



Home Protection 1

Terms E-31

Home Protection 1 provides simple insurance coverage for the home, included is personal liability insurance. Optional comprehensive home contents insurance is also available.

The insurance policy comprises the certificate of insurance, clauses and special terms, these terms, the Company's general terms AS-1 and the provisions of the Insurance Contracts Act No. 30/2004, hereafter the Insurance Contracts Act. The provisions of these terms take precedence over the general terms in the event of any discrepancy.

When you pay an insurance premium on this policy, you also pay a natural disaster insurance premium. Therefore the property covered by fire insurance is automatically insured against natural disasters such as earthquakes, avalanches, volcanic eruptions and other comparable events as is further provided for in the Natural Catastrophe Insurance of Iceland Act No. 55/1992.

This document is a 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.

Definitions

The company: Vörður tryggingar hf.

Policyholder: The person taking out insurance under their own name and the person paying for the insurance.

The insured: The policyholder, their spouse or co-habitant and their unmarried children, provided that these people share the same legal residence in Iceland, live in the same place and belong to the same household. The spouse of the policyholder is also insured even if they have a different legal residence. The children of the policyholder and children of the spouse or co-habitant under the age of 18 are insured even if they have a legal residence in Iceland in a different location from the policyholder. Persons registered on the certificate of insurance at the request of the policyholder are insured provided those persons have the same legal residence as the policyholder, share a household and live in the same place.

Home: The place indicated on the certificate of insurance as the insurance location and which is also the legal residence of the policyholder and household members.

Home contents: Movable property and personal items which form part of a normal household but are not considered part of the real property or its property accessories. Home contents are considered anything that the insured would generally take with them when moving house. Animals, trailer tents, caravans, boats, cars and other motor vehicles are not considered household contents, nor are products intended for sale and/or processing.

Insurance amount: The amount specified on the insurance certificate as the maximum benefits for each insurance item.

Contents:

1. Home contents insurance
2. Comprehensive home contents insurance (optional)
3. Personal liability insurance
4. Domestic violence emergency assistance

1. Section. Home contents insurance

1. Art. Fire insurance

What is covered?

The insurance policy covers loss or damage to insured property caused by:

- a. **Fire.** Scorching or melting in the absence of open flames is not considered a fire as defined in this article.
- b. **Lightning.** Lightning refers to heat or the action of electricity from the conduction of a lightning bolt to the ground. The insurance policy covers loss or damage caused by lightning even though there are no open flames.
- c. **Explosions.** This refers to a sudden chemical reaction which produces enormous heat and violent expansion of material.
- d. **Short-circuit in electronic devices.**
- e. **Soot from approved heaters or fireplaces.** When loss or damage occurs under sudden and unforeseen circumstances.
- f. **Firefighting or rescue actions.** The company pays reasonable costs incurred during the rescue, removal and storage of insured home contents when the aim of the actions is to avoid or limit loss or damage covered by the insurance policy. The same applies to home contents lost during firefighting or rescue actions.
- g. **Air crashes.** This refers to loss or damage caused by an aircraft or parts of an aircraft falling to the ground. The insurance policy covers loss or damage even in the absence of open flames.

What is not covered?

The insurance policy does not cover loss or damage:

- a. Loss or damage due to scorching or melting, which is not considered to be a fire, such as when things are scorched by an iron, the embers of cigarettes, fireplaces or similar, or loss or damage to property which is put at risk of loss or damage from fire or heat on purpose.
- b. Loss or damage caused by working with explosives during construction projects.
- c. Loss or damage caused by short-circuiting of equipment more than 10 years old.
- d. loss or damage which is covered by the seller's warranty or.
- e. loss or damage attributable to a breakdown at an electricity company and which causes a change in voltage.
- f. Loss or damage caused by soot accumulating by using a heater.

2. Art. Water loss or damage insurance

What is covered?

