Home Protection 1

Policy Terms E-31

Home Protection 1 is a basic content and liability insurance. The insurance includes contents insurance and liability insurance, as well as optional content all-risks cover.

The insurance is governed by the insurance 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.

When the premium for this insurance is paid, a natural disaster insurance premium is also paid simultaneously. The movable property covered by the fire insurance is thereby automatically insured against natural disasters, such as earthquakes, avalanches, volcanic eruptions, and other comparable events, as further provided in Act no. 55/1992 on Natural Disaster Insurance of Iceland.

Definitions

The company: Vörður tryggingar hf.

Policyholder: The individual who takes out the insurance in their own name and is also the premium payer.

The insured/s: The policyholder, their spouse or cohabiting partner, and their unmarried children, provided these individuals share the same registered domicile in Iceland, live at the same address, and share a common household.

Home: The location stated on the certificate as the insured premises, which is also the registered domicile of the policyholder and their household members.

Contents: Movable property and personal belongings that accompany ordinary household use and are not considered part of the real property or its fixtures. Contents shall be deemed to include everything that the insured would generally take with them when moving between homes. Animals, caravans, mobile homes, boats, cars, and other motorised vehicles are not considered part of the contents, nor are goods intended for sale and/or processing.

Sum insured: The amount stated on the certificate as the maximum benefit for each individual insurance component.

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Chapter 1. Contents Insurance

Art. 1. Fire Insurance

What does the insurance cover?

The insurance covers loss of or damage to insured items caused by:

a. **fire.** Scorching or melting without the outbreak of fire is not considered fire within the meaning of this article.
b. **lightning.** Lightning refers to the thermal or mechanical effect of electricity in connection with the conduction of a lightning current to ground. The insurance covers damage caused by lightning even if no fire breaks out.
c. **explosion.** This refers to chemical reactions occurring instantaneously with significant heat generation and a powerful increase in the volume of substances.
d. **short circuit in electrical appliances.**
e. **soot fall from a recognised heating appliance or fireplace,** when damage occurs due to sudden and unforeseen circumstances.
f. **firefighting and rescue operations.** The company pays reasonable costs of salvaging, transporting, and storing insured contents when the purpose of the measures is to prevent or limit loss covered by the insurance. The same applies to contents lost during firefighting and rescue operations.
g. **a falling aircraft.** This refers to damage caused by an aircraft or part of an aircraft that crashes or falls from the sky. The insurance covers such damage even if no fire breaks out.

What does the insurance not cover?

The insurance does not cover loss or damage:

a. caused by scorching or melting that does not constitute fire, such as when an item is scorched by an iron, by embers from smoking, by fireplaces, or similar, nor damage to items intentionally exposed to fire or heat.
b. occurring as a result of work with explosives in construction operations.
c. caused by short circuit in appliances more than 10 years old.
d. caused by short circuit covered by the seller's warranty.
e. caused by short circuit or other damage attributable to a fault at the electricity utility that causes a voltage change.
f. caused by soot that has gradually accumulated through the use of heating appliances.

Art. 2. Water Damage Insurance

What does the insurance cover?

The insurance covers damage caused by:

a. water, oil, and steam that unexpectedly and suddenly flows from the building's pipes and originates within the walls of the building.
b. water that unexpectedly and suddenly flows from waterbeds or fish tanks due to malfunction.
c. water that overflows from sanitary appliances due to malfunction or error, and leaks from freezers and refrigerators.
d. surface water caused by a sudden cloudburst or snowmelt where the volume of water becomes so great that drainage pipes cannot carry it away. The insurance only covers damage under this article caused by water entering through seals along doors or windows at ground floor level or in the basement of the property.
    - A cloudburst is considered to have occurred when precipitation has exceeded 15 mm over a 3-hour period or over 80 mm over a 24-hour period.

- Snowmelt is considered to occur when snow or ice melts due to warming where temperatures in lowland areas reach at least 5°C for 36–48 hours, with heavy precipitation and strong winds of at least 10 m/s.

What does the insurance not cover?

The insurance does not cover damage:

a. occurring when water flows unexpectedly or suddenly from drains or gutters.
b. caused by external water, such as groundwater, precipitation, flooding, or water from gutters or their drainage pipes.
c. caused by water backing up from sewage or drainage pipes, or if drainage pipes suddenly cannot carry all the water received, except where a pipe becomes blocked or bursts indoors.
d. caused by external water from roofs, gutters, balconies, or by tidal surges, flooding, or groundwater.

