

Accident insurance for employees

Insurance Terms No. SP20

The insurance policy is governed by:

- The insurance policy, including endorsements and special terms and conditions.
- These insurance terms, No. SP20.
- The company's general terms and conditions No. YY10.
- Act No. 30/2004, on Insurance Contracts.

The provisions of the insurance certificate or of a policy renewal receipt take precedence over the provisions of the insurance terms. The provisions of the insurance policy, of the renewal receipt and of the insurance contract terms take precedence over derogable legal provisions.

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A. General terms

General terms and conditions apply to chapters B and C of these terms and conditions.

1. The insured

The insurance applies for an employee in the employ of the policyholder.

2. Insurance policy's validity

The insurance policy is valid anywhere in the world.

3. Special limitations on liability

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

- 3.1 War, invasion, military action, civil commotion, uprisings, riots, strikes, or similar incidents.
- 3.2 Nuclear reactions, ionic radiation, pollution stemming from radioactive materials, nuclear fuel, or nuclear waste.

4. Payment of premiums

- 4.1 The insurance premium is due and payable upon demand.
- 4.2 Non-payment of the premium may result in the forfeiture of rights and the cancellation of the insurance contract, cf. Articles 33 and 96 of the Insurance Contracts Act No. 30/2004.

5. Reimbursement of premiums

If the insurance contract expires before the insurance period is concluded, the company shall reimburse the proportion of the premium corresponding to the overpayment.

6. Beginning and end of coverage

- 6.1 The company's liability with respect to the insured begins when he begins working for the policyholder.
- 6.2 The insurance expires with respect to the employee when he leaves the employ of the policyholder.

7. Time limitations on liability

The right to claim compensation expires after four (4) years. The four-year time 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.

B. Accident insurance for employees

8. Accident concept

The concept of accident denotes a sudden external event that causes injury to the body of the insured without his consent.

9. Scope of compensation

9.1 The company pays compensation for an accident suffered by the insured, if such accident leads to the death of the insured, permanent medical disability, temporary loss of work capacity or broken tooth/teeth:

9.1.1 During work for the policyholder and on a normal route from home to the workplace and from the workplace to home. In the event that the insured is temporarily stationed at a location outside his home in connection with work, the temporary location shall replace the home for the purposes of insurance.

9.1.2 During travel within Iceland and overseas, undertaken on behalf of the policyholder, provided that collective wage agreements that apply to the insured contain provisions for such eventuality.

9.1.3 During participation in sports activities, competitions and games, provided that such events are organized by the policyholder or the staff association and the insured is expected to participate in such events as a part of the employee's work, provided that collective wage agreements that apply to the insured contain provisions for such eventuality.

9.1.4 During vacation time if specified in the insurance policy or the renewal certificate.

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.

9.2 The company pays the cost of necessary medical certificates in connection with an

insurance event when such certificates are obtained at the request of VÍS.

9.3 If earthquakes, volcanic eruptions, flooding, landslide or other natural disasters cause injury to many insured persons, the company's total compensation shall be limited to ISK 200 million. Compensation is divided proportionately between compensation recipients. This limitation shall apply even though not all the injured are the employees of the same policyholder.

VÍS does not pay compensation for:

9.4 Accidents that occur in competitions or during training sessions in preparation for any kind of sports competition, see however Article 9.1.3.

9.5 Accidents occurring during mountain climbing that requires special equipment, cliff rappelling, participation in boxing, any form of wrestling, driving sports, hang-gliding or glider flying, parachuting, scuba diving and bungee jumping.

9.6 Accidents 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.

9.7 Injuries suffered during fist-fights, unless the insured in his work only acted in self-defence.

9.8 Injury during participation in a punishable offence.

9.9 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 recognised medical facility.

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

9.11 Accidents, when compensation entitlement for the accident is pre-existing according to legally-prescribed vehicle insurance, i.e., irrespective of whether they are covered by third-party insurance or by the driver's and owner's accident insurance, unless otherwise provided for in collective wage agreements. The same applies if the insured is entitled to compensation according to the rules of the Traffic Act as regards damages caused by unknown and uninsured vehicles.

9.12 Accidents that the insured person suffers when working for a party other than the policyholder, whether in paid employment, or

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.

