



# Vehicle insurance Comprehensive collision

## Insurance terms no. BK10

### The following apply to the insurance:

- The insurance policy, together with special entries and special terms.
- These terms no. BK10.
- The company's joint terms no. YY10.
- The Act on Insurance Contracts no. 30/2004.

The provisions in the insurance policy or the renewal receipt supersede the provisions of the terms. The provisions in the insurance policy, the renewal receipt and the terms supersede the provisions of law that may be deviated from.

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#### 1. Insured interests

The insurance applies to the vehicle stated in the insurance policy or the renewal receipt.

#### 2. The insured and co-insured

- 2.1. The owner of the vehicle is the insured.
- 2.2. The holders of liens and others who have financial interests in the vehicle are not co-insured in the interpretation of the Act on Insurance Contracts no. 30/2004, unless they have received a confirmation to this effect from the company. Co-insured never receive more rights towards the company than the insured; cf. Article 41, paragraph 3, of the Act on Insurance Contracts no. 30/2004.

#### 3. Scope of insurance

The insurance applies:

- 3.1. In Iceland.
- 3.2. During travel elsewhere in the European Economic Area and Switzerland for as long as 92 days, effective from the date of departure from Iceland, together with the necessary shipment between these countries, provided this is full-year insurance.

The insurance does not apply:

- 3.3. To driving on roads or parts thereof where driving vehicles is prohibited according to the instructions of the appropriate authorities, or when driving across un-bridged rivers and streams, on beaches, in tidal trails and in other none-road circumstances. Damage to the vehicle will be compensated, however, if it is proved that the driver had to leave the driving lane because, for example, of repairs to the road. The insurance applies, however, to tractors and special off-road vehicles (for example ATV, snow-mobiles, off-road motorcycle, etc.) when driving on beaches, tidal trails and other none-road conditions.

#### 4. Scope of liability

The insurance compensates damage to vehicles because of:

- 4.1. Collision between it and another vehicle, for example, a vehicle and a motorcycle.
- 4.2. Collision.
- 4.3. Turning over and falling.
- 4.4. The vehicle drives off the road.
- 4.5. Falling rocks, landslide, avalanches from mountainsides, mudslides or water floods, however, not because of ocean floods.
- 4.6. Fire, thunderstorms or explosions caused by fire. It is not deemed as damage from fire if items are singed or melt in the absence of fire.
- 4.7. Theft or attempted theft of vehicle.
- 4.8. Stormy weather if the vehicle blows away or if the hood, trunk cover or doors are blown open, also damage caused by flying or falling materials resulting from bad weather, however, not if sand, gravel, ashes, pumice or other loose ground materials hit against it.



The words *stormy weather* refer to when wind reaches 28.5 m per second cf. a certificate from the Icelandic Meteorological Institute. In the absence of reliable information about the wind speed at the site of the damage, the guideline when determining liability shall be whether general damage to property occurred in the area due to the weather conditions when the damage incident took place.

- 4.9. The transportation of the vehicle by road or by a transport vehicle.
- 4.10. The bed of a dumptruck goes off or rolls on its side when hoisted irrespective of whether the vehicle rolls on its side or not.
- 4.11. Intentional sabotage by another person than the insured.

The insurance also covers:

- 4.12. Theft of the stereo equipment from the insured vehicle, however, at the maximum amount stated in the insurance policy or the renewal receipt.
- 4.13. Breaking of the vehicle's windows, however, not when being removed or installed. Slivering, chipping or scratches of windows are not deemed as being breakage.
- 4.14. Salvage or transportation costs to the nearest repair shop acceptable to the company if the vehicle becomes un-drivable resulting from liable damage in Iceland.

The insurance does not cover:

- 4.15. Damage that only regards the wheels, the tires, the suspensions, battery and glass, cf. however, Article 4.13.
- 4.16. Theft of individual parts of the vehicle, cf. however, Article 4.12.
- 4.17. Damage resulting from the vehicle scraping its bottom against the ground when driven along an uneven lane, for example, against ridges caused by road graders, stuck or loose rocks on the lane, or by the sides of the lane, or when loose rocks start flying as a result of the driving.
- 4.18. Damage to any kind of the vehicle's extra equipment, for example, to trailers, mobile telephones, GPS equipment, communication radios, lifts and cranes of dumptrucks, loose roof racks and luggage boxes, unless otherwise agreed upon.
- 4.19. Damage to the vehicle because of its use in races or in training for such competition.
- 4.20. Damage to the vehicle because of animals.

## 5. Special limitations of liability

The insurance does not cover damage or increase of damage directly or indirectly resulting from or caused by:

- 5.1. Earthquake, volcanic eruption or other natural disaster, cf. however, Article 4.5.
- 5.2. War, invasion, military actions, civil riots, revolutions, uproars, strikes or similar measures.
- 5.3. Nuclear changes, ionizing radiation, pollution by radioactive materials, nuclear fuel or nuclear waste.

## 6. Precautionary rules

- 6.1. The driver of the insured vehicle shall have the rights and skills required for driving it.
- 6.2. The driver shall not be under the influence of alcohol, addictive or narcotic substances when using the vehicle.
- 6.3. The vehicle shall be locked when no one is inside it and the keys shall be stored in a secure place.
- 6.4. The instructions of the manufacturer shall always be followed when unloading cargo.
- 6.5. The vehicle shall not be used for other kind of driving than that stated in the insurance policy or the renewal receipt.
- 6.6. The insured shall maintain the vehicle in conformity with the instructions and guidelines of the manufacturer.
- 6.7. The insured shall abide by public instruction on the vehicle's inspection and shall see to it that it meets the requirements regarding make and equipment at any time.
- 6.8. The driver shall neither drive nor store the vehicle in an area where there is a risk of damage to the vehicle because sand, gravel, ashes, pumice or other loose ground materials could be blown against it.

