



Vehicle Insurance Comprehensive Collision

Insurance terms No.BK10

Valid from 15 March 2019

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.

The insurance policy is governed by:

- The insurance policy, including endorsements and special terms.
- These insurance terms No. BK10.
- The company's general terms and conditions No. YY10.
- Act No. 30/2004 on Insurance Contracts shall apply.

The provisions of the insurance policy and of the renewal receipt take precedence over the provisions of the insurance contract terms. The provisions in the insurance policy, the renewal certificate 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 the 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. The rights of the co-insured vis-à-vis the company can never exceed those of the insured, as provided for in the third paragraph of Article 41 of Act No. 30/2004 on Insurance Contracts.

3. Applicability of the insurance policy

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 date 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 non-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.
 - 3.3.2 The insurance applies, however, to tractors and special off-road vehicles (for example ATV, snowmobiles, off-road motorcycles, etc.) when driving on beaches, tidal trails and other non-road conditions.
 - 3.23.2 Notwithstanding the provisions of Article 3.3, the insurance applies to jeeps and off-road vehicles when driving over bridgeless rivers and creeks, along beaches, shoals of water and other non-road conditions. Exempt are, however, losses or damages when water floods engine housings or the passenger or luggage compartments of insured vehicles.

4. Scope of coverage

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 Tip overs and falling.
- 4.4 The vehicle being driven off the road.
- 4.5 Falling rocks, landslides, avalanches from mountainsides, falling snow or icicles, mudslides from mountains or water floods, although not, however, because of ocean floods.
- 4.6 Fire, thunderstorms or explosions caused by fire. If items melt or scorch in the absence of open flames, the incident is not considered a fire.
- 4.7 Theft or attempted theft of vehicle.
- 4.8 Engine hoods, trunk covers, rear hatches or doors being blown open.
- 4.9 Stormy weather if the vehicle blows away or if the hood, trunk cover or doors are blown open, as well as damage caused by flying or falling materials resulting from bad weather, however, not if sand, gravel, ashes, pumice or other loose ground materials hit 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.
- 4.10 The transportation of the vehicle by road or by a transport vehicle. Loss or damage suffered during transportation between ports is not compensated except in the case of annual insurance.
- 4.11 The bed of a dump truck going off or rolling on its side when hoisted irrespective of whether the vehicle rolls on its side or not.
- 4.11 Hoisting with cranes affixed to the vehicle, but not loss or damage to the crane itself.
- 4.13 Intentional sabotage by another person than the insured.
- 4.14 Horses, cattle, sheep and reindeer located outside grazing grounds.
- 4.15 Theft of the stereo and multimedia equipment from the insured vehicle, however, at the maximum amount stated in the insurance policy or the renewal receipt.
- 4.16 Breaking of the vehicle's windows, however, not when being removed or installed. Slivering, chipping or scratches of windows are not deemed to be breakage.
- 4.17 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 contract does not compensate:

- 4.18 Damage regarding only the wheels, the tires, the suspensions, battery and glass, cf. however, Article 4.16.
- 4.19 Theft of individual parts of the vehicle, cf. however, Article 4.15.
- 4.20 Damage resulting from the vehicle scraping its bottom against the ground when driven along an uneven lane.
- 4.21 Against rides on the lane, for example, or by the sides of the lane, or ridges left by road graders, stable or flying rocks as a result of the driving.
- 4.22 Damages caused by rocks flying off the road.
- 4.23 Damage to any kind of the vehicle's extra equipment, for example, to trailers, mobile telephones, GPS equipment, communication radios, lifts and cranes of dump trucks, loose roof racks and luggage boxes, unless otherwise agreed upon.
- 4.24 Damage to the vehicle because of its use in races or in training for such competition.
- 4.25 Damage to the vehicle because of animals, cf. however, 4.14.
- 4.26 Damages caused by seawater.
- 4.27 Damages according to limits to liability specified in Articles 4.5, 4.6, 4.9, 4.10, 4.12, 4.14 and 4.16.

