



320 Travel Accident Insurance

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1. General terms.

- 1.1 In respects other than specified in these terms, the insurance certificate or other documentation on which the insurance contract is based, Act No. 30/2004 on Insurance Contracts shall apply.
- 1.2 In these insurance terms the terms; the Company (Tryggingamiðstöðin hf.), Policyholder and Insured, shall have the same meaning as in Part II of the Act on Insurance Contracts, cf. Article 62 of the Act.

2. Scope of insurance.

- 2.1 This insurance only covers accidents which the Insured suffers during travel for personal purposes. Moreover the insurance applies to travel during business trips, conferences or seminars for up to three months. If the Insured engages in any work during the course of the travel, the insurance shall not apply to such risk, unless this is specifically mentioned in the certificate and an additional fee paid.
- 2.2 The term "accident" in these terms and conditions shall mean a sudden, external event, which causes physical injury to the Insured and occurs against his will.

3. Term of effect and termination

- 3.1 The insurance is in effect during the period specified in the insurance certificate or the premium receipt. When the period ends the insurance is extended for one year at a time, unless the policyholder has terminated the insurance within one month from the time that the Company sent notification of the due date of the new period pursuant to Article 4.1. However, cancellations need not be notified until two weeks prior to the close of the period. Terminations shall be in writing.
- 3.2 Insurance for periods of less than one year are not renewed unless otherwise specifically negotiated.
- 3.3 In the event of an insurance event which has lead to a serious breach of confidentiality between the Company and the Insured, or if the risk assessment on which the policy and its premium is based has altered substantially, the Company may terminate the policy with two months' notice. A written termination shall be issued without undue delay as soon as the Company becomes aware of an event which entitles it to termination. The Company is under obligation to proportionally refund the premium for the remaining insurance period.

4. Payment of premiums.

- 4.1 The payment of the first premium shall be paid when the insurance policy comes into effect and subsequent premiums shall be paid on specified due dates. The Company shall send the Insured notification of the payment of the premium. The notification shall specify the period of grace which shall be a minimum of one month from the date that the notification is sent.
- 4.2 In the event that the premium has not been paid when the period of grace expires in accordance with Paragraph 1, the Company may send a special warning demanding payment within 14 days or the insurance shall be cancelled if the premium is still unpaid.
- 4.3 If the Insured has not specifically negotiated with the Company concerning the payment of the premium before the period of grace pursuant to Paragraph 2 expires it shall be regarded as unpaid, if it has not been paid in full when the period of grace ends.
- 4.4 Demands for the payment of the premium are sent to the address of the Insured specified in the National Registry, unless the Insured has specified another address. Any changes to the specified address shall be immediately notified to the Company.
- 4.5 In the event of the termination of the policy pursuant to Paragraph 2, the Insured shall nevertheless pay a premium for the period that the policy remained in effect. The premium shall then be calculated as if in the case of a short-term insurance.

5. Where the insurance is effective.

- 5.1 The insurance policy covers travel in the geographical locations specified in the certificate.

6. Age limits.

- 6.1 The insurance policy expires at the close of the insurance year in which the Insured becomes 75 years of age, unless otherwise provided for in the certificate.
- 6.2 The Company does not insure children under the age of 16 against the loss of ability to work, nor for higher death benefits than are equivalent to funeral costs.



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7. Exempted risks.

- 7.1 The policy covers accidents that occur during general sports activities. Exempted are, however, accidents sustained in competitions or during training sessions in preparation for competitions in any form of sports. Also exempted are accidents sustained in boxing, any form of wrestling, driving sports, hang gliding, sailplanes, parachuting and bungee-jumping.
- 7.2 The Company does not compensate for accidents occurring during flying unless the Insured is a passenger on a scheduled or chartered flight operated by a party having the requisite permits from aviation authorities.
- 7.3 The Company does not pay compensation for accidents which occur during mountain climbing, cliff rappelling or scuba diving.
- 7.4 Some of the risks exempted in Paragraphs 1, 2 and 3 may, however, be included in the insurance policy by a clause thereto on the insurance certificate.

8. Fraud and incorrect information.

- 8.1 If the Policyholder or the Insured, on the preparation or renewal of the insurance agreement, has fraudulently or in any other manner neglected the obligation to provide the Company with information about events which may have an effect on the Company's evaluation of the risk and an insurance event has occurred, the liability of the Company shall be cancelled in full or in part, pursuant to Article 83 of the Act on Insurance Contracts. Incorrect and insufficient information, moreover, entitles the Company to terminate the policy, pursuant to Article 84 of the Act.
- 8.2 If the party intending to claim compensation from the Company provides incorrect information that he knows, or ought to know, will result in the payment of compensation to which he is not entitled, the right to compensation shall be cancelled and the Company may terminate all its insurance contracts with the Insured, as further provided for in Article 120 of the Act on Insurance Contracts.

