

Home Insurance is a combined insurance policy for individuals and families. It includes, among other things, contents insurance, leisure-time accident insurance, liability insurance, etc. These terms and conditions apply to the insurance in addition to the company's [general terms and conditions no. 001](#).

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The insured persons are the policyholder and his/her family. For the purposes of this policy, the policyholder's family means:

- The policyholder's spouse who shares a household with the policyholder and has legal domicile in Iceland. This also includes a spouse whose legal domicile is elsewhere in Iceland than that of the policyholder.
- The policyholder's cohabiting partner who shares a household with the policyholder and has the same legal domicile in Iceland.
- Unmarried children of the policyholder and his/her spouse or cohabiting partner, regardless of age, who live with them and share the same household and legal domicile in Iceland. Also included are their children under 18 years of age whose legal domicile is elsewhere in Iceland, provided they are not covered by a home or family insurance policy at their place of domicile. Furthermore, their children under 20 years of age who live temporarily elsewhere in Iceland due to upper secondary education are included, provided they maintain the same legal domicile as the policyholder.

Insurance coverage for a spouse ceases upon legal separation, and for a cohabiting partner upon termination of cohabitation.

CHAPTER 1 CONTENTS INSURANCE

Art. 1 Where does the insurance apply?

The insurance applies in Iceland and covers household contents at the policyholder's home address stated in the insurance certificate.

The insurance also covers insured items located outside the home within Iceland, up to a total of 15% of the sum insured. If a larger portion of the household contents must be stored temporarily outside the registered home address due to moving or renovations, the insurance also applies at the new location in Iceland for up to three months from the date the property is handed over or the start date of the works. In other cases, the company must be notified of a change of address.

The insurance also covers the insured's personal movable property while travelling abroad for up to three months from departure from Iceland, up to a total of 5% of the sum insured.

Art. 2 What is covered by the insurance?

The insurance covers household contents, i.e. furnishings and personal movable property, owned by the insured persons and intended solely for private use and in no way connected to their business activities or employment.

"Household contents" means furniture, household appliances and other indoor household items, electronic devices, utensils, food, tools, decorative and art objects, books, hobby collections and all kinds of other equipment and implements that normally accompany ordinary household use and are neither part of the real property nor fixtures attached to it. "Personal movable property" means clothing, computers, phones, cameras, hobby equipment, musical instruments, watches and jewelry, glasses, hearing aids, orthopedic and medical devices.

In addition to household contents and personal movable property, the insurance also covers bicycles, small personal vehicles, light mopeds in class 1, and other non-registration-required vehicles for private use with a motor of 5 kw or less, including their accessories.

The insurance does not cover animals, registration-required vehicles, boats, jet skis, caravans, trailers, work machines and aircraft, nor accessories for such equipment. However, the insurance covers one set of summer or winter tires, rims and spare parts for each private car belonging to the insured household, as well as child car seats, roof bars, ski and bicycle racks and roof boxes.

Art. 3 What does the insurance compensate?

Comprehensive contents insurance. The insurance compensates damage to the insured property caused by a sudden and unforeseen external event that is not specifically excluded in these terms and conditions, up to the limit stated in the insurance certificate for each loss event and in total during the insurance period.

However, if damage to the insured property can be attributed to any of the causes listed below, compensation is paid up to the sum insured unless special limitations apply:

Fire damage. Damage caused by fire or smoke, lightning, explosions, or sudden soot deposition from heating equipment or a fireplace. Damage caused by the crash of an aircraft or parts thereof is also covered here, whether or not fire results.

Water damage. Damage caused by water that suddenly and unexpectedly escapes from a building's piping system, household appliances connected to it, and from mixing and sanitary fixtures. Excluded is damage caused by external water, such as precipitation, surface water, flooding, sea flooding, mudflows, groundwater, snowmelt, or water backing up from drainage pipes.

Burglary or vandalism. Damage caused by theft committed by an unauthorized person breaking into a locked apartment, vehicle, private boat, private aircraft, summer house or trailer. A condition for liability in all cases is that there must be unmistakable signs of forced entry where entry was made into the premises or vehicle. Vandalism to household items caused intentionally is also compensated.

Weather conditions. Damage caused by water flowing into premises due to sudden torrential rain (cloudburst) or snowmelt (rapid thaw) so severe that drains cannot carry it away. Damage is also compensated if a storm (28.5 m/sec. or more) tears away the roof, windows or other parts of a house. If no wind speed measurements are available, consideration shall be given to whether general property damage occurred due to the weather in the relevant area. Damage resulting from sudden snow load that has collapsed the roof or walls of a completed building is also covered.

If it becomes necessary for the insured to move temporarily out of their home due to damage that is compensable under this insurance, unavoidable additional costs resulting from this, including rent for comparable housing, shall be paid, but never more than 6% of the sum insured.