## 7. Breach of precautionary rules

Abiding by the precautionary rules of these terms is obligatory. If the precautionary rules are not abided by the company's liability may become void in full or in part, cf. Article 26 of the Act on Insurance Contracts no. 30/2004.

## 8. Change of risk

The company shall be notified immediately if the use of the vehicle changes from that



stated in the insurance policy or the renewal receipt.

Neglecting this duty of notification may result in the company's liability of an insurance incident decreasing proportionally based on what the amount of the premium would have been in the instance of changed use, cf. Article 25 of the Act on Insurance Contracts no. 30/2004.

## **9. Identification**

9.1. The company is authorized to identify a person's conduct who, subject to the consent of the insured, is responsible for the insured vehicle.

9.2. In instances of professional use, the company may identify the conduct of the supervisor of the insured and the operator of the insured vehicle.

## **10. Calculation of premium**

10.1. The basic premium of the insurance is calculated on grounds of the use of the vehicle, its value and the domicile of the policyholder.

10.2. The premium amount changes upon the renewal of the insurance in accordance with the index changes.

## **11. Payment of premium**

11.1. The premium of the insurance is due on the date payment is requested.

11.2. Default in the payment of the premium may result in the loss of rights and the termination of the insurance contract; cf. Article 33 of the Act on Insurance Contracts no. 30/2004.

## **12. Refund of premium**

12.1. If the insurance contract becomes invalid before the insurance period is over, the company refunds the premium in proportion to the period the insured has paid and the insurance is not in effect. This does not apply, however, if the insurance contract has become invalid because of the company having met its obligations by paying compensation for total damage.

12.2. If the vehicle has not been in use and its registration plates have been stored with the Road Traffic Directorate or its representatives for at least 30 successive days, the company refunds the premium in proportion to the plates' storage period less the part of the premium that applies to the fire and theft

risks of the insurance. The premium for tractors and off-road vehicles, however, is not refunded. This right to the refund of the premium becomes void if the storing of the vehicle's registration plates is due to damage covered and compensated by the insurance.

12.3. Short-term insurance is totally exempt from the refund provisions of Articles 12.1. and 12.2.

## **13. Change of ownership of vehicle or its de-registration**

In the instance of a change of ownership of the insured vehicle or if it is de-registered, the insurance becomes invalid upon the change of ownership or when de-registration has taken place. Notwithstanding the aforementioned, the company is liable if an insurance incident occurs within 14 days from the date of the change of ownership if the new owner has not taken out insurance.

## **14. Insurance value**

The vehicle's insurance value is the amount that a comparable vehicle in terms of make, year and quality costs on the general market on the date of damage, based on cash payment.

## **15. Deductible**

15.1. The insured carries own risk in every instance of damage as provided for in the insurance policy or the renewal receipt.

15.2. In instances of damage as stated in Article 4.10., the insured's deductible is 25% higher than stated in the insurance policy or the renewal receipt.

15.3. If the principal amount of the claim for damages does not reach the minimum of the deductible, the company does not pay the costs although the claim and the costs are higher in total than the amount of the deductible.

15.4. The deductible changes upon the renewal of the insurance in accordance with the index changes.

## **16. Compensation for total damage**

16.1. The company pays compensation for total damages if:

16.1.1. The vehicle sustains such extensive damage that the company deems it impractical to repair it.



16.1.2. The vehicle is stolen and has not been found within four weeks from the date the company was notified of the incident.

16.2. In the instance of total damage to a vehicle, the company determines whether it pays the insurance value in return for a transfer of the title of the vehicle or the difference between the insurance value and the value of the vehicle after the insurance incident.

#### **17. Compensation for damage in part**

17.1. If the vehicle sustains damage without the conditions of Article 16 existing, the company pays the costs of repairing the vehicle to the extent that renders it in the same or similar condition as before the damage.

17.2. The company has the right to pay either the repair costs at a repair workshop approved by the company or compensation for the estimated cost of repair.

17.3. The company does not compensate a decrease of the market price of the vehicle, indirect damage, for example loss of use, extra costs because of work outside of regular working hours, or extra costs because of special spare-part orders.

#### **18. Transfer**

The insured may not transfer his rights according to the insurance contract without the consent of the company.

#### **19. Double insurance**

19.1. If the same damage falls under more than one insurance the insured may choose which insure he wishes to use until he has received the compensation he is entitled to.

19.2. If more than one insurance company is liable for damage, cf. Article 19.1., they shall, unless otherwise agreed, pay proportional compensation depending on the liability of each of them for the damage.

#### **20. Statute of limitations**

The right to make a claim for damages expires in four years. The deadline begins upon the end of the calendar year the insured received the necessary information about the incident that constitutes the basis of his claim. The very last expiry of a claim is 10 years from the end of the calendar year the insurance incident took place.

These insurance terms are in effect as of 1 January 2006

*These terms of insurance were translated into English from Icelandic. In instances of interpretation, the Icelandic version shall apply.*