Vörður
hluti af Arion

Comprehensive Vehicle Insurance

Policy Terms B-2

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 vehicle insurance covers damage to the insured vehicle arising from sudden and unexpected external events.

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 vehicle arising from sudden and unexpected external events that are not specifically excluded or limited in these terms. In addition, the insurance covers damage to the insured vehicle arising from:

a. fire or an explosion caused by fire. Fire does not include cases where a flame does not become uncontrolled.
b. 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.
c. storms, if a vehicle is blown over or if the bonnet, boot lid, or doors are blown open.

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 vehicle to the nearest approved repair workshop if the vehicle becomes undriveable 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 racing, motor competitions, or practice for such driving.
b. damage attributable to any kind of pet.
c. damage arising from sand, gravel, ash, volcanic tephra, or other loose minerals blowing onto a vehicle.

d. damage arising from stones thrown up from the road or from another vehicle. Stone impact here refers to the event where a stone or stones are projected at a vehicle and cause damage to the surface of the vehicle.
e. damage due to the use of incorrect or unapproved charging equipment, fuel, lubricants, oil, or other fluids.
f. damage to cylinders, cooling systems, electrical and engine components, or other parts of the vehicle caused by the coolant or other fluid system freezing or overheating.
g. impacts to the undercarriage, engine and electrical equipment, tyres, or wheels of a vehicle that do not reduce its utility value, even if the manufacturer's warranty lapses as a result of the impact. This includes, for example, scratches, dents, impact marks, bending, or abrasion marks.
h. damage to or theft of any kind of optional equipment of a vehicle, e.g. phones, navigation devices, charging equipment, two-way radios, goods vehicle tail lifts and cranes, roof bars, bicycle racks, removable roof racks, and camper units, unless otherwise agreed and stated on the certificate.
i. loss or theft of car keys, remote controls, access cards, or other comparable access equipment.
j. damage, wear, and deterioration of the vehicle or individual parts thereof due to use or handling.
k. damage arising from normal use, such as smoking and consuming food and drink in the vehicle.
l. damage to trailers or other equipment or apparatus attached or connected to the vehicle.
m. damage caused by water flooding into the vehicle or part of it, caused e.g. by driving through unbridged rivers, lakes, or streams. However, damage caused by unforeseen puddles on paved roads is covered. The insurance also covers damage caused by water from water pipes, heating systems, or drainage pipes in premises where the vehicle is stored.
n. 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 vehicle and the engine and electrical equipment located therein, as well as tyres and wheels.
o. damage arising in connection with the transport of cargo, unless the damage can be attributed to a traffic accident.
p. damage solely to front, side, or rear windscreens.
q. damage where liability rests with another party's third-party liability insurance.

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. The vehicle must be securely locked when left unattended and windows or the sunroof must be closed. Keys, remote controls, access cards, and other access equipment must be stored in a secure location where unauthorised persons do not have easy access.

b. The insured must be in a physical condition to operate the vehicle safely and must not be under the influence of alcohol or other stimulants or sedatives.
c. The insured must be competent to operate the vehicle safely and must hold the required licence to do so.
d. The insured and the person in charge of the vehicle must ensure that the vehicle is in a legally required condition, that the vehicle is presented for mandatory inspection, and that the vehicle is adequately maintained in accordance with the manufacturer's instructions and service manual.
e. The insured must ensure that the vehicle's safety equipment is in order and appropriate for the conditions. Safety equipment includes, among other things, tyres, brakes, and steering equipment. The insured must also ensure that the vehicle is always properly equipped for driving conditions.
f. The insured must ensure that cargo carried by the vehicle is secured safely.
g. The insured must ensure that when using fixed equipment and apparatus, the manufacturer's instructions for the equipment are followed.
h. When lifting with a crane that is either fixed to or attached to the vehicle, the manufacturer's instructions for use of the crane must be followed and care must be taken to use lifting attachments rated for the weight being lifted. Care must also be taken to use stabilising legs where appropriate.
i. The vehicle must not be used where a warning has been issued against driving or where wind speed is verifiably above 24 m/s, and the vehicle must be stored in a way that prevents it from being blown over.
j. Following a covered event, the insured must take appropriate measures to limit the damage, such as taking the vehicle for inspection by a professional, taking action regarding warning lights, switching off the engine, or moving the vehicle to a safe location.

Others who use and are responsible for the vehicle 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 vehicle 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 vehicle departs from Iceland. The insurance also applies to the vehicle while in transit between countries on a first-class vessel, provided the policy is an annual policy.

Art. 6. Assignment

The insured may not, without the company's consent, assign or pledge their rights under the insurance contract.

Art. 7. Premium refund

If the insurance is cancelled before the policy period ends, the company refunds the premium paid for the remaining period. This does not apply to:

- tractors, snowcats, snowmobiles, off-road vehicles, motorcycles, and quad bikes, as this has been taken into account in the premium determination.
- short-term insurance.
- cases where the insurance was cancelled due to a covered loss.

The premium is not refunded even if the registration plates have been in the custody of the Transport Authority, the police, or not in use for other reasons.

Art. 8. Total loss

The company pays compensation for total loss if:

a. the vehicle sustains such severe damage that the company considers it uneconomical to repair.
b. the vehicle is stolen and has not been found within 4 weeks of the company being notified of the theft and the vehicle being registered as missing with the Transport Authority.
c. the vehicle is less than 12 months old (based on first registration), has been driven fewer than 20,000 kilometres, and the repair cost, as assessed by a workshop approved by the company, exceeds 45% of the vehicle's actual value.

In the event of a total loss, the company never pays more than the actual value of the vehicle. Actual value is the amount that would have been needed to purchase a vehicle at the most recent price of a comparable vehicle 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 vehicle of the same type, age, mileage, 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 vehicle to the company.

Art. 9. Partial loss

If the vehicle is damaged without the conditions of Art. 8 being met, the company pays the cost of restoring the vehicle, to the extent possible, to its condition prior to the loss. It is considered a full repair even if the repair is visible on the vehicle, e.g. due to colour differences in the paintwork.

Reduction in the market value of the vehicle, 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.

The company also has the option of compensating partial loss by paying the difference in the market value of the vehicle before and after the loss. In such cases, repair costs are not paid.

Art. 10. Disclosure obligations of the policyholder and change of risk

The company is entitled to inspect the insured vehicle when it wishes to do so.

The insured or others making a claim under the insurance are obliged to preserve and provide the company with access to audio, visual, and other computer equipment of the vehicle.

The premium for this insurance is based in part on the usage category stated on the certificate. Information about use must be provided when taking out the insurance if it differs from the registered use in the vehicle register. If the use of the vehicle changes, the insured and/or those entitled under this insurance must notify the company as soon as they become aware of the change. Failure to do so may result in limitation of the company's liability under Art. 25 of the ICA.

Art. 11. Change of ownership

If ownership of the insured item changes, this insurance lapses. However, the insurance remains valid for 14 days for the new owner, provided they have not taken out other insurance.

Art. 12. Index linkage

The premium and own risk amount under this insurance are index-linked, and these amounts change in accordance with the relevant index at each renewal.

These terms are valid from 01.04.2026