- as self-employed, where there is a risk of a work-related accident
- 9.13 Accidents 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.
- 10. Change of risk level**
- The policyholder must, without undue delay, notify the company of any changes to the work duties of the insured persons that may entail increased risk. 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.
- 11. Calculation of premiums**
- 11.1 The insurance premium is determined by the occupation of the insured, collective wage agreements and the number of persons insured.
- 11.2 The premium changes upon the renewal of the insurance in accordance with changes to the consumer price index.
- 12. Insurance amount**
- 12.1 The maximum insurance amount for death benefits, disability compensation and per diem payments is stated in the insurance policy or renewal receipt and is governed by the collective wage agreements that apply to the insured.
- 12.2 Insurance amounts are adjusted in accordance with the index and in the manner stated in the collective wage agreements that apply to the insured.
- 12.3 Insurance amounts take account of the age of the insured in accordance with the provision of the collective wage agreements that apply to the insured.
- 12.4 In the event that the insured is aged 70 or more, and there are no special provisions relating to the age of the insured in collective wage agreements that apply to the insured, the insurance amounts will be the following percentages of the maximum insurance amounts:
- Up to age 71.....95%
- Up to age 72.....90%
- Up to age 73.....85%
- Up to age 74.....80%
- Up to age 75.....75%
- Up to age 76.....70%
- Up to age 77.....65%
- Up to age 78.....60%
- Up to age 79.....55%
- Up to age 80.....50%
- Up to age 81.....45%
- Up to age 82.....40%
- Up to age 83.....30%
- Up to age 84.....20%
- Up to age 85.....10%
- 12.5 Compensation amounts are calculated on the basis of the insurance amounts on the date of the accident and are adjusted, however, in proportion to changes to indices from the date of the accident to the date of settlement in accordance with the provisions of collective wage agreements that apply to the insured.
- 13. Determination of compensation**
- 13.1 Death benefits
- 13.1.1 If the insured dies as a result of an accident within three years 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.
- 13.1.2 VÍS has the right to request a post-mortem to ascertain the cause of death and other matters that may affect the liability of the company.
- 13.1.3 Entitlement to death benefits is governed by the provisions of the collective wage agreements that apply to the insured.
- 13.2 Compensation for permanent medical disability
- 13.2.1 If an accident causes the insured permanent medical disability within three years of the date of the accident, disability compensation shall be paid on the basis of the amount in effect on the date of the accident.
- 13.2.2 The disability shall be assessed as a percentage in accordance with the applicable indices of the Disability Committee concerning the degree of disability when the disability assessment is performed. The disability assessment shall not take account of the occupation, particular talents or social status of the insured. Accidents which cause only disfigurement shall not be assessed with respect to 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 account. 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. Disability can never be assessed at more than 100%. Disability compensation is paid in proportion to the insurance amount as laid down in collective wage agreements. No account may be taken of any disability present before the accident when calculating disability compensation.
- 13.2.3 The multiplier effects of the disability points take account of the provisions of the collective wage agreements that apply to the insured.
- 13.2.4 The loss or deformity of an extremity or organ which was useless prior to the accident 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 accident.
- 13.2.5 The disability shall normally be assessed one year after the accident, otherwise when a physician thinks that the permanent consequences of the accident have materialised, but no later, however, than three years after the date of the accident.
- 13.2.6 No disability compensation is paid if the insured dies before the permanent disability is assessed.
- 13.2.7 If an accident causes permanent medical disability, VÍS and the insured must agree on one competent physician performing the assessment of the consequences of the accident.
- 13.3 Compensation for temporary loss of work capability
- 13.3.1 If an accident causes the insured to temporarily lose work capability that is less than 50% of normal work capability, VÍS will pay per diem payments. 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. Per diem payments will, however, neither be paid for more than the maximum benefit period according to the insurance policy or renewal certificate, nor after three years have passed from the day of the accident.
- 13.3.2 "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. No per diem payments are made during that period.
- 13.3.3 The company makes a decision regarding the payment of per diem payments on the basis of medical certificates and other available documentation.
- 13.3.4 If the loss of work capability of the injured is to some extent attributable to causes other than the accident, the per diem payment shall decrease in direct proportion to the part that these causes affect the loss of work capability.
- 13.3.5 Per diem payments are paid to the policyholder during such time as the policyholder pays the insured wages in accordance with collective wage agreements and thereafter to the insured.
- 13.4 Compensation for broken teeth
- 13.4.1 The company pays for repairs to healthy and properly repaired teeth which break or are damaged in an accident.
- 13.4.2 Payment by the company is limited to 5% of the base amount of insurance coverage for disability for each accident the insured suffers, and total payments on account of his accidents in each insurance period are limited to 7.5% of the same amount.
- 13.4.3 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.
- 13.5 The company may have a physician of its choice examine the person insured.
- 13.6 The company is entitled to gather information on the earlier health of the insured after having obtained the approval of the insured.
- 14. Transfer of rights**
- The insured may not transfer or assign his rights according to the insurance contract without the approval of the company.
- C. Insurance of personal property**
- The insurance is included if it is specified in the insurance policy or the renewal certificate.

15. Insured interests

- 15.1 The insurance applies to common, necessary clothing and effects owned by the employee.
- 15.2 The insurance does not apply to mobile telephones, laptops and other comparable items.

16. Scope of compensation

The insurance compensates for the loss or damage of the effects of the employee in the event that they are destroyed in the execution of his work for the policyholder.

17. Insurance amount

The amount of insurance coverage is indicated in the insurance policy or in the renewal receipt.

18. Determination of compensation

- 18.1 Compensation shall be based on the value of the item on the date the damage is incurred.
- 18.2 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.
- 18.3 The company may pay compensation in cash or may procure an article comparable to the damaged article if it is not possible to repair the

damaged item or it is not worthwhile to do so, in the company's estimation. In the event that the company has paid compensation under this section, the company reserves the right to claim ownership of the item that was damaged.

- 18.4 The company has the right to pay the difference between the value of the item before and the value after the insurance incident.

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

19. Multiple insurance

- 19.1 If the same loss is covered by more than one insurance policy, the insured may choose which insurance he wishes to use until he has received the compensation to which he is entitled.

- 19.2 If more than one insurance company is liable to pay compensation in accordance with Article 19.1, the companies shall pay compensation proportionally, in accordance with each company's liability for the loss, unless another agreement has been reached.

These insurance terms shall take effect on 26 January 2009.