



101 Home Insurance TM1

Should there be any difference between translations of these terms and the Icelandic version, the Icelandic terms apply.

1. The Insured.

- 1.1 The Insured are the Policyholder, his or her spouse or cohabitant and any unmarried children, as long as those individuals have the same registered address in Iceland, live at that address and are all members of the same household.

2. Payment of Premiums.

- 2.1 The first premium shall be paid when the insurance comes into force and subsequent premiums paid on the specified due dates. Tryggingamiðstöðin (The Company) sends notification concerning payment of the premium to the policyholder. The period of grace shall be stated in the notification, and it shall be a minimum of one month from the date on which the notification is sent.
- 2.2 If a premium is not paid by the end of the period of grace pursuant to Paragraph 1, then the Company is permitted to send a special warning demanding payment within 14 days, after which the insurance policy is terminated if the premium is still unpaid.
- 2.3 If the Policyholder has not specifically negotiated with the Company concerning the payment of the premium before the period of grace expires pursuant to Paragraph 2, then the premium shall be regarded as unpaid if it has not been paid in full when the period of grace ends.
- 2.4 A demand for payment of the premium shall be sent to the address of the Policyholder as specified in the National Registry unless he has particularly specified another address. The company shall be notified immediately regarding changes to the specified address.
- 2.5 If insurance is terminated pursuant to Paragraph 2, the Policyholder shall nevertheless pay the premium for the period when the insurance was in force. The premium shall then be calculated as if it were a short-term insurance.

3. Price Indexing and the Index.

- 3.1 The sums insured and other sums specified on the insurance certificate or premium receipt that limit the Company's liability are revised annually at the start of the period of insurance in proportion with changes to the Consumer Price Index.
- 3.2 The sums specified in the Summary of Home Insurance at the end of these terms are relative to the Consumer Price Index when it stood at 264.0 points in September 2006. The amounts are changed annually at the start of the period of insurance in proportion with changes to the index.

4. Period of Validity – Renewal and cancellation.

- 4.1 The insurance is valid for the period specified on the insurance certificate or premium receipt. At the end of this period, the insurance is extended by one year at a time unless the policyholder has cancelled the insurance within one month from the date on which notification was sent by the Company regarding the due dates of the new period according to Paragraph 1 of Article 2. However, notice of termination must be received by the Company no later than two weeks before the end of the term.
- 4.2 In the event of an insurance event which has led 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.

5. Notification of Loss.

- 5.1 The Insured shall notify the Company of any incident without delay. The same applies if the Insured gains knowledge of, or suspects, that a compensation claim will be made against him that might be covered by the policy.
- 5.2 In addition to informing the Company according to Paragraph 1, the police shall immediately be informed in cases of theft, vandalism and robbery, with a request for an investigation.
- 5.3 In cases of theft abroad, a local police report shall accompany the notification sent to the Company.
- 5.4 In cases of theft, the Insured must be able to prove that such an event took place. The Company will not compensate the Insured if he or she has forgotten or lost items, or acted in a manner that might be expected to lead to loss.
- 5.5 Failure to fulfil the obligations of the Insured pursuant to Paragraphs 1 and 4 may result in the reduction or loss of compensation in accordance with Act No. 30/2004 on Insurance Contracts.



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6. Measures to Prevent Loss or Damage.

6.1 When an event occurs that might lead to an insurance claim or there is a danger that such an event might occur, the Insured must try to prevent loss or damage. Failure in this respect may result in the reduction or loss of compensation in accordance with the Act on Insurance Contracts.

7. Intent and Gross Negligence on the Part of the Insured.

7.1 The Company is in no way liable for damages intentionally caused by the Insured. If damage has occurred through the gross negligence of the Insured, and insurance other than liability insurance is involved, then the Company is free of liability in whole or in part.