Art. 4 Exclusions

The insurance does not compensate damage:

- a. That occurs when an insured item is misplaced, forgotten, lost or left behind in a public place.
- b. Due to theft that does not occur through burglary or robbery. "Burglary" means that an unauthorized person breaks into locked premises, a storage room or a vehicle and there are unmistakable signs of forced entry at the point of entry. "Robbery" means theft involving physical violence or a threat of immediate violence. This exclusion does not apply to theft of;
 - locked bicycles, small personal vehicles and other insured vehicles, strollers and baby carriages,
 - insured property of students in primary or upper secondary school,
 - insured items, other than watches, jewelry or cash, from an unlocked dwelling while one of the insured persons is present there.Theft committed by any of the insured persons or with the knowledge of any of them is always excluded.
- c. To cash, credit notes, gift certificates, securities, manuscripts, original drawings, coin and stamp collections. However, damage to such items is compensated if it occurs at the registered insured location due to fire, water damage or burglary into a locked apartment.
- d. Arising because premises are incomplete or unfinished, or damage resulting from construction defects or inadequate maintenance of the premises.
- e. Caused by wear and tear, defects, incorrect assembly, insufficient maintenance or internal failure, such as mechanical or electrical breakdown in equipment and devices. The same applies to failures caused by voltage fluctuations or faults at the electricity supplier.
- f. To electrical devices covered by statutory or contractual liability of the seller or manufacturer.
- g. To items specifically insured under another property insurance policy.
- h. That can be attributed to insects, rodents or other pests, mold or fungal growth.
- i. Caused by scratch and chew or the release of urine and feces from domestic animals.
- j. Caused by heat and/or humidity changes, whether sudden or occurring over a longer period.
- k. To handicrafts, art objects or other items produced by any of the insured persons for resale, distribution or personal use.
- l. To weapons for which the insured does not have a permit.
- m. To clothing damaged during cleaning unless the damage is caused by a confirmed malfunction in equipment, e.g. a washing machine or dryer.
- n. To foodstuffs where the loss can be traced to the power supplier shutting off electricity or interrupting supply.
- o. To luggage in the custody of a carrier or transport provider, or damage to luggage caused by liquids, foodstuffs or other contaminating substances stored in it.
- p. That occurs due to seizure, confiscation, deprivation of custody, attachment, enforcement measures or other such actions by public authorities or private parties acting under public authorization.

Art. 5 Precautionary rules

The insured must exercise normal care in the handling and storage of insured items and take special measures where appropriate to limit the risk of damage, including due to theft, water or fire, and to reduce the extent of losses.

Premises where insured items are stored must comply with building regulations and be constructed and maintained so that they are watertight and windproof and can withstand the strain resulting from Icelandic weather conditions and natural forces, taking into account location and season. The building's piping system must be maintained and renewed as required. Drains at the property must be kept clear so that snow, ice or dirt do not block them and thereby increase the risk of water entering the house and causing damage. Snow must also be cleared from balconies and roofs and gutters cleared when necessary for the same purpose.

The home or other storage place of insured items must be secured so that unauthorized persons do not have easy access; doors must be locked and windows and other openings properly secured. Special care must be taken regarding the storage, preservation and handling of valuables, such as paintings and other art objects, watches and jewelry, cameras, musical instruments, televisions, computer equipment, money and hobby collections, including coin and stamp collections. Movable property of this kind must not be stored in storage rooms outside the apartment, garages, outdoor storage spaces, caravans or tents, storage facilities or work sheds. If it is necessary to store such items temporarily in a vehicle or other means of transport, it must be ensured that the vehicle is securely locked and that the insured items are not visible. Theft must be reported to the police immediately.

Bicycles and other insured vehicles must always be securely locked to a fixed object if stored outdoors or in a public place and secured in such a way that the risk of damage is limited as much as possible. Keys to the home, storage units and vehicles must be kept so that they are not visible and inaccessible to unauthorized persons.

Insured items stored outdoors must be properly secured to limit the risk of damage due to weather or theft. Special measures must be taken when weather forecasts give reason to do so to reduce the risk of damage. Sensitive items must not be stored outdoors where they may be damaged by precipitation, cold or wind.

During moving, travel and other transportation of insured items, they must be properly secured and packed so as to reduce the risk of damage as much as possible. Damage to luggage must be reported to the police, tour guide, hotel or carrier, as applicable, and a report obtained.

The insured must follow the usage instructions that apply to insured items.

Art. 6 How is compensation determined?

If an insured item is damaged and can be repaired so that it will be in a similar condition as before the damage, the company may decide to have it repaired at its own expense or provide another comparable item instead. The company may also decide to pay a cash amount corresponding to the incurred or estimated repair costs or the difference in the value of the item before and after the damage. In these cases compensation shall never exceed the actual value of the damaged item on the date of loss.

If an insured item is destroyed, stolen or the company considers repair uneconomical, compensation shall be paid in accordance with the price of a new comparable item on the date of loss, taking into account depreciation due to age, condition and other factors that may reduce its value. In determining compensation, the company is entitled to apply the following depreciation rules:

	First depreciation after	Depreciated by	Maximum
Smartphones, smartwatches and accessories, as well as computer equipment, including tablets.	6 months from date of purchase	2% monthly*	100%
Other items	1 year from date of purchase	10% annually**	70%

* The depreciation rate is calculated from the original purchase price.

** The depreciation rate is calculated based on the current value.

Curtains, lights, crockery, household utensils and tableware, as well as furniture other than sofas and sofa sets, are not depreciated.

The company acquires ownership of items that have been fully compensated according to the above rules and may demand that they be produced before or after payment of compensation. Stolen or lost items that are recovered after the company has paid compensation for them become the property of the company and must be returned to it. The insured may, however, keep the items if he/she so wishes and it is possible, against repayment of the compensation amount.

The company only compensates direct financial loss to insured items and not consequential loss. Intellectual property, memorial value and sentimental value of items are not compensated. Lost data and software are not compensated. A cosmetic defect that does not reduce usefulness is not compensated unless decorative or art objects are involved, and repair of other items is considered sufficient even if signs of repair remain visible. The company does not compensate

additional costs beyond direct repair costs for damage to watches and devices, such as costs for cleaning, lubrication, inspection and warranty checks.

