



110 Child Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

INSURANCE TERMS AND CONDITIONS

1. The Basis of the Insurance Contract and Definition of Terms.

- 1.1 The basis of the insurance contract are these terms and conditions, information in the application form, and other documents related to the contract.
- 1.2 In these terms and conditions, the following terms mean the following:
 - a. the Company is TM líftryggingar hf.,
 - b. an illness is a health problem that is not classified as an accident and that results in physical or mental capability of the insured, being reduced demonstrably due to its effects,
 - c. an accident is a sudden extraneous event that causes a physical injury to the Insured and occurs against his or her will. Injury to limbs, however, requires only a sudden event that causes a physical injury to the Insured and occurs against his or her will. For the purposes of these terms and conditions, limbs are arms from the shoulder joint down and legs from the hip joint down.
 - d. the Insured is the individual between one month and 25 years old who is covered by the insurance,
 - e. an insurance event is an incident that according to the insurance contract results in a possibility of a compensation being paid out,
 - f. an insurance contract is the contract which applies between the Company and the Policyholder regarding Child Insurance,
 - g. the Policyholder is the individual who enters into a contract with the Company regarding Child Insurance,
 - h. index is the Consumer Price Index for indexation.

2. The Insurance Period, Beginning and End of the Company's Liability.

- 2.1 The Company's liability begins when it has received written application for an insurance, provided that the application is not refused on the basis of risk information. The Company's liability also does not cover damage or loss caused by incidents that have happened by the time of the application's receipt and that the Company has learned about while considering the application, resulting in it being denied.
- 2.2 The Insurance is renewed yearly till the end of the month in which the Insured reaches 25 years of age, if it has not lapsed earlier due to non-payment of premium, cf. Article 3.2.
- 2.3 The Insurance does not cover children younger than one month old. The Insurance also does not cover individuals who have reached 16 years of age at the time of application for the insurance.
- 2.4 If the Policyholder wants to terminate the Insurance, the termination shall be made in writing.

3. Premium Payments and the Consequences of Non-Payment of the Premium.

- 3.1 The first premium shall be paid when the Insurance comes into effect and later premiums on specified due dates. The Company sends notifications of the premium payments to the Policyholder. The notification shall specifically state the grace period which shall be at least one month from the date the notification is sent.
- 3.2 If the premium is not paid by the end of the grace period pursuant to Paragraph 1, the Company is authorized to send a special warning wherein payment is demanded within 14 days, after which the Insurance is terminated if the premium is still unpaid.
- 3.3 If the Policyholder has not specifically negotiated the payment of the premium with the Company before the expiration of the grace period pursuant to Paragraph 2, it is considered unpaid, if it is not paid in full when the grace period expires.
- 3.4 A claim for payment of the premium is sent to the address of the Policyholder as registered in the National Registry (Þjóðskrá) unless he or she has specifically designated another address. The Company shall be immediately notified of any changes to the designated address.
- 3.5 If the Insurance lapses pursuant to Paragraph 2, the Policyholder shall nonetheless pay the premium for the period that the insurance was in effect.
- 3.6 If the Company's liability lapses due to non-payment pursuant to Paragraph 2 after the premium has been paid for at least one year, the Insurance may be renewed without new health information being submitted if the overdue renewal premium together with late-payment interest is paid in full within three months after the coverage lapsed. The coverage then begins the day after the supplementary payment was carried out.



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INSURANCE TERMS AND CONDITIONS