Safety regulations

a. In unheated premises, the water supply shall be shut off and water pipes together with attached appliances shall be drained when there is a risk of frost.
b. The insured is required, to the extent within their control, to keep drains clear by removing soil or ice from them.

Art. 3. Burglary Insurance

What does the insurance cover?

The insurance covers loss caused by:

a. burglary into a locked dwelling, vehicle, private boat, or private aircraft.
b. burglary into a summer house, mobile home, or fishing hut while occupied.
c. damage to the dwelling as a result of the burglary, excluding broken windowpanes, up to 5% of the contents sum insured.
d. the maximum benefit for any single burglary loss in a vehicle, private boat, private aircraft, garage, or storage outside residential premises is 5% of the contents sum insured.

Safety regulations

a. Residential premises, vehicles, and other locations covered by this insurance must be securely locked when unoccupied or when household members are asleep.
b. The insured must close and latch windows and otherwise ensure that unauthorised persons do not have easy access to valuables.

A condition of the company's payment obligation is that a police report is submitted as evidence of loss and that there are clear and unambiguous signs at the scene that a break-in has occurred.

Art. 4. Theft and Robbery Insurance

What does the insurance cover?

The insurance covers loss caused by:

a. theft from an unlocked dwelling, excluding cash, securities, jewellery, and manuscripts. Benefits are limited to 5% of the sum insured.

b. theft from a primary school, excluding cash and jewellery. Benefits are limited to 5% of the sum insured. This provision applies only to theft of items belonging to primary school pupils and also applies in sports halls, leisure centres, and swimming pools operated by the primary school when pupils are under a teacher's supervision.
c. theft of a bicycle, electric bicycle, light moped in class I as defined by traffic legislation, pram, or pushchair. Maximum benefits are 1.5% of the sum insured.
d. robbery, i.e. the taking of insured items by physical violence or the immediate threat of physical violence.

A condition of the company's payment obligation is that a police report is submitted as evidence of loss and that there are clear and unambiguous signs at the scene that a break-in has occurred.

What does the insurance not cover?

The insurance does not cover damage arising from:

a. theft from a dwelling, mobile home, or summer house that has been unoccupied for 6 months.
b. theft from premises or vehicles that the insured rents or lends to others.
c. theft from tents or caravans.

Safety regulations

a. Residential buildings, vehicles, garages, other storage areas, and places of residence must be locked, windows closed and latched.
b. An unlocked dwelling must not be left unattended or when household members are asleep.
c. Only clothing should be left in coat hooks or unlocked lockers in a primary school, sports hall, swimming pool, or leisure centre.
d. Bicycles and light mopeds in class I must be locked when not stored in a locked building, and keys must be kept in a safe place. Care must be taken in securing prams and pushchairs.

Art. 5. Breakage and Collapse Insurance

What does the insurance cover?

The insurance covers damage arising from the breakage or collapse of contents in the insured's home due to accidental failure.

What does the insurance not cover?

The insurance does not cover damage:

a. to tools, smart devices, hearing aids, dentures, glasses, or watches due to breakage or collapse.
b. caused by liquid spilled during breakage or collapse.
c. arising from breakage or collapse caused by human action.

Art. 6. Snow Load Insurance

What does the insurance cover?

The insurance covers damage caused by sudden snow load that has caused the roof or walls of the property to collapse, resulting in damage to the contents.

What does the insurance not cover?

The insurance does not cover damage:

a. caused by avalanches.
b. resulting from structural defects.
c. attributable to inadequate maintenance.

Art. 7. Storm and Adverse Weather Insurance

What does the insurance cover?

The insurance covers damage to insured items caused by severe weather (28.5 m/s or more) where the damage is the result of wind having breached the roof, windows, or other parts of the building. If verified information on wind speed at the location of loss at the time of the event is not available, regard shall be had, in determining liability, to whether general property damage occurred in the area due to severe weather at the time of the event.

Art. 8. Refrigerated and Frozen Goods

What does the insurance cover?

The insurance covers damage caused by an unforeseen shutdown of the cooling system of a refrigerator or freezer, provided this results in the spoilage of foodstuffs stored therein. Maximum benefits are 2% of the sum insured.

