Comprehensive Caravan Insurance

Policy Terms B-10

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 caravan insurance covers damage to the insured caravan, its normal accessories, and personal belongings stored permanently in the caravan arising from sudden and unexpected external events. The term "caravan" encompasses motorhomes, folding caravans, touring caravans, and camper units. Awnings and sun canopies may be insured, in which case this is stated on the certificate with a recorded value.

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 caravan, its normal accessories, and personal belongings stored permanently in the caravan arising from sudden and unexpected external events that are not specifically excluded or limited in these terms. In addition, the insurance covers damage arising from:

a. fire or an explosion caused by fire. Items that scorch or melt without an uncontrolled flame do not constitute fire.
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 caravan is blown over 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 caravan to the nearest approved repair workshop if the caravan cannot be towed behind a vehicle due to a covered event that occurred in Iceland. Compensation under this provision is limited to the amount stated on the certificate.

The maximum compensation for accessories and personal belongings is stated on the certificate. If no amount is stated on the certificate, the maximum compensation is ISK 250,000.

Art. 2. What does the insurance not cover?

The insurance does not cover:

a. damage attributable to any kind of pet or vermin.
b. damage arising from sand, gravel, ash, volcanic tephra, or other loose minerals blowing onto a caravan.

c. damage arising from stones thrown up from the road or from a vehicle. Stone impact here refers to the event where a stone or stones are projected at a caravan and cause damage to its surface. However, damage is covered if stone impact causes a break in the hard shell of the caravan, breakage of windows, or damage to lighting equipment.
d. impacts to the undercarriage, tyres, or wheels of a caravan that do not reduce its utility value, even if the manufacturer's warranty lapses as a result. This includes, for example, scratches, dents, impact marks, bending, or abrasion marks.
e. theft of individual parts of the caravan.
f. personal belongings not stored inside a locked caravan or locked storage compartment.
g. damage, wear, and deterioration of the caravan or individual parts thereof due to use or handling.
h. damage arising from normal use, such as smoking and consuming food and drink in the caravan.
i. damage caused by water flooding into the caravan or part of it, caused e.g. by driving through unbridged rivers, lakes, or streams. However, the insurance covers damage caused by water from water pipes, heating systems, or drainage pipes in premises where the caravan is stored.
j. damage caused by the coolant or fluid system of the caravan freezing or overheating.
k. damage due to shaking or vibration while driving.
l. 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 caravan as well as tyres and wheels.
m. damage attributable to driving in areas or on roads where public authorities have warned against driving, e.g. due to wind speed, wind gusts, or road conditions.
n. damage caused by sea spray.

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 caravan must be securely locked when left unattended and windows or skylights closed. If stored outdoors or in premises accessible to persons other than the insured, a hitch lock must be fitted or it must be securely attached to a fixed object with an approved lock. If stored indoors, the premises must be locked.
b. The driver towing the caravan must be in a physical condition to operate a vehicle safely and must not be under the influence of alcohol or other stimulants or sedatives.
c. The driver towing the caravan must be competent to operate a vehicle safely and must hold the required licence to do so.
d. The caravan must not be towed if sustained wind speed has reached 20 m/s. Wind speed assessment shall be based on measurements from the Icelandic Meteorological Office, using the 10-minute average wind speed at the nearest weather station at the time of the loss event.

e. The insured must ensure that the safety equipment of the caravan and the towing vehicle is in order and appropriate for the conditions. Safety equipment includes, among other things, tyres, brakes, and steering equipment.
f. Following a covered event, the insured must take appropriate measures to limit the damage, such as taking the caravan for inspection by a professional or moving it to a safe location.
g. The insured must ensure that the caravan is not stored within grazing land or other areas where there is significant risk of livestock gnawing or otherwise causing damage to it.
h. During the period from 1 October to 1 May, the caravan must be stored in good shelter from the wind and securely anchored if located outdoors.
i. If the caravan is stored outdoors, its condition must be checked regularly, e.g. to ensure doors and windows are closed. After storms, a check must be carried out as soon as possible to determine whether damage has occurred.

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

Art. 6. Total loss

The company pays compensation for total loss if:

a. the caravan sustains such severe damage that the company considers it uneconomical to repair.
b. the caravan is stolen and has not been found within 4 weeks of the company and the police being notified of the theft.

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

Art. 7. Repair costs

If the caravan is damaged without the conditions of Art. 6 being met, the company pays the cost of repairing it to the extent possible so that it is in the same condition as before the loss. It is considered a full repair even if the repair is visible, e.g. due to colour differences on the exterior of the caravan.

The company has the right to pay either repair costs or compensation based on estimated repair costs. Reduction in the market value of the caravan, 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.

Art. 8. Change of risk

The premium is based on private use of the caravan unless otherwise specifically agreed. If the caravan is used commercially, e.g. for rental, catering, etc., the company must be notified of this risk without delay. A change of risk may result in a change in premium or cancellation of the insurance. Failure to notify a change of risk may result in limitation of the company's liability under Art. 25 of the ICA.

These terms are valid from 01.06.2025