any sign of illness or lack of health. Moreover, a veterinary surgeon must be contacted immediately if the horse's health deteriorates during treatment. The instruction of a veterinary surgeon must be followed without fail while the horse is undergoing treatment for a disease or accident.

The policyholder must maintain a record of all consultations and visits of the horse to the veterinary surgeon.

6. Breach of precaution rules

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

7. Identification

- 7.1 The company is authorized to identify a person's conduct who, subject to the consent of the insured, is responsible for the insured horse.
- 7.2 In instances of professional use, the company may identify the conduct of the supervisor of the insured and the user of the insured horse.

8. Premium payment

- 8.1 The insurance premium is due and payable upon demand.
- 8.2 Default in the payment of the premium may cause the loss of rights and the termination of an insurance contract, cf. the Act on Insurance Contracts No. 30/2004.

9. Premium refund

- 9.1 In the event that an insurance contract is cancelled before the period of insurance has expired, VÍS will return the premium in proportion to the period paid for by the insured in proportion to the period when the insurance contract was not in effect.
- 9.2 This does not apply, however, if the insurance contract has expired because the company has satisfied its obligation by remitting compensation for total loss.
- 9.3 If the loss or damage is compensated by the life insurance or loss of use insurance, all the horse's insurance under Equine Insurance shall lapse as of the day of the loss or damage. However, if the horse survives, the liability insurance shall remain in effect, if such insurance was in effect when the loss or damage occurred.

10. Transfer of ownership

In case of a transfer of ownership of the insured horse, the insurance shall expire when the transfer of ownership has taken place. However, the company is liable if an insurance incident takes place within 14 days following the transfer of ownership if the new owner has not obtained insurance.

11. Accident

The term accident denotes a sudden external event, or action of the horse itself, that causes injury to the horse and happens without the consent of person looking after the horse.

12. Disease

The term disease means that the horse becomes ill with a known and defined disease.

13. Medical costs

- 13.1 Medical costs means payments to a veterinary surgeon, clinic or hospital in Iceland for examinations or treatment for a disease or accident. Also included are medicinal products that the same parties provide or prescribe due to disease and accidents.
- 13.2 Travel and transportation costs for treatment and examination are not considered medical costs.
- 13.3 Costs resulting from physiotherapy and rehabilitation are not considered medical costs.
- 13.4 Feed, food supplements, health and cleaning products and other comparable goods are not considered medical costs.

14. Medical treatment

Examinations and treatments must be performed by a veterinary surgeon with a working permit in Iceland and in accordance with experience, expertise and recognized methods in the field of veterinary medicine.

15. Multiple insurance

- 15.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he/she wishes to use until he/she has received the compensation to which he/she is entitled.
- 15.2 If more than one insurance company is liable to pay compensation pursuant to Section 15.1, the companies shall pay compensation proportionally, in accordance with each company's liability for the loss, unless another agreement has been reached.

16. Traffic accident

If the horse is hit by a vehicle, information on what vehicle was involved must be submitted. If this is not known, the police must be notified that the horse was hit by a vehicle and a police report submitted to the company.

17. Autopsy

The company may require the performance of an autopsy if the company considers this necessary to determine liability or the cause of the horse's death. In such cases, the company pays for the autopsy.

18. Information gathering

On the settlement of loss or damage and decision on liability, the company may gather information from veterinary surgeons on the horse's medical history and health as well as any other information that may be relevant to the settlement of the loss or damage.

19. Lapse of claim

- 19.1 Due to the liability insurance contract, the liability of VÍS will expire under the principles concerning the expiration of liability in tort, cf. Article 52, paragraph 2 of the Insurance Contracts Act No. 30/2004.
- 19.2 Due to other insurance contracts, entitlement to receive compensation expires after four (4) years. The four-year time limit period shall begin at the end of the calendar year in which the insured received the necessary information about the incident on which his claim is based. The claim to compensation shall expire, however, no later than ten (10) years after the end of the calendar year in which the insurance event occurred.