8. Insurance with Other Companies.

8.1 When damage occurs and other insurance is in force covering that damage, the payment of compensation shall be made as recommended in Article 37 of the Act on Insurance Contracts. However, this provision does not apply Accident Insurance During Leisure Time according to Chapter III.

9. Limitations to the Scope of the Insurance.

9.1 The insurance does not cover damage that occurs in the following circumstances:

- war, riots, civil disturbances, strike actions or other similar incidents;
- when attributable to nuclear power, ionising radiation and radioactive materials;
- volcanism, earthquakes, landslides, avalanches, floods and other natural disasters except where otherwise stated;
- any kind of biological or chemical effect and/or poisoning, including infections and viruses resulting from acts of terrorism.

10. Payment of Compensation and Interest.

10.1 Claims for the payment of compensation may be made 14 days after the Company has had the opportunity to obtain the information necessary to assess the insurance incident and determine the amount of the compensation. The Insured is entitled to interest on his/her claim in accordance with Article 50 of the Act on Insurance Contracts.

11. Recourse.

11.1 If the Insured has a claim against another party with respect to compensatable loss, the Company reserves the right to recourse to the extent that the Company has compensated the Insured.

12. The Act on Insurance Contracts and the Settlement of Disputes, etc.

12.1 Except as otherwise provided for in these terms, the insurance certificate or other documentation on which the insurance contract is based, the provisions of Act No. 30/2004 on Insurance Contracts shall apply.

12.2 Disputes relating to the insurance contract and the company's liability in other respects may be appealed to the Insurance Companies Claims Committee and the Insurance Complaints Committee. Information on these committees, and the rules governing their work, may be obtained from the Company.

12.3 Despite 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 Reykjavík.

12.4 The domicile and venue of Tryggingamiðstöðin are in Reykjavík.

13. Scope of Insurance.

13.1 This insurance includes four types of insurance, of which one is optional, with the following titles:

- Home Contents Insurance
- Third-Party Liability Insurance
- Comprehensive Home Contents Insurance (Optional, Condition No. 12)
- Trauma Counselling.



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Conditions for Particular Insurances.

I. HOME CONTENTS INSURANCE

14. Insured Location.

14.1 The insurance is valid in the Policyholder's home as stated on the insurance certificate or premium receipt. The insurance also covers household effects that are temporarily outside the home and in Iceland, in which case the insurance is limited to 15% of the insured amount. (See the Summary at the end of these conditions.)

15. Insured Items.

15.1 The insured items are the household contents and the Insured's other personal effects as stated in the Summary of the Scope of the Insurance that can be found at the end of these terms.

15.2 The Insurance covers accessories and spare parts for family motor vehicles, caravans, trailer tents or boats that are kept in a garage or other locked store in the Policyholder's home. The maximum compensation for each loss incident is 2% of the insured amount.

16. Items Not Covered By the Insurance.

16.1 The Insurance does not cover loss or damage to animals, motor vehicles, caravans, trailer tents or boats, nor to items that are part of that equipment except those items mentioned in Paragraph 2 of Article 15.

17. Scope of Insurance.

17.1 Liability for loss and limits of liability with respect to individual household items are specified in a special Summary that can be found at the end of the conditions.

17.2 In addition to insurance coverage according to Paragraph 1, the Policyholder is permitted to buy broader household contents insurance known as Comprehensive Home contents Insurance. Special conditions apply to that type of insurance as printed at the end of the general terms.

18. Rescue Costs and Loss of Use.

18.1 The insurance will compensate for loss and expenses borne by the Insured because of necessary measures taken to avoid impending damage as further provided for in Article 38 of the Insurance Contracts Act.

18.2 The insurance provides for compensation for loss of use of accommodation should it be necessary to move out because of loss or damage that is subject to compensation according to these insurance conditions. Compensation will be based on the time taken to carry out repairs and on the cost of renting accommodation comparable to that in which the damage occurred. However, compensation may not be for an amount greater than 1% of the insured amount for each month and will not be paid for a period longer than six months for each insurance incident. If the accommodation is irreparable, then compensation for loss of use will be for one month. If accommodation rental costs are paid from another insurance policy, then loss of use payments will not be made from this insurance.