The total amount of compensation for a total loss of all household contents and other insured items covered by the insurance can never exceed the sum insured. If the total value of the household contents is higher than the sum insured, compensation shall be paid proportionally as stated in the company's general terms and conditions.

In the following cases, special rules apply regarding the maximum amount, as a percentage of the sum insured, for each loss event:

For each bicycle, small personal vehicle or other vehicle including accessories	3%
Cash, credit notes, gift certificates, securities, manuscripts, original drawings and hobby collections.*	1%
For burglary in a summer house, caravan, vehicle or other means of transport.*	5%
For burglary in a storage room outside the apartment or in a garage*	15%
For losses during travel abroad.*	5%
Watches and jewelry.*	5%
Glasses, hearing aids, orthopedic and medical devices.*	10%
Foodstuffs.*	2%
For theft from primary and upper secondary schools.*	1%
Tools, tires, spare parts and other vehicle accessories.*	5%

* Total for insured items in each loss event before taking into account the deductible.

CHAPTER 2 LIABILITY INSURANCE

Art. 7 Where does the insurance apply?

The insurance applies in Iceland and during travel abroad for up to three months from the departure date.

Art. 8 What does the insurance compensate?

The insurance covers the insured's liability as an individual under the general rules of non-contractual damages, where by a compensable act or omission the insured has suddenly caused property damage or bodily injury to another person. "Property" means real property and movable property, including animals.

If an insured child younger than 10 years of age has demonstrably caused damage, compensation shall be paid under the insurance even if the conduct is not considered negligent due to age, provided the other conditions for liability are met. Damage caused intentionally is, however, not compensated. Compensation under this provision is not paid if the child is involved in a traffic accident and damage occurs to a registration-required vehicle in use.

Compensation is not paid if liability is excluded on the basis of necessity, consent or assumption of risk by the injured party, nor for damage to insured interests pursuant to Article 19 of the Damages Act no. 50/1993. If the injured party is partly or wholly at fault for the damage, his/her right to compensation shall be reduced accordingly.

Art. 9 Exclusions

The liability insurance does not compensate damage:

- a. Caused by the insured persons to one another.
- b. Caused by the insured in connection with occupational activity, whether as an employee, contractor or employer. The same applies to any secondary jobs undertaken by the insured which involve occupational risk.
- c. For which the insured is liable as the owner of real property.
- d. For which the insured is liable as owner, user or operator of a ship, boat (including jet ski), aircraft (including UAV/drone), registration-required motor vehicle, non-registration-required vehicle with a motor exceeding 5 kw, or registration-required work machine.
- e. Caused by animals.
- f. To property borrowed, rented, stored or otherwise in the custody of the insured, with or without the owner's permission.
- g. For which the insured is liable due to breach of contract or liability broader than follows from the general rules of non-contractual damages.
- h. Due to the use of a weapon for which the insured does not have a permit.
- i. Caused by fire, water from firefighting, smoke, soot or explosion.
- j. Caused by the insured's participation in fighting or criminal acts.
- k. Due to fines, legal costs or other expenses in connection with criminal cases.
- l. Caused by pollution of air, soil, vegetation, water or sea. However, the insurance does cover such damage if it can be traced to a single specific event.

m. Arising from long-term dampness or water leakage and/or mold and fungal growth.

Art. 10 Precautionary rules

The insured is not permitted to tamper with or modify e-bikes, small personal vehicles or light mopeds in class 1 so that they can travel faster than 25 km/h under their own motor power.

Assessing whether liability exists may be a legally complex matter. The insured must consult the company regarding his/her legal position once a damages claim has been made and may neither verbally nor by conduct admit liability or settle compensation without the company's consent, as this may result in the insured having to pay the compensation personally. The company has the right to decide liability, settle compensation and conduct all defenses and handling of such cases on behalf of the insured.

Art. 11 Time limits

The insurance covers liability arising from a compensable act or omission by the insured that occurs during the validity period of the insurance and results in damage, whether the consequences of the conduct appear during the validity period or later. The insurance does not cover compensable conduct that occurs before the insurance took effect, even if its consequences (the damage) do not become apparent until the insurance period.

CHAPTER 3 LEISURE-TIME ACCIDENT INSURANCE

Art. 12 Where does the insurance apply?

The insurance applies anywhere in the world. Notwithstanding the definition in the introductory text, the insurance applies to students who temporarily move away from home for studies, domestically or abroad, for up to 9 months at a time, provided their legal domicile remains unchanged in Iceland.

Art. 13 What does the insurance compensate?

The insurance pays compensation for an accident suffered by the insured during leisure time, including during ordinary sports participation, housework and unpaid school studies, up to the amounts stated in the insurance certificate and in effect on the date of the accident.

The word "accident" here means a sudden external event causing bodily injury to the insured and occurring without his/her will. In the case of injuries to limbs, however, it is only required that there be a sudden event causing bodily injury to the insured and occurring without his/her will. Shoulder and hip are not considered limbs under this provision.

Art. 14 Compensation for medical expenses

The insurance compensates domestic medical expenses incurred due to a compensable accident upon proof of payment, to the extent they are not recoverable from Iceland Health Insurance. "Medical expenses" here means necessary costs of medical treatment and examinations (but not dental costs), ambulance transport, aids, rehabilitation and medication, as well as necessary incurred travel expenses within Iceland in connection with treatment.

