

Homeowner Insurance for Residential Houses

Standard insurance information sheet



Terms and Conditions E-7

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 homeowner's insurance for residential properties?

Homeowner's insurance provides broad and comprehensive coverage and compensates for damage to the property itself, including damage caused by water, wind, burglary, heavy rainfall, or sudden icy conditions. The policy also includes liability insurance, which protects property owners against potential compensation claims. In addition, legal assistance insurance is included. The premium for homeowner's insurance is based on the age of the property and its fire insurance value (replacement cost assessment).



What is covered?

Homeowner Insurance

- ✓ Sudden or unexpected leaks from water pipes, heating systems, or drainage pipes.
- ✓ Loss or damage caused by sudden water leaks from domestic appliances, such as refrigerators or sanitary appliances, due to mistakes or malfunction.
- ✓ Loss or damage if surface water caused by sudden downpours or thawing becomes so great in volume that drainage pipes cannot accommodate it.
- ✓ Loss or damage to the insured property due to forced entry or attempted forced entry.
- ✓ Loss or damage to glass during installation.
- ✓ Loss or damage that occurs due to sudden soot fall from fireplaces or recognised heating equipment.
- ✓ Loss or damage caused by sudden heavy snow that has overburdened the roof or walls of a property.
- ✓ Damages to real estate that can be directly linked to storms or heavy winds exceeding 28.5m/s.
- ✓ Rent, should the property of the insured be damaged by compensable insurance event.
- ✓ Breakage of stove top.
- ✓ Breakages of permanently connected domestic appliances that can be traced to sudden and unexpected outside events.

Legal Assistance Insurance

- ✓ Compensates the homeowner for legal costs incurred in civil proceedings regarding the property. A pre-condition is that the insured seeks legal assistance. Refer to the terms and conditions for restrictions.



What is not covered?

Homeowner Insurance

- ✗ Loss or damage caused by external water from roofs, balconies, or drainage pipes.
- ✗ Loss or damage caused by basic utilities that have sagged to different degrees, are friable, or have in any other manner degenerated due to use or insufficient underlay.
- ✗ Loss or damage caused by subsidence of the foundation of the property, e.g. due to flushing of soil.
- ✗ Loss or damage to antennas, flagpoles, fences, and vegetation.
- ✗ Loss or damage to glass that scratches or chips.
- ✗ Loss or damage to glass caused by fogging between panes.
- ✗ Loss or damage to glass due to expansion, torque, or insufficient maintenance of frames or beading.
- ✗ Loss or damage that is compensable from the property's fire insurance.
- ✗ Loss or damage that the family of the homeowner suffers.
- ✗ Loss or damage that occurs because of the homeowner's occupation, whether in the insured's own business enterprise or work in the employment of another party.
- ✗ Loss or damage to items that the insured has on loan or in storage.
- ✗ Loss or damage caused by a fire, water for firefighting, smoke, soot, or explosion.

Legal Assistance Insurance

- ✗ Cases related to divorce or legal separation.
- ✗ Cases concerning child custody or visitation rights.
- ✗ Cases in connection with the insured's occupation or performance in an official capacity.
- ✗ Cases where the insured becomes liable for another person.

Liability Insurance

- ✓ Compensation for liability that can fall on the insured because of the property according to Icelandic law or legislation.

Liability Insurance

- ✗ Loss or damage that the family of the homeowner suffers.
- ✗ Loss or damage that occurs because of the homeowner's occupation, whether in the insured's own business enterprise or work in the employment of another party.
- ✗ Loss or damage to items that the insured has on loan or in storage.
- ✗ Loss or damage caused by a fire, water for firefighting, smoke, soot, or explosion.



Are there any restrictions or precautionary rules?

- ! The insured is required to comply with Vörður's precautionary rules.
- ! The homeowner must ensure that, in unheated buildings, the water supply is shut off and water pipes, as well as any fixed appliances, are drained when there is a risk of frost.
- ! The homeowner is also obligated, insofar as it is within their control, to ensure that drainage systems are functioning properly by removing any sludge or ice.
- ! The homeowner must ensure that the insured property is always locked and that all windows are closed.



Where is the insurance Valid?

The insurance is only valid for residential property in Iceland.



What are the insured's obligations?

- Provide all necessary information, whether in connection with the renewal or modification of the insurance.
- Grant Vörður, if necessary, access to the insured property in order to inspect the building and its equipment.
- Report any damage at the earliest opportunity and no later than one year from the date of the incident.



When does insurance coverage begin and how does it end?

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.