19. Determination of Compensation.

19.1 In so far as possible, compensation is based on restoring the Insured's financial position to the level it was at before the loss.

19.2 Compensation is paid based on the price of new items. Reductions because of age and use are therefore applicable only where the usability of items by the Insured had been considerably reduced.

19.3 The below depreciation rules shall apply, with respect to compensation for the following items, notwithstanding the provision of Article 19.2:

Depreciation Rules:

	No. of years without - annual deduction	Subsequent annual deduction
Adult clothing	1 yr.	20%
Children's clothing	1 yr.	30%
Sound systems Televisions and radios	2 yrs.	10%
Video players/DVD and video recorders	1 yr.	20%
Computers	1 yr.	20%



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Other electrical equipment	1 yr.	10%
Cameras	1 yr.	10%
Bicycles	1 yr.	20%
Skiing & camping equipment	1 yr.	10%
Maximum deduction is	70%	

With respect to computers there is a special rule appreciating them by 10% every six months, for the first time when the computer is six months old. Compensation will therefore not be paid for computers that are five years or older.

- 19.4 Compensation for damaged films or video tapes is limited to the cost of new, unexposed films or video tapes. Sentimental value will not be compensated.
- 19.5 The Company decides whether a loss should be compensated with money, by paying the cost of satisfactory repairs, or by providing the claimant with items comparable to those that were damaged.
- 19.6 Compensation for damage to items that belong to a pair or a set will be paid proportionally.
- 19.7 Lost or stolen items that are recovered after payment of compensation are the property of the Company and shall be handed over to the Company.

20. Insurance Amount and Own Risk.

- 20.1 The maximum compensation for each insurance incident and the maximum accrued compensation during the insurance year are equal to the insurance amount as specified on the insurance certificate or the premium receipt.
- 20.2 The insured amount must be comparable to the value of all the home contents.
- 20.3 If the value of the home contents changes during the insurance period, other than in relation to the Consumer Price Index, the Insured must inform the Company so that full coverage can be maintained.
- 20.4 If the total value of the Insured's home contents is higher than the insured amount, the Company will pay compensation proportionally. For instance, if the value of the home contents is twice as high as the insured amount and a claim is made for ISK 1 million, the amount of compensation will be only ISK 500,000.
- 20.5 If a loss has been compensated, the insured amount will be reduced by the amount of that compensation from the day of the loss until the end of the insured period.
- 20.6 However, payment of an additional premium may increase the insured amount to the level it was before the loss.
- 20.7 The Insured's own risk of each loss is specified on the certificate or premium receipt.

II. THIRD-PARTY LIABILITY INSURANCE

21. General Information About liability and Liability Insurance.

- 21.1 According to Icelandic law, everyone is liable for damage they cause to others because of mistakes or negligence. This rule is known as the Culpability Rule, and it is a fundamental part of Icelandic law and trial proceedings. If a claim for compensation against a person is made, and that person is not responsible for the damage, then he will generally not have to pay compensation.
- 21.2 The purpose of third-party liability insurance is to pay compensation on behalf of the Insured, if he has become liable (in so far as the claimant is not himself liable due to shared liability or shared responsibility) and also to pay the costs borne by the Insured if a claim for compensation is made against him.
- 21.3 Legal responsibility is a complex subject, so the Insured should approach the Company for advice concerning his legal position if a claim for compensation is made against him that he believes he may be responsible for. At the same time, he is advised to read the following Third Party Liability Insurance terms with that in mind.
- 21.4 Any admission of liability for compensation by the Insured commits only the Insured and not the Company. By giving such an admission, the Insured may put himself in the position of having to pay damages himself in cases not covered by the liability insurance.