III. Medical Costs Insurance

Contents:

1. Scope of coverage
2. Insurance amount
3. Deductible
4. Claim for compensation
5. Age limit

1. Scope of coverage

The insurance compensates medical costs resulting from:

- 1.1 Examining and treating the horse for disease or accident.
- 1.2 Orthopaedic surgery for birth defects for foals aged up to 1½ in the event of any of the following diseases: Tendon contraction, cloven hoof or bone axis deviation.
- 1.2.1 Compensation pursuant to Section 1.2 is paid for the entire duration of the treatment in question.

If a mare has also been life insured, the insurance also covers medical costs for a foal accompanying her, for up to 30 days after the birth of the foal.

The insurance does not compensate medical costs resulting from:

- 1.3 A disease that the horse suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.
- 1.4 Magnetic Resonance Imaging (MRI) or Computer Tomography (CT).
- 1.5 Taking samples and research to determine antibodies or antibody strength.
- 1.6 Preventive measures and regular examinations.
- 1.7 Examinations and treatments that are not medically necessary and/or justified.
- 1.8 Alternative medicine. However, the cost of acupuncture treatment is covered if performed by a veterinary surgeon certified to carry out such treatment. The cost of laser treatment is paid only in the event of treating of wounds.
- 1.9 Castrations or surgery due to undescended testicles (cryptorchidism).
- 1.10 Treatment for the purpose of impregnating a mare, e.g. sampling, hormone treatment, uterine flushing or general treatment for this purpose.
- 1.11 Examination or treatment of teeth, as well as treatment to remove wolf teeth, PM1. The insurance, however, does not compensate for treatment of dental abscesses and treatment of teeth that break due to an accident.
- 1.12 Temperament problems, objectionable sexual behavior or misbehavior.
- 1.13 Shoeing. However, the cost of dressings on a damaged hoof is paid if the dressing is applied by a veterinary surgeon or if a veterinary surgeon appoints an accredited farrier to dress the hoof. In such cases, the veterinary surgeon's referral must be submitted with the compensation claim. Compensation is paid only for the first dressings and only for the following diseases: Laminitis, lameness in the radius, osteoporosis, breaks and/or cracks in the hoof bone, hollow hoof walls, infections in hooves, foreign bodies in the hoof sole and/or frog, cracks in the hoof wall or serious hoof damage and/or wounds.
VÍS does not pay:
- 1.14 Surcharges on medical costs because the services of a veterinary surgeon were sought outside normal working hours, unless urgently necessary.
- 1.15 Cost of prescriptions, invoice preparation, certificates or preparation of medical reports.

2. Insurance amount

The insurance amount, which is the maximum compensation in each event of loss or damage and, at the same time, the maximum compensation in each insurance period, is stated in the insurance policy and the renewal receipt.

The term maximum compensation refers to the compensation paid once the deductible has been deducted.

3. Deductible

- 3.1 Each period of deductible is 100 days.
- 3.2 During each period, the policyholder pays once a fixed amount as the deductible, which is specified in the insurance policy and renewal receipt, and thereafter 10% of medical costs in excess of the deductible during the period.

The beginning of a period takes account of the date when assistance was first sought from a veterinary surgeon for loss or damage covered by the insurance. The period ends 100 days thereafter.

The next period for the deductible then begins on the next visit to a veterinarian due to a covered loss or damage.

4. Claim for compensation

Claims for compensation must be submitted with a detailed itemization of the cost of treatment and examination. The claim must also clearly indicate the horse for which the cost is, by attaching information about the name of the horse, origin, age and identifying markings, such as horse RFID or freeze brands as well as any other characteristics of the horse.

5. Age limits

- 5.1 When the insurance is issued a horse shall not be older than 15 years of age.

- 5.2 On the renewal of the insurance in the calendar year that the horse becomes 19 years of age, the insurance amount decreases by 20% and then by 20% of the balance of the amount on each renewal thereafter. The insurance is cancelled and cannot be renewed when the horse has reached the age of 23.

IV. Thoroughbred insurance

The insurance includes life insurance and loss of use insurance.

Contents:

- A. Life insurance
 - 1. Scope of coverage
- B. Loss of use insurance
 - 2. Scope of coverage
- C. Common provisions of the thoroughbred insurance
 - 3. Insurance amount
 - 4. Determination of compensation
 - 5. Age limits

A. Life insurance

1. Scope of coverage

VÍS pays compensation if:

- 1.1 The horse dies as a result of a disease or accident.
- 1.2 The horse is so ill or injured that the veterinary surgeon recommends that it is euthanized, as medical treatment would violate animal protection views.
- 1.3 The horse disappears and, despite advertising and normal searches, is not found again within four months.