The insurance policy covers loss or damage caused by:

- a. water, oil and steam suddenly and unexpectedly flowing from the plumbing system of the building and originating from within the walls of the building.
- b. water suddenly and unexpectedly flowing from water beds or fish tanks due to malfunctions.
- c. water flowing from sanitary fixtures by accident or due to malfunctions of such fixtures or due to leaks from freezers and refrigerators.
- d. surface water from a sudden downpour or rapid thawing causing drainage pipes to overflow. The insurance policy only covers loss or damage pursuant to this article which is caused by water penetrating the seal around doors or windows on the ground floor or the basement of the property.
 - To qualify as a downpour, precipitation must measure more than 15 mm in three hours or more than 80 mm over a 24-hour period.
 - A thaw is when snow or ice melts due to warm weather where the temperature in lowland areas reaches at least 5°C for 36-48 hours, accompanied by heavy precipitation and strong winds of at least 10 m/sec.

What is not covered?

The insurance policy does not cover loss or damage:

- a. caused by water unexpectedly or suddenly flowing out of drains or gutters.
- b. caused by external water, such as groundwater, precipitation, floods or water from gutters or their drainage pipes.
- c. water which is forced up through sewage or drainage pipes or if sewage pipes are suddenly unable to transport all the water passing through, with the exception if the pipe is blocked or cracked within the building.
- d. external water from roofs, gutters, balconies or due to tides, floods or groundwater.

Precautionary rules

- a. Water inflow must be closed off in unheated buildings and water pipes together with attached fixtures emptied of water when there is a risk of freezing temperatures.
- b. The insured is obliged, insofar as it is within the insured's power, to ensure that drains are in good order by clearing away mud or ice.

3. Art. Insurance against break-ins

What is covered?

The insurance covers loss or damage due to:

- a. break-ins into a locked apartment, vehicle, private boat, private aircraft.
- b. break-ins into a holiday home, caravan and fishing lodge when occupied.
- c. loss or damage to the apartment caused by the break-in, excepting broken windows, up to 5% of the insurance amount of the home contents.
- d. the maximum benefits for each break-in claim into a vehicle, private boat, private aircraft, garage and storage facility outside the residential housing is 5% of the insurance amount of the home contents.

Precautionary rules

- a. The residential housing, vehicle and other such locations covered by this insurance policy must be securely locked when left unoccupied or when household members are asleep.
- b. the insured must close and latch all windows, and the premises must in other respects be left in such a state as to prevent unauthorized persons from having access to valuables.

The company's obligation to pay is subject to the submission of a police report as proof of loss or damage and that the scene shows clear and indisputable signs of having been broken into.

4. Art. Insurance against theft and robbery

What is covered?

The insurance covers loss or damage due to:

- a. theft from an unlocked apartment, with the exception of money, securities, jewellery and manuscripts. Benefits are limited to 5% of the insurance amount.
- b. theft from a primary school [Icelandic: grunnskóli], with the exception of money and jewellery. Benefits are limited to 5% of the insurance amount. This provision applies solely to the theft of property owned by the primary school student and also applies to school visits to sports halls, recreation centres and swimming pools when pupils are in the care of teachers.
- c. theft of a bicycle, electric bicycle, class I moped as defined in Icelandic Traffic Act, pram and pushchair. Maximum benefits are 1.5% of the insurance amount.
- d. robbery, i.e. the taking of insured property through physical violence or threat of violence.

The company's obligation to pay is subject to the submission of a police report as proof of loss or damage and that the scene shows clear and indisputable signs of having been broken into.

What is not covered?

The insurance does not cover loss or damage due to:

- a. theft from cars, caravans or holiday homes which have been unoccupied for 6 months.
- b. theft from housing or vehicles which the insured has leased or lent to other people.
- c. theft from tents or trailer tents.