- 3.7 When collecting the premium, the Company is authorized to collect a special fee, which is further specified in the premium tariffs, in order to cover the collection costs of the premium. It shall also be specifically noted in the premium payment notification.
- 4. Fraud and False Information.**
- 4.1 If the Policyholder or the Insured, when establishing or renewing an insurance contract, has neglected his or her duty, fraudulently or otherwise, to inform the Company of circumstances that may be significant for its risk assessment, and an insurance event has occurred, the Company's liability is rendered void in whole or in part, cf. Article 83 of the Act on Insurance Contracts. False and incomplete information moreover entitle the Company to terminate the Insurance, cf. Article 84 of the Act.
- 4.2 If the Claimant provides incorrect information that he or she knows or should know will result in the payment of compensation that he or she is not entitled to, his or her right to compensation is rendered void, and the Company can terminate all insurance contracts with the Insured as is further specified in Article 120 of the Act on Insurance Contracts.
- 5. Where the Insurance Applies.**
- 5.1 The Insurance applies in the Nordic countries.
- 5.2 The Insurance applies for one year if the Insured moves to a country other than those mentioned in Paragraph 1.
- 5.3 The Insurance also applies during travel of the Insured outside of the country of residence pursuant to Paragraph 1 or 2, for up to 92 consecutive travel days.
- 6. Limitations to Liability Regarding Accidents or Illnesses.**
- 6.1 The Company does not pay compensation regarding illnesses that presented symptoms before the Insurance came into effect and neither regarding accidents that occurred before it came into effect.
- 6.2 The Company does not compensate damages that would otherwise be eligible for compensation pursuant to Articles 19-21:
- a. that are directly or indirectly caused by nuclear reaction, ionizing radiation, pollution from radioactive materials, nuclear fuel and nuclear waste material, or by war, invasion, military actions, civil unrest, rebellion, riot, or similar events,
 - b. that are directly or indirectly caused by an earthquake, volcanic eruption, flood, landslide, avalanche, or other natural disaster,
 - c. that the Insured suffers in a fistfight or when participating in a criminal act,
 - d. that are caused by tanning booths, medical treatment, surgeries, or use of medication, unless recommended by a physician due to a liable accident or illness,
 - e. that are caused by food poisoning, beverage poisoning, or the consumption of narcotics,
 - f. that are caused by any type of biological or chemical effects and/or poisoning, including from germs and viruses, caused by acts of terrorism,
 - g. that can be directly or indirectly traced to asbestos,
 - h. that occur during flight unless the Insured is a passenger on a commercial or charter flight by a party that has requisite aviation authority permits,
 - i. that occur during mountaineering, ice climbing, cliff climbing, scuba diving, boxing, any sort of wrestling, driving sports, any sort of glider or hang glider flying, parachuting, or bungee jumping,
 - j. that the Insured who is 18 or older suffers during competitions or during training in preparation for competitions in any sport.
- 6.3 Disability benefits, cf. Article 19, are not paid out if an accident or illness is caused by motor vehicles that are required to be registered in Iceland or accidents caused by motor vehicles registered abroad where such vehicles are required to be insured for such accidents.
- 6.4 If the Insured causes an insurance event intentionally or due to gross negligence, the Company's liability follows the provisions in the Act on Insurance Contracts.



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INSURANCE TERMS AND CONDITIONS

7. Special Limitations Regarding Illnesses.

- 7.1 The Company does not pay out compensation due to congenital illnesses. Compensation is also not paid out for consequences of an illness if it can be considered likely according to medical testing that it was present at birth or that its origin can be traced to an illness during the first month of life.
- 7.2 Limitations pursuant to Paragraph 1 do not apply if symptoms of an illness first appear after the Insured has reached six years of age.
- 7.3 The Company does not pay out compensation for the following diseases, syndromes, or conditions regardless of when their symptoms first appear:
 - a. any developmental deviations and developmental disabilities, including Down syndrome,
 - b. ADD, DAMP, or ADHD,
 - c. Asperger syndrome,
 - d. autism,
 - e. dyslexia or other learning disorders,
 - f. Tourette syndrome,
 - g. OCD,
 - h. mental disorders or mental illnesses, such as personality disorders, eating disorders, neurodevelopmental disorders, psychosis, neurosis, depression, or chronic fatigue.
- 7.4 The Company does not compensate for illness whose origin can be traced to the abuse of alcohol, prescription drugs, or narcotics.
- 7.5 In the documentation which is obtained when filing a compensation claim it shall be specifically mentioned whether the insurance event may be traced to incidents that are specified in the Paragraphs 1-4 here above.

8. Measures Regarding Accidents or Illnesses.

- 8.1 The Insured shall seek medical attention immediately after an insurance event has occurred, accept all necessary medical procedures, and follow the physician's instructions entirely.
- 8.2 The Company shall be immediately notified of an insurance event on the Company's dedicated forms, if it is possible, and otherwise temporarily in another way.
- 8.3 The Company has the right to request an autopsy of the deceased.
- 8.4 When an illness or an accident occurs, the Company is authorized to have a physician examine the Insured, as well as to obtain information on the Insured's medical history.
- 8.5 At the end of medical treatment or when it is possible to determine the consequences of an accident or illness, the Company shall be sent a medical certificate. The Company will then obtain an assessment of the consequences of the accident or illness in collaboration with the Insured. Such assessment shall generally be the basis for determining compensation under the insurance.
- 8.6 The Company pays for necessary medical certificates.

9. Payment of Compensation and Interest.

- 9.1 Compensation may be requested 14 days after the Company has had the opportunity to obtain the documentation necessary to assess the insurance event and determine the amount of compensation. The Insured is entitled to interest of his or her claim pursuant to the Act on Insurance Contracts.

10. Lapse.

- 10.1 Claims covered by this insurance lapse in accordance with the provisions of the Act on Insurance Contracts and Act No. 150/2007 on the Expiration of Debt and Other Obligations, as applicable.

