



Íslandsbanki Protection Cover

Mortgage

Insurance Terms No. LI51

Valid from 28 January 2019



The insurance policy is governed by:

- The insurance policy together with endorsements and special terms.
- These insurance terms no. LI51.
- The company's general terms and conditions no. YY10.
- Act No. 30/2004 on Insurance Contracts.

The provisions of the insurance policy and the renewal receipt take precedence over the provisions of the terms. The provisions of the insurance policy, the renewal receipt and the terms take precedence over the non-mandatory provisions of law.

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Introduction

This life insurance is a group life insurance for mortgages, based on an agreement between Íslandsbanki (the policyholder) and Líffryggingafélag Íslands hf. (hereinafter referred to as the Company).

1. The insured

The insured is a person who has signed an application for the Íslandsbanki Mortgage Protection Cover (*Húsnæðisvernd Íslandsbanka*).

2. Beneficiaries

- 2.1 The beneficiary of benefits is the policyholder (Íslandsbanki), provided that the life insurance amount is used to repay in part or in full the principal of the mortgage that the policyholder has granted to the insured, cf. the loan number specified in the application for Íslandsbanki's Mortgage Protection Cover, or subsequent mortgages provided by Íslandsbanki to the insured for the purpose of refinancing the original mortgage for which the insurance was taken out.
- 2.2 If the life insurance amount on the date of the loss exceeds the principal of the mortgage to be paid down, together with interest and indexation, the legal heirs of the insured shall be the beneficiaries of the difference between the life insurance amount and the principal of the mortgage together with interest and indexation.

3. Validity

The insurance is valid anywhere in the world.

4. Beginning and end of coverage

- 4.1 The insurance takes effect for each insured at 0.00 on the day after the insured has signed a written application for the Íslandsbanki Mortgage Protection Cover.
 - 4.1.1 However, the insurance never takes effect until 0.00 on the day after the disbursement date of a mortgage with Íslandsbanki.
- 4.2 The insurance is valid until 24.00 on the day specified as the expiry date in the insurance policy or renewal receipt, or on the day on which the insurance ends, if before the originally determined expiry date, unless otherwise agreed.
- 4.3 If the insured fully repays the mortgage for which the insurance is taken out or another person takes over the mortgage, the insurance will be cancelled 14 days after the Company or the policyholder sends the insured a written notice of the cancellation or two months if a written notice has not been sent, see Article 131 of Act No. 30/2004 on Insurance Contracts.
 - 4.3.1 The insurance will not be cancelled if another mortgage is provided by Íslandsbanki to refinance the original mortgage for which the insurance was taken out.
- 4.4 If the insured fully repays the mortgage for which the insurance is taken out, provided that another mortgage is not provided by Íslandsbanki to refinance the existing mortgage, or another person takes over the mortgage, the insurance will be cancelled 14 days after the policyholder sends the insured a written notice of the cancellation or two months after the mortgage was fully repaid by the insured or taken over by another person, if a written notice has not been sent, see Article 131 of Act No. 30/2004 on Insurance Contracts.
- 4.5 If the insurance is terminated, it is not renewed or expires due to the policyholder's default, it will be cancelled vis-à-vis the insured one month after the Company or the policyholder sends a notice to the insured of its cancellation.
- 4.6 The insurance expires when the insured reaches the age of 70.

5. The right to maintain life insurance



- 5.1 When group life insurance ends or the insured leaves the group covered by the insurance, for reasons other than age, the insured has the right to continue the life insurance with an individual premium calculation, in accordance with Article 132 of Act No. 30/2004 on Insurance Contracts.
- 5.1.1 The insured shall be notified of his/her right under clause 5.1 in writing or by other satisfactory means.
- 5.2 If the insured wishes to exercise this right, he/she shall do so within three months after the Company's liability under the group insurance expires.

6. Scope of coverage

- 6.1 The company pays benefits for the demise of the insured.
- 6.2 In the event that the insured commits suicide, the Company is liable if more than one year has elapsed from the time that its liability began or if it may be considered proven that the insurance was purchased with no intention of suicide.

7. Insurance amount

- 7.1 The amount of insurance coverage is indicated in the insurance policy and in the renewal receipt.
- 7.2 The amount of insurance coverage shall increase on 1 January each year in accordance with changes in the consumer price index. In the event that the consumer price index decreases, this will not have the effect of decreasing the insurance amount.

8. Duty of disclosure when entering into an insurance contract

- 8.1 The policyholder or, as the case may be, the insured must provide the Company with the information that it requests when entering into the insurance contract. In addition, they must, on their own initiative, provide the Company with information about specific events that they know, or should know, to be of significant importance for the Company's risk assessment.
- 8.2 If the policyholder or the insured have neglected their duty of disclosure, the Company shall not be liable.
- 8.3 If the policyholder or the insured have neglected their duty of disclosure to an extent not considered insignificant, the Company's liability may become void in full or in part.

9. Obligations of the policyholder

- 9.1 The policyholder shall maintain a list of insured persons covered by the insurance.
- 9.2 The policyholder shall ensure that the insured receive a copy of the insurance policy and these terms without undue delay.
- 9.3 The policyholder shall send an insured person covered by the insurance a written notice of the cancellation of the insurance as soon as such insured person is no longer covered by the insurance.
- 9.4 Clauses 9.1 to 9.3 apply unless otherwise stated in the policyholder's agreement with the Company.