22. Scope of Third-Party Liability Insurance.

- 22.1 **Legal Liability.** The Company insures against those liabilities that fall on the Insured as an individual (i.e. not connected to his employment) in accordance with Icelandic law, as long as the liability is the direct result of the injury or death of persons or damage to property (including buildings and animals) and that it is no broader than usual extra-contract liability. The insurance does not cover any liability that falls on the Insured because of his employment, whether he is self-employed or employed by another party.
- 22.2 **Compensation Beyond Legal Liability.** If a child of the policyholder causes loss that is not subject to compensation according to law, the Company will pay compensation if the child is less than 10 years old. If the claimant also bears some blame of responsibility, the compensation will be reduced accordingly. Insurance coverage according to this provision is not valid when the child is party to a traffic accident and the loss is in relation to a registered motor vehicle that is in use.



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23. Excluded Risks.

- 23.1 Third-Party Liability Insurance does not cover loss or damage:
- caused by the Insured to each other
 - caused to items the Insured has borrowed, rented, stored or are for other reasons in his care, including items the Insured has in his possession without permission;
 - caused by the Insured as the owner or user of a motor vehicle, ship, boat, aircraft, gun or animal;
 - caused by fire, water from fire fighting services, smoke, soot or explosion;
 - because of fines, court costs or other costs related to prosecutions;
 - because of demands made by the State Social Security Institute or other public insurance institutions;
 - that fall on the Insured as a property owner or property shareholder unless Property Insurance is in force in addition to Home Insurance;
 - that is caused by pollution of the atmosphere, ground, plants, sea or water, except where the loss is connected to a particular incident;
 - resulting from long-term dampness or water seepage.
- 23.2 If it is the case that both Home Insurance and Property Insurance are in force according to Paragraph 1, Item g, then the Third-Party Liability Insurance covers the Insured with respect to damage connected to minor repairs to property. If the expected cost of work because of repairs exceeds 5% of the property's fire compensation assessment, or if scaffolding is used for the work, the Company must be notified, as the Third-Party Liability Insurance does not cover work of this nature without amendment.

24. Geographical and Temporal Limits.

- 24.1 The insurance is valid in Iceland and during travel abroad for up to 92 days from the day of departure.
- 24.2 If the consequences of an action or failure to act that cause damage during the period of validity of the insurance do not become apparent until after the insurance terminated, the Company will pay compensation as before. On the other hand, the Company will not pay compensation for loss resulting from actions or failure to act before the period of validity of the insurance, even when the loss becomes apparent during the period of validity.
- 24.3 If there is doubt about when a failure to act caused damage, it will be deemed as having happening when a course of action preventing damage could last have been carried out.

25. Insurance Amount and the Insured's Own Risk.

- 25.1 The maximum compensation for each event of damage, and the accrued compensated events during the insurance year, is the amount specified on the insurance certificate or the premium receipt.
- 25.2 In addition to compensating the injured parties, the Company will pay legal costs even though the combined total may be higher than the insured amount. However, compensation outside the Nordic countries is limited to the insured amount.
- 25.3 The Insured bears 10% of each loss as own risk within the upper and lower limits as specified on the insurance certificate or premium receipt.

III. COMPREHENSIVE HOUSEHOLD CONTENTS INSURANCE (Optional, Condition No.12)

26. Scope.

- 26.1 Comprehensive household protection can be purchased in addition to the protection provided by the Home contents Insurance. This protection is called Comprehensive Home contents Insurance.
- 26.2 The insurance covers loss or damage to insured personal effects caused by sudden and unforeseen external circumstances during the insurance period. Compensation will be paid by this insurance on the condition that the loss is not covered by the Home contents Insurance. This insurance will not pay any additional portion of the loss that is not compensated by the Home contents Insurance because the compensation amount is the maximum provided for.