Precautionary rules

- a. Residential housing, vehicles, garages and other storage facilities and habitations should be locked and the windows closed and latched.
- b. Do not leave residential housing unlocked when unoccupied or when household members are asleep.
- c. Do not leave anything other than clothes in cloakrooms or unlocked lockers in primary schools, sports centres, swimming pools and recreation centres.
- d. Bicycles and class I mopeds must be locked up when not in locked buildings and the keys must be kept in a safe place.
- e. Normal precautions should be taken when storing prams and pushchairs.

5. Art. Insurance against breakage or collapse

What is covered?

The insurance policy covers loss or damage due to the breakage or collapse of home contents in the home of the insured due to incidental malfunctions.

What is not covered?

The insurance policy does not cover loss or damage:

- a. to tools, spectacles and watches due to breakage or collapse.
- b. caused by liquid spilling after breakage or collapse.
- c. due to human-caused breakage or collapse.

6. Art. Insurance against damage caused by heavy snow

What is covered?

The insurance policy covers loss or damage caused by sudden heavy snowfall which overburdens the roof or walls of the property so that the home contents are damaged.

What is not covered?

The insurance policy does not cover damage caused by avalanches or damage resulting from construction defects.

7. Art. Insurance against loss or damage caused by wind and storms

What is covered?

The insurance policy covers loss or damage caused by storms (winds of 28.5 m/s or more) and if the loss or damage is caused by wind tearing off a roof, window or other part of the building. In the absence of reliable information about the wind speed at the site of the loss or damage when it occurred, the guideline when determining liability shall be whether general loss or damage to property occurred in the area due to the weather conditions when the claim event took place.

8. Art. Chilled and frozen goods

What is covered?

The insurance policy covers loss or damage caused by the unforeseen stoppage of the cooling system of refrigerators or freezers if it results in the spoiling of the food contained in them. Maximum benefits are 2% of the insurance amount.

What is not covered?

The insurance policy does not cover loss or damage to a refrigerator or freezer due to the unforeseen stoppage of the cooling system of the device, if the device is more than 5 years or old and/or the seller's warranty does not cover the loss or damage.

Precautionary rules

The insured should ensure that electronic devices are being used in accordance with the user guide.

9. Art. Overheating of washing

What is covered?

The insurance policy covers loss or damage due to overheating (boiling) of the washing in a washing machine or dryer if the loss or damage is due to the malfunction of the device. The company's obligation to pay is subject to the insured submitting an invoice for repairs containing a description of the malfunction by the repairman.

What is not covered?

The insurance policy does not cover loss or damage to the washing machine itself due to (boiling) overheating.

Precautionary rule

The insured should ensure that the washing machine or dryer is being used in accordance with the user guide.

10. Art. Vandalism

What is covered?

The insurance policy covers acts of vandalism, i.e. loss or damage to insured property caused on purpose, although not if caused by the insured themselves or any other person who is authorized to be present at the home of the insured.

What is not covered?

The insurance policy does not cover vandalism to property stored outside in a place other than the home of the insured.

The company's obligation to pay is subject to the submission of a police report as proof of loss or damage.

11. Art. Traffic accidents

What is covered?

The insurance policy covers loss or damage due to traffic accidents, i.e. loss or damage to home contents which are in the vehicle involved in the accident and which are covered by other insurance policies.

What is not covered?

The insurance policy does not cover loss or damage caused when moving house or moving for which a fee has been paid, nor loss or damage which is covered by other insurance policies when moving.

12. Art. What is insured?

Home contents insurance covers general home contents owned by the insured located at the property specified in the certificate of insurance.

General home contents are:

- a. Home contents and personal items which form part of a normal household but are not considered part of its real property or its property accessories. Animals, trailer tents, caravans, boats, motorized leisure equipment, cars and other motor vehicles are not considered to be home contents as defined in these terms.
- b. Spectacles, false teeth and hearing aids owned by the insured.