What does the insurance not cover?

The insurance does not cover damage to a refrigerator or freezer caused by an unforeseen shutdown of the appliance's cooling system if the appliance is older than 5 years and/or the seller's warranty does not cover the damage.

Safety regulation

The insured shall ensure that electrical appliances are used in accordance with operating instructions.

Art. 9. Laundry Overheating

What does the insurance cover?

The insurance covers damage caused by overheating (boiling) of laundry in a washing machine or dryer if the damage results from a malfunction of these appliances. A condition of payment of benefits is that the insured submits a repair invoice including the repairer's description of the malfunction.

What does the insurance not cover?

The insurance does not cover damage to the dryer or washing machine itself.

Safety regulation

The insured shall ensure that the washing machine or dryer is used in accordance with operating instructions.

Art. 10. Vandalism

What does the insurance cover?

The insurance covers damage arising from vandalism, i.e. intentional damage to insured items.

What does the insurance not cover?

The insurance does not cover damage:

a. arising from vandalism to items that were outdoors at a location other than the insured's home.
b. caused by the insured themselves or by any individual who has had authorised access to the insured's home.

A condition of the company's payment obligation is that a police report is submitted as evidence of loss.

Art. 11. Traffic Accident

What does the insurance cover?

The insurance covers damage arising from a traffic accident, i.e. damage to contents inside a vehicle involved in a traffic accident that is not covered by other insurance.

What does the insurance not cover?

The insurance does not cover damage occurring during a house move or paid transportation, nor damage covered by other insurance during transportation.

Art. 12. What is insured?

Contents insurance covers general contents owned by the insured located at the home specified on the certificate.

General contents are:

a. Contents and personal belongings that accompany ordinary household use and are not considered part of the real property or its general fixtures. Animals, caravans, mobile homes, boats, motorised recreational equipment, cars, and other motorised vehicles are not considered contents within the meaning of these terms.
b. Glasses, dentures, and hearing aids owned by the insured.

In addition to contents under items (a) and (b) of Art. 12, the following items are covered by the contents insurance subject to the limits specified in each item:

c. Cash, securities, manuscripts, original drawings, coin and stamp collections are covered up to 1% of the contents sum insured as stated on the certificate, provided these items are at the insured's registered domicile when the insured event occurs.
d. Jewellery and watches are covered up to 5% of the contents sum insured as stated on the certificate, provided these items are at the insured's registered domicile when the insured event occurs.
e. Child car seats, roof bars, ski racks, bicycle racks, and travel boxes, whether stored in a garage or other storage at the policyholder's home as stated on the certificate or attached to or in the insured's private vehicle.
f. Tools, spare parts, and equipment owned and used by the insured as an employee in their occupation. Maximum benefits are 5% of the contents sum insured.
g. One set of summer or winter tyres per private car registered to the insured, stored in a garage or other storage. Maximum benefits are 5% of the contents sum insured.

h. Accessories and spare parts belonging to a motorised vehicle, mobile home, folding camper, caravan, or pleasure boat owned by the insured and for private use, stored in a garage or other storage. Maximum benefits are 2% of the contents sum insured.

Art. 13. Items located away from home

a. The insurance covers general contents located temporarily elsewhere in Iceland for up to 3 months, in accordance with Chapter 1. General contents in summer houses, personal property in horse stables, or other comparable valuables permanently located away from home are not covered by this insurance. Benefits under this item are limited to 15% of the sum insured, subject to the provisions of Chapter 1. Separate insurance can be purchased for the risks excluded under this article.
b. The insurance covers contents under Art. 12 that are placed in storage due to construction work at the insured's home or during a move, for up to 12 months from the start of the storage period.

Art. 14. Settlement of claims

Benefits are based on restoring the insured's financial position to what it was before the loss, to the extent possible.

The company may compensate a loss by cash payment, by paying the cost of adequate repair of the damaged item, or by providing the insured with an equivalent replacement. Where a cash payment is made, the amount of benefits shall not exceed the amount the company would have paid for repair or replacement of the insured item.

Benefits are paid on the basis of the replacement cost of new items less depreciation for age and use.

For benefits relating to the following items, the company is entitled to apply the following depreciation tables. Depreciation may never exceed 70%.

