Bicycle Insurance

Terms E-39

This Bicycle Insurance is a specially tailored insurance for bicycles, electric bicycles, electric scooters, electric mopeds, and electric wheelchairs. It consists of three optional types of cover: Bicycle Casco (Own-Damage) Insurance, Theft Insurance, and Liability Insurance.

This insurance is governed by the insurance policy, together with any endorsements and special terms, these Terms, the Company's General Terms and Conditions No. AS-1, and the provisions of the Insurance Contracts Act No. 30/2004. In the event of any inconsistency, the provisions of these Terms shall take precedence over the General Terms and Conditions.

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Definitions

The Company: Vörður tryggingar hf.

Bicycle: For the purposes of these Terms, the following fall under the term "bicycle":

a. Bicycle: a vehicle propelled by pedals or a crank mechanism, as defined in the Traffic Act No. 77/2019.

b. Electric bicycle (e-bike): a bicycle with a pedal or crank mechanism fitted with an auxiliary electric motor with a continuous maximum output of 0.25 kW, whose power output progressively decreases and eventually stops once the bicycle reaches a speed of 25 km/h, or earlier if the rider stops pedalling.

c. Electric scooter, single-axle two-wheeled vehicle, electric wheelchair, and electric moped: a small, electrically powered vehicle that does not qualify as a light motorcycle/moped under the Traffic Act and is designed for speeds ranging from 6 km/h up to 25 km/h.

Insured: The insured is the owner of the bicycle specified in the insurance policy. The insured persons under the Liability Insurance are the policyholder, their spouse or cohabiting partner, and unmarried children aged 13 or older, provided that these individuals share a legal domicile in Iceland, reside at the same address, and maintain a joint household.

Chapter 1. Bicycle Casco (Own-Damage) Insurance (optional)

This cover is included if specified in the insurance policy.

Art. 1 What does the insurance cover?

The insurance covers damage to the bicycle caused by sudden and unforeseen accidents during transport, use, or storage within the insurance period.

Art. 2 What is not covered by the insurance?

The insurance does not cover:

- damage due to insufficient or inadequate packaging during transport of the bicycle.
- damage resulting from normal wear and tear, defects, incorrect assembly, inadequate maintenance, or internal malfunctions such as technical failures.
- damage occurring if the bicycle is forgotten, lost, or left in a public place overnight.
- indirect loss that may result from a covered event.
- damage attributable to defects or errors in installation/assembly.
- theft of the bicycle or of individual parts thereof.

Art. 3 What is insured?

The insurance covers the bicycle specified in the insurance policy. It also covers clothing, safety equipment, or other accessories used while cycling, provided these are specified in the insurance policy and the damage is directly connected to a covered loss to the bicycle itself.

Chapter 2. Theft Insurance (optional)

This cover is included if specified in the insurance policy.

Art. 4 What does the insurance cover?

The insurance covers theft of the bicycle specified in the insurance policy.

Art. 5 What is not covered by the insurance?

The insurance does not cover theft of individual parts of the bicycle.

Art. 6 What is insured?

The insurance covers the bicycle specified in the insurance policy.

Chapter 3. Liability Insurance (optional)

This cover is included if specified in the insurance policy.

Under Icelandic law, a person is liable in damages for loss caused to another through fault or negligence. This principle is known as the fault-based liability rule (sakarregla) and is a fundamental principle of Icelandic law. If the party from whom compensation is sought is not at fault for the loss, they are generally not liable in damages. The purpose of the Liability Insurance is to compensate an injured party where the insured has incurred liability in damages and the injured party was not partly at fault or jointly liable. It also covers costs incurred by the insured if a claim for damages is made against them. Because liability in damages is often a complex legal matter, the insured should consult the Company regarding their legal position if a claim is made against them for a loss they are considered to be at fault for. The insured is also advised to read the Liability Insurance Terms with this in mind. An admission of liability by the insured is binding only on the insured, not on the Company. By making such an admission, the insured may therefore risk having to pay compensation themselves for a loss that is not covered by the Liability Insurance.

Art. 7 What does the insurance cover?

The insurance covers loss events occurring during the insurance period, even if the consequences do not become apparent until later.

Art. 8 What is not covered by the insurance?

The insurance does not cover loss:

- to property that the insured persons have for use, for storage, or which is otherwise in their custody for any other reason.
- to property that the insured persons have taken without authorization.
- attributable to the software of the insured bicycle having been modified such that its maximum speed exceeds what is permitted under the applicable Traffic Act No. 77/2019.

The insurance does not cover events occurring before the insurance was taken out or after it has lapsed.

Art. 9 What is insured?

