

# Medical expense insurance

Insurance terms no. SJ11

The insurance contract is governed by:

- The insurance policy including endorsements and special terms.
- These insurance terms, no. GH15.
- 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.

**Contents:**

1. The insured
2. Geographical validity
3. Scope of coverage
4. Special limitations on liability
5. Premium calculation
6. Premium payment
7. Premium refund
8. Age limits
9. Insurance amount
10. Determination of compensation
11. Lapse of claim

## 1. The insured

---

The insured is the person named in the insurance policy or renewal certificate.

## 2. Geographical validity

---

**The insurance applies:**

- 2.1 In Iceland.
- 2.2 Anywhere in the world for up to six months from the date of departure from Iceland unless otherwise agreed.

## 3. Scope of coverage

---

**3.1 The company pays:**

- 3.1.1 Compensation for an illness which the insured suffers if the illness results in:
  - 3.1.2 Permanent medical disability.
  - 3.1.3 Temporary loss of work capacity.

**Compensation elements covered by the insurance policy are stated in the insurance certificate or the renewal receipt.**

- 3.2 The company pays a per diem allowance for the period that the insured is quarantined in a residential facility or is hospitalised under the instructions of health authorities. Benefits are paid in the same manner as in the case of a disease.
- 3.3 The company pays the cost of necessary medical certificates in connection with an insurance event when such certificates are obtained at the request of the company.

**The company does not pay compensation for hospitalization due to an illness:**

- 3.4 That showed symptoms before the insurance policy entered into effect, unless company was aware of the illness at the entry into effect and nevertheless accepted to enter into the insurance contract.
- 3.5 That is a result of artificial sunbathing, medical treatment, surgical procedures or use of medicinal products, unless the treatment is undertaken on the advice of a physician due to a recoverable illness and is performed at an accredited healthcare facility.
- 3.6 That is caused by toxic gases, unless the poisoning occurred without warning and against the will of the insured.
- 3.7 That is caused by alcoholism or substance addiction.

- 3.8 That is directly or indirectly caused by terrorism of every kind, whether it is caused by biological or chemical effects and/or poisoning, including bacteria and viruses, or when the consequences of an illness are increased because of the aforementioned.

**The company does not reimburse:**

Compensation for loss of work capacity suffered by a woman during pregnancy, during birth or miscarriage, unless the loss of work capacity is caused by complications. In such cases, the waiting period is never less than one month.

#### 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. Premium calculation

---

- 5.1 The insurance premium is determined by the occupation and age of the insured.
- 5.2 The premium amount will be adjusted upon the renewal of the insurance policy in accordance with age of the insured and consumer price index changes.

#### 6. Premium payment

---

- 6.1 The insurance premium is due and payable upon demand.
- 6.2 Default in the payment of the premium may cause the loss of rights and the termination of an insurance contract, cf. Article 96 of Act No. 30/2004 on Insurance Contracts.

#### 7. 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 does not apply, however, if the insurance contract has expired because the company has satisfied its obligations by paying death benefits or compensation for 100% permanent medical disability.

#### 8. Age limits

---

The insurance policy expires when the insured reaches the age of 67.

#### 9. Insurance amount

---

- 9.1 The maximum insurance coverage amount for disability pension and per diem payments is indicated in the insurance policy or the renewal certificate.
- 9.2 The amount of insurance coverage shall be adjusted in accordance with the consumer price index.
- 9.3 Compensation amounts are calculated on the basis of insurance coverage amount at the commencement of the illness period as follows:
- 9.3.1 Disability benefits are adjusted in proportion to changes in the index from the commencement of the illness period to the date of settlement. The duration of the indexation of disability benefits does not, however, exceed three years from the commencement of the illness period.
- 9.3.2 Per diem benefits are adjusted in direct proportion to changes in the index from the commencement of the illness period and during the period of loss of ability to work.

## 10. Determination of compensation

---

- 10.1 Compensation for permanent medical disability
  - 10.1.1 If an illness causes permanent medical disability to the insured, disability compensation shall be paid.
  - 10.1.2 Permanent disability which is less than 25% is not compensated. The disability assessment shall not take account of the occupation, particular talents or social status of the insured. Illnesses which only cause disfigurement shall not be assessed with respect to disability. If it is likely that the condition of the insured may be ameliorated through surgical or other such treatments, account shall be taken of possible amelioration by such means. For 100% permanent medical disability, the whole insurance amount shall be paid, while lesser disabilities shall be compensated proportionally. Disability can never be assessed at more than 100%.
  - 10.1.3 If the loss of extremities, eyesight or hearing is not total, the disability will be paid in proportion thereof. 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.
  - 10.1.4 The loss or deformity of an extremity or organ which was useless prior to the illness does not provide entitlement to benefits for permanent medical disability. As regards the loss or deformity of an extremity or organ which was already deformed prior to the accident, the disability shall be assessed taking into account the deformity prior to the illness.
  - 10.1.5 The disability shall normally be assessed one year after commencement of a claimable illness period, but no later, however, than when per diem payments terminate, cf. section 10.2, taking into consideration the condition of the ill person at that time.
  - 10.1.6 If an illness causes permanent medical disability, the company and the insured must agree on one competent physician performing the assessment of the consequences of the illness.
- 10.2 Compensation for temporary loss of work capability
  - 10.2.1 If an illness causes the insured to temporarily lose work capability that is 50% or more, the company will pay per diem payments. Per diem payments are paid in proportion to the loss of work capability from the termination of the waiting period and for as long as the insured is unable to work in the assessment of a physician or until a disability assessment has been conducted. Per diem payments, however, will not be paid for more than the maximum benefit period as stated in the insurance policy or renewal certificate and not after three years have passed from the commencement of the illness period.
  - 10.2.2 The illness period is the period when there is a constant loss of work capacity due to an illness, whether or not one illness or more are the basis of the loss of work capacity.
  - 10.2.3 Waiting period means the period which, according to the insurance policy or renewal certificate, must pass from the commencement of the illness period until per diem payments start. Per diem payments are not made during that period.
  - 10.2.4 The company makes a decision regarding the payment of per diem payments on the basis of medical certificates and other available documentation.
  - 10.2.5 If the loss of work capability of the injured is to some extent attributable to causes other than the illness, the per diem payments shall decrease in direct proportion to the part that these causes affect the loss of work capability.
  - 10.2.6 Compensation for the same illness or same case, however, will not be paid for more in total than the maximum benefit period according to the insurance policy or renewal certificate. The same applies to illnesses that are medically related.
  - 10.2.7 When the time period between individual cases of the illness is shorter than the maximum benefit period as stated in the insurance policy or renewal certificate, the individual illness periods are added together and compensation not paid for longer than the above maximum benefit period.
  - 10.2.8 When a new illness period commences within twelve months from when the last illness period terminated, the waiting period is shortened by the combined length of the illness periods that exceeded 7 days and occurred wholly or partially within these twelve months. As for the new illness period, there is still a 7-day waiting period if the loss of work capability is not clearly a direct consequence of the same illness as previously.
  - 10.2.9 Benefits are not paid at the same time for loss of capability to work as the result of an accident and illness.
- 10.3 The company may have a physician of its choice examine the insured.
- 10.4 The company is entitled to gather information on the earlier health of the insured after having obtained the approval of the insured.

## 11. Lapse of claim

---

The right to claim compensation expires after 4 years. The period begins at the end of the calendar year in which the claimant received the necessary information about the events on which his claim is based. However, the right to claim compensation expires no later than 10 years after the end of the calendar year in which an insured event took place.