VÍS does not pay compensation if the horse dies or has to be euthanized due to:

- 1.4 A disease that the horse suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.

The above provision also applies if the insurance amount is raised at the request of the policyholder, i.e. the previous insurance amount applies.

- 1.5 Temperament problems, objectionable sexual behavior or misbehavior.
- 1.6 Tetanus, if the horse has not been appropriately inoculated.
- 1.7 Bone spavin.
- 1.8 The instructions of public authorities or other comparable arrangements.

B. Loss of use insurance

2. Scope of coverage

- 2.1 VÍS pays compensation in the event that the horse is judged unusable for riding following a disease or accident and has verifiably, despite the appropriate actions of a veterinary surgeon, permanently lost the qualities necessary for riding.
 - 2.1.1 VÍS does not pay compensation until after the horse has been destroyed.
- 2.2 VÍS pays partial compensation when a horse has been ruled unusable for riding following a disease or accident, despite the appropriate actions and services of a veterinary surgeon, if the policyholder chooses to keep the horse in light of the fact that horse is considered to have, in the opinion of the veterinary surgeon and taking into account animal protection views, improved sufficiently to stay alive.

VÍS does not pay compensation for:

- 2.3 A disease that the horse suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning

of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.

The above provision also applies if the insurance amount is raised at the request of the policyholder, i.e. the previous insurance amount applies.

- 2.4 Temperament problems, objectionable sexual behavior or misbehavior.
- 2.5 The loss or reduction of the horse's fitness for use in breeding.
- 2.6 The fact that the horse is not considered fit for breeding due to problems relating to its genetic defects.
- 2.7 Bone spavin.
- 2.8 Tetanus, if the horse has not been appropriately inoculated.

C. Common provisions for thoroughbred insurance

3. Amount of insurance coverage

- 3.1 The insurance amounts are specified on the insurance certificate and the renewal receipt.
- 3.2 The insurance amount of the horse shall be as high as the horse's market value and is determined taking into account the purchase price and recognized merits.
- 3.3 The insurance amount does not provide proof of the value of the horse.

4. Determination of compensation

- 4.1 Compensation shall be based on the market price of the horse on the date of loss or damage but can never be greater than the insurance amount.
- 4.2 Partial compensation pursuant to Section 2.2 is always ISK 100,000 less than compensation would have been according to Section 4.1.

5. Age limits

- 5.1 When the insurance is issued a horse shall not be older than 15 years of age.
- 5.2 On the renewal of the insurance in the calendar year that the horse becomes 19 years of age, the insurance amount decreases by 20% and then by 20% of the balance of the amount on each renewal thereafter. The insurance is cancelled and cannot be renewed when the horse has reached the age of 23.

V. Riding horse insurance

The insurance includes a limited life insurance and loss of use insurance.

Contents:

- A. Limited life insurance
 - 1. Scope of coverage
- B. Loss of use insurance
 - 2. Scope of coverage
- C. Common provisions of the riding horse insurance
 - 3. Insurance amount
 - 4. Determination of compensation
 - 5. Age limits

A. Limited life insurance

1. Scope of coverage

VÍS pays compensation if:

- 1.1 The horse dies as a result of a disease or accident.

- 1.2 The horse is so ill or injured that the veterinarian recommends it be euthanized immediately, as medical treatment would violate animal protection views.
 - 1.3 The horse disappears and, despite advertising and normal searches, is not found again within four months.
- VÍS does not pay compensation if the horse dies or has to be euthanized due to:**
- 1.4 A disease that the horse suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.
- The above provision also applies if the insurance amount is raised at the request of the policyholder, i.e. the previous insurance amount applies.
- 1.5 Temperament problems, objectionable sexual behavior or misbehavior.
 - 1.6 Tetanus, if the horse has not been appropriately inoculated.
 - 1.7 Bone spavin or other chronic motion problems as well as chronic problems that suddenly become serious.
 - 1.8 The instructions of public authorities or other comparable arrangements.
 - 1.9 Lameness.
 - 1.10 Physical development handicaps.
 - 1.11 Breaks or cracks in bone tissue showing evidence of weakness, decalcification, sclerosis or arthritis.
 - 1.12 Chronic respiratory problems and chronic problems that suddenly become serious.