Cover is provided against liability in damages incurred by the insured as an individual under Icelandic law, arising from the use of the insured bicycle, provided that the liability is a direct consequence of injury to persons or damage to property (including real property and animals) and is no more extensive than ordinary non-contractual (tort) liability.

The insurance covers such loss to the extent that the injured party (third party) is not required to bear the loss themselves due to contributory fault or shared liability.

The cost of legal defence, where the Company has approved that such defence should proceed, is included in the insurance.

Art. 10 Handling of Claims for Damages

If a claim for damages is made against the insured, the Company shall represent the insured in respect of that claim and is authorized to take any measures necessary to handle it, such as admitting liability, defending against the claim, or settling it, provided that such measures, and any related legal costs, are at the Company's expense.

The Company is not bound by any payment or admission of a claim for damages by the insured, unless it is shown that the insured, in paying the claim or acknowledging its validity, did no more than what they were legally obliged to do.

An admission of liability by the insured is binding only on the insured, not on the Company. By making such an admission, the insured may therefore risk having to pay compensation themselves for a loss that is not covered by the Liability Insurance.

Chapter 4. General Provisions

Art. 11 Where does the insurance apply?

The insurance applies in Iceland and during travel abroad, for up to 92 days from the date of departure from Iceland.

Art. 12 Sum Insured

The sum insured is the amount stated in the insurance policy. The deductible amounts under this insurance follow price developments in the country and are therefore adjusted in line with the consumer price index at each renewal of this insurance.

The sum insured, which is the maximum amount of compensation the Company pays in respect of the insured interests during each insurance period, is specified in the insurance policy. Where more than one loss event arises from the same cause, they are treated as arising from a single insured event.

The Company shall pay interest on the compensation amount and costs incurred with the Company's consent to determine the insured's liability for damages, even if this causes the Company's payment to exceed the sum insured. If the sum insured is lower than the principal amount of the claim, only the portion of costs and interest corresponding to the sum insured shall be paid.

Art. 13 Limitations or Safety Regulations

The insured, and any person whose acts are attributed to the insured, shall comply with the safety regulations set out below by the Company or in the insurance policy. Failure to do so may result in a reduction or forfeiture of the Company's liability, cf. Article 26 of Act No. 30/2004.

The insured shall exercise reasonable care in the custody of the bicycle. The insured bicycle shall be securely locked whenever not in use, or stored in a locked storage room, other premises, a vehicle, or a boat. Where persons other than the insured have access to a locked storage location, such as common areas in multi-unit buildings or at a workplace, the bicycle shall be securely locked. When left outdoors, the bicycle shall be locked to a fixed object using an approved lock designed for the insured bicycle. The insured shall not leave accessories on the bicycle in a public place that can easily be removed, even if the bicycle itself is locked.

The insured shall comply with the laws, regulations, and police ordinances governing traffic and cycling, and shall respect the age restrictions set by the manufacturer of the bicycle.

The insured shall ensure that the bicycle is kept in good condition. Particular care shall be taken to ensure that the steering mechanism, brakes, lighting and signalling equipment, and safety and protective equipment of the bicycle are in a condition that complies with legal requirements and function reliably.

No modifications shall be made to the speed limiters of the bicycle such that it can exceed the speed for which it is designed, cf. Art. 3 of Chapter 1 of these Terms.

Art. 14 Determination of Compensation

Compensation is based on restoring the insured's financial position, as far as possible, to what it was before the loss. The Company may compensate the loss by way of a cash payment, by paying the cost of an adequate repair to the damaged item, or by providing the insured with an intact item equivalent to the one that was damaged. Where a cash payment is made, the amount of compensation shall not exceed the amount the Company would have paid for repair or replacement of the insured item.

In the case of total loss, compensation is based on the price of new items, adjusted for depreciation due to the age of the insured item, in accordance with the following depreciation schedule:

Age	Depreciation
0–1 year	0%
1–2 years	10%
2–3 years	25%
3–4 years	40%
4–5 years	55%
5 years and older	70%

No compensation is payable for sentimental value or any other personal value of items.

Lost or stolen items that are recovered after compensation has been paid become the property of the Company and shall be returned to it. However, the insured may keep the items if they so wish, by repaying the compensation.

The Company may require the surrender of damaged items for which it has paid full compensation. Such items shall then become the property of the Company.

Art. 15 Increase in Risk

The premium for this insurance depends on the use of the insured item, or the activity in which it is used, as disclosed at the time the insurance was taken out. Where a specific use or activity for the insured item is stated in the insurance policy and that use or activity changes, the insured and/or any person entitled to benefits under this insurance shall notify the Company as soon as they become aware of the change. Failure to do so may result in a limitation of the Company's liability, cf. Article 25 of Act No. 30/2004.

These Terms are effective from 1 October 2022.