In addition to the items listed in sub-paragraphs a. and b. of Article 12, the following home contents are insured, subject to the restrictions stated below:

- c. Cash, securities, manuscripts, original drawings, coin and stamp collections are compensated for up to 1% of the value of home contents as stated in the certificate of insurance, provided that these items are at the registered home of the insured when the claim event occurs.
- d. Jewellery and watches are compensated for up to 5% of the value of home contents as stated in the certificate of insurance provided that these items are at the registered home of the insured when the claim event occurs.
- e. Car seats, roof racks, ski racks, bicycle racks and cargo boxes, whether stored in the garage or other storage facility at the home of the insured specified in the certificate of insurance of attached to or inside the private vehicle of the insured.
- f. Tools, spare parts, equipment which the insured owns and uses for their work as a salary earner. Maximum benefits are 5% of the insurance amount of the home contents.
- g. One set of summer or winter tyres for each private vehicle registered to the insured and which are stored in the garage or other storage facility. Maximum benefits are 5% of the insurance amount of the home contents.
- h. Accessories or spare parts belonging to a motor vehicle, caravan, pop-up campers, trailer tent or pleasure boat owned by the insured and which are for private use and stored in a garage or other storage facility. Maximum benefits are 2% of the insurance amount of the home contents.

13. Art. Property located away from the home

- a. The insurance policy covers general home contents located in Iceland but away from the home for up to three months under section 1. General home contents in holiday homes, movable property in horse stables or other comparable valuables which are permanently located elsewhere than the home are not covered by this insurance policy. Benefits pursuant to this article are restricted to 15% of the insurance amount, cf. however section 1. Special insurance can be bought to cover the risks excluded in this article.
- b. The insurance policy covers home contents pursuant to Article 12 which are moved into storage due to renovations at the home of the insured or moving house for up to 12 months from the start of the storage period.

14. Art. Determining benefits

Benefits are designed, as far as is possible, to ensure that the financial position of the insured is the same as it was before the claim was made.

The company is permitted to compensate loss or damage by making a cash payment, paying for the cost of a satisfactory repair to the damaged item or to provide the insured with an undamaged item of property which corresponds to the one damaged. In the case of monetary payment, the benefit amount is the maximum of the amount paid by the company for the repair or replacement of the insured property.

Benefits are paid on the basis of the price of the new items minus depreciation due to age and usage.

The company may use the table below to determine benefits for the following items. Depreciation can never exceed 70% of the figures in the table.

Category	Years without depreciation	Depreciation
Adult clothing	1 year	20%
Children's clothing	1 year	30%
Furniture	1 year	10%
Electrical appliances	1 year	10%
Bicycles, electric bicycles and mopeds	1 year	15%
Carpets and other loose floor coverings	1 year	20%
Skiing, golf and outdoor equipment	1 year	10%
Cameras and accessories	1 year	15%
Spectacles	1 year	10%
Hearing aids	1 year	20%

The following items will be depreciated in full in three years. Devices only begin to be depreciated 12 months from the date of purchase and then subsequently every six months.

Category	Depreciates over	Depreciation
Smart phones and mobile phones plus accessories	Every 6 months	20%

The following items will be depreciated in full in five years.

Category	Years without depreciation	Depreciation
Tablets and handheld devices plus accessories	1 year	20%
Desktops, laptops plus accessories	1 year	20%
Smart watches, smart devices plus accessories	1 year	20%

- a. Computer data and software are not compensated.
- b. Sentimental value is not compensated.
- c. Lost and stolen property which is recovered after benefits have been paid is the property of the company and should be returned to the company. The insured can however keep the property if they so choose by repaying the benefits. The company can ask the insured to show it the damaged property which it has compensated in full.

15. Art. Extra costs due to having to move house

The insurance policy covers loss or damage to insured property which may occur due to action taken which is necessary to prevent an imminent insurance event. If it proves necessary for the insured to move out of their home due to an insurance event there, unavoidable extra costs are paid for, including rent in comparable accommodation, although never more than 1% of the insurance amount per month. Benefits are not paid for more than six months.

16. Art. Scope of insurance

Home contents insurance is only valid in Iceland. When the policyholder is moving house, the policy is valid for 30 days both at the old and new homes of the policyholder.

