Comprehensive Trailer Insurance

Policy Terms B-11

This document is an AI translation of the official Icelandic text. In the event of any discrepancy between the translation and the original Icelandic version, the Icelandic version shall take precedence.

Comprehensive trailer insurance is a tailored insurance policy for trailers other than caravans, i.e. trailers other than motorhomes, folding caravans, touring caravans, and camper units.

The insurance is governed by the certificate together with its endorsements and special terms, these policy terms, the company's general terms no. AS-1, and the provisions of the Insurance Contracts Act no. 30/2004, hereinafter referred to as ICA. Provisions in these terms take precedence over provisions in the general terms where there is any conflict.

In these terms, the term "the company" refers to Vörður tryggingar hf.

Chapter 1. Scope of Coverage and Safety Regulations

Art. 1. What does the insurance cover?

The insurance covers damage to the insured trailer arising from:

a. collision, impact, or running off the road by the vehicle towing the trailer.
b. fire or an explosion caused by fire. Items that scorch or melt without an uncontrolled flame do not constitute fire.
c. theft or attempted theft and vandalism. A condition of coverage is that the incident has been reported to the police as soon as possible. Compensation for damage under this provision is only paid if the loss event took place in Iceland.
d. severe storms. A condition of coverage is that sustained wind speed has reached 28.5 m/s. Wind speed assessment shall be based on measurements from the Icelandic Meteorological Office, using the 10-minute average wind speed at the nearest weather station at the time of the loss event. Damage caused by blowing loose minerals and consequential damage from such is not covered.

Notwithstanding the exclusion provisions in the company's general terms, the insurance covers damage caused by mud or water floods, landslides, avalanches, industrial action, or riots.

The insurance also covers the cost of transporting the trailer to the nearest approved repair workshop if the trailer cannot be towed behind a vehicle due to a covered event that occurred in Iceland. Compensation under this provision is limited to the amount stated on the certificate.

Art. 2. What does the insurance not cover?

The insurance does not cover:

a. damage arising from sand, gravel, ash, volcanic tephra, or other loose minerals blowing onto a trailer.
b. damage arising from stones thrown up from the road or from a vehicle. Stone impact here refers to the event where a stone or stones are projected at a trailer and cause damage to its surface.

c. impacts to the exterior, undercarriage, tyres, or wheels of a trailer that do not reduce its utility value, even if the manufacturer's warranty lapses as a result. This includes, for example, scratches, dents, impact marks, bending, or abrasion marks.
d. damage to the undercarriage attributable to driving on rural roads, highland routes, tracks, or off-road, as well as damage occurring when driving through unbridged rivers, lakes, or streams. Undercarriage here refers to all of the lower structure of the trailer as well as tyres and wheels.
e. damage attributable to driving in areas or on roads where public authorities have warned against driving, e.g. due to wind speed, wind gusts, or road conditions.

Art. 3. Safety regulations

The insured must comply with the safety regulations set by the company in these terms or on the certificate. Failure to do so may result in reduction or forfeiture of the company's liability under Art. 26 of the ICA.

a. If the trailer is stored outdoors or in premises accessible to persons other than the insured, a hitch lock must be fitted or it must be securely attached to a fixed object with an approved lock. If stored indoors, the premises must be locked.
b. The driver towing the trailer must be in a physical condition to operate a vehicle safely and must not be under the influence of alcohol or other stimulants or sedatives.
c. The driver towing the trailer must be competent to operate a vehicle safely and must hold the required licence to do so.
d. The trailer must not be towed if sustained wind speed has reached 20 m/s. Wind speed assessment shall be based on measurements from the Icelandic Meteorological Office, using the 10-minute average wind speed at the nearest weather station at the time of the loss event.
e. The insured must ensure that the safety equipment of the trailer and the towing vehicle is in order and appropriate for the conditions. Safety equipment includes, among other things, tyres, brakes, and steering equipment.
f. Following a covered event, the insured must take appropriate measures to limit the damage, such as taking the trailer for inspection by a professional or moving it to a safe location.

Others who use and are responsible for the trailer with the insured's consent must comply with the same safety regulations.

Chapter 2. General Provisions

Art. 4. Who is insured?

The registered owner of the trailer specified on the certificate is insured.

Art. 5. Where does the insurance apply?

The insurance applies in Iceland. It also applies in member states of the European Economic Area, the United Kingdom, and Switzerland for up to 90 days from the date the trailer departs from Iceland. The insurance also applies to the trailer while in transit between countries on a first-class vessel, provided the policy is an annual policy.

Art. 6. Total loss

The company pays compensation for total loss if:

a. the trailer sustains such severe damage that the company considers it uneconomical to repair.
b. the trailer is stolen and has not been found within 4 weeks of the company and the police being notified of the theft.

In the event of a total loss, the company never pays more than the actual value of the trailer. Actual value is the amount that would have been needed to purchase a trailer at the most recent price of a comparable trailer on the date of loss, based on a cash payment.

The company reserves the right to fulfil its payment obligation under this provision by delivering to the insured another comparable trailer of the same type, age, and specification, so that the insured is in the same financial position before and after the loss. Compensation is only paid in Icelandic krónur. If the company pays compensation for a total loss, the insured must transfer ownership of the trailer to the company.

Art. 7. Repair costs

If the trailer is damaged without the conditions of Art. 6 being met, the company pays the cost of repairing it to the extent possible so that it is in the same condition as before the loss. It is considered a full repair even if the repair is visible, e.g. due to colour differences in the paintwork.

The company has the right to pay either repair costs or compensation based on estimated repair costs. Reduction in the market value of the trailer, indirect loss such as loss of use, additional costs for work outside normal working hours, or additional costs for special orders of spare parts are not covered. Prior approval from the company must be obtained for the repair service provider. The company is not obliged to pay compensation for repairs commenced without its approval.

Art. 8. Change of risk

If the trailer is rented out or used in business activities other than those normally conducted by the insured, the company must be notified of this risk without delay. A change of risk may result in a change in premium or cancellation of the insurance. Failure to notify a change of risk may result in limitation of the company's liability under Art. 25 of the ICA.

These terms are valid from 01.06.2025