Natural Catastrophes Insurance Cover
Individual System Summary Updates

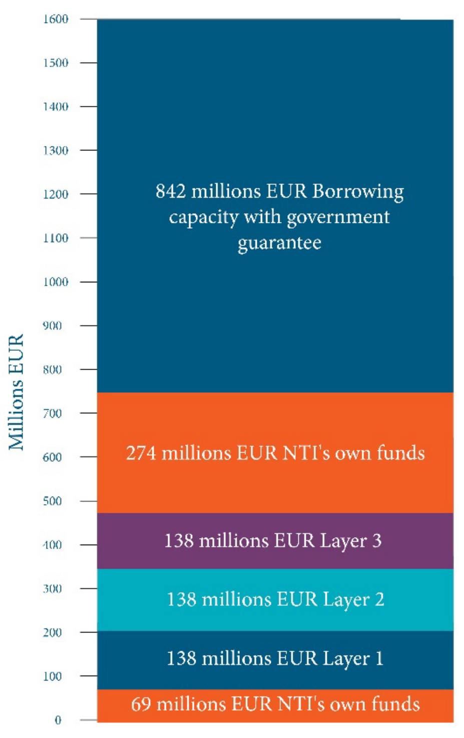
As of [May 5 2026]

1	**The name of the Cover**	Natural Catastrophes Insurance of Iceland
2	**Cover Purchase / Distribution Channels**	It is mandatory to insure all real estate and all movables that have fire insurance at an insurance undertaking which is licensed to operate in Iceland. It is also mandatory to insure any movables covered by general comprehensive policies which include fire insurance, as such insurance is considered to fall within the category of property insurance, cf. Article 20 of Act 100/2016 on Insurance Activities.
3	**Coverage** (incl. perils, sum insured & premium etc.)	Direct losses incurred on account of the following natural catastrophes: volcanic eruptions, earthquakes, rock slides avalanches and floods. A regulation shall further define what falls within the purview of the previous sentence. • The premium for properties and contents is 0.0375% of the fire insurance value • For public infrastructure, the premium is 0.03% of replacement cost
4	**Claim Criteria / Loss Trigger**	Direct loss, caused by one of the named perils, volcanic eruptions, earthquakes, rockslides, avalanches and floods.
5	**Current Risk Assuming and Transferring structure** (see following diagram)	NTÍ assumes insurance risk through the issuance of policies across its core lines, retaining exposure within its defined risk appetite and underwriting guidelines. To mitigate the potential financial impact of large loss events, the company enters into reinsurance agreements designed to transfer a significant portion of this risk to the international reinsurance market. Since 2014, Aon has acted as NTÍ's reinsurance broker, arranging agreements typically involving 20–25 reinsurers. Reinsurance contracts are renewed annually, with negotiations taking place at the end of each year for the following period. In the most recent structure, SCOR serves as the lead reinsurer, with substantial participations from New Re, HCC, and Liberty Mutual Insurance Europe SE, Hannover Rueck SE and Munich Re. Premiums paid by NTÍ are allocated among the participating reinsurers according to their proportional shares in the agreement, which also determines their liability for claims payments in the event of a loss. This diversified reinsurance panel provides both financial stability and reliable claims capacity. In recent years, reinsurance premiums have risen significantly, reflecting increased claims activity both globally and within Iceland.

6	**Recent Loss events**	The most significant loss event in NTÍ's history occurred in 2008, wher a major earthquake struck South Iceland. The total cost of this event, a present value, is estimated at approximately EUR 160 million (ISK 23 billion). The most recent large-scale event is associated with the ongoing earthquakes and volcanic activity in Grindavík, which began i late 2023 and, as of 2026, is still in progress. The estimated loss arising from these events is approximately EUR 90 million (ISK 13 billion).
7	**Latest take-up rate** (Penetration rate)	January 1 2025, the penetration rate was increased by 50%, from 0,025% to 0,0375% of fire insurance value for buildings and contents and from 0,02% to 0,03% for infrastructure of replacement cost.
8	**Current Accumulate reserves** (fund)	Approximately 330 million Euros as of May 2026
9	**Website/ annual report Linkage**	Annual Report 2025
10	**Others**	Link to NTI's website TSI (Total sum insured) by end of 2025 146 billion EUR.

Current Risk Assuming and Transferring structure (diagram)

NTI's transferring structure



NTÍ's solvency and liability obligations in August 2025