

Home Builder's Insurance

Standard insurance information sheet



Terms and Conditions E-14

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 type of insurance is Home Builder's Insurance?

Home Protection 2 is a basic insurance package for families and is well suited for individuals and families who are starting to live together or downsizing. It covers damage to household contents and other personal belongings, as well as accidents involving family members during their free time, while performing household tasks, or while studying. The package also includes liability insurance, and optional travel and cancellation insurance for those who want additional coverage.



What is covered?

Accident Insurance

- ✓ Covers accidents that occur on the construction site, on the direct route between the home and the construction site, and while performing tasks directly related to the construction work.
- ✓ Covered individuals include the policyholder, their family members, and others temporarily working on the construction free of charge, provided they are not contractors, the construction manager, master tradesmen, or their employees.

Property Owner's Liability Insurance

- ✓ Covers legal liability of the insured as the owner of the insured building, if the liability arises from damage to persons or property.

Property Insurance for Building Under Construction

- ✓ Loss or damage caused by fire, soot, lightning, or explosion.
- ✓ Loss or damage due to sudden and unexpected leakage from plumbing, heating systems, or drains within the building.
- ✓ Loss or damage due to collapse or subsidence.
- ✓ Loss or damage due to storms with wind speeds exceeding 28.5 m/s.
- ✓ Loss or damage caused by burglary, robbery, or vandalism at the construction site.
- ✓ Glass breakage after installation.



What is not covered?

Property Owner's Liability Insurance

- ✗ Damage caused between the insured and their family members.
- ✗ Damage to property resulting from fire, smoke, soot, or explosion.
- ✗ Damage to objects owned by the insured or their family, or items they have borrowed, leased, or otherwise have in their possession or care. Damage to goods sold but not delivered is also excluded.
- ✗ Any liability related to contractor activities, as it is assumed that contractors, hired tradesmen, and the construction manager have their own independent business liability insurance.
- ✗ Claims against the insured as the owner or user of a registered motor vehicle, aircraft, ship, boat, or other vehicle.

Property Insurance for Building Under Construction

- ✗ Fire damage that is not considered a conflagration (e.g. scorching, or damage caused by short circuits).
- ✗ Theft of valuables stored outdoors or in locations with unrestricted access to unauthorized persons.
- ✗ Damage caused during the use of explosives on site.
- ✗ Scratches, chips, condensation between glass panes, or damage caused by expansion, inadequate frame maintenance, construction work, or outdoor repairs.
- ✗ Any consequential damage, regardless of cause.
- ✗ Damage due to use of incorrect or defective materials.
- ✗ Damage resulting from faulty and/or incomplete design or calculations.
- ✗ Damage caused by registered motor vehicles.



Are There Any Restrictions or Precautionary Rules?

- ! The insured is required to comply with Vörður's safety requirements.
- ! The insured must ensure that water supply is shut off and plumbing drained in unheated buildings when there is a risk of frost.
- ! The insured must ensure that the insured building is always locked and all windows closed and latched. Tools, equipment, or other valuables must always be stored in a locked storage area.
- ! The insured must fully comply with all applicable laws and regulations regarding the production, delivery, transport, storage, or handling of explosives, hazardous chemicals, or other similarly dangerous substances.



Where is the insurance Valid?

The insurance is valid only at the location specified on the insurance certificate or renewal receipt. However, the accident insurance also applies on the direct route between the home and the construction site and during work directly related to the construction project, even if such work takes place outside the construction site.



What are the insured's obligations?

- Provide all necessary information, whether at renewal, when making changes to the insurance, or when reporting a claim.
- Report any claim as soon as possible and no later than one year from the date of the incident.



When does insurance coverage begin and how does it end?

Insurance contracts are generally valid for 12 months from the date of acceptance of the offer and issuance of the insurance, and premiums are based on the annual premium. If the insurance is not terminated within that period, it is automatically extended.



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. Vörður 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 Vörður's online service, "My Pages." There, policyholders can also choose to pay premiums using a credit card.



How is the insurance terminated?

The insurance can be terminated at any time during the insurance period.