11. Indexation of Sums Insured and Premium.

- 11.1 The sums insured stipulated in the insurance certificate or the renewal receipt are adjusted on the first day of each month in proportion to the base index stipulated in the certificate or renewal receipt. If the premium is paid on more than one due date, then the premium on the second and later due dates shall be similarly adjusted in proportion to the Index. A decrease of the index does not have a decreasing effect, neither on the premium nor the sum insured.



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INSURANCE TERMS AND CONDITIONS

12. Indexation of Compensation Amounts.

- 12.1 Compensation amounts are determined on the basis of sums insured on the date of the insurance event. Except death benefits, the compensation amounts are adjusted to the Index as is further stipulated in Paragraphs 2 and 3.
- 12.2 Disability benefits pursuant to Paragraph 19 are adjusted in proportion to the adjustments to the Index from the date of the accident or the date of the beginning of an illness until the date of settlement. The indexation of disability benefits is, however, never for a longer period than the one the disability assessment is deferred for, pursuant to the provisions in Item b of Article 19.6.
- 12.3 Hospital daily allowance pursuant to Article 20 and at-home caregiver allowance pursuant to Article 21 are adjusted in proportion to the adjustments to the Index from the date of the insurance event until the date of settlement.

13. Changes to the Basis of the Insurance.

- 13.1 The Company reserves the right to change the premium tariffs if a general increase in risk occurs or the general criteria of the Insurance prove to be different than was intended.
- 13.2 In the case of a change to the basis of the Consumer Price Index for indexation, the instructions of Statistics Iceland shall be observed in regard to linking the index pursuant to the new basis to the index pursuant to the previous basis.

14. Confidentiality.

- 14.1 The Company and its staff treat the information regarding Child Insurance as confidential.

15. Act on Insurance Contracts.

- 15.1 Other than is stipulated in these terms and conditions, the insurance certificate or other documentation that the insurance contract is based on, the Act on Insurance Contracts No. 30/2004 applies.

16. Dispute Resolution and Venue.

- 16.1 In the event of a dispute about the Insurance, an Icelandic court of law shall rule on it according to Icelandic law, unless stipulated otherwise in international agreements by which Iceland is bound.
- 16.2 Any disputes concerning the insurance contract and the Company's liability in other respects may be appealed to the Insurance Appeals Committee. Information on this committee and its procedures may be obtained from the Company.
- 16.3 Despite the provisions of Paragraph 2, the parties may bring the disputed matter before the courts. Such disputes, as well as other disputes that arise from this insurance, shall be brought before the District Court of Reykjavík. The Company may, however, also bring any dispute arising from the insurance before the jurisdiction in the Policyholder's domicile.
- 16.4 The domicile and venue of the Company are in Reykjavík.

17. Scope of coverage.

- 17.1 Compensations paid out of the Insurance are:
 - a. death benefits, cf. Article 18,
 - b. disability benefits due to accident or illness, cf. Article 19,
 - c. hospital daily allowance, cf. Article 20,
 - d. at-home caregiver allowance, cf. Article 21.

18. Death Benefits.

- 18.1 The Company pays out compensation as specified in the insurance certificate to the Policyholder if the Insured dies during the insurance period. If the Insured dies after he or she has reached 18 years of age, compensation is paid as stipulated in Chapter XV of the Act No. 30/2004. When a death benefit is paid pursuant to this Article, the Insurance ceases to apply.



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INSURANCE TERMS AND CONDITIONS