2. Section. Comprehensive home contents insurance (optional)

Insurance is included if specified in the certificate of insurance.

17. Art. What is covered?

The insurance policy covers loss or damage attributable to sudden and unforeseen external events during the insurance period which are not covered pursuant to Section 1 on home contents insurance, even if full benefits are not paid for the loss or damage in question.

18. Art. What is not covered?

The insurance policy does not cover loss or damage:

- a. Due to theft.
- b. Caused by rapid changes in heat and/or humidity.
- c. Attributable to normal wear and tear, inadequate maintenance and loss or damage which only affects the appearance but does not reduce the utility value of the insured property.
- d. Attributable to animals.
- e. Attributable to defects, incorrect assembly and internal malfunctions, such as mechanical malfunctions.
- f. Due to lost or damaged data and/or software.
- g. To cash, securities, manuscripts, coins, stamp collections and sentimental value.
- h. Attributable to mould or fungal growth.
- i. Attributable to insured property being mislaid, forgotten, lost or left in a public place.
- j. Attributable to any kind of vermin.

19. Art. Precautionary rules

- a. The home, vehicles and other locations where valuables are stored must be securely locked when left unoccupied or when household members are asleep. Windows must also be closed and latched, and the premises in other respects left in such a state as to prevent unauthorized persons from having access to valuables.
- b. The insured shall not leave insured property unattended in public and shall ensure that they take the insured property with them when leaving the public place.
- c. Follow the manufacturer's guidelines on handling, assembling, using and maintaining insured property.

20. Art. What is insured?

The insurance policy covers general household contents and personal items which form part of a normal household. The insurance policy also covers household contents under paragraphs d and e article 12 of Section 1 of the Terms.

21. Art. Scope of insurance

The insurance policy is valid in Iceland and while travelling abroad for 92 consecutive days from the date of departure from Iceland and back again, but only if the insured also has luggage insurance from the company as part of this insurance policy.

22. Art. Other provisions

This insurance policy is in other respects governed by the terms of the home contents insurance policy as applicable.

3. Section. Personal liability insurance

The purpose of the liability insurance is to pay the injured party damages in the event that the insured has become liable, and the injured party does not share culpability or share liability. In addition, the purpose is to pay the costs of the insured in the event a claim for damages has been filed against them. Since tort liability is frequently a complex legal issue, the insured has a duty to consult the company with respect to their legal position if they are presented with a claim for tort damages regarding injury for which they are believed to be culpable. An admission of tort liability by the insured is only binding upon the insured, not upon the company. The insured, therefore, may, by such acceptance, incur a risk of personally having to pay compensation for loss or damage that the liability insurance policy does not cover.

23. Art. What is covered?

The insurance policy covers:

- a. those liabilities that fall on any of the insured according to Icelandic law as an individual, provided that such liability is the direct result of the injury or death of persons or loss or damage to property (including buildings and animals) and that it is no broader than usual extra-contract liability. Loss or damage insofar as the injured party (third party) is not responsible for the loss or damage due to shared responsibility or shared liability.
- b. Loss or damage caused by a child younger than the age of 10, irrespective of liability according to law, to the extent that the injured party (third party) does not have to carry their own loss or damage on account of shared culpability or shared liability. Such extensive liability does not apply when a child younger than 10 years is party to a traffic accident and the loss or damage is to a registered motor vehicle being used.
- c. Loss or damage which one of the insured causes and is liable for, as a user of a moped in class I, bicycle or light vehicle as defined in the Traffic Act. In the case of loss or damage caused by motor vehicles it is a condition for the payment of benefits pursuant to this provision that it is a vehicle which cannot exceed 25 km/h by electric or mechanical power.
- d. The cost of defending a legal case which the company has agreed should take place.

In the event that loss or damage pursuant to Articles 23 b. is covered by another insurance policy, no entitlement to benefits is established, cf. Article 19 of the Act on Tort Law No. 50/1993.