27. Insured Items.

- 27.1 The insurance covers loss or damage to the Insured's household and personal effects as specified in Item 1 in the inventory of insured effects in Home contents Insurance, in the Summary of the Scope of the Insurance. The insurance also covers loss or damage to effects included in Items 2, 3 and 5 of the Summary. However, the insurance does not cover cash, passports, scripts, original drawings, coin collections or stamp collections pursuant to Item 4 of the Summary and neither to tools, pursuant to Item 6.



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28. Geographical Limitations.

28.1 The insurance is valid in Iceland and on a travel abroad for up to 92 consecutive days of travel from the day of departure from Iceland.

29. Exclusions.

29.1 The insurance does not compensate for loss:

- when insured items are lost, forgotten, misplaced or left behind in public places;
- due to theft from unlocked premises, cars, boats, caravans or folding trailers, nor as a result of theft from tents, trailer tents or folding trailers;
- caused by sudden changes in temperature or humidity;
- caused by natural wear and tear or unsatisfactory maintenance;
- caused by faults, visual defects, structural defects or breakdowns.

30. Insurance Amount.

30.1 The maximum compensation for each loss incident, and the accrued compensated events during the insurance year, is the insurance amount for Comprehensive Home contents Insurance as specified on the insurance certificate or the premium receipt.

31. Own Risk.

31.1 The Insured's own risk for each loss incident is the same as that specified in Paragraph 7 of Article 20 of the Home contents Insurance, and is further specified on the insurance certificate or premium receipt.

32. Miscellaneous Provisions.

32.1 In other respects, the provisions of the Household Insurance apply to this insurance.

IV. TRAUMA COUNSELLING

33. Who are the insured?

33.1 The Insured are those specified in paragraph 1 of Article 1.
33.2 The Policyholder's children and/or those of his spouse aged 18 years or younger are also insured even though they may have a different registered domicile than the Policyholder, when they were in the charge of the Policyholder and/or his spouse when the insurance event occurred.

34. What is trauma counselling?

34.1 Trauma counselling is psychiatric support for individuals or groups that have suffered severe distress or fear as a result of an event of loss or damage which is so threatening or overwhelming that it may be assumed that people will find it difficult to process the experience without assistance.

35. Scope of the insurance.

35.1 Trauma counselling is offered to insured parties in the event of circumstances described in Article 93.1, caused by the following events of loss or damage which occur subsequent to the entry into force of the insurance:

- the insured has experienced a life-threatening situation;
- the insured has been involved in a serious accident or is directly involved in such an accident;
- the home of the insured is burglarized;
- the home of the insured is substantially damaged;
- the insured is diagnosed as having a serious illness, as well as if the children, spouse or parents of the insured, 65 years of age or younger, are diagnosed as having a serious illness, are involved in serious accidents or die.



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36. Limitations to the scope of the insurance.

- 36.1 Trauma counselling is not offered for long-term distress or long-term difficulties.
- 36.2 Trauma counselling is not paid by this policy as regards difficulties that are not connected with a particular event of loss or damage pursuant to Items a to e of Article 94.1.
- 36.3 Trauma counselling is available to the Policyholder for up to six weeks after the event of loss or damage.

37. Geographical limitations.

- 37.1 Trauma counselling is offered to the insured with respect to events of loss or damage that occur in Iceland and during overseas travel lasting up to 92 days.

38. Scope of indemnification.

- 38.1 The Company pays for up to two interviews with trauma counselling therapists which the Company is responsible for providing.
- 38.2 The Company shall approve a trauma counselling interview before the interview begins.
- 38.3 Trauma counselling interviews can only take place in Iceland.
- 38.4 Although general trauma counselling is provided following an event of loss or damage, the right of the insured to trauma counselling pursuant to this Policy does not lapse.
- 38.5 Trauma counselling from this Policy is provided at the workplace of therapists and not at the site of the event of loss or damage.
- 38.6 Only the cost of the interviews is paid; other expenses, such as travel expenses, are not covered by the Policy.

These terms are valid from 1. January 2009