If a compensable accident results in a bone fracture or complete rupture of the Achilles tendon, ligaments or tendons, the company pays an advance payment amounting to 25% of the maximum compensation for medical expenses without requiring submission of paid expense receipts. If the actual cost is higher, the advance payment shall be fully deducted from the payment of compensation for medical expenses. Advance payment is not made in the case of cracks, fissures, compression fractures, stress fractures or bone splintering and is available to each insured person only once per insurance period.

The maximum compensation for medical expenses is stated in the insurance certificate and that amount applies to each insured person for all accidents during the same insurance period. Compensation for medical expenses is paid to the policyholder for an accident involving an insured child under 18 years of age.

If disability due to a compensable accident is assessed at more than 50%, the insurance also pays necessary costs of alterations to housing, incurred in consultation with the company or with its approval, up to the sum insured stated in the certificate.

Art. 15 Compensation for tooth fracture

The insurance compensates the cost of repairs to healthy and properly repaired teeth or permanent dentures that fracture or are damaged in an accident. The company also compensates tooth fractures caused by falls due to sudden faintness, loss of consciousness or balance disturbance, provided this is not caused by a known underlying illness, disability or the use of alcohol or medication. The insurance does not compensate tooth fractures occurring while the insured is eating, nor tooth fractures occurring in work accidents. If dental injury can be attributed to the prior condition of the tooth or the insured's dental health otherwise, compensation is reduced proportionally to the extent that this condition contributed to the fracture.

Art. 16 Compensation for disability and implementation of disability assessment

If the insured suffers permanent bodily injury due to an accident, the company pays compensation for medical disability. Disability shall be assessed in percentages according to the tables of the Disability Committee on degrees of invalidity in force when the disability assessment is made. The reduction in physical function shall be assessed without regard to occupation, special abilities or social status of the injured person. If the injured person's injury is not listed in the Disability Committee tables, it shall be assessed specifically with reference to those tables. The disability of any individual can never be considered more than 100% in total, even if multiple injuries result from the same accident or the person has suffered more than one accident, and the proportional rule shall be applied where relevant. If the injured person suffers from illness, physical ailment or disability, or had suffered damage to a body part or organ before the accident, the disability shall be reduced proportionally in view of that condition. Loss or impairment of a limb or organ that was unusable before the accident does not entitle the insured to disability compensation. Disability compensation is not paid for accidents causing only disfigurement or for tooth fractures.

Disability shall be assessed no earlier than one year from the date of the accident, taking into account the condition of the insured at that time. If the insured or the company believes that the disability may change, either party may require that the final disability assessment be postponed, though not longer than three years from the date of the accident. Even if the condition of the insured may be expected to change, the disability assessment shall be carried out no later than three years after the accident occurred. If a disability assessment has not been received by the company before three years have elapsed from the date of the accident, no disability compensation shall be paid. If it is likely that the condition of the insured could be improved through medical treatment, training or similar measures and he/she refuses without valid reason to undergo such measures, the potential improvement that such measures might have brought about shall nevertheless be taken into account when determining disability. If the insured or the company does not accept the result of a disability assessment received by the company within the above time limits, either party may submit a new disability assessment at its own expense within 6 months from the date the previous assessment was received by the company. The deadline for submission of a final assessment is, however, never shorter than 3 years from the date of the accident.

If the insured dies before a disability assessment has taken place, disability shall be assessed on the basis of medical records and compensation paid accordingly, but never in a higher amount than death benefits. No disability compensation is paid if the death of the insured occurs within one year of the date of the accident or after three years have elapsed from the accident.

Art. 17 Death benefits

If an accident causes the death of the insured within one year from the date of the accident, death benefits shall be paid to the spouse or cohabiting partner, less any disability compensation the company may have paid for the same accident. If the insured leaves no spouse/cohabiting partner, the sum insured shall pass directly to the insured's heirs according to law or will. Death benefits are only paid if the accident is the direct and sole cause of the insured's death and other factors, such as age, illness, weakness, medical condition or treatment, played no part in the death, regardless of whether such factors existed before the accident or arose later.

Art. 18 Exclusions

The insurance does not compensate:

- a. Accidents caused by a registration-required motor vehicle.
- b. Accidents occurring during work, whether paid work or profitable activity for the insured's own benefit or that of others, involving occupational accident risk.
- c. Accidents occurring on the direct route to or from work.
- d. Injuries sustained while practicing combat or self-defense sports where the purpose is to strike or kick the opponent or otherwise engage physically with them. This exclusion does not apply to insured persons under 18 years of age.
- e. Accidents occurring in aviation, unless the insured is a passenger on scheduled or charter flights operated by a party holding the required permits from the relevant aviation authorities.
- f. Damage due to sunbathing, medical treatment, surgery, rehabilitation or use of medication, unless the treatment is under medical advice due to an accident compensable under this insurance and is carried out at a recognized healthcare institution.
- g. Injuries resulting from fighting or participation in criminal acts.
- h. Damage due to food or drink poisoning or the consumption of alcohol, narcotics or other stimulant or sedative drugs. The same applies to damage caused by poisonous gases, unless it occurred suddenly and without the will of the insured.
- i. Damage caused by insects or parasites.

Exclusions that may be insured separately for an additional premium:

- j. Accidents suffered by insured persons aged 18 and older while practicing competitive sports. "Competitive sports" here means training and competition in individual and team sports that are regularly practiced under the guidance of a coach on behalf of clubs and associations whose purpose is sports competition and/or where participation is subject to conditions of minimum skill or ability.
- k. Accidents occurring while engaging in any kind of motor sport.
- l. Accidents occurring in mountain, rock or ice climbing and rappelling.