10. Calculation of premium

- 10.1 The insurance premium is determined by the age of the insured.
- 10.2 The insurance premium will be adjusted upon renewal in proportion to changes in the consumer price index.

11. Payment of premium

- 11.1 The insurance premium is due upon demand.
- 11.2 Failure to pay the premium may result in a loss of rights and the termination of the insurance contract, see Article 96 of Act No. 30/2004 on Insurance Contracts.
- 11.3 If the Company's liability has lapsed due to non-payment after the premium has been paid for at least one year, the insurance may be renewed as a pure risk life insurance without new health information if the unpaid premium is paid within three months of the lapse of the policy.

12. Refund of premium

If the insurance contract expires before the end of the insurance period, the Company will refund the premium in proportion to the period in respect of which the premium has been paid and the insurance is not in effect. However, this does not apply if the insurance contract has expired because the Company has fulfilled its obligations by paying death benefits.



13. Set-off

The Company may set off unpaid premiums against benefits that it may be required to pay, see Article 122 of Act No. 30/2004 on Insurance Contracts.

14. Cancellation during the period of insurance

- 14.1 The Company may cancel the insurance:
 - 14.1.1 With 14 days' notice if incorrect or unsatisfactory information is provided about the insured risk, see Article 84 of Act No. 30/2004 on Insurance Contracts.
 - 14.1.2 Without notice if the policyholder has fraudulently neglected his duty to provide information about the insured risk, see Article 84 of Act No. 30/2004 on Insurance Contracts.
- 14.2 The Company may cancel all insurance contracts that it has with the insured if the insured has fraudulently neglected his duty to provide information.
- 14.3 The insured may cancel the insurance contract at any time in writing.

15. Notification of an insured event

On the occurrence of an insured event, the beneficiary shall inform the Company of such event without undue delay.

16. Duty of disclosure when determining benefits

- 16.1 When determining benefits, the insured or the person who has a claim against the Company shall provide the Company with information and present documents to which they have access and the Company needs to assess its liability and pay benefits.
- 16.2 If the insured or the person who has a claim against the Company intentionally provide incorrect or unsatisfactory information that they know or should know will lead to them receiving benefits to which they are not entitled, all of their rights under this and other insurance contracts in respect of the event in question shall be cancelled. Under special circumstances, however, the insured or the person who has a claim against the Company may be entitled to partial benefits, see the second paragraph of Article 120 of Act No. 30/2004 on Insurance Contracts.

17. Fraudulent conduct

Anyone who engages in fraudulent conduct towards the Company loses all rights under the insurance contract. In the case of multiple insurance contracts, the person concerned may also lose the right to benefits under other insurance contracts in respect of the same insured event, see Articles 83 and 120 of Act No. 30/2004 on Insurance Contracts.

18. Claim for benefits

The insured, or the person entitled to benefits, may demand payment of benefits 14 days after the Company had the opportunity to obtain the necessary materials to assess its liability and determine the amount of benefits, see Article 121 of Act No. 30/2004 on Insurance Contracts.

19. Interest on the amount of benefits

The right to interest on the amount of benefits shall be in accordance with Article 123 of Act No. 30/2004 on Insurance Contracts.

20. Change in terms during the insurance period

The Company shall be permitted to change these terms and the insurance premium during the insurance period, see Article 133 of Act No. 30/2004 on Insurance Contracts.

21. Statute of limitations

The right to claim the insurance amount expires after 10 years. The period of limitation begins at the end of the calendar year in which the claimant received the necessary information about the events on which the claim is based. However, the claim will become time-barred at the latest when 20 years have passed from the end of the calendar in which the insured event occurred.



22. Buy back

This insurance does not have a buy back price.

23. Pledging

Rights under this group life insurance may not be pledged.

24. Assignment

Rights under this insurance may be assigned, see Article 138 of Act No. 30/2004 on Insurance Contracts. The Company must be informed of the assignment and it will record it in the life insurance register.

25. Notice of change of address

The policyholder shall notify the Company immediately of a change of the policyholder's address.

26. Currency

All amounts relating to this insurance contract are stated in Icelandic krónur (ISK) unless otherwise provided by law or expressly agreed.

27. Dispute resolution

- 27.1 Disputes with the Company may be referred to the Appeals Committee for Insurance Matters in accordance with Act No. 30/2004 on Insurance Contracts.
- 27.2 Decisions of the Appeals Committee for Insurance Matters may be referred to courts of law.

28. Privacy and treatment of personal data

The Company places great importance on security in the processing of personal data. The employees of the Company are required to maintain professional secrecy and confidentiality in the processing of personal data and all processing by the Company of personal data is carried out in accordance with Act No. 90/2018 on Data Protection and the Processing of Personal Data and rules established on its basis. The rules on the processing of personal data, which are available on the Company's website at vis.is, contain further information on the processing, including what personal data the Company collects, for what purpose and on the basis of what authorisation, how long the data is retained and what rights customers have regarding the Company's processing of such data.

29. Venue

The domicile of the Company and legal venue are in Reykjavík. Any legal dispute arising out of this insurance policy shall be brought before the District Court of Reykjavik unless otherwise provided by international agreements by which Iceland is bound.

The insurer is Líftryggingafélag Íslands hf.