B. Loss of use insurance

2. Scope of coverage

- 2.1 VÍS will pay compensation in the event that the horse is judged unusable for riding following a disease or accident and has verifiably, despite the appropriate actions of a veterinary surgeon, permanently lost the qualities necessary for riding due to any of the following:
 - 2.1.1 Wounds.
 - 2.1.2 Breaks or cracks in bone tissue showing no evidence of weakness, decalcification, sclerosis or arthritis.
 - 2.1.3 Joint infections.
 - 2.1.4 Laminitis, sidebone ossification, hoof cartilage fistula, hoof cancer, hoof abscess, hoof crack, hoof wall cleft, hollow wall, poor horn quality, thrush and cancer in cells that manufacture horn material in the hoof wall (keratoma).
 - 2.1.5 Osteochondrosis and other bone and/or cartilage particulates. This applies to pasterns and hocks.
 - 2.1.6 Pneumonia.
 - 2.1.7 Chronic heart defects.
 - 2.1.8 Transportation disease and pleurisy.
 - 2.1.9 Repeated colic.
 - 2.1.10 Skin diseases.
 - 2.1.11 Eye diseases.
 - 2.1.12 Sinusitis.
 - 2.1.13 Neoplastic diseases, tumor diseases.
 - 2.1.14 VÍS does not pay compensation until after the horse has been destroyed.
 - 2.2 VÍS pays partial compensation when a horse is ruled unusable for riding for the reasons listed in Section 2.1.1 to 2.1.13, despite the appropriate actions and services of a veterinary surgeon, if the policyholder chooses to keep the horse in light of the fact that horse is considered to have, in the opinion of the veterinary surgeon and taking into account animal protection views, improved sufficiently to stay alive.
- VÍS does not pay compensation for:**
- 2.3 A disease that the horse suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning

of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.

The above provision also applies when the insurance amount is raised, i.e. the previous insurance amount applies.

- 2.4 Other disease diagnoses than those specified in Section 2.1.1 to 2.1.13.
- 2.5 Temperament problems, objectionable sexual behavior or misbehavior.
- 2.6 Tetanus, if the horse has not been appropriately inoculated.

C. Common provisions for riding horse insurance

3. Amount of insurance coverage

- 3.1 The insurance amounts are specified on the insurance certificate and the renewal receipt.
- 3.2 The insurance amount of the horse shall be as high as the horse's market value and is determined taking into account the purchase price and recognized merits.
- 3.3 The insurance amount does not provide proof of the value of the horse.

4. Determination of compensation

- 4.1 Compensation shall be based on the market price of the horse on the date of loss or damage but can never be greater than the insurance amount.
- 4.2 Partial compensation pursuant to Section 2.2 is always ISK 100,000 less than compensation would have been according to Section 4.1.

5. Age limits

- 5.1 When the insurance is issued a horse shall not be older than 15 years of age.
- 5.2 On the renewal of the insurance in the calendar year that the horse becomes 19 years of age, the insurance amount decreases by 20% and then by 20% of the balance of the amount on each renewal thereafter. The insurance is cancelled and cannot be renewed when the horse has reached the age of 23.

VI. Broodmare insurance

The insurance includes a limited life insurance, loss of use insurance, and unborn foal (prospective foal) and foal insurance for broodmares.

Contents:

- A. Limited life insurance
 - 1. Scope of coverage
- B. Loss of use insurance
 - 2. Scope of coverage
- C. Unborn foal (prospective foal) and foal insurance
 - 3. Scope of coverage
 - 4. Expiry of the insurance
- C. Common provisions of the broodmare insurance
 - 5. Insurance amount
 - 6. Determination of compensation
 - 7. Age limits

A. Limited life insurance

1. Scope of coverage

VÍS pays compensation if:

- 1.1 The mare dies as a result of a disease or accident.

