Refrigerated and Frozen Goods Insurance

Policy Terms E-10

The insurance covers loss or damage to goods stored in refrigerated or frozen storage.

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

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. Provisions in these terms take precedence over provisions in the general terms where there is any conflict.

Chapter 1. Scope of Coverage and Safety Regulations

Art. 1. What does the insurance cover?

The insurance covers loss of or damage to insured goods caused by refrigerant leakage and/or a rise in temperature resulting from a sudden and unforeseen failure of refrigeration or freezing equipment, a power outage, or other sudden and unforeseen events.

Art. 2. What does the insurance not cover?

The insurance does not cover loss of or damage to:

a. goods that were defective at the time they were placed in storage.
b. goods that have been stored for longer than can reasonably be considered appropriate given their type and nature, nor damage resulting from excessively prolonged storage.
c. goods in storage units cooled by dry ice or ice blocks.

Art. 3. Safety regulations

a. The insured is required to maintain the refrigeration or freezing system in which the goods are stored in good working order, to follow the instructions of the system supplier, and to comply with applicable statutory and regulatory requirements. In addition, the insured shall promptly arrange for any defects or faults in the system to be rectified upon becoming aware of them.
b. A recognised refrigeration company shall carry out technical inspections of freezer containers and submit a report on their condition at intervals of no more than six months. A copy of the report shall be sent to the company upon request.
c. Circuit breakers and power cables shall be arranged so that external parties cannot cut off power to the refrigeration equipment.
d. Air circulation in containers shall be operational.
e. Temperature gauges in storage containers shall number at least two, one at each end of the container.
f. Recording equipment in containers shall be operational.

Chapter 2. General Provisions

Art. 4. What is insured?

The insurance covers the goods specified on the insurance certificate. This refers to raw materials, semi-finished goods, and finished goods stored in freezer or refrigerated storage units or in freezer and refrigerated display counters.

Art. 5. Who is the insured and co-insured?

The insured is the owner of the interests specified on the insurance certificate.

Mortgagees and others with a financial interest in the personal property are not co-insured within the meaning of the Insurance Contracts Act no. 30/2004, unless they have received written confirmation to that effect from the company. Co-insured parties shall never acquire greater rights against the company than the insured.

Art. 6. Geographical scope of the insurance

The insurance applies at the location specified on the insurance certificate.

Art. 7. Insured value

The sum insured is the amount stated on the insurance certificate. This amount is adjusted at renewal in accordance with the consumer price index. The sum insured does not constitute proof of the value of the insured interests. It is the policyholder's own responsibility to ensure that the sum insured reflects the actual risk at any given time.

Art. 8. Consequential loss

The insurance does not extend to consequential loss that may result from a covered event, such as loss of revenue, production delays, or delays in the delivery of goods.

Art. 9. Limitations and safety regulations

The insured and those identified with them are required to comply with the safety regulations set by the company in these terms or on the insurance certificate. Failure to do so may result in reduction or forfeiture of the company's liability under Art. 26 of Act no. 30/2004.

Art. 10. Settlement of claims

a. Claims are generally settled on the basis of the replacement cost of comparable goods, based on market value at the time of loss.
b. Goods not produced by the insured themselves are valued at the purchase price of raw materials plus associated costs, based on standard purchasing and transportation methods.
c. Goods in production and finished goods are valued at the purchase price of raw materials plus accrued costs.
d. Lost margin is not covered.
e. If the company pays compensation in cash or provides comparable replacement goods, it reserves the right to take possession of the damaged goods.
f. The insured shall not profit from an insured event. The insurance shall only compensate for the insured's actual loss.

Art. 11. Policyholder's duty to disclose

The company is entitled to inspect the insured property and its packaging whenever it wishes to do so.

Art. 12. Indexation

The sums insured and deductible amounts under this insurance follow the development of the price level in the country and are therefore adjusted in accordance with the consumer price index at each renewal of the insurance.

These terms are valid from 01.10.2022