

Vehicle Insurance

Standard insurance information sheet



Terms and Conditions B-1

This information document only specifies the main aspects of the insurance, such as what is included and what is not. It is not an exhaustive list or a personal overview of the insurance that customers choose. The information document has no legal significance and is intended solely to inform customers about the main aspects of the insurance. The insurance summary and detailed information on the applicable contract terms are available on the insurance policy, which can be accessed on Vörður's My Pages. The terms and conditions of the insurance contain comprehensive information about the insurance coverage and are a part of the agreement between the parties together with the insurance certificate.

What Kind of Insurance is Vehicle Insurance?

Motor vehicle insurance always includes the mandatory liability insurance for the vehicle, which is a compulsory insurance covering compensation claims for damage resulting from the use of the vehicle. Driver and owner accident insurance is also mandatory and covers bodily injury to the driver and owner in relation to vehicles other than off-road vehicles. Driver and owner accident insurance is optional when it comes to off-road vehicles.



What is covered?

Liability Insurance

- ✓ Loss or damage due to the use of the vehicle, whether a collision with another car or a building.
- ✓ The vehicle is insured irrespective of who is driving. The driver needs to have a valid driver's license and permission from the owner of the car.
- ✓ Injuries to people caused by the vehicle.
- ✓ If the driver collides with another vehicle in their possession.
- ✓ Covers driving abroad, within the EEA and Switzerland. The owner needs to pick up the green card (international insurance certificate) at Vörður before travelling abroad.

Accident Insurance for Driver and Owner

- ✓ Loss or damage resulting from a traffic accident suffered by the driver when operating the vehicle.
- ✓ Loss or damage due to a traffic accident suffered by the policyholder as a passenger in his own vehicle.

Windshield Insurance

- ✓ Cracks in the car window along with replacement cost.
- ✓ The deductible for windshield insurance is 25% of each damage in the case of windshield replacement.



What is not covered?

Life Insurance

- ✗ Loss or damage to an insured vehicle of the owner, items, or housing in their possession.
- ✗ Valuables in possession of the driver of the car.
- ✗ Loss or damage caused by racing, motor racing, nor during trainings for such driving.
- ✗ Damage caused by force or extreme carelessness.
- ✗ If the driver is unfit for driving due to intoxication or anesthetics, Vörður may have the right of recourse against the owner.



Are there any restrictions or precautionary rules?

- ! Accident insurance is optional when it comes to off-road vehicles.
- ! A statutory lien is placed on a vehicle in the event of premium default and takes precedence over other obligations attached to the vehicle for up to two years from the due date.
- ! Windscreen insurance is an optional insurance.
- ! Ownership changes or if the vehicle is deregistered or sold must be reported.
- ! The insured must follow Vörður's precautionary rules.

- ! The driver must be in physical condition to operate the vehicle.
- ! The owner and the driver must ensure that the vehicle is in a legally compliant condition.
- ! The driver must be competent to operate the vehicle and hold the appropriate license.



Where is the insurance Valid?

The insurance is valid in Iceland and in other EEA member states. It is also valid in the United Kingdom and Switzerland. A condition for this is obtaining an international motor insurance card, the "Green Card."



What are the insured's obligations?

- Provide all necessary information, whether during renewal or when making changes to the insurance, about themselves or the insured vehicle, as well as any damage incurred by the insured or their household members.
- Notify of any changes that may affect the insurance coverage, such as if the vehicle is sold or deregistered.
- Report any damage at the first opportunity and no later than one year from the incident.



When and how is the insurance paid for?

The insurance premium must be paid on the due date. Upon renewal, the annual premium is adjusted in accordance with changes in the index from the base index of the agreement. Vördur sends payment claims monthly to online banking services, or annually if the policyholder prefers to pay the premium in a single installment.

It is possible to change the payment method via Vördur's online service, "My Pages." There, policyholders can also choose to pay premiums using a credit card.



When does insurance coverage begin and how does it end?

Insurance contracts generally remain valid for 12 months from the acceptance of the offer and issuance of the insurance, with premiums calculated based on the annual premium. If the insurance is not terminated during this period, it is automatically renewed.



How is the insurance terminated?

The insurance can be cancelled at any time during the insurance period. Termination must be submitted in writing to Vördur or by other verifiable means. The termination notice must include confirmation that a new insurance policy has been established with another insurance company, including the mandatory vehicle liability insurance and the driver and owner accident insurance (which is only mandatory for vehicles other than off-road vehicles).