Comprehensive Property Insurance

Policy Terms E-9

Comprehensive Property Insurance is designed for both individuals and business operators who wish to insure specific equipment or personal property, such as cameras, measuring instruments, or musical instruments, against unexpected loss or damage.

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 items caused by sudden and unexpected accidents during transport, use, or storage.

Art. 2. What does the insurance not cover?

The insurance does not cover loss or damage:

a. caused by sudden changes in temperature or humidity.

b. resulting from ordinary wear and tear, defects, incorrect assembly, inadequate maintenance, or internal failures such as mechanical breakdowns.

c. occurring when the insured forgets or loses an item.

Art. 3. Safety regulations

a. The insured is required to exercise reasonable care in the custody of the insured item.

b. The insured is required to securely lock residences, vehicles, boats, aircraft, and other comparable storage locations when these are unoccupied and/or unsupervised, and to take all reasonable steps to prevent unauthorised persons from gaining easy access to the insured property.

c. The insured, members of their household, or their employees shall be responsible for the custody and care of the insured property. If the insured property is entrusted to another party for custody or care, prior approval from the company must be obtained.

d. The insured shall comply with the manufacturer's instructions regarding the handling, use, and maintenance of insured items.

Chapter 2. General Provisions

Art. 4. What is insured?

The insurance covers the items listed on the insurance certificate.

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 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 anywhere in the world, provided the insured items are in the custody of the insured.

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 items, based on market value at the time of loss.

b. In cases of partial loss, the company may either pay the estimated cost of repair or arrange for the damaged item to be repaired to a condition reasonably similar to its pre-loss condition, whichever the company deems appropriate.

c. If the company pays compensation in cash or provides a replacement item, it reserves the right to take possession of the damaged item.

d. Sentimental value or any personal value attached to items is not covered.

e. 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 insured items and their packaging if it deems this necessary.

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.

These terms are valid from 01.11.2022

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