



363 Flugfélag Íslands (Air Iceland) FlyCard

INSURANCE TERMS

Principal elements:

Travel accident insurance, up to	ISK	7.500.000
Luggage insurance, up to	ISK	160.000*
* Self-retention	ISK	16.000

I. VALIDITY PROVISIONS

- 1.1 Insurance according to the following terms is always valid on travel in Iceland from home and back again within 30 continuous days of travel, if at least half of the travel costs have been paid by a Flugfélag Íslands (Air Iceland) FlyCard.
- 1.2 The insurance covers the holder of a Flugfélag Íslands (Air Iceland) FlyCard, (and) his spouse or cohabiting partner.
- 1.3 Accident losses sustained in private cars are excluded from the risks underwritten by this insurance, with reference to Articles 91 and 92 of Traffic Law No. 50/1987.
- 1.4 The insurance only covers persons residing in Iceland.

2. INSURANCE COVERAGE

- 2.1 This insurance covers :
 - * Travel accident insurance
 - * Luggage insurance as further detailed in the present terms of agreement.
- 2.2 The Card holder is insured according to the present terms of agreement while his card is valid and an agreement exists between the Insurance Company and MasterCard Kreditkort hf on these terms. Nevertheless, travel insurance according to a card which is valid on the date of payment of the trip, keeps its validity if the trip is undertaken within 6 months from the day the travel costs are paid, even if the card holder cancels his card in the interval. The same time frame applies when the card holder adopts a new card which does not have as wide an insurance coverage as the former card.
- 2.3 MasterCard/Kreditkort hf is authorized to change the provisions of the present insurance terms or cancel them, subject to the Card holder being notified in a secure/verifiable manner, cf. the business terms of the Flugfélag Íslands (Air Iceland) FlyCard.

3. DEFINITIONS

Under the present terms, the concepts set out below are defined as follows:

"**The Company**" means TRYGGINGAMIÐSTÖÐIN hf (Ltd).

"**The Card Holder**" means the person holding a valid Flugfélag Íslands (Air Iceland) FlyCard.

"**The Insured**" means the person whose life or health is covered by the insurance and, as applicable, the person having the right to claim payment of indemnification in the event that such indemnification is paid. This covers the Flugfélag Íslands (Air Iceland) FlyCard card holder, his spouse or cohabiting partner.

"**Accident**" means a sudden external occurrence causing bodily harm to the insured and occurring through no act of will on his part.

"**Trip**" means a trip inside Iceland from the home of the insured in Iceland and back again.

"**Cohabiting partner**" means that the persons cohabiting have: a) a registered common domicile; b) filed a joint tax return; c) have a child together; or d) can prove they have been cohabiting for at least one year.

"**Transport accident involving goods**" means an incident where a public means of communication is involved in an accident and causes damage to the insured property. It also means damage to items in the custody of the transport party.

"**Light motorcycle**" means a motorcycle with a motor of a size not requiring a driver's license for its use.

"**MasterCard credit card**" in the present terms of agreement means a credit card which includes travel insurance according to the terms of agreement drawn up between Tryggingamiðstöðin hf. and MasterCard Kreditkort hf.

4. TRAVEL ACCIDENT INSURANCE

- 4.1 Accidents while travelling:



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If the insured suffers an accident while travelling during the time of validity of the insurance, indemnity is paid in the following circumstances:

