

or reloading of baggage or goods, such damage shall be presumed to have occurred during the period indicated in paragraph 1, unless proved otherwise.

*Article 115.* The carrier shall be liable for damages resulting from a delay in the transportation of passengers, registered baggage and cargo.

*Article 116.* The carrier shall not be liable if he establishes that he or his employees took all possible action to avoid the damage, or that it was impossible for them to do so.

*Article 117.* If the carrier proves that the person who sustained the damages was guilty of causing it, his liability may be reduced or excluded.

*Article 118.* The liability of a carrier in the transportation of passengers shall be limited to 36,500 crowns per person. A higher limit may be agreed upon by contract.

In the transportation of registered baggage or cargo, liability shall be limited to 37 crowns per kilogram weight. If, in delivering the baggage or cargo to the carrier, the passenger or shipper declares a special value for delivery of the goods to their destination and has paid the specified additional freight charge, the declared value shall be the measure of liability of the carrier, unless it is established that the declared amount exceeds the true value to the passenger or shipper. In the case of loss, damage or delay of a part of registered baggage or cargo or of the contents thereof, the total weight of the items shall be taken as a basis in determining the extent of liability of the carrier. If the loss, damage or delay reduces the value of other items which are included on the same baggage check or bill of lading, the total weight of these goods shall be taken into account in determining the extent of liability.

Liability of the carrier for objects retained by the passenger shall be limited to 730 crowns per passenger.

Limits on liability pursuant to this Article shall not prevent the court from allowing the plaintiff payment of costs. This shall not apply when the compensation for damages, excluding costs, does not exceed the amount offered by the carrier in writing to the plaintiff within six months after the damages occurred, or prior to the commencement of an action for damages.

The amount of payment referred to in this Article shall be based on gold value. If the gold value of the Icelandic crown changes from the value submitted to the International Monetary Fund at the time of the enactment of this law, the amount of payment shall be made in accordance with the new gold value. In court actions the recalculation shall be made in accordance with the gold value on the day when the judgment is rendered.

*Article 119.* Exempting the carrier from liability or setting a lower limit of liability than that provided for in Article 118 shall be invalid.

In the transportation of goods the quality or defects in the goods may be taken into consideration in their loss or damage.

*Article 120.* Upon proof that the carrier or its employees caused the damage within the scope of their activities by acting intentionally or with gross negligence and knowledge that damage would result, the provisions of Article 118 regarding the limitation on liability of the carrier shall not apply.