- 1.2 The mare is so ill or injured that the veterinary surgeon recommends it be euthanized immediately, as medical treatment would violate animal protection views.
 - 1.3 The mare disappears and, despite advertising and normal searches, is not found again within four months.
- VÍS does not pay compensation if the mare dies or has to be euthanized due to:**
- 1.4 A disease that the mare suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.
- The above provision also applies if the insurance amount is raised at the request of the policyholder, i.e. the previous insurance amount applies.
- 1.5 Temperament problems, objectionable sexual behavior or misbehavior.
 - 1.6 Tetanus, if the mare has not been appropriately inoculated.
 - 1.7 Bone spavin or other chronic motion problems as well as chronic problems that suddenly become serious.
 - 1.8 The instructions of public authorities or other comparable arrangements.
 - 1.9 Lameness
 - 1.10 Physical development handicaps.
 - 1.11 Breaks or cracks in bone tissue showing evidence of weakness, decalcification, sclerosis or arthritis.
 - 1.12 Chronic respiratory problems and chronic problems that suddenly become serious.

B. Loss of use insurance

2. Scope of coverage

- 2.1 VÍS will pay the insurance amount in the event that the mare is judged unusable for breeding following a disease or accident and has verifiably, despite the appropriate actions of a veterinary surgeon, permanently lost the qualities necessary for breeding due to any of the following:
 - 2.1.1 Serious injuries to genitals.
 - 2.1.2 Diseases and injuries due to foaling.
 - 2.1.3 Neoplastic diseases, tumor diseases.
 - 2.1.4 Wounds.
 - 2.1.5 Breaks or cracks in bone tissue showing no evidence of weakness, decalcification, sclerosis or arthritis.
 - 2.1.6 Laminitis, sidebone ossification, hoof cartilage fistula, hoof cancer, hoof abscess, hoof crack, hoof wall cleft, hollow wall, poor horn quality, thrush and cancer in cells that manufacture horn material in the hoof wall (keratoma).
 - 2.1.7 Transportation disease and pleurisy.
 - 2.1.8 Chronic heart defects.
 - 2.1.9 Repeated colic.
 - 2.1.10 Skin diseases.
 - 2.1.11 Eye diseases.
 - 2.1.12 Sinusitis.
 - 2.1.13 Compensation is not paid until after the mare has been destroyed.
 - 2.2 VÍS pays partial compensation of the insurance amount when a mare is ruled unusable for breeding for the reasons listed in Section 2.1.1 to 2.1.12, despite the appropriate actions and services of a veterinary surgeon, if the policyholder chooses to keep the mare in light of the fact that the mare is considered to have, in the opinion of the veterinary surgeon and taking into account animal protection views, improved sufficiently to stay alive.
- VÍS does not pay compensation for:**
- 2.3 A disease that the mare suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.

The above provision also applies if the insurance amount is raised at the request of the policyholder, i.e. the previous insurance amount applies.

- 2.4 Other disease diagnoses than those specified in Section 2.1.1 to 2.1.12.
- 2.5 Temperament problems, objectionable sexual behavior or misbehavior.
- 2.6 Tetanus, if the mare has not been appropriately inoculated.

C. Unborn foal (prospective foal) and foal insurance

3. Scope of coverage

- 3.1 VÍS pays compensation amounting to 10% of the mare's life insurance for a prospective foal or foal if the mare is three to eighteen years of age if:
 - 3.1.1 The prospective foal dies on the 91st day from the date the mare was last covered by a stallion due to miscarriage, difficulties in foaling or the death of the mare. Confirmation of miscarriage from a veterinary surgeon must be submitted.
 - 3.1.2 No prospective foal or foal results from a mare that has nevertheless been confirmed as with foal through an examination carried out by a veterinary surgeon or by ultrasonography. An ultrasonogram must have been performed at the earliest 45 days after the mare was last covered by a stallion and a physical examination at the earliest 90 days after the mare was last covered by a stallion.
 - 3.1.3 The foal died or had to be destroyed within 30 days from birth due to injuries, illness or birth defect.
- 3.2 Compensation is only paid twice during the lifetime of each mare. This limitation, however, does not apply if the foal dies or needs to be destroyed due to injuries resulting from an accident.
- 3.3 In the event of multiple births, compensation is paid for only one foal (prospective foal). No compensation is paid if one of the foals survives.