- m. Accidents occurring in hang-gliding, paragliding, hot-air ballooning, microlight and glider flying, bungee jumping, skydiving, and diving with compressed air or freediving at depths greater than 10 meters.

The insurance does not cover illness or disease of any kind. No compensation is paid for herniated disc, lumbago ischias, rheumatoid arthritis, osteoarthritis or any other kind of rheumatic disease or degenerative change, even if symptoms first appear following an accident. Nor does the insurance cover accidents caused by illness, disease, physical ailment or disability of the insured, of which he/she was aware and which had shown symptoms before the accident. The same applies to aggravated consequences of an accident that can be attributed to such a condition, whether it existed before the accident or appeared later.

Art. 19 How is compensation determined?

Disability compensation is calculated proportionally to the base amount of disability compensation, so that each degree of disability from 26–50% counts double, each degree from 51–75% counts quadruple, and each degree from 76–100% counts sixfold. Compensation for 100% disability therefore amounts to 325% of the base amount of disability compensation. The compensation amount for disability compensation also takes into account the age of the insured on the date of the accident and is reduced proportionally in accordance with the table below:

70 years	10%	74 years	50%
71 years	20%	75 years	60%
72 years	30%	76 years	70%
73 years	40%	77 years and older	80%

Death benefits are paid in full if the insured was 16–69 years old on the date of death and had another person dependent on him/her. Otherwise, benefits amount to 25% of the base amount of death benefits.

Disability and death benefits do not bear interest but are adjusted in accordance with the consumer price index for indexation from the date of the accident to the settlement date. The unused portion of the sum insured for children's tooth fractures is adjusted in the same way.

CHAPTER 4 HOSPITALIZATION INSURANCE

Art. 20 What does the insurance compensate?

The insurance pays compensation if the insured is admitted to a hospital in Iceland or abroad during the validity period of the policy due to illness, sickness or accident. Compensation is paid if the continuous stay in the hospital reaches at least the waiting period specified in the insurance certificate and for no longer than the benefit period stated there.

Art. 21 Exclusions

The insurance does not compensate hospitalization:

- Due to illness or sickness that first showed symptoms before the insurance took effect with respect to the insured, nor due to an accident that occurred before that time.
- At a naturopathic or health resort, nursing home, elderly care facility or residential home, or any kind of rest stay.
- For preventive purposes or hospitalization in connection with elective treatment, such as fertility treatment, metabolic or obesity procedures, and cosmetic or plastic surgery.
- Due to congenital diseases or birth defects.
- In connection with pregnancy, childbirth or miscarriage unless it is the result of an accident.
- Due to self-inflicted injury or attempted suicide, addiction problems and any consequences thereof, dementia diseases, and hospitalization due to mental health problems.

Art. 22 How is compensation determined?

Hospitalization benefits are paid for suffering, inconvenience and costs caused by hospitalization and are determined on the basis of the number of days the insured stays in hospital from the admission date until discharge. Compensation is paid in a lump sum after the hospital stay ends with discharge. Double benefits are paid for the period during which the insured stays in an intensive care unit.

The maximum hospitalization benefits are stated in the insurance certificate and that amount applies to each insured person in each insurance period. Compensation due to the same illness or accident is, however, only paid for the maximum benefit period specified in the insurance certificate for each insured person, notwithstanding renewal of the insurance.

Art. 23 Time limits

This insurance does not apply to persons aged 65 and older. The insurance does not cover a hospitalization period that begins within 90 days from the date the insurance first took effect with respect to the insured, unless the hospitalization is due to an accident that occurred during its validity period.

CHAPTER 5 LEGAL ASSISTANCE

Art. 24 What does the insurance compensate?

The insurance reimburses the insured's legal costs arising from a legal dispute in a civil case conducted in Iceland before a District Court, the Court of Appeal or the Supreme Court and concerning the insured's rights or obligations as an individual, whether the insured is plaintiff or defendant in the case. Costs of reopening a case before the courts are also paid, but only if reopening is permitted. An insurance event is deemed to have occurred when court proceedings are first initiated due to the matter in dispute.

The insurance does not cover criminal cases, appraisal cases or disputes that can only be decided by the executive branch or special courts.

The insured must have engaged a lawyer to protect his/her interests before the company decides on the right to compensation on the basis of the information available regarding the dispute. No action shall be taken in the case or costs incurred before the company has confirmed the insured's right to compensation, although the lawyer may take urgent steps that cannot wait. The insured chooses his/her own lawyer from among members of the Icelandic Bar Association without the company's involvement. A lawyer may not handle his/her own case without the company's consent.

Art. 25 What is covered by the insurance?

The insurance pays the insured's own legal costs in the conduct of the case and legal costs which the insured is ordered or adjudged to pay to the opposing party at the conclusion of the case. "The insured's own legal costs" means court fees, the cost of obtaining necessary expert opinions and reports and other evidence, the lawyer's out-of-pocket expenses according to invoice, and the lawyer's fee according to hourly rate or agreed fee, whichever is lower.

The insurance does not cover legal costs incurred before court proceedings are initiated, even if the case cannot be referred to the courts without prior proceedings elsewhere. Compensation is not paid for a case concluded by settlement unless the judge has ruled on legal costs.

Compensation is not paid for the insured's own work, loss of income or other costs of the insured personally, or costs of enforcing a judgment, ruling or settlement. Nor is compensation paid for additional costs arising because more than one lawyer is engaged to conduct the case or because the lawyer is changed, nor for additional costs resulting from negligence by the insured or his/her lawyer in connection with the conduct of the case.

