Light Casco Insurance

Terms B-12

This document is a machine (AI-generated) translation of the original Icelandic terms and is provided for convenience only. In the event of any discrepancy or inconsistency, the original Icelandic version shall prevail.

Light Casco Insurance covers damage to the insured vehicle arising from events that fall within the scope of coverage of the insurance.

This insurance is governed by the policy, together with any endorsements and special terms, these Terms, the Company's General Terms and Conditions no. AS-1, and the provisions of the Icelandic Insurance Contracts Act no. 30/2004 (hereinafter the "ICA"). If the provisions of these Terms are not fully consistent with the General Terms and Conditions, the provisions of these Terms shall prevail.

In these Terms, the term "the Company" refers to Vörður tryggingar hf.

Chapter 1. Scope of Coverage and Safety Regulations

Article 1. What does the insurance cover?

The insurance covers damage to the insured vehicle where the damage affects the vehicle's usability or safety, or where the cost of repair reaches 50% of the vehicle's actual value, arising from:

a. collision and impact;
b. rollover or falling;
c. fire, or an explosion caused by fire. An event is not considered a fire unless the fire breaks loose (i.e. becomes free-burning and uncontained);
d. theft or attempted theft, and vandalism. It is a condition of liability that the incident be reported to the police as soon as possible. Compensation under this item is payable only if the loss event occurred in Iceland;
e. severe weather (storm), where the vehicle is blown over, or where the bonnet, boot lid, or doors are blown open.

Notwithstanding any exclusion in the Company's General Terms and Conditions, the insurance covers damage caused by mudslides or flash flooding, landslides, avalanches, strike action, or riots.

The insurance also covers the cost of towing the vehicle to the nearest approved repair shop if the vehicle becomes undrivable as a result of a covered event occurring in Iceland. Compensation under this provision is limited to the amount stated on the policy.

Article 2. What is not covered by the insurance?

The insurance does not cover damage that does not affect the vehicle's usability or safety, or where the cost of repair does not reach 50% of the vehicle's actual value. The insurance does not cover damage that does not fall within Article 1.

In addition, the insurance does not cover:

a. damage arising from racing, driving competitions, or practice for such driving;
b. damage caused by sand, gravel, ash, pumice, or other loose material blowing onto the vehicle;
c. damage caused by stone chips thrown up from the road or from another vehicle. “Stone chips” here refers to an event where a stone or stones strike the vehicle and cause damage to its surface;
d. damage to the undercarriage, engine, or electrical components of the vehicle caused by the vehicle grounding out while being driven, being driven into a pothole, or a stone or other object being thrown up underneath the vehicle;
e. damage to, or theft of, any kind of auxiliary equipment fitted to the vehicle, such as telephones, navigation devices, charging equipment, radios, truck-mounted lifts and cranes, ski racks, bike racks, removable roof racks, and camper toppers/canopies, unless otherwise agreed and stated on the policy;
f. loss or theft of car keys, remote controls, access cards, or other comparable access devices;
g. damage resulting from normal use of the vehicle, such as smoking or the consumption of food and drink inside it;
h. damage to trailers or other equipment attached or coupled to the vehicle;
i. damage caused by water or seawater entering the vehicle, or any part of it;
j. scratches, dents, impact marks, warping, or friction marks that do not affect the usability or safety of the vehicle. Whether an impact affects usability or safety is determined by whether it would result in a “re-inspection required” or “driving ban” notation on the vehicle’s inspection certificate at the statutory (mandatory) vehicle inspection.

Article 3. Safety Regulations

The Policyholder must comply with the safety regulations set by the Company in these Terms or on the policy. Failure to do so may result in a reduction or forfeiture of the Company’s liability, cf. Article 26 of the ICA.

a. The vehicle must be securely locked when left unattended, and its windows and sunroof closed. Keys, remote controls, access cards, and other access devices must be kept in a secure place where unauthorised persons do not have easy access to them.
b. The Policyholder must be in a physical condition to operate the vehicle safely, and must not be under the influence of alcohol or other stimulant or sedative substances.
c. The Policyholder must have the ability to operate the vehicle safely and must hold the licence required to do so.
d. The Policyholder, and any person in possession of the vehicle, must ensure that the vehicle is in a legally roadworthy condition, that it is presented for the statutory vehicle inspection, and that it is properly maintained in accordance with the manufacturer’s instructions and service manual.
e. The Policyholder must ensure that the vehicle’s safety equipment is in good working order and appropriate to the conditions. Safety equipment includes, among other things, tyres, brakes, and steering components, as well as other equipment. The Policyholder must also ensure that the vehicle is always equipped appropriately for the prevailing driving conditions.
f. The Policyholder must ensure that any load carried by the vehicle is securely stowed.
g. The Policyholder must ensure that, when using any attached equipment or devices, the manufacturer’s instructions are followed.