9. Limitations to liability with respect to diseases etc.

- 9.1 If a disease, debilitation or the pathological condition of the Insured are a contributing factor to his death, no death benefits will be paid. This applies whether this condition was present when the accident occurred, or manifested itself later, without, however, being the direct and sole consequence of an accident to which the policy applies.
- 9.2 The Company does not pay compensation for an accident which is directly or indirectly caused by poor sight, poor hearing, paralysis, deformity, insanity, epilepsy, fits, stroke, diabetes or other serious disease or debilitation. Moreover the Company does not compensate for damages from infections caused by insect bites or stings.
- 9.3 If such reasons are contributing factors to the Insured temporarily or permanently losing the ability to work, compensation is only paid for the loss of ability which he may have been expected to suffer if these conditions had not been present.
- 9.4 Even if an accident is considered the proven cause, the Company will not pay compensation due to the following diseases or pathological conditions: discus prolapse, lumbago ischias, rheumatoid arthritis, degenerative joint disease or any other form of arthritis.

10. Other limitations to liability.

- 10.1 The insurance does not compensate for:
- accidents which are directly or indirectly caused by nuclear changes, ionising radiation, radioactive pollution, nuclear fuel and nuclear waste or caused by war, invasion, military actions, civil unrest, revolution, riots or similar actions,
 - accidents directly or indirectly attributable to earthquakes, eruptions, floods, landslides, avalanches or other natural disasters,
 - accidents suffered by the Insured in a physical fight or participation in a criminal act, under the influence of sedatives and/or narcotics or when inebriated, unless it is proven that there was no connection between such condition and the accident,
 - accidents that occur due to sunbathing, medical treatment, surgical procedures or use of medicinal products, unless on the advice of a physician due to an accident subject to compensation,
 - accidents caused by food poisoning, beverage poisoning or the consumption of stimulants,
 - accidents due to toxic gases, unless these have occurred without warning and against the will of the Insured,
 - accidents due to any form of biological or chemical effects and/or toxic effects, including due to bacteria and viruses, resulting from acts of terrorism.
- 10.2 If the Insured intentionally causes insurance events or through gross negligence, the liability of the Company shall be in accordance with the provisions of Articles 89 and 90 of the Act on Insurance Contracts.



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11. Measures in the event of an accident.

- 11.1 The injured is under obligation to seek the attention of a physician immediately after an accident has occurred, to undergo necessary medical treatment and in all respects follow the recommendations of the physician.
- 11.2 The Company shall be notified immediately of any accident on appropriate forms provided by the Company, if possible, or in another manner initially.
- 11.3. The Company shall be notified as soon as possible in the event of the accidental death of the Insured. The Company is entitled to require that the deceased undergo an autopsy.
- 11.4 When an accident occurs the Company is entitled to have its physician examine the Insured and obtain information on the earlier health of the Insured.
- 11.5 When the medical assistance concludes, or when the consequences of the accident can be assessed, the Company shall be sent a medical certificate and a claim for compensation.
- 11.6 The Company pays for the necessary medical certificates.

12. Death benefits.

- 12.1 If an accident causes the death of the Insured within one year from the date of the accident, the amount paid shall be the amount in effect on the date of the accident, in accordance with Article 18, less the compensation for permanent physical damage which the Company may have paid with respect to the same accident.
- 12.2 If the Insured dies as a result of the accident, but before the final disability assessment has been performed, compensation shall be paid in accordance with the interim disability assessment, the amount, however, never exceeding the amount which the death benefits would have been.
- 12.3 Death benefits are only paid if the accident is the direct and only cause of the death of the Insured.

