

# Accident insurance

Insurance terms no. SS10

The insurance contract is governed by:

- The insurance policy including endorsements and special terms.
- These insurance terms, no. GH18.
- 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.

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## 1. Insured

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The insured is the party named in the insurance policy or renewal receipt.

## 2. Geographical validity

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The insurance is valid universally.

## 3. The term accident

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The term "accident" refers to a sudden external event causing personal injury to the insured person and occurring without his consent. An accident involving the extremities, however, denotes a sudden event that causes injury to the insured without his will.

## 4. Scope of coverage

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4.1 The company pays compensation for an accident to the insured if it entails:

- 4.1.1 Death.
- 4.1.2 Permanent medical disability.
- 4.1.3 Temporary loss of work capacity.
- 4.1.4. Broken teeth.

Compensation elements covered by the insurance policy are stated in the insurance certificate or the renewal receipt. The insurance policy covers broken teeth only when disability is specified as a compensation element.

4.2 The company pays the cost of necessary medical certificates in connection with an insurance event when they are obtained at the company's request.

**The company does not pay compensation for accidents:**

4.3 During participation in competitions or during training sessions in preparation for competitions in any sport. 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.

4.4 In fighting, wrestling or self-defence 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.

4.5 In driving sports.

4.6 During cliff rappelling and cliff, mountain and ice climbing.

4.7 When mountain hiking of any sort higher than 4,000 m above sea level.

4.8 When scuba diving with an oxygen tank and during free-diving (without oxygen) to a depth greater than 10 m.

**Risks according to Section 4.3 to 4.8 can be insured separately.**

4.9 During hot-air ballooning and glider, kite, hang gliding, ultralight aircraft flights and other comparable activities.

4.10 In bungee jumping, sky-diving and base jumping and other comparable activities.

4.11 During flights, unless the insured is a passenger on a scheduled flight or charter flight operated by a party having the requisite aviation authority permits, unless otherwise stated in the insurance certificate or a policy renewal receipt.

4.12 In fist-fights or participation in the commission of a punishable act.

4.13 Injuries as a result of sunbathing, medical treatment, surgical procedure or use of medicinal products, unless prescribed by a physician on account of an accident covered by the insurance policy and performed in a recognized medical facility.

4.14 Through food or beverage poisoning.

4.15 Injuries caused by toxic gases, unless the poisoning occurred without warning and against the will of the insured.

4.16 As a result of infections due to insect bites or stings.

4.17 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.

## 5. Special limitations on liability

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**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. Change of risk level

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The insured shall advise the company without unnecessary delay of any changes in his field of employment. Failure to do so can entail a curtailment in the company's liability for each insurance event, cf. Article 88 of Act No. 30/2004 on Insurance Contracts.

## 7. Premium calculation

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7.1 The basic premium for the insurance is calculated on the basis of the employment of the insured.

7.2 The premium changes upon the renewal of the insurance in accordance with changes to the consumer price index.

## 8. Premium payment

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8.1 The insurance premium becomes due upon demand of payment.

8.2 Non-payment of the premium may result in the policyholder forfeiting his rights and the cancellation of the insurance contract, cf. Article 96 of Act No. 30/2004 on Insurance Contracts.

## 9. Premium refund

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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.

## 10. Insurance amount

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- 10.1 The maximum amounts of insurance coverage for death benefits, disability pension and per diem payments are stated in the insurance certificate or a policy renewal receipt.
- 10.2 Amounts of insurance coverage are adjusted in accordance with the consumer price index.
- 10.3 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	%
70 years	80%
71 years	60%
72 years	40%
73 years and older	20%

- 10.4 Compensation amounts are calculated on the basis of the amount of insurance coverage on the date of the accident as follows:
- 10.4.1 Death benefits change in proportion to changes in the index from the date of the accident to the date of death.
- 10.4.2 Disability benefits change in proportion to changes in the index from the date of the accident to the date of settlement. The maximum duration of indexation of disability benefits, however, is three years from the date of the accident.
- 10.4.3 Per diem payments change in direct proportion to changes in the index from the date of the accident until work capacity is restored.

## 11. Determination of compensation

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- 11.1 Death benefits.
- 11.1.1 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.
- 11.1.2 If the insured dies as a result of an accident more than a year after the accident date, but before a final disability assessment has been carried out, disability compensation will be paid on the basis of a provisional disability assessment.
- 11.1.3 Death benefits will only be paid if the accident is the direct and sole cause of the insured's death. No death benefits will be paid if disease, debility or the insured's pathological condition were contributing factors to his death. 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.
- 11.1.4 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.
- 11.1.5 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. If death benefits are to be paid to someone else, the insured must designate such person specifically in writing. In such instances, the rights holder must be registered in the insurance certificate or a policy renewal receipt.
- 11.2 Compensation for permanent medical disability.
- 11.2.1 If an accident results in the permanent medical disability of the insured within three years of the accident date, disability compensation will be paid.
- 11.2.2 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 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. 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. The full insurance amount will be paid for permanent 100% medical disability, but lesser degrees of disability will be compensated proportionally. Disability can never be assessed at more than 100%.

- 11.2.3 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.
- 11.2.4 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. Loss or further disablement of an extremity or organ which was partly disabled prior to the accident shall be assessed as a disability, taking into account such prior partial disablement.
- 11.2.5 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.
- 11.2.6 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.
- 11.3 Compensation for temporary loss of work capacity.
  - 11.3.1 The company will make per diem payments if the insured suffers temporary loss of work capacity as a result of an accident. The per diem payments will be paid in proportion to the loss of work capacity after the end of a waiting period for as long as a physician considers the insured unable to work or until a disability assessment has been carried out. However, per diem payments will not be paid beyond the maximum time stated in the insurance certificate or a policy renewal receipt and not after three years have passed since the accident date.
  - 11.3.2 A waiting period means the time period that must pass between the accident date and the date at which per diem payments begin under the provisions of the insurance certificate or a policy renewal receipt. Per diem payments are not made during that period.
  - 11.3.3 The company decides on per diem payments on the basis of a physician's certificates and other documentation on record.
  - 11.3.4 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.
- 11.4 Compensation for broken teeth.
  - 11.4.1 The company pays for repairs to healthy and well repaired teeth that are broken or damaged in an accident.
  - 11.4.2 Payment by the company is limited to 5% of the amount of insurance coverage for disability for each accident, and total payments on account of accidents in each insurance period are limited to 7.5% of the same amount.
  - 11.4.3. However, the company does not compensate for teeth broken in a work-related accident, cf. the Social Security Act, or teeth that are broken while the insured is eating.
- 11.5 The company may have a consulting physician examine the insured.
- 11.6 The company, having obtained the approval of the insured, may gather information about the insured's earlier health.

## 12. Lapse of claim

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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.