h. When lifting with a crane that is either fixed to, or has been attached to, the vehicle, the manufacturer's instructions for use of the crane must be followed, and lifting attachments rated for the weight being lifted must be used. Outriggers must also be used where appropriate.
i. The vehicle must not be driven where a driving warning has been issued, or where wind speed is verifiably measured at over 24 m/s, and the vehicle must be parked/stored so that there is no risk of it being blown over.
j. Following a covered event, the Policyholder must take appropriate measures to limit the damage, such as having the vehicle inspected by professionals, taking action in response to warning lights, switching off the engine, or moving the vehicle to a safe location.

Any other person who, with the Policyholder's consent, uses and is responsible for the vehicle must comply with the same safety regulations.

Chapter 2. General Provisions

Article 4. Who is the insured party?

The insured party is the registered owner of the vehicle specified on the policy.

Article 5. Where is the insurance valid?

The insurance is valid in Iceland. It is also valid in the member states of the European Economic Area, the United Kingdom, and Switzerland for up to 90 days from the date the vehicle departs Iceland. The insurance is likewise valid for the vehicle while in transit between countries aboard a first-class cargo vessel, provided the policy is an annual policy.

Article 6. Assignment

The Policyholder may not, without the consent of the Company, assign or pledge their rights under the insurance contract.

Article 7. Refund of Premium

If the insurance is cancelled before the end of the insurance period, the Company will refund the premium paid for the remaining period. This does not, however, apply to:

- short-term insurance policies;
- cases where the insurance was cancelled due to a covered loss.

The premium will not be refunded even if the registration plates have been held in the custody of the Icelandic Transport Authority (Samgöngustofa) or the police, or the vehicle was otherwise out of use for other reasons.

Article 8. Total Loss

The Company will pay compensation for a total loss if:

a. the vehicle sustains damage so extensive that the Company considers it uneconomical to repair;

b. the vehicle is stolen and has not been recovered within 4 weeks of the theft being reported to the Company and the vehicle being registered as wanted with the Icelandic Transport Authority (Samgöngustofa).

In the event of a total loss, the Company will never pay compensation exceeding the actual value of the vehicle. Actual value is defined as the amount that would have been required to purchase a comparable vehicle at the prevailing market price for such a vehicle on the date of the loss, based on a cash purchase.

The Company reserves the right to fulfil its liability under this Article by providing the Policyholder with another comparable vehicle of similar make, age, mileage, and equipment, so that the Policyholder is placed in the same financial position as before the loss. Compensation is payable only in Icelandic krónur. If the Company pays compensation for a total loss, the Policyholder must transfer title to the vehicle to the Company.

Article 9. Partial Loss

If the vehicle is damaged without the conditions of Article 8 being met, the Company will pay the cost of restoring the vehicle, as far as possible, to its condition prior to the loss. A repair is considered complete even if it remains visible on the vehicle, for example due to a difference in paint colour matching.

Reduction in the vehicle’s market value, indirect loss such as loss of use, additional costs for work performed outside normal working hours, or additional costs arising from special ordering of spare parts, are not covered. The Company’s prior approval of the repairer must be obtained. The Company is not obliged to pay compensation for repairs commenced without its approval.

The Company is also entitled to settle a partial loss by paying the difference between the vehicle’s market value before and after the loss. In such cases, the cost of repair will not be paid.

Article 10. The Policyholder’s Duty to Disclose Information and Change of Risk

The Company is entitled to inspect the insured vehicle whenever it so requests.

The Policyholder, or any other party claiming compensation under the insurance, is obliged to preserve, and to give the Company access to, the vehicle’s audio, video, and other on-board computer/data equipment.

The premium for this insurance depends, among other things, on the usage category specified on the policy. Information on the vehicle’s use must be provided when taking out the insurance if it differs from the use registered in the vehicle register. If the vehicle’s use changes, the Policyholder and/or any other party entitled to rights under this insurance must notify the Company as soon as they become aware of the change. Failure to do so may result in a limitation of the Company’s liability, cf. Article 25 of the ICA.

Article 11. Change of Ownership

If ownership of the insured vehicle changes, this insurance lapses. The insurance shall, however, remain valid for 14 days for the benefit of the new owner, provided that the new owner has not taken out other insurance.

Article 12. Index-Linking

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

These Terms are effective from 1 April 2026.