13. Compensation for permanent physical damage.

- 13.1 If an accident causes the Insured permanent physical damage within three years from the date of the accident, disability compensation shall be paid on the basis of the amount in effect on the date of the accident, cf. Article 18.
- 13.2 Disability shall be assessed as a percentage in accordance with the indices of the Disability Committee, concerning the degree of disability, which are in effect when the disability assessment is performed. The evaluation of the diminishment of physical ability shall be made without taking into account the work, particular talents or social standing of the injured party. If the injury of the injured party is not included in the indices of the Disability Committee it shall be evaluated separately based on the indices. Disability can never be rated higher than 100%.
- 13.3 For 100% disability the whole insurance amount shall be paid while lesser disabilities shall be compensated proportionally.
- 13.4 When determining disability compensation the following rules shall, moreover, be followed:
 - a) The loss or deformity of a limb or organ which was useless before the accident cannot provide entitlement to disability compensation. For the loss or deformity of a limb or organ which was deformed before the accident, the disability shall be assessed taking into account the deformity before the accident.
 - b) The disability shall be determined one year after the accident, at the earliest, with regard to the condition of the injured party at that time. If the injured party or the Company are of the opinion that the disability may alter, either party may demand that the final disability assessment is postponed, no later, however, than three years from the date of the accident.
 - c) Although the condition of the injured may be expected to change, no exception shall be made from the performance of the disability assessment at the very latest three years from the date of the accident. In this case the disability shall be determined as of the severity it may be expected finally to become. If there is a likelihood that the condition of the injured may be improved through medical treatment or therapy, and he is reluctant to undertake such treatment, it is nevertheless mandatory, when determining the degree of disability, to take into account the possible improvement that such treatment could involve.
 - d) If the injured party dies after more than one year has passed from the date of the accident but before the final disability assessment has been performed, compensation shall be paid in accordance with the interim disability assessment pursuant to items b and c.
 - e) No compensation is paid for accidents which only cause disfigurement.

14. Compensation for temporary loss of ability to work.

- 14.1 If an accident causes a temporary loss of the ability to work, the Company shall make per diem payments, as applicable on the date of the accident, and as are in effect from time to time while the loss of working ability continues, cf. Article 18.
- 14.2 Per diem payments shall be paid in proportion to the loss of ability to work from the date determined in the insurance



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certificate and until the injured party has regained his ability to work, no longer, however, than for the maximum compensation period as specified by the certificate and not for any period after three years have passed from the date of the accident.

- 14.3 If the loss of ability of the injured to work 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 ability to work. The Company determines the extent of the loss of ability to work, and its permanence, on the basis of necessary medical certificates and other available documentation.

15. Compensation for broken teeth.

- 15.1 The Company pays for repairs to healthy and properly repaired teeth which break or are damaged in an accident. The Company's payment is, however, limited to 5% of the sum insured for disability for each accident and accrued payments, with respect to accidents during one insurance year, are limited to 7.5% of the same amount.
- 15.2 The Company does not, however, compensate for teeth that break while the Insured is eating. Furthermore, no compensation is paid for damages, such as teeth which are broken in a work-related accident, or other incidents which are compensated by the State Social Security Institute (SSI) pursuant to the Act on Social Security and regulations relating to the participation of the SSI in dental costs.

16. Payment of compensation and interest.

- 16.1 Claims for compensation can be made 14 days after the Company had the opportunity to acquire the necessary documentation to assess the insurance event and determine the amount of the compensation. The Insured is entitled to interest on his claim pursuant to Article 123 of the Act on Insurance Contracts.

17. Expiry.

- 17.1 Claims which fall under this insurance policy expire in accordance with the provisions of the Act on Insurance Contracts and, as applicable, Act No. 14/1905 on Limitations on Debts and other Claims.

18. Indexation of compensation amounts.

- 18.1 Compensation amounts are calculated on the basis of the insurance amount on the date of the accident, but change, however, on the basis of the consumer price index for inflation in cases further described in Paragraphs 2 to 4.
- 18.2 Death benefits change in proportion to changes in the index from the date of the accident to the date of death.
- 18.3 Disability benefits change in proportion to changes in the index from the date of the accident to the date of settlement. The duration of the indexation of disability benefits is, however, never longer than three years from the date of the accident.
- 18.4 Per diem payments change every day in proportion to the changes to the index from the date of the accident.

19. Index based changes.

- 19.1 If there are changes to the basis of the consumer price index for inflation, the instructions of Statistics Iceland shall be followed with respect to the linking of the index pursuant to the new basis to the index pursuant to the older basis.

20. Handling of disputes and legal venue.

- 20.1 Any disputes relating to the insurance shall be resolved by Icelandic courts in accordance with Icelandic legislation.
- 20.2 Disputes relating to the insurance contract and the Company's liability in other respects may be appealed to the Damages Committee of the insurance companies and the Insurance Complaints Committee. Information on these committees, and the rules governing their work, may be obtained from the Company.
- 20.3 Notwithstanding the provisions of Paragraph 2, the parties may bring the disputed matter before the courts. Such disputes shall be brought before the District Court of Reykjavik.
- 20.4 28.1 The domicile and venue of the Company are in Reykjavik.

These terms shall enter into effect on 1 January 2006