VÍS does not pay compensation if:
- 3.4 The insurance is purchased more than nine months after the mare was last covered by a stallion. The same applies if the mare expires or is destroyed due to injuries or disease already in evidence when the insurance was purchased.

4. Expiry of the insurance

The insurance applies until life insurance is purchased for the foal or when the foal reaches the age of 30 days, whichever is first.

D. Common provisions for broodmare insurance

5. Amount of insurance coverage

- 5.1 The insurance amounts are specified on the insurance certificate and the renewal receipt.
- 5.2 The insurance amount of the mare shall be as high as the mare's market value and is determined taking into account the purchase price and recognized merits.
- 5.3 The insurance amount does not provide proof of the value of the mare.

6. Determination of compensation

- 6.1 Compensation shall be based on the market price of the mare on the date of loss or damage but can never be greater than the insurance amount.
- 6.2 Partial compensation pursuant to Section 2.2 is always ISK 100,000 less than the compensation would have been according to Section 6.1.

7. Age limits

- 7.1 When the insurance is issued a mare shall not be younger than 3 years old or older than 15 years of age.

- 7.2 On the renewal of the insurance in the calendar year that the mare becomes 19 years of age, the insurance amount decreases by 20% and then by 20% of the balance of the amount on each renewal thereafter. The insurance is cancelled and cannot be renewed when the mare has reached the age of 23.

VII. Limited life insurance

Contents:

1. Scope of coverage
2. Insurance amount
3. Determination of compensation
4. Age limits

1. Scope of coverage

VÍS pays compensation if:

- 1.1 The horse dies as a result of a disease or accident.
- 1.2 The horse is so ill or injured that the veterinary surgeon recommends it be euthanized immediately, as medical treatment would violate animal protection views.
- 1.3 The horse disappears and, despite advertising and normal searches, is not found again within four months.

VÍS does not pay compensation if the horse dies or has to be euthanized due to:

- 1.4 A disease that the horse suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.

The above provision also applies if the insurance amount is raised at the request of the policyholder, i.e. the previous insurance amount applies.

- 1.5 Temperament problems, objectionable sexual behavior or misbehavior.
- 1.6 Tetanus, if the horse has not been appropriately inoculated.
- 1.7 Bone spavin or other chronic motion problems as well as chronic problems that suddenly become serious.
- 1.8 The instructions of public authorities or other comparable arrangements.
- 1.9 Lameness.
- 1.10 Physical development handicaps.
- 1.11 Breaks or cracks in bone tissue showing evidence of weakness, decalcification, sclerosis or arthritis.
- 1.12 Chronic respiratory problems and chronic problems that suddenly become serious.

2. Amount of insurance coverage

- 2.1 The insurance amounts are specified on the insurance certificate and the renewal receipt.
- 2.2 The insurance amount of the horse shall be as high as the horse's market value and is determined taking into account the purchase price and recognized merits.
- 2.3 The insurance amount does not provide proof of the value of the horse.

3. Determination of compensation

Compensation shall be based on the market price of the horse on the date of loss or damage but can never be greater than the insurance amount.

4. Age limits

- 4.1 When the insurance is issued a horse shall not be older than 15 years of age.

- 4.2 On the renewal of the insurance in the calendar year that the horse becomes 19 years of age, the insurance amount decreases by 20% and then by 20% of the balance of the amount on each renewal thereafter. The insurance is cancelled and cannot be renewed when the horse has reached the age of 23.

VIII. Stallion infertility insurance

Contents:

1. Scope of coverage
2. Insurance amount
3. Age limits
4. Payment of compensation
5. Registration and disclosure obligation

Introduction

This insurance compensates for the permanent reduction of the fertility of a stallion or the loss of physical ability to get a mare into foal due to disease or accident.

The insurance is only for stallions with a verifiable confirmed ability to get mares into foal.

The period of use is defined as stable-use and two adjacent oestrus cycles within the same calendar year. The period of use begins on the same day as stable-use or the earlier oestrus period begins and ends on the same day as the later oestrus cycle ends.

On evaluating the ability of the horse to settle a mare, account is taken of the stud record of the horse for each period of use and his settlement ratio for the same period.