5. Special limitations on liability

The insurance contract does not compensate loss or damage or increase thereof that is directly or indirectly the result of or caused by:

- 5.1 Earthquakes, volcanic eruptions or other natural disasters, cf. however, Article 4.5.
- 5.2 War, invasions, military actions, civil unrest, rebellions, riots, strikes or similar activities.
- 5.3 Nuclear reaction, ionising radiation, pollution from radioactive substances, nuclear fuel or nuclear waste.

6. Precautionary principles

- 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 or 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 When hoisting with a crane affixed to the vehicle, the instructions of the manufacturer on the use of the crane must always be followed, and care must be taken to use hoisting mechanisms appropriate for the load to be lifted.
- 6.6 The vehicle shall not be used for other kind of driving than that stated in the insurance policy or the renewal receipt.
- 6.7 The insured shall maintain the vehicle in conformity with the instructions and guidelines of the manufacturer.
- 6.8 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.
- 6.9 The insured shall ensure that the security equipment of the vehicle is always in order.
- 6.10 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. Violations of the precautionary principles

Complying with the precautionary principles herein is mandatory. In the event of non-compliance with the precautionary principles, the company may be absolved of its liability, wholly or in part, cf. Article 26 of Act No. 30/2004 on Insurance Contracts.

8. Change of risk level

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 Act No. 30/2004 on Insurance Contracts.

9. Identification

- 9.1 The company is authorised to identify the conduct of a person 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. Premium calculation

- 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 changes upon the renewal of the insurance in accordance with changes to the price index.

11. Payment of premiums

- 11.1 The insurance premium becomes due upon demand of payment.
- 11.2 Non-payment of the premium may result in the policyholder forfeiting his rights and the cancellation of the insurance contract, as provided for in Article 33 of Act No. 30/2004 on Insurance Contracts.

12. Premium refund

- 12.1 If the insurance contract expires before the insurance period is concluded, the company shall reimburse the proportion of the premium corresponding to the overpayment. This does not apply, however, if the insurance contract has expired because the company has satisfied its obligation by remitting compensation for total loss.
- 12.2 Short-term insurance is entirely excluded from the reimbursement provisions in 12.1.

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. However, the company is liable if an insurance incident takes place within 14 days following the transfer of ownership if the new owner has not purchased insurance.

14. Insurance value

- 14.1 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.
- 14.1.1 The insurance value according to Article 14.1 can never, however, exceed the amount stated in the insurance policy and renewal receipt, if specified therein.

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 Articles 4.11 and 4.12, the insured's deductible, however, is 25% higher than the deductible stated in the insurance policy or the renewal receipt.
- 15.3 If the principal of a compensation claim does not exceed the deductible, the company does not pay for costs even if the sum of the claim and the cost exceeds the amount of the deductible.
- 15.4 The deductible changes upon the renewal of the insurance in accordance with the price index changes.

16. Compensation for total damage

The company pays compensation for total damages if:

- 16.1 The vehicle sustains such extensive damage that the company deems it impractical to repair it.
- 16.2 The vehicle is stolen and has not been found within four weeks from the date the company was notified of the incident.

In the instance of total damage to a vehicle, the company determines whether it:

- 16.3 Pays the insurance value of the vehicle in accordance with its transfer in exchange of title.
- 16.4 Pays the difference between the insurance value and the value of the vehicle after the insurance incident.
- 16.5 Replaces the vehicle with the same type of vehicle which is of comparable age and condition. In the event that the company chooses to replace the vehicle; the company is authorised to require the insured to submit a conveyance of title for the damaged vehicle.

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 orders for spare parts.
- 17.4 The company is under no obligation to pay for repairs initiated without its permission.

18. Assignment

The insured may not assign his rights according to the insurance contract without the approval of the company.

19. Multiple insurance

- 19.1 If the same loss or damage is covered by more than one insurance contract, the insured may choose which insurance contract he wishes to apply until he has received the compensation to which he is entitled.
- 19.2 If more than one insurance company is liable to pay compensation in accordance with Article 19.1, the companies shall pay compensation proportionally, in accordance with each company's liability to pay compensation, unless otherwise agreed.

20. Time limitations on liability

The right to claim compensation expires after four (4) years. The four-year time limit period shall begin at the end of the calendar year in which the insured received the necessary information about the incident on which his claim is based. The claim to compensation shall expire, however, no later than ten (10) years after the end of the calendar year in which the insurance event occurred.