



Crew Insurance

Insurance Terms No. MG10

The insurer is VÍS tryggingar hf., reg. no. 670112-0470, hereinafter „VÍS“.

The insurance is governed by:

- The insurance policy, including endorsements and special terms.
- These insurance terms no. GH01.
- The VIS 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 insurance terms. The provisions of the insurance policy, the renewal receipt and the insurance terms take precedence over the non-mandatory provisions of law.

Crew insurance is a combined insurance policy with coverages related to a ship's crew. Accident insurance and life insurance are mandatory, but we also recommend liability insurance and crew property insurance as additional coverage.

The **terms** describe the rights and obligations of you and VIS.

The **policy** confirms that you have purchased insurance from VIS. The policy is accessible under documents at vis.is.

I. General Provisions

1. Included coverages

- 1.1. Insurance according to Chapters II, III, IV, and V is included if specified in the policy document or renewal receipt:

Chapter	Name of insurance	What is included?
Chapter II.	Seamen's Accident Insurance	This insurance is mandatory and generally included.
Chapter III.	Life Insurance	This insurance is mandatory and generally included.
Chapter IV.	Crew Property Insurance	Optional.
Chapter V.	Shipowner's Liability Insurance	Optional.

2. Who is insured?

- 2.1. Under seamen's accident insurance (Chapter II) and life insurance (Chapter III), seamen employed by the policyholder or the party specified in the policy or renewal receipt are insured.
- 2.2. Under crew property insurance (Chapter IV) and shipowner's liability insurance (Chapter V), the policyholder is insured.

3. Where is the insurance valid?

- 3.1. Seamen's accident insurance (Chapter II) and life insurance (Chapter III) apply anywhere in the world.
- 3.2. Crew property insurance (Chapter IV) and shipowner's liability insurance (Chapter V) apply on board the vessel specified in the policy or renewal receipt. Shipowner's liability insurance also applies in direct connection with the operation of the vessel.

4. Assignment of rights

- 4.1. The insured may not assign their rights under seamen's accident insurance (Chapter II) or crew property insurance (Chapter IV) without the consent of VÍS.

II. Seamen's Accident Insurance

5. Definition of Accident

- 5.1. The term accident refers to a sudden external event that causes bodily injury to the insured person and occurs without his consent.

6. What is covered under the insurance?

- 6.1. The insurance covers accidents that the insured suffers while working on board the vessel specified in the policy or renewal receipt and in work directly connected with the operation of the vessel, if it results in bodily injury.
- 6.2. Benefits are paid:



- 6.2.1. Based on the provisions of the Tort Damages Act No. 50/1993, as subsequently amended, if this results in higher total compensation than under Article 172 of the Navigation Act No. 34/1985, and such entitlement is specified in the policy or renewal receipt.
- 6.2.2. Based on Article 172 of the Navigation Act No. 34/1985, if such entitlement is specified in the policy or renewal receipt and the insured does not have a stronger entitlement under section 6.2.1.
 - 6.2.2.1. If the accident results in the death of the insured within three years from the date of the accident, VÍS pays death benefits.
 - 6.2.2.2. If the accident results in permanent disability within three years from the date of the accident, VÍS pays disability benefits.¹
 - 6.2.2.3. If the accident results in temporary loss of working capacity, VÍS pays daily allowances.