Art. 26 Exclusions

The insurance does not cover disputes:

- a. In connection with the insured's employment or business, whether as employee, contractor or employer, including cases against an employer, bankruptcy estate or guarantee fund relating to wage claims, termination or work accidents.
- b. Concerning a legal entity or association connected to the insured.
- c. Concerning the insured as owner of real property, including defect cases, damages claims, and cases related to purchase and sale, mortgages and loans.
- d. Concerning the insured as owner, user or operator of a motor vehicle, caravan or other trailer, aircraft (including UAVs and drones), ship, boat or yacht, including defect cases, damages claims, and cases related to purchase and sale, mortgages and loans.
- e. Concerning divorce, termination of cohabitation or cases involving disputes over custody of children and visitation.
- f. Due to events that took place outside the Nordic countries, unless they concern the insured as a traveler.
- g. Due to liabilities undertaken by the insured or other financial arrangements that are unusual or unusually extensive for an individual.
- h. Concerning damages or other claims against the insured due to assault or another act that has led to suspicion or indictment against him/her for an offense that is criminal and culpable.
- i. Concerning a negotiable instrument claim or other debt collection against the insured where the claim is undisputed or indisputable, or cases concerning bankruptcy or composition proceedings where the insured is personally bankrupt or seeking composition.
- j. Concerning a claim or other right that has been assigned to the insured.
- k. Concerning an insurance contract between the insured and the company (Sjóvá-Almennar tryggingar hf. or Sjóvá-Almennar líftryggingar hf.), including disputes regarding the right to compensation or the amount of compensation. This exclusion does not apply to claims by the insured under a third-party liability insurance with Sjóvá.

- I. Where there is no legitimate interest in obtaining a judgment in the case. Such an interest shall, for example, not be deemed present if an application for legal aid has been rejected for that reason or a grant of legal aid has been withdrawn.

Art. 27 Time limits

The insurance covers court proceedings initiated during its validity period, provided it was also in force for the insured when the dispute to which the case relates arose and that it (or equivalent insurance protection with any insurance company) had then been continuously in force for the insured for at least two years. If the insured's insurance protection had been in force for less than 2 years before the dispute arose, compensation may also be claimed under this insurance if the events to which the dispute relates occurred after it took effect with respect to the insured. A dispute is deemed to have arisen when one party to the matter has demonstrably rejected the other party's view or claim or has not replied within a reasonable time, even though court proceedings have not yet been initiated.

Art. 28 How is compensation determined?

The company pays the insured's necessary and reasonable legal costs which he/she must bear personally, less any legal costs that the opposing party is ordered or adjudged to pay him/her and any legal aid payments. Compensation is only paid after a final determination of legal costs has been obtained before the courts by judgment on the merits or by ruling.

The maximum compensation for each civil case is the total legal costs less the deductible, up to the sum insured in force when the case was initiated and stated in the insurance certificate. The maximum compensation under the insurance during the entire insurance period is also limited to the sum insured regardless of the number of disputes.

If the insured is a party to more than one civil case which can essentially be traced to the same events, this is treated as one case and one insurance event. The same applies if more than one of the insured persons are parties to the same case or separate cases which can essentially be traced to the same events, in which case the sum insured shall be divided equally among the insured parties. If the insured participates in a class action, inside or outside a litigation association, the maximum compensation is 15% of the sum insured. The same applies when the insured is a party to court proceedings where several similar cases are conducted in parallel and concern the same events or causes.

In disputes concerning financial interests, compensation can never exceed the principal amount of the sum to which the dispute relates. If the dispute is concluded by settlement, the sum insured is 50% of the amount stated in the insurance certificate.

Art. 29 Special rule on mitigation of loss

The insured must minimize legal costs covered by the insurance as far as possible. For that purpose, in all cases the insured must claim full reimbursement of legal costs from the opposing party, whether the case is settled during proceedings or judgment is rendered. If a case is dismissed, discontinued or settled, the insured must request that the judge rule on legal costs. If the insured neglects these duties or otherwise relinquishes the opportunity to have his/her legal costs fully paid by the opposing party, the company will pay no compensation under the insurance.

The insured must apply for legal aid unless it is obvious that he/she does not meet the conditions for it.

The company may make payment of compensation conditional upon the insured submitting the lawyer's fee to the ruling committee of the Icelandic Bar Association. Such a complaint shall be made in consultation with the company, and the company shall pay the filing fee resulting therefrom

CHAPTER 6 TRAUMA SUPPORT – PSYCHOLOGICAL ASSISTANCE**Art. 30 What does the insurance compensate?**

The insurance pays the cost of counseling treatment with a specialized healthcare professional if the insured suffers from mental symptoms due to trauma caused by any of the following events, which occurred during the validity period of the insurance and led to compensation rights under the relevant insurance with the company:

- a. Burglary at the insured's home.
- b. Fire or water damage at the insured's home causing substantial property damage.
- c. Robbery. "Robbery" means theft of insured items involving physical violence or a threat of immediate violence.
- d. Death, serious accident or serious illness of one of the insured family members.

The treatment must take place within 6 months from the date of loss. It is a condition that the treatment is directed solely at the insured's mental symptoms which first appeared after the loss event and was necessary to process them.

Art. 31 How is compensation determined?

Compensation is paid for incurred costs of provided specialist assistance upon presentation of invoices, up to the sum insured stated in the insurance certificate and in force on the date of loss, to the extent that the cost is not reimbursable by Iceland Health Insurance. Travel costs are not compensated.