- 4.1.1 Death indemnity, ISK 7.500.000.
- 4.1.2 Death indemnity is paid out to the person having a right to such indemnity according to Art.100, paragraphs 2 and 3, of the Law on Insurance Contracts.
- 4.1.3 Permanent disability, up to ISK 7.500.000, according to the level of disability, 16% to 100% as detailed below:
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|--|------|
| * total, permanent loss of sight on one or both eyes | 100% |
| * loss of a hand at wrist level or higher up | 100% |
| * total permanent paralysis of one or both hands | 100% |
| * loss of a foot at ankle level or higher | 100% |
| * total, permanent paralysis of one or both feet | 100% |
| * total, incurable insanity | 100% |
| * total, incurable paralysis | 100% |
| * total, incurable deafness | 50% |
| * total, incurable deafness, one ear only | 30% |
| * loss of right-hand thumb | 20% |
- 4.1.3 Total, permanent paralysis of a limb is indemnified as loss of that limb. Other permanent disability, 16% and higher, is also indemnified, the indemnification in such cases being subject to an evaluation based on the tables of the Committee on Disability for Disablement percentage. The profession or professional capability of the person concerned is not taken into consideration.
- 4.1.4 If the insured is left-handed, indemnification is paid for injury to the left hand as if it were the right hand.
- 4.2 Liability restrictions concerning item 4.1
- 4.2.1 The present insurance does not cover accidents occurring in the course of work/professional activity for which the insured person receives remuneration nor in the course of volunteer work.
- 4.2.2 Indemnification paid in the event of death according to 4.1.1 above, for a person under the age of 18 when the accident occurs, is limited to 10% of such indemnification.
- 4.2.3 If the insured is 60 years of age or older, the insurance sums will be the following percentages of the maximum sums set out in 4.1.1 and 4.1.2 above:
- | | | | |
|-------------|-----|--------------------|------|
| 60-61 years | 90% | 68-69 years | 50% |
| 62-63 years | 80% | 70-71 years | 40% |
| 64-65 years | 70% | 72-73 years | 30% |
| 66-67 years | 60% | 74 years and above | 20%. |
- 4.2.4 Indemnity according to 4.1.1 and 4.1.2 will only be paid in the event that the accident in question leads to death or permanent disability within 24 months from the date of the accident.
- 4.2.4. The maximum amount of indemnity for one or more accidents sustained by the insured during a single journey cannot exceed the sum of ISK 7.500.000.

5. LUGGAGE INSURANCE

- 5.1 Damage to luggage
The insurance covers damage to personal items due to fire, theft, burglary, robbery, vandalism or transport accidents. It is subject to the insured having taken due precaution regarding the safekeeping of the insured items.
- 5.1.1 Maximum indemnity may amount to the sum of ISK 160.000 for each insured person.
- However, the insured always carries a deductible in each loss, in the amount of ISK 16.000.
- 5.2 Liability restrictions
The Company does not indemnify for:
- 5.2.1 A single item, pair or series of items with a sum higher than ISK 80.000.
- 5.2.2 Damage caused by moths, scavengers, atmospheric conditions, weather/climate, normal wear and tear or damage which does not impair the usability of the insured item.
- 5.2.3 Damage to luggage due to liquids, foodstuffs and other contaminating substances carried in the luggage except in the case of a public transport accident.



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- 5.2.4 Loss resulting from damage to sports equipment when in use.
- 5.2.5 Losses resulting from confiscation of or embargo on items by customs or other authorities.
- 5.2.6 Loss of stamps, manuscripts, documents, cash or any kind of securities.
- 5.2.7 Losses due to luggage damaged in the custody of an airline or other transport agent, except in the case of total loss. In that case, the transport agent must be notified, without undue delay, of the loss and a report obtained from him.
- 5.2.8 Loss due to insufficient or bad packaging.
- 5.2.9 Loss of articles which the insured loses, drops, forgets, mislays or leaves in a public place or on unlocked premises, storage rooms/lockers, cars and boats.
- 5.2.10 Losses of items stolen from unlocked suitcases.
- 5.2.11 Loss of glasses through theft, robbery or burglary.
- 5.2.12 Loss of articles which are stolen or disappear from locked premises, storage rooms, cars and boats without proof of burglary.
- 5.2.13 Loss of camping equipment in use due to damage and/or theft as well as damage to luggage stored in tents.
- 5.2.14 Loss occurring due to theft or burglary which the insured has, deliberately or through gross negligence, not notified to the police within 24 hours from the time it took place or was notified, or if it may be surmised to have occurred through the negligence of the insured regarding safety measures.
- 5.2.15 Loss(es) resulting from fire, unless a fire broke out in a vehicle or on (certain) premises.
- 5.2.16 Loss(es) to bicycles kept outdoors.
- 5.2.17 Indemnity payments are subject to the insured taking the necessary measures to prove that the loss incident took place. The authorities concerned must be informed of the theft, robbery or burglary and a report obtained to the effect. Furthermore, all losses shall be reported to the hotel, car rental and transport agent as the case may be.