7. Determination of compensation

- 7.1. Determination of compensation under tort damages legislation, cf. section 6.2.1:
 - 7.1.1. Benefits are paid only if the accident is the direct and sole cause of the insured's death or partial or total loss of working capacity.
 - 7.1.2. The following shall be deducted from benefits under this insurance:
 - 7.1.2.1. Damages from liable third parties or under liability insurance.
 - 7.1.2.2. The insured's right to compensation from mandatory motor vehicle liability insurance or driver and owner accident insurance.
 - 7.1.3. Permanent consequences of an accident shall generally be assessed one year after the accident, or when a physician determines that permanent consequences of the accident have become apparent, but in no case later than three years after the date of the accident.
 - 7.1.4. The insured must request an assessment by VÍS in accordance with section 7.1.3 no later than three years from the date of the accident; otherwise, their right to benefits under the insurance shall lapse.
- 7.2. Determination of compensation under navigation legislation, cf. section 6.2.2:
 - 7.2.1. Death benefits:
 - 7.2.1.1. Death benefits are paid in accordance with Article 172 of the Navigation Act No. 34/1985, less any benefits that VÍS may have paid to the insured for permanent disability due to the same accident.
 - 7.2.2. Disability benefits (benefits for permanent disability):
 - 7.2.2.1. Disability benefits are paid in accordance with Article 172 of the Navigation Act No. 34/1985 based on the insurance amount in effect on the date of the accident.
 - 7.2.2.2. Permanent disability shall be assessed in percentages according to the disability assessment tables of the Disability Assessment Committee in effect at the time of assessment. In determining the degree of disability, occupation, special abilities, or social status shall not be taken into account. Accidents that only cause disfigurement shall not be assessed as permanent disability. If there is a possibility that the insured's condition could be improved through surgery or similar procedures, consideration must be given to the potential improvement these procedures might yield. If the injuries of the injured person are not mentioned in the disability assessment tables, they shall be assessed separately with reference to the tables. Permanent disability can never be considered greater than 100%. Disability benefits are paid in proportion to the insurance amount, in accordance with the provisions of collective agreements.
 - 7.2.2.3. If loss or impairment of limbs, organs, vision, or hearing is not complete, permanent disability is calculated proportionally. Loss or impairment of a limb or organ that was previously impaired shall be assessed as permanent disability with reference to the impairment before the accident.
 - 7.2.2.4. If available medical evidence indicates permanent consequences from the accident, VÍS staff will assess their extent with reference to the Disability Assessment Committee's disability table. If VÍS staff deems it appropriate, VÍS may obtain an independent expert's assessment of the consequences of the accident.
 - 7.2.2.5. The insured must request an assessment by VÍS in accordance with section 7.2.2.4, no later than three years from the date of the accident; otherwise, their right to benefits under the insurance shall lapse.
 - 7.2.2.6. If the insured dies before permanent disability is assessed, no disability benefits are paid.

¹ Permanent disability refers to permanent incapacity under the Navigation Act No. 34/1985.



7.2.3. Daily allowances (benefits for temporary loss of working capacity):

- 7.2.3.1. VÍS pays daily allowances in accordance with Article 172 of the Navigation Act No. 34/1985.
- 7.2.3.2. VÍS makes decisions regarding payment of daily allowances based on medical certificates and other available documentation.
- 7.2.3.3. Daily allowances are paid in proportion to the loss of working capacity.
- 7.2.3.4. Daily allowances are paid at the end of each month.

- 7.3. VÍS is entitled to have a physician of VÍS's choice examine the insured person.
- 7.4. VÍS has the right to have the deceased undergo an autopsy to determine the cause of death and other matters that may be relevant to VÍS's liability for compensation.
- 7.5. VÍS pays costs for necessary medical certificates in connection with a loss event when they are obtained at VÍS's request.

III. Life Insurance

8. Who receives payment of the insurance amount?

- 8.1. The surviving spouse of the insured or their surviving children under 18 years of age are entitled to the benefits. Spouse also refers to a cohabitant, cf. Article 37 of the Social Security Act No. 100/2007. If the crew member does not leave behind a spouse or children as aforementioned, half of the death benefits shall be paid to the estate of the deceased.

9. What is covered under the insurance? What is not covered under the insurance?

- 9.1. VÍS pays death benefits if a crew member falls ill on board the vessel specified in the policy or renewal receipt while it is on voyage and the illness leads to death within two months.
- 9.2. VÍS does not pay benefits if the illness is traced to terrorist acts involving any kind of biological or chemical effects and/or poisoning, including bacteria and viruses, or when the consequences of the illness are greater due to the aforementioned factors.

10. Insurance amount

- 10.1. The insurance amount depends on the age of the insured and decreases by 4% for each year of age after the insured reaches fifty years of age and lapses after they reach seventy years of age.
- 10.2. The insurance amount changes quarterly in the same proportion as insurance amounts under Article 172 of the Navigation Act No. 34/1985.

11. When is the insurance valid?

- 11.1. VÍS's liability towards a seaman begins when they commence employment with the policyholder.
- 11.2. The insurance lapses with respect to a seaman when they cease employment with the policyholder.

12. Refund

- 12.1. This insurance has no surrender value.

IV. Crew Property Insurance

13. What is insured?

- 13.1. Crew members' property that the shipowner is obligated to compensate for under Article 69 of the Seamen Act No. 35/1985, cf. Regulation No. 224/1999, is insured.

14. What is covered under the insurance?

- 14.1. The insurance covers damage to crew members' property if it is destroyed:
 - 14.1.1. In a marine casualty.
 - 14.1.2. By fire.

15. Special limits of liability

- 15.1. The insurance does not cover loss or increase in loss that directly or indirectly results from or is caused by earthquakes, volcanic eruptions, landslides, avalanches, or other natural disasters.