The settlement ratio is the ratio of mares that have come into foal or the number of mares that have been covered or artificially inseminated with his sperm during each calendar year.

The information used as the basis for the calculation of the settlement ratio shall be obtained from the impregnation certificates of mares, submitted to and registered by the Farmers' Association of Iceland, in accordance with Article 4 of Regulation No. 948/2002 on the Origin and Breeding of the Icelandic Horse.

The settlement ratio shall be calculated, at the earliest, one month after the final deadline to submit impregnation certificates to the Farmers' Association of Iceland.

In order for the insurance to be active during each use period, 15 or more mares must be covered by the stallion or artificially inseminated with his semen during each use period.

1. Scope of coverage

VÍS pays compensation for permanent stallion infertility caused by accident or disease as follows:

- 1.1 The insurance amount is paid in full if no mare has been impregnated by the stallion during the period of use.
- 1.2 75% of the insurance amount is paid if the settlement ratio is 10% or less during the last period of use.
- 1.3 VÍS does not pay any compensation unless a veterinary surgeon has, through examination and investigation, including an investigation into the volume and quality of sperm cells, confirmed that the reduction or total loss of fertility can be directly traced to an accident or a disease that the horse has suffered during the insurance period.
- 1.4 If VÍS pays compensation, the horse must be castrated. Compensation is not paid until after castration has taken place and a confirmation thereto sent to the company.

VÍS does not pay compensation for:

- 1.6 A disease that the horse suffers within 20 days from the entry into effect of the insurance, or for a disease or accident that originated before the date that the insurance came into effect, whether diagnosed or not. The determination of the beginning of the disease or injury is based on the opinion of a veterinary surgeon. VÍS reserves the right to seek the expert opinion of a veterinary surgeon.

The above provision also applies if the insurance amount is raised at the request of the policyholder, i.e. the previous insurance amount applies.
- 1.7 Problems relating to his genetic defects which have the result that the horse must be removed from breeding.
- 1.8 Temperament problems or other mental problems.
- 1.9 Bone spavin.

2. Insurance amount

- 2.1 The insured amount is specified on the insurance certificate and on the renewal receipt.
- 2.2 The insurance amount may not be higher than the total amount of the life insurance in effect for the stallion.
- 2.3 The company reserves the right to change the insurance amount when the insurance is renewed in light of the market value of the horse.

3. Age limits

- 3.1 When the insurance is issued a horse shall not be younger than 3 years old or older than 15 years of age.
- 3.2 The insurance is cancelled and cannot be renewed in the calendar year that the horse becomes 15 years of age.

4. Payment of compensation

When compensation is paid, the ownership rights to frozen sperm as well as the right of recourse and compensation with respect to a third party is transferred to the company.

5. Registration and disclosure obligation

- 5.1 The policyholder is responsible for maintaining a stud report on the use of the horse and how often he covers mares. The report must also contain information on when sperm is taken from the horse and mares are artificially inseminated.
- 5.2 VÍS must be immediately notified in the event of any contagious diseases where the stallion is kept or elsewhere where he stays, and where there is a risk of the stallion becoming infected by direct contact or that he infect the mares and thereby have an effect on their possible impregnation. A veterinary surgeon must be immediately contacted in such cases.
- 5.3 Information on the number of settled mares must be confirmed with a settlement certificate from the Farmers' Association of Iceland.

IX. Liability insurance

Contents:

1. Term of insurance
2. Scope of coverage
3. Insurance amount
4. Deductible
5. Determining the amount of compensation for personal injury
6. Determining compensation for property damage
7. The status of the injured party when loss or damage occurs
8. Handling of compensation claims

Introduction

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

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

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

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

1. Term of insurance

- 1.1 The insurance covers an insurance event that takes place within the insurance period.
- 1.2 If the consequences of an event that has caused damage, and which has happened within the insurance period, are not revealed until the insurance is no longer valid, the company will, nevertheless, compensate for such damage.
- 1.3 The company does not compensate for damage caused by an event that took place before the start of the insurance period, even when the damage is only revealed after the insurance period has started.