COMMON TERMS

1. GENERAL PROVISIONS

- 1.1 The Company must be informed immediately of an accident or any other kind of incident which may lead to a claim being made upon it. The insured must provide at his own expense all documents which may be required by the Company for the verification of his claim. Forms for notification of losses are available at Tryggingamiðstöðin hf., and at the Company's website: www.tm.is
- 1.2 Indemnity is paid into the card account concerned in Icelandic krónur (ISK). The card account may likewise be debited for the own risk (deductible) part in injury or illness losses.
- 1.3 No one may, without the written permission of the Company, admit to liability, issue declarations or bind the Company in any other way. In the event of legal action being brought on the grounds of a claim in an indemnifiable loss, or a third-party reclamation, the Company will handle the entire proceedings and engage a lawyer of its choice.
- 1.4 The insured shall take every precaution in order to prevent to the degree possible accidents, injury and illness.
- 1.5 Upon death of the insured, leading to an indemnification claim against the Company, the Company reserves the right to have a post-mortem conducted at its own expense.
- 1.6 If the Company is liable for a loss according to the present insurance policy and another insurance also covers this same loss, the Company will only pay its proportionate share of the indemnity, according to proportional liability, cf. however, point 7.1.8.
- 1.7 Death and disability indemnities are paid according to the terms of a single MasterCard credit card, but are otherwise independent of other insurance policies, cf. however, the provisions set out in the chapter on validity provisions above.
- 1.8 A payment made by more than one card does not grant a right to higher indemnities than if made by a single card.
- 1.9 As to the validity and interpretation of the present insurance terms, they are governed by Icelandic law, cf. however 8.1.c.
- 1.10 Should it be revealed that the insured or the person representing him has used fraud to make effective a claim against the Company, all right to indemnity is cancelled.
- 1.11 In the event that the insured has a claim for indemnity in cash against another party on account of an indemnifiable loss, the Company acquires that right insofar as it has paid indemnity to the insured.
- 1.12. Any points not otherwise agreed in the present terms shall be handled according to the provisions of Law No. 30/2004 on insurance agreements.



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2. GENERAL RESTRICTIONS ON LIABILITY

The Company does not indemnify:

- 2.1 Loss resulting directly or indirectly from war, invasion, terrorism, warfare, whether war has been declared or not, civil war or military action/ armed fighting.
- 2.2 Loss resulting directly or indirectly from mountain climbing, cliff-hanging, parachuting, balloon flying, bungee jumping, hang gliding, plane gliding, kayak trips, river rafting down rivers with swift currents, horse racing, scuba diving or other submarine or subterranean activities.
- 2.3 Loss resulting directly or indirectly from automobile or motor sports or the use of motorcycles, whether the insured is a driver or a passenger. The restriction on motorcycles does not apply, however, in the case of the use of a light motorbike hired while on a holiday trip which is covered by the present insurance.
- 2.4 Losses due to accidents occurring in competitions or training in preparation for competition in any kind of sports, except in the case of children under the age of 16.
- 2.5 Loss resulting directly or indirectly from flight in an airplane, other than scheduled air travel against a set fee with a registered company in possession of the required licenses.
- 2.6 Losses resulting directly or indirectly from:
 - a) Ionic radiation or radioactive pollution from any kind of nuclear fuel or nuclear waste or the combustion of nuclear fuel.
 - b) radiation, poisoning, explosion or other dangerous or polluting qualities of (emanating from) nuclear stations, nuclear reactors or other nuclear equipment/devices or parts of these.
- 2.7 Loss resulting directly or indirectly from suicide, insanity, self-inflicted injuries, from fisticuffs or participation in punishable action, misuse of medicine, use of drugs, alcohol, or from venereal diseases or losses occurring when the insured has taken unnecessary risks.
- 2.8 If the insured causes an insurance incident, wilfully or through gross negligence the responsibility of the Company is governed by the provisions of articles 89 and 90 of the Law on Insurance Contracts.

3. PAYMENT OF INDEMNITY AND INTEREST

- 3.1 Payment of indemnity may be claimed 14 days after the Company had the possibility to obtain the information necessary to assess the insurance incident and determine the amount of the indemnity. The insured has a right to interest on his claim acc. to Art. 123 of the Law on Insurance Contracts.

4. HANDLING OF DISAGREEMENTS AND VENUE

- 4.1 Should disagreement arise regarding the insurance an Icelandic court shall decide the matter according to Icelandic law, unless otherwise provided for in international agreements binding upon Iceland.
- 4.2 Disagreement regarding the insurance agreement/policy and the Company's indemnity obligation in other aspects may be referred to the insurance companies' Loss and the Decision Committee for insurance matters. Information regarding these committees and their work procedures may be had from the Company.
- 4.3 Notwithstanding the resources available acc. to par. 2 the parties are entitled to put the disagreement to the courts. Such cases shall be conducted before the Reykjavík District Court (Héraðsdómur Reykjavíkur).
- 4.4 The Company's domicile and venue are in Reykjavík.

These terms are valid from 1 April 2006.