19. Disability Benefits.

- 19.1 If an accident causes permanent physical damage to the Insured within the time limits stipulated in Item b, Paragraph 6, a disability benefit is paid out on the basis of the base sum insured that applied on the date of the accident, cf. Articles 11 and 12.
- 19.2 If an illness causes permanent physical damage to the Insured within the time limits stipulated in Item b, Paragraph 6, a disability benefit is paid out on the basis of the base sum insured that applied on the date the Insured fell ill, cf. Articles 11 and 12. The beginning of an illness (insurance event) is considered to be the day when it is confirmed that the Insured has fallen ill and that the respective illness is one that results in the payment of a disability benefit.
- 19.3 Disability shall be evaluated in percentage points pursuant to charts on degrees of disability issued by the Disability Committee (örorkunefnd) that apply when the disability assessment is carried out. Reduction in physical capabilities shall be assessed regardless of profession, special abilities, or social standing of the Insured. If the injury of the Insured is not noted in the charts of the disability committee on degree of injury it shall be specifically evaluated on the basis of the charts. No compensation is paid for permanent physical damage if it is assessed to be less than 10% and it can never be measured to be more than 100%.
- 19.4 Compensation for permanent physical damage is paid in proportion to the base sum insured, cf. Paragraphs 1 and 2, although in such a way that each degree of disability from 26-50% is doubled, each degree of disability from 51-75% is quadrupled, and each degree of disability from 76-100% is six times the base sum insured. Compensation paid for 100% disability is therefore 325% of the base sum insured.
- 19.5 Compensation will not be paid if an illness is confirmed after the Insurance has lapsed.
- 19.6 When determining disability benefits, the following additional rules shall be followed:
- a) Loss of or deformation of a limb or an organ, that was unusable before the accident, does not give right to disability benefits. Disability due to loss of or deformation of a limb or an organ that was previously disabled shall be evaluated with regard to the disability before the insurance event.
 - b) Disability is determined one year after the insurance event at the earliest, and shall be evaluated on the basis of the Insured's condition at that time. If the Insured is younger than 15 years when the insurance event occurred and if the person carrying out the assessment deems it not timely to definitively evaluate the consequences of the accident or illness, the final disability evaluation shall be deferred for up to 10 years from the insurance event or till the time the Insured reaches 20 years of age, whichever comes later. If the Insured has reached 15 years of age but is younger than 20 years at the time of the insurance event, however, the disability evaluation shall never be deferred for longer than 6 years from the insurance event, and if he or she has reached 20 years of age at the time of the insurance event, the evaluation shall never be deferred for longer than 3 years. If it is obvious that the Insured will live with permanent consequences of the insurance event, the minimum degree of disability shall nonetheless be temporarily assessed.
 - c) The evaluation shall, without exception, be performed when it is no longer deferred, pursuant to the provisions in Item b here above, even if it may be presumed that the medical condition of the Insured is still about to change. Disability is then to be assessed as if it were presumed to be final. If there is a likelihood that the condition of the Insured may be improved through medical treatment, surgery, exercise, or other similar methods, and he or she is unwilling, without a valid reason, to undertake such treatment, it is nevertheless mandatory to take into account the possible improvement that such treatment or method could bring about when determining the degree of disability.
 - d) No compensation is paid if an insurance event causes only visual defects.
- 19.7 If the Insured dies before the disability benefit is paid out but after the disability assessment pursuant to Items b or c here above has been performed, the compensation is paid out according to the disability assessment. The disability benefit is, however, not paid out if the Insured dies before the disability assessment is performed.

20. Hospital Daily Allowance.

- 20.1 If an illness or accident results in the Insured having to stay in hospital for 5 or more consecutive days,



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the Insurance pays the Policyholder compensation, which is further defined in the insurance certificate or on the renewal receipt, for each day from the date of admission.

- 20.2 The compensation period is never more than 365 days for the same illness or accident. Illnesses and other illness symptoms, including those caused by an accident, that are medically connected are considered to be one and the same instance of illness.
- 20.3 If compensation has been paid pursuant to Paragraph 1 and the Insured is admitted to hospital again within 12 months from the end of the previous hospitalization, due to the same illness or accident, he or she has a right to compensation from the date of admission if the 365 compensation days have not been fully used.
- 20.4 When the liability for compensation due to hospitalization is determined, a confirmation of the beginning and end of the hospital stay from a physician or hospital must be submitted, in addition, provisions in Article 7.5 shall be followed.
- 20.5 Hospital Daily Allowance ceases to apply when the Insured reaches 18 years of age.

21. At-Home Caregiver Allowance.

- 21.1 If the Insured is diagnosed with an illness or suffers an accident that is eligible for caregiver allowance from social security, the Insurance pays out compensation to the Policyholder. The right to compensation remains for as long as the conditions of its payment are fulfilled, but never longer than until the Insured is 18 years of age and no longer than for 10 years. If the Insured passes away, the right to compensation lapses at the end of the month of his or her passing.
- 21.2 The sum insured is specified on the insurance certificate or the renewal receipt. The amount of compensation in each case is determined by how much right to caregiver allowance there is in the case of the Insured according to social security legislation and legislation on social assistance and social services, which stipulates the following:
 - a) if the right to caregiver allowance is 80-100%, full compensation is paid out,
 - b) if the right to caregiver allowance is 61-80%, compensation that corresponds to 75% of the sum insured is paid out,
 - c) if the right to caregiver allowance is 41-60%, 50% of the sum insured is paid out,
 - d) if the right to caregiver allowance is 20-40%, 25% of the sum insured is paid out,
- 21.3 The compensation is paid monthly, and the compensation payments commence at the beginning of the next month after the right to compensation has been established.

These terms and conditions are valid from 1st of July 2021.