2. Scope of coverage

The insurance contract compensates:

- 2.1 Any direct personal injury or property damage of items belonging to a third party caused by the insured's liability in tort as the owner of the horse under Icelandic law. For the purposes of this contract, "property" means real estate and personal property, including animals. The insurance compensates for damage as long as the claimant must not carry the damage on account of being co-responsible or guilty of contributing to or causing the damage.

The insurance contract does not compensate:

- 2.2 Contractual damage, i.e. loss for which the insured is accountable because of non-fulfilment of contract.
- 2.3 Loss or damage that the family of the policyholder suffers. The family of the policyholder is the spouse (co-habiting partner) of the policyholder, their children and other relations, provided that these parties have the same legal domicile.

The above provision applies also to the supervisor of the horse each time.

- 2.4 Damages to property that the policyholder or parties pursuant to Section 2.3 have use of, store or are for other reason in their custody.
- 2.5 Property damage if caused by fire, water from firefighting, smoke, soot or explosion.
- 2.6 Loss or damage that can be traced to the failure of complying with laws and regulations applicable to the keeping of animals.
- 2.7 Wages, per diem payments or other payments that the policyholder is legally or contractually obligated to pay to a third party that has suffered an accident.
- 2.8 Fines, legal costs or other expenses in relation to a criminal case.
- 2.9 Loss or damage that can be traced to the fact that the horse makes a mistake in his work.

3. Insurance amount

- 3.1 The company's liability due to each single insurance event is limited to the insurance amount specified in the insurance policy or renewal certificate. In case of more than one insurance event resulting from the same cause, they will be considered to have been caused by a single insurance event.
- 3.2 Cost that come about to determine whether or not the insured is liable, and which the company has agreed upon, and interests from the sum insured are paid for, even if the company's payment thus exceeds the sum insured.
- 3.3 If the sum insured amounts to less than the principal of the compensation amount, the company only pays for the part of cost and interests that amounts to the compensation VÍS is under obligation to pay.
- 3.4 The amount of insurance coverage is adjusted in accordance with the Consumer Price Index.

4. Deductible

- 4.1 In every event of loss or damage, there is a deductible which is specified in the insurance policy or in the renewal receipt.
- 4.2 If the principal of a compensation claim does not exceed the deductible, the company does not pay for cost either, even though the sum of the claim and the cost exceeds the amount of the deductible.
- 4.3 The amount of the deductible is adjusted in accordance with the Consumer Price Index.

5. Determining the amount of compensation for personal injury

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

6. Determining compensation for property damage

- 6.1 Compensation shall be based on the value on the date the damage is incurred.
- 6.2 The company can either pay the estimated cost of repair or have the damaged item repaired and pay for the cost, if it is possible to repair it, so that it is in a similar state as before the damage and the company believes that it will be worth it.
- 6.3 The company may remit compensation in cash or may procure an article comparable to the damaged article if it is not possible to repair the damaged goods or it is not worthwhile to do so, in the company's estimation. In the event that VÍS has paid compensation under this section, VÍS reserves the right to claim ownership of the item that was damaged.
- 6.4 The company has the right to pay the difference between the value of the goods before and the value after the insurance incident.
- 6.5 The insured shall not profit from an insurance event. The insurance contract shall only compensate the actual loss or damage of the insured.

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

- 7.1 If the insurance covers the insured's damage because of the liability, the claimant can demand compensations directly from the company. VÍS and the insured are under obligation to inform the injured party of any existing liability insurance contract.
- 7.2 If a claim for compensations is made against the company, the insured is to be notified without unreasonable delay and informed about the claim's procedure. The accepting of VÍS of certain details that concern liability does not constitute a binding commitment on behalf of the insured person.
- 7.3 In the event that the claimant informs the company that he intends to file a lawsuit against it, the company can then demand that he also file a lawsuit against the insured. VÍS shall notify the injured party of its demand without any unnecessary delay and in a verifiable manner.
- 7.4 In other respects as to the claimant's status, reference is made to Article 44 of the Act on Insurance Contracts, No. 30/2004.

8. Handling of compensation claims

- 8.1 The insured must not admit his liability, or enter into any agreements regarding compensations, without the company's permission.
- 8.2 The company represents the insured and is in charge of the complete case procedure and is in charge of case procedures in a court of law if necessary. The same applies regarding salvage fees or assistance.