16. Precautionary rules

- 16.1. The vessel on which crew members' property is located must be constructed,

Precautionary rules are requirements that are made with the aim of preventing damage or reducing the likelihood that damage will occur. It is important to know what they are.



equipped, and maintained in accordance with its use. Furthermore, the insured, or persons for whom they are responsible, must comply with laws and regulations designed to ensure the vessel's safety.

- 16.2. When a vessel on which crew members' property is located is in port or at anchor, its moorings must be appropriately secured and locked. Furthermore, the insured must maintain regular supervision of the vessel when it is in port, at anchor, or moored.
- 16.3. The insured must ensure that the vessel on which crew members' property is located is maintained in a satisfactory and proper manner in accordance with applicable laws and regulations. The vessel on which crew members' property is located must be seaworthy when it leaves port, adequately equipped and manned, securely loaded, and the necessary ship documents must be on board.
- 16.4. The insured must ensure that employees are not under the influence of alcohol or drugs while performing their work.

17. Conduct of others

- 17.1. VÍS may invoke the conduct of the insured's managers and managers of the vessel on which crew members' property is located.

18. Change of ownership and deregistration

- 18.1. If there is a change of ownership of the vessel or it is placed under different ship management, the insurance lapses when the change of ownership or change of ship management takes place. VÍS is nevertheless liable if a loss event occurs within 14 days of the change of ownership or change of ship management, if the new party has not taken out insurance themselves.

19. Determination of compensation

- 19.1. Benefits shall equal the actual value of the property that is destroyed and not exceed the amounts specified in Regulation No. 224/1999.
- 19.2. VÍS may pay benefits in cash or provide a comparable item to that which suffered the loss, taking into account depreciation due to age, use, and other factors that may affect the value of the item. If benefits have been paid under this section, VÍS reserves the right to claim the damaged item.
- 19.3. VÍS has the right to pay the difference between the value of the damaged property as it was before the loss event and its value after the loss event.
- 19.4. The insured shall not profit from a loss event. The insurance shall only compensate for the insured's actual loss.

20. Multiple insurances

- 20.1. If the total value of crew members' property is greater than the insurance amount, losses are compensated proportionally.

V. Shipowner's Liability Insurance

21. When is the insurance valid?

- 21.1. The insurance covers loss events that occur during the insurance period.
- 21.2. If the consequences of an event from which loss resulted and which occurred during the insurance period do not become apparent until after the insurance has lapsed, VÍS nevertheless pays benefits.
- 21.3. VÍS does not pay benefits for loss due to an event that occurred before the insurance period began, even though the loss does not become apparent until during the insurance period.

22. What is covered under the insurance?

- 22.1. The insurance covers the insured's loss due to tort liability that falls upon them under Icelandic law due to:
 - 22.1.1. Bodily injury to a third party that can be traced to negligence by crew members in work on behalf of the vessel.
 - 22.1.2. Damage to property owned by parties other than the insured's employees or owners of catch, cargo, or other items that the vessel transports, if the damage occurs for the same reasons as specified in 22.1.1. It is a condition for VÍS's payment obligation under this item that the loss event occurs on board the vessel or on the dock.

23. What is not covered under the insurance?

- 23.1. The insurance does not cover:
 - a) Bodily injury that occurs during loading or unloading when parties other

According to Icelandic law, a person is **liable for tort damages** with respect to any harm which he causes others in a culpable and unlawful manner. This principle is called the culpa rule, and it is a basic principle of Icelandic law. If the person who is subject to a litigation claim for tort damages is not culpable, that person will not be liable in tort.

The purpose of a liability insurance is to pay indemnity for the insured person in the event that he has incurred tort liability, to the extent that the injured party will not have to cover his own loss or damage on account of shared liability or shared accountability, and its purpose is also to pay the cost incurred by the insured party in case a tort claim is made against him.

The insurance does not cover damage that the insured causes to himself or other insured persons.

The term **"third party"** in this context refers to a person who is not covered under this insurance.