24. Art. What is not covered?

The insurance policy does not cover:

- a. Loss or damage which insured parties cause to each other.
- b. Loss or damage caused by the work of the insured, irrespective of whether it involves their own business activities or work in the service of others.
- c. Loss or damage to property which the insured has use of, is storing or for other reasons has in their possession.
- d. Loss or damage to property which the insured has taken possession of illegally.

- e. Loss or damage due to a claim for damages made against the insured as owners or users of:
 - Real estate, aircraft, including drones of any kind unless otherwise agreed, pleasure boats or any kind of motor vehicles or machinery, but see Article 23 c.
 - Horses, dogs, other domestic animals or pets.
- f. Claim for damages relating to a loss or damage to property if it is caused by fire, water from firefighting, smoke, soot or an explosion.
- g. Fines, legal costs and other expenses in connection with a criminal case.
- h. Refund claims from Tryggingastofnun ríkisins (Social Insurance Administration), Sjúkratryggingar Íslands (Icelandic Health Insurance) or other comparable public bodies.
- i. Loss or damage that can be attributed to air pollution, ground pollution, pollution of vegetation, sea water, or water. The company will, however, compensate such loss or damage if it can be attributed to a single determinable, unexpected event.
- j. Loss or damage caused by firearms.
- k. Loss or damage from legal agreements, i.e. loss or damage which the insured is responsible for due to the non-fulfilment of an agreement.
- l. Loss or damage from fighting or the insured's participation in criminal activities.
- m. Loss or damage from prolonged dampness, leakage, mould or fungal growth.

25. Art. Precautionary rule

The insured is not permitted to tamper with or alter any kind of vehicle such as electric bicycles, light vehicles or mopeds in class I so that the vehicle is able to exceed 25 km/h on its own electric or mechanical power.

26. Art. Scope of insurance

The insurance policy is valid in Iceland and on trips abroad for up to 92 days from the date of departure from Iceland.

27. Art. Insurance amount

The maximum insurance amount for each claim event is the maximum of the principal claim that the company guarantees. In the event of more than one claim event resulting from the same cause, these will be considered to have been caused by a single claim event.

The company pays interest on the benefit amount and costs that are incurred with the approval of the company in order to determine the insured's liability even when the payment made by the company would then exceed the insurance amount. If the insurance amount is lower than the principal of the benefit amount, the company only pays for the part of the cost and interest that corresponds to the insurance amount.

28. Art. Insurance period

Liability insurance applies to events that occur during the effective term of the insurance policy even if the consequences are not discovered until later. The insurance policy does not, however, cover events that occurred before the policy was purchased.

29. Art. Handling of claims for damages

In the event of a claim for damages against the insured, the company represents the insured as regards such claim and may employ any measures to handle the claim, such as recognizing liability, presenting a defence against the claim or reaching an agreement on the claim, given that these measures are at the expense of the company, as are any associated legal costs.

The company is not bound by the insured having paid or recognized any claim for damages unless it is established that the insured only did what they were under obligation to do by law when they paid the claim or recognized the legitimacy of the claim.

4. Section. Domestic violence emergency assistance

30. Art. What is covered?

The insurance policy covers costs incurred if the insured is forced to leave their home in order to seek shelter due to violence in a close relationship. Costs incurred might include rent, buying food, transportation, clothing and hygiene products.

31. Art. Scope of insurance

The insurance policy applies in Iceland and after events while travelling abroad for up to 92 consecutive days from the date of departure from Iceland and back again.

32. Art. Insurance amount

The maximum benefits for each insured claim event are specified in the certificate of insurance. Benefits are only paid once to the claimant.

33. Art. Determining benefits

Confirmation must be provided from a professional whose help was sought following an episode of violence, and receipts for out-of-pocket expenses must be provided if so requested. Benefits to the claimant are paid in up to three separate payments.

These terms come into effect on 10
March 2025