Type	Years without depreciation	Depreciation rate
Adults' clothing	1 year	20%
Children's clothing	1 year	30%
Furniture	1 year	10%
Electrical appliances	1 year	10%
Bicycles, e-bikes, and light mopeds	1 year	15%
Floor carpets and other loose flooring	1 year	20%
Ski, golf, and outdoor equipment	1 year	10%

Cameras and accessories	1 year	15%
Glasses	1 year	10%
Hearing aids	1 year	20%

The following items are fully depreciated after 3 years, first when the appliances are 12 months from the date of purchase, then at 6-month intervals thereafter.

Type	Depreciation interval	Depreciation rate
Smartphones and mobile phones including accessories	Every 6 months	20%

The following items are fully depreciated after 5 years.

Type	Years without depreciation	Depreciation rate
Tablets and handheld computers including accessories	1 year	20%
Desktop computers, laptops, and components including accessories	1 year	20%
Smartwatches and smart devices including accessories	1 year	20%

a. Computer data and software are not covered.
b. Sentimental value is not covered.
c. Lost or stolen items that come to light after a benefit payment has been made are the property of the company and shall be returned to it. The insured may however retain the items by reimbursing the benefits paid. The company may require presentation of damaged items that it has fully compensated.

Art. 15. Additional costs due to temporary relocation

The insurance covers damage to insured items that may arise from necessary measures to protect them from imminent covered loss. If the insured is required to vacate their home due to a covered loss there, unavoidable additional costs shall be covered, including rent for comparable accommodation, but never exceeding 1% of the sum insured per month. Benefits shall not be paid for a period exceeding 6 months.

Art. 16. Where does the insurance apply?

Contents insurance applies only in Iceland. When the policyholder is in the process of moving, the insurance applies for 30 days at both the former and new residence of the policyholder.

Chapter 2. Contents All-Risks (optional)

The insurance is included if stated on the certificate.

Art. 17. What does the insurance cover?

The insurance covers damage attributable to sudden and unforeseeable external events during the policy period that are not covered under Chapter 1 on contents insurance, even if full benefits are not payable for the loss in question.

Art. 18. What does the insurance not cover?

The insurance does not cover damage:

a. caused by theft.
b. caused by sudden changes in temperature and/or humidity.
c. attributable to ordinary wear and tear or inadequate maintenance, or damage that causes only a cosmetic defect without reducing the utility of the insured item.
d. attributable to animals.
e. attributable to defects, incorrect assembly, or internal failures, such as mechanical malfunctions.
f. arising from lost or damaged data and/or software.
g. to cash, securities, manuscripts, coins, stamp collections, or sentimental value.
h. attributable to mould or fungal growth.
i. attributable to an insured item being misplaced, forgotten, lost, or left behind in a public place.
j. attributable to any kind of pest.

Art. 19. Safety regulations

a. The home, vehicles, and other places where valuables are stored must be securely locked when unoccupied or when household members are asleep. Windows must also be closed and latched and otherwise secured so that unauthorised persons do not have easy access to valuables.
b. The insured must not leave insured items unattended in public places and must take care to take them along when leaving a location.
c. The manufacturer's instructions regarding handling, installation, use, and maintenance of the insured item must be followed.

Art. 20. What is insured?

The insurance covers general contents and personal belongings that accompany ordinary household use. The insurance also covers contents under items (d) and (e) of Art. 12 of Chapter 1 of these terms.

Art. 21. Where does the insurance apply?

The insurance applies in Iceland.

Art. 22. Other provisions

In all other respects, the terms of the contents insurance apply to this insurance as applicable.

Chapter 3. Personal Liability Insurance

The role of liability insurance is to pay compensation to an injured party where the insured has incurred tortious liability and the injured party is not contributorily negligent or responsible. It also covers costs incurred by the insured if a liability claim is brought against them. As tortious liability is often a complex legal matter, the insured should consult the company regarding their legal position if a claim for damages is brought against them in connection with a loss for which they are considered at fault. The insured's acknowledgement of their own liability is binding on the insured alone and not on the company. By making such an acknowledgement, the insured therefore risks having to pay damages personally in respect of a loss that is not covered by the liability insurance.

Art. 23. What does the insurance cover?