The sum insured applies to each insured person in each insurance period. Compensation due to the same event is only paid once for each insured person, notwithstanding renewal of the insurance.

CHAPTER 7 TRAVEL PROTECTION

This insurance is an optional policy that may be purchased as an add-on to home insurance for an additional premium.

Art. 32 Where does the insurance apply?

The insurance applies during travel abroad from Iceland, anywhere in the world, for up to 92 consecutive days from departure from Iceland until return home to Iceland.

Art. 33 What does the insurance compensate?

The insurance pays compensation if illness or accident causes the insured unforeseen expenses during travel abroad or disrupts his/her travel arrangements, as further described in Articles 34–39 of these terms and conditions.

The insurance covers holiday and leisure travel but not travel related to the insured's studies, work or volunteer work.

Art. 34 Definitions

“Travel costs” means fares, accommodation costs and rental car, in addition to costs of entertainment, events and travel within the country of stay, which the insured proves he/she was unable to cancel or obtain reimbursement for.

“Carrier” means an airline, shipping company or other party that transports passengers for a fee.

“Close relative” means the insured's spouse, cohabiting partner, fiancé/fiancée, child, grandchild, parents, siblings, parents-in-law, child-in-law and grandparents.

“Close colleague” means a person who is a co-owner in the insured's business or a colleague for whom the insured is a substitute.

“SOS” refers to the emergency service provider SOS International A/S. The role of SOS is to provide the insured and their relatives with assistance due to serious accidents or illnesses where there is a need for hospitalization, repatriation or other such emergencies. Cases may be reported to SOS electronically at the website www.sos.eu or by phone at +45 7010 5050.

Art. 35 Medical expenses

The insurance pays compensation for medical expenses and other additional expenses incurred during travel abroad due to injury or sudden and unexpected illness of the insured arising during the journey.

“Medical expenses” here means the costs of examination, testing and emergency treatment by doctors or other healthcare professionals, hospitalization, ambulance transport within the country of stay, nursing, medication, emergency dental treatment and other necessary treatment as prescribed by the relevant medical institution. Compensation is not paid for medical expenses incurred in Iceland after returning home, even if they concern follow-up treatment.

“Additional expenses” here means necessary costs resulting from maintaining a pre-planned itinerary and necessary extra accommodation and return travel expenses incurred in consultation with SOS or with the approval of the company. If the insured dies during travel due to illness or accident, the company also pays the transport of his/her mortal remains back to Iceland.

The company pays medical expenses and additional expenses upon presentation of invoices with proof of payment and medical information from treatment providers abroad confirming the nature and extent of the illness or injury. SOS must be notified as soon as possible of emergencies, deaths, serious accidents or illnesses abroad where urgent assistance is required due to hospitalization or repatriation.

Art. 36 Travel expenses of an accompanying person – emergency companionship

The insurance pays additional costs of fares and accommodation for one fellow traveler of the insured who provides necessary assistance due to serious illness or accident or who must accompany the insured home on medical advice and in consultation with SOS or the company.

If the insured is not assisted by a fellow traveler, the insurance pays the fare and accommodation for one relative or friend of the insured who must travel specially out to the insured to provide necessary assistance and accompaniment due to serious illness or accident, provided such costs are incurred with the company's approval.

Art. 37 Reimbursement of trip

If the insured must be admitted to hospital abroad, or must according to written medical advice and with the approval of the company or SOS return earlier to Iceland due to serious illness or accident, the company reimburses proportionally that part of the travel costs which he/she had paid for the trip but which became unusable for these reasons and cannot be reimbursed otherwise. Compensation is paid only for the injured/sick person himself/herself and for his/her insured fellow travelers who necessarily had to interrupt the trip and accompany him/her home.

Art. 38 Trip interruption due to an event in Iceland

The insurance pays compensation for necessary additional expenses for the insured's return trip to Iceland if he/she is forced to shorten his/her stay abroad due to:

- a. The death, serious accident or sudden serious illness of a close relative of the insured in Iceland.
- b. Substantial property damage to the insured's home or private business making his/her presence necessary.

Compensation is not paid for the trip that was interrupted or for a new trip in its place.

Art. 39 Cancellation insurance

The insurance pays compensation for travel costs that the insured has paid for or agreed to prepay and that cannot be reimbursed, for a trip that the insured is unable to take due to any of the following reasons:

- a. Death, serious injury or illness, childbirth or quarantine of the insured, provided there is a certificate from a practicing physician in the form determined by the company confirming his/her condition and inability to travel at the time the trip was to begin.
- b. A close relative or close colleague of the insured dies, suffers serious bodily injury or becomes seriously ill, provided sufficient documentation is available.
- c. Substantial property damage to the insured's home or private business making his/her presence necessary.
- d. Disruption to the schedule of an aircraft or ship resulting in at least a 12-hour delay in the insured's departure from Iceland compared to the travel itinerary.
- e. Public restrictions are imposed on arrivals at the planned destination due to an epidemic or infectious diseases.
- f. A court witness duty or summons to work that the insured cannot lawfully avoid under compulsory quarantine legislation.

Compensation under this article is only paid for cancellations occurring before departure from Iceland. The above events must have occurred during the validity period of the insurance and be of such a nature that the insured has no alternative but to cancel a previously made booking and abandon the trip. Compensation is, however, also paid if serious injury or serious illness makes it impossible for the insured to participate in the leisure activity which is the main purpose of the trip, even though he/she is able to travel; but if he/she nevertheless chooses to go on the trip, the company reimburses that part of the travel cost which he/she cannot make use of for that reason.