- than the ship's crew perform the work.
- b) Expenses for medical care, nursing, travel costs, or funeral expenses under the Seamen Act.
 - c) Crew members' property that is lost or damaged in a marine casualty, fire on the vessel, or other marine loss.
 - d) Fines, legal costs, or other expenses in connection with criminal cases.
 - e) Loss due to prolonged moisture or water leakage.
 - f) Loss that can be traced to asbestos or material that contains asbestos to any degree.
 - g) Loss that can be traced to PFAS (per- and polyfluorinated alkyl substances) chemicals and compounds, whether such chemicals or products containing them are being handled.
 - h) Loss due to mold or fungal growth.
 - i) Loss resulting from tort liability that falls upon the owner of a fishing vessel due to activities on land, e.g., baiting, maintenance, handling of fishing gear, or other related work.
 - j) Recourse claims from Social Security.
 - k) Loss due to the insured's tort liability that they can insure against with liability insurance that accompanies vessel and boat insurance.
 - l) Loss or increase in loss that directly or indirectly results from or is caused by earthquakes, volcanic eruptions, landslides, avalanches, or other natural disasters.

24. Precautionary rules

- 24.1. The insured must fully comply with the laws and regulations in effect at any given time regarding the production, delivery, transportation, storage, or safekeeping of explosives, poison, or other similarly hazardous materials.
- 24.2. The insured and their employees are obligated to ensure that only employees with the necessary skills and legal qualifications are involved in operating the vessel and equipment where such qualifications are required.

Precautionary rules are requirements that are made with the aim of preventing damage or reducing the likelihood that damage will occur. It is important to know what they are.

25. Change in use

- 25.1. The insured must notify VÍS of all changes to the vessel or its operation that may cause increased risk. Neglect of this notification obligation may result in VÍS's liability lapsing in whole or in part.²

26. Insurance amount

- 26.1. VÍS's liability for each individual loss event is limited to the insurance amount specified in the policy or renewal receipt. If more than one loss event occurs from the same cause, they are considered to be from one loss event.
- 26.2. Costs incurred with VÍS's approval to determine the insured's liability and interest on the compensation amount are paid, even if VÍS's payment thereby exceeds the insurance amount.
- 26.3. If the insurance amount is lower than the principal amount of the compensation, only that portion of costs and interest corresponding to the compensation amount that VÍS is obligated to pay shall be paid.

27. Determination of compensation for personal injury

- 27.1. The insurance pays benefits for bodily injury to third parties on the basis of the Tort Damages Act No. 50/1993.
- 27.2. Benefits payable from the insured's agreed or mandatory occupational accident insurance are fully deducted from benefits under this insurance. The same applies even if agreed occupational accident insurance is not in place.
- 27.3. Wages that the insured is obligated to pay under law or collective agreements to an individual who has suffered an accident are fully deducted from benefits under this insurance.

28. Determination of compensation for property loss or damage

- 28.1. Benefits shall be based on the value on the date of loss.
- 28.2. If it is possible to repair the damaged property so that it will be in a similar condition as before the loss and it is worthwhile in VÍS's assessment, VÍS may either pay the insured the estimated repair cost or have the damaged property repaired at VÍS's expense.
- 28.3. If it is not possible to repair the damaged property or it is not worthwhile in VÍS's assessment, VÍS may pay benefits in cash or provide a comparable item to that which

² See Article 24 of Act No. 30/2004 on Insurance Contracts.



suffered the loss. If benefits have been paid under this section, VÍS reserves the right to claim the damaged property.

- 28.4. VÍS has the right to pay the difference between the value of the damaged property as it was before the loss event and its value after the loss event.
- 28.5. The insured shall not profit from a loss event. The insurance shall only compensate for the insured's actual loss.

29. The status of the injured party when loss or damage occurs

- 29.1. If the insurance covers the insured's loss due to tort liability that they bear, the injured party may claim compensation directly from VÍS. VÍS and the insured are obligated to inform the injured party about liability insurance if it exists.
- 29.2. If a compensation claim is made against VÍS, this shall be notified to the insured without undue delay, and they shall be provided with information about the handling of the claim. VÍS's acknowledgment of matters relating to liability is not binding on the insured.
- 29.3. If the injured party notifies that they intend to bring legal action against VÍS, VÍS may then require that they also direct the lawsuit against the insured. VÍS shall notify the injured party of this requirement without undue delay and in a verifiable manner.
- 29.4. Regarding the status of the injured party in other respects, reference is made to Article 44 of the Insurance Contracts Act No. 30/2004.

30. Handling of compensation claims

- 30.1. The insured may not acknowledge their liability or make agreements regarding compensation without VÍS's consent.
- 30.2. VÍS acts on behalf of the insured and controls all case handling and manages proceedings before courts if necessary. The same applies to claims for salvage or assistance remuneration.

The information provided on the right margin is for the guidance of customers only and is not part of the terms themselves and is not intended to be used for interpreting specific clauses of the terms.

This is a translation of the authoritative Icelandic text. In the event of any discrepancies between the translation and the original Icelandic text, the original text shall prevail.