The insurance covers:

a. liability falling on any of the insured individuals under Icelandic law, provided the liability is a direct consequence of personal injury or property damage (including real property and animals) and is no broader than standard tort liability outside contract. 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 negligence or responsibility.
b. loss caused by a child under 10 years of age, regardless of tortious liability under law, to the extent that the injured party (third party) is not required to bear the loss themselves due to contributory negligence or responsibility. Such extended liability does not apply when a child under 10 years of age is involved in a traffic accident and damage occurs to a registered motorised vehicle in use.
c. loss caused by any of the insured in a tortious manner as a user of a light moped in class I, bicycle, or micro-mobility device as defined by traffic legislation. Where the loss is caused by a motorised vehicle, it is a condition of coverage under this provision that the vehicle cannot exceed 25 km/h under its own electric or mechanical power.
d. the cost of a defence approved by the company.

If another insurance covers loss under item (b) of Art. 23, no right to benefits arises under Art. 19 of the Damages Act no. 50/1993.

Art. 24. What does the insurance not cover?

The insurance does not cover:

a. loss that the insured persons cause to one another.
b. loss arising from the insured's occupation, whether involving their own business or work in the service of others.
c. damage to items that the insured has in their custody for use, storage, or for other reasons.
d. damage to items taken by the insured without authorisation.
e. liability claims falling on the insured as owners or users of: real property; aircraft, including accessories (drones) of any kind unless otherwise agreed; pleasure boats; or any motorised vehicles or machinery, subject to item (c) of Art. 23.
f. horses, dogs, other livestock, or pets.

g. liability claims for loss to property caused by fire, water in connection with firefighting, smoke, soot, or explosion.
h. fines, legal costs, or other expenses in connection with criminal proceedings.
i. recourse claims from the Social Insurance Administration, Sjúkratryggingar Íslands (Icelandic Health Insurance), or other comparable institutions.
j. loss caused by air, soil, vegetation, sea, or water pollution. The company will, however, cover such loss if it can be attributed to a single unexpected event.
k. loss caused by firearms.
l. contractual liability, i.e. loss for which the insured is responsible due to a breach of contract.
m. loss arising from an act of violence or participation in a criminal offence by the insured.
n. loss caused by prolonged dampness, water leakage, mould, or fungal growth.

Art. 25. Safety regulations

The insured is prohibited from modifying or altering any type of vehicle such as e-bikes, micro-mobility devices, or light mopeds in class I in such a way that the vehicle can exceed 25 km/h under its own electric or mechanical power.

Art. 26. Where does the insurance apply?

The insurance applies in Iceland and while travelling abroad for up to 92 days counted from the date of departure from Iceland.

Art. 27. Sum insured

The maximum sum insured for each insured event is the maximum principal amount guaranteed by the company. If more than one loss event arises from the same cause, they are deemed to result from a single insured event.

The company pays interest on the compensation amount and costs incurred with the company's approval to determine the insured's liability, even if the company's payment thereby exceeds the sum insured. If the sum insured is lower than the principal of the compensation amount, only the portion of costs and interest corresponding to the sum insured shall be paid.

Art. 28. Policy period

The liability insurance covers events occurring during the policy period, even if the consequences do not become apparent until later. The insurance does not, on the other hand, cover events occurring before the insurance was taken out.

Art. 29. Handling of liability claims

If a liability claim is made against the insured, the company has the right to manage that claim and is authorised to take all measures to handle it, such as acknowledging liability, defending the claim, or reaching a settlement, and such measures are at the company's expense, as are any legal costs in connection therewith.

The company is not bound if the insured pays or acknowledges a liability claim, unless it is established that the insured did only what was legally required of them when paying the claim or acknowledging its validity.

Chapter 4. Emergency Assistance for Domestic Violence

Art. 30. What does the insurance cover?

The insurance covers costs if the insured is compelled to seek shelter due to domestic violence. Examples of covered costs include food purchases, transportation, clothing, and hygiene products.

Art. 31. Where does the insurance apply?

The insurance applies in Iceland and following events that occur while travelling abroad for up to 92 consecutive days from the start of the trip from Iceland and back.

Art. 32. Sum insured

The maximum benefit per insured loss event appears on the certificate. Benefits are paid on a single occasion in up to three payments.

Art. 33. Settlement of claims

Confirmation from the professional service provider consulted following the violence must be provided. The confirmation must state when the provider was first consulted, that the insured is staying in a shelter, or is receiving follow-up assistance from the professional service provider.

These terms are valid from 10.03.2025

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