Compensation is paid for all insured fellow travelers who have to cancel the trip, even if the reason for cancellation applies only to one of them.

Where applicable, the insured must present a medical certificate in the form determined by the company, confirming his/her condition and fitness to travel at the time the trip was to begin. Compensation is not paid under this article if the insured has paid a separate cancellation fee to the carrier, travel agency or tour organizer or if such a fee was charged upon purchase of the trip.

Art. 40 Delayed baggage

The insurance pays compensation for the purchase of essential necessities if the insured does not receive his/her baggage due to delay or misrouting after reaching the final destination abroad within the time limits stated in the insurance certificate. Compensation is paid only for baggage delay on the outward journey, not on the return journey. Compensation is only paid for children under 18 years of age if they are travelling without the accompaniment of guardians.

Art. 41 Exclusions

The insurance does not compensate:

- a. Loss arising from the consequences of accidents or underlying illnesses or diseases from which the insured himself/herself, a close relative or a close colleague suffered and for which treatment was being received during the last 6 months before the trip was purchased or a confirmation deposit was paid for it. The same applies to loss caused by illness or accidents of the insured occurring before the departure date from Iceland, but this does not apply to cancellation insurance. "Treatment" here means any type of intervention intended to improve or maintain physical or mental health, such as doctor visits, medication use, rehabilitation, counseling, interviews, special diet, unconventional treatment, etc.
- b. Costs recoverable from Iceland Health Insurance or other public health insurers under law or mutual health insurance agreements.

- c. Costs of procedures, health stays or any kind of treatment, including by doctors and dentists, that do not result from sudden and unexpected illness or accident of the insured after departure from Iceland.
- d. Costs of search, rescue or medical transport from sea areas outside harbors or from wilderness areas such as glaciers, deserts, forests and mountains outside organized public ski areas.
- e. Loss arising from the insured's reluctance to travel or poor financial situation.
- f. Loss due to a change in the insured's planned vacation period.
- g. Loss arising because the insured travelled contrary to the advice of a practicing doctor.
- h. Loss caused by operational difficulties, bankruptcy, revocation of licenses or suspension of operations of a travel agency, tour organizer, carrier, accommodation provider or other service provider.
- i. Expenses which a travel agency, tour organizer, carrier, accommodation provider or other service provider must pay or reimburse under law or contract, nor increases in pre-agreed travel costs.
- j. Loss due to oversight or negligence of a travel agency, tour organizer, carrier, accommodation provider or other service provider.
- k. Loss arising because an aircraft or ship is taken out of service temporarily or otherwise by order of a public authority.
- l. Loss caused by government orders other than those concerning compulsory quarantine.
- m. Loss caused by strike actions that had been announced and were known, at the time the trip was purchased, to be due to commence before the planned departure from Iceland.
- n. Loss attributable to the fact that the insured could have expected to give birth during the travel period or within two months from the planned return date.
- o. Loss due to high-altitude sickness.
- p. Loss arising while practicing combat or self-defense sports where the purpose is to strike or kick an opponent or otherwise engage physically with them. This exclusion does not apply to insured persons under 18 years of age.
- q. Loss due to injuries sustained by the insured in fighting or while participating in criminal acts.
- r. Loss directly or indirectly resulting from the consumption of alcohol, narcotics or other stimulant or sedative drugs.
- s. Loss arising because the insured scheduled a connection time in air travel shorter than the minimum required by the relevant airline/airport and noted in the booking.

Exclusions that may be insured separately:

- t. Loss suffered by an insured person aged 18 or over due to participation in competitive sports. "Competitive sports" here means training and competition in individual and team sports regularly practiced under the guidance of a coach on behalf of clubs and associations whose purpose is sports competition and/or where participation is subject to conditions of minimum skill or ability.
- u. Loss arising from participation in any kind of motor sport.
- v. Loss due to mountain, rock or ice climbing and rappelling.
- w. Loss due to hang-gliding, paragliding, hot-air ballooning, microlight and glider flying, bungee jumping, skydiving, and diving with compressed air or freediving at depths greater than 10 meters.

Art. 42 How is compensation determined?

The maximum compensation for each part of the insurance is based on the sum insured stated in the insurance certificate for that part and in force on the date of loss. The stated sum insured and deductible apply to each insured person on each trip.

Compensation for incurred expenses and reimbursement of travel costs is paid upon presentation of receipts or invoices together with proof of payment. Food expenses are never paid.

Under cancellation insurance, compensation is paid for each insured person who has to cancel the trip, proportionally from the total travel cost of all insured persons, less the deductible for each individual. No compensation is paid for the portion of other fellow travelers' travel costs who are not insured, even if the insured paid their travel costs or advanced them.

Compensation for delayed baggage is paid upon written confirmation from the carrier or airport of the duration of the delay. Receipts are not required for incurred costs of purchasing necessities; instead, compensation is calculated on the basis of the amount stated in the insurance certificate for each hour of delay beyond the waiting period and up to the maximum benefit period stated there.

Art. 43 Precautionary rules

If the insured needs to cancel a trip or change travel arrangements, he/she must notify the relevant service provider, such as a travel agency, carrier or accommodation provider, as soon as possible so that possibilities for reimbursement are not reduced.

The insured must check in for departure in time according to the predetermined travel itinerary when required, unless a change in the scheduled time has been confirmed by the travel agency or carrier.

These terms and conditions apply from 19 March 2026.

This document is an English translation of the original Icelandic insurance terms. In case of any discrepancy between this translation and the Icelandic terms, the Icelandic terms shall apply.