



Motorcycle Insurance

Insurance Terms No. BA11

The insurer is VÍS tryggingar hf., reg. no. 670112-0470, hereinafter „VIS“.

The insurance is governed by:

- The insurance policy, including endorsements and special terms.
- These insurance terms no. BA11.
- The VIS general terms and conditions no. YY10.
- Act no. 30/2004 on Insurance Contracts.

The provisions of the insurance policy and the renewal receipt take precedence over the provisions of the insurance terms. The provisions of the insurance policy, the renewal receipt and the insurance terms take precedence over the non-mandatory provisions of law.

Motorcycle insurance includes, among other things, liability insurance and accident insurance for the driver and owner, which is mandatory for all motorcycle owners.

The **terms** describe the rights and obligations of you and VIS.

The **policy** confirms that you have purchased insurance from VIS. The policy is accessible under documents at vis.is.

I. General Provisions

1. Included coverages

1.1 Insurance according to chapters IV, V, and VI is included if specified in the certificate or renewal receipt.

2. Where is the insurance valid?

- 2.1 The insurance is valid in Iceland and other member states of the European Economic Area. It is also valid in the UK and Switzerland.
- 2.2 The comprehensive insurance according to chapter V and the protective equipment insurance according to chapter VI of the policy are valid when traveling elsewhere in the European Economic Area, the UK, and Switzerland for up to 92 days from the departure date from Iceland, plus the necessary time for transportation between these countries, provided it is an annual insurance.
- 2.3 For driving abroad in countries other than those mentioned, the policyholder must have an international insurance card for the motorcycle liability insurance, provided the respective country is a party to the agreement on the use of such insurance cards.
- 2.4 The insurance is not valid when the motorcycle is used for purposes other than as a vehicle or when the motorcycle participates in a driving competition on a closed area permitted under traffic laws.¹
- 2.5 Provisions 2.3 and 2.4 do not apply to chapters V and VI of the policy.

3. When is the insurance valid?

- 3.1 The insurance covers loss events that occur during the insurance period.
- 3.2 If the consequences of an incident causing loss that occurred during the insurance period do not become apparent until after the insurance has expired, VIS will still pay compensation.
- 3.3 Even though the insurance expires, VIS remains liable to third parties for any loss that occurs until four weeks have passed since the insurance expired, unless other satisfactory insurance has been purchased. This provision only applies to the mandatory motorcycle liability insurance according to chapter II of the policy.

4. Special limits of liability

4.1 The insurance does not cover loss or increase in loss directly or indirectly caused by or resulting from an earthquake, volcanic eruption, landslide, avalanche, or other natural disasters.

5. Precautionary rules

5.1 The driver of the insured motorcycle must have the required rights and skills to drive it.

Precautionary rules are requirements that are made with the aim of preventing damage or reducing the likelihood that damage will occur. It is important to know what they are.

¹ According to Article 2 of Act No. nr. 30/2019 on Motor Vehicle Insurance.



- 5.2 The driver must not be under the influence of alcohol, addictive, or controlled substances while using the motorcycle, nor other stimulants or depressants.
- 5.3 The motorcycle should not be used for purposes other than those specified in the certificate or renewal receipt.
- 5.4 The insured owner or custodian must follow official instructions for inspecting the motorcycle and ensure it meets the requirements for design and equipment at all times.
- 5.5 The insured owner or custodian must maintain the motorcycle according to the manufacturer's instructions and guidelines.
- 5.6 The insured must ensure that the motorcycle's safety equipment is always in order.
- 5.7 During the use of the insured motorcycle, the driver and passenger must use a helmet intended for such use and minimum protective clothing intended for such use.
- 5.8 When the motorcycle keys are not in the possession of the insured or custodian, they should be stored in a locked building or other locked space, not on the motorcycle itself.
- 5.9 The insured must follow the manufacturer's instructions regarding the handling, use, and maintenance of the insured.
- 5.10 The insured must lock residential buildings, storage rooms, garages, summer houses, and vehicles and close and latch all windows. The insured must ensure that no unlocked residential premises are left unoccupied.
- 5.11 The insured must ensure that items are not exposed to fire or heat hazards.

6. Conduct of others

- 6.1 VIS is allowed to assert the behavior of a party responsible for the insured motorcycle with the insured's consent.
- 6.2 In a business, VIS can assert the behavior of the manager of the insured motorcycle.

7. Changed use

- 7.1 VIS must be notified immediately if the use of the motorcycle changes from what is stated in the certificate or renewal receipt. Neglect of this notification obligation may reduce VIS's liability for a loss event in proportion to what the insurance price would have been with the changed use.²

8. Price

- 8.1 The base price of the insurance is calculated based on the use and type of motorcycle. The price of comprehensive insurance according to chapter V is also based on the motorcycle's value. The price changes upon renewal of the insurance in accordance with changes in the index and VIS's price list.
- 8.2 When calculating the base price of the insurance, no provision is made for refunds due to the deposit of the registration mark.

9. Payment

- 9.1 The payment demand for insurance falls due when requested.
- 9.2 If the insurance was taken with a unilateral declaration by the policyholder, the payment deadline may be at least seven days from the day payment was requested. If payment has not been made by that time, VIS is allowed, despite provision 9.3, to cancel the insurance. VIS must notify the policyholder of this decision and send a notification to the Transport Authority about the termination of the insurance.
- 9.3 If payment, including accrued costs, has not been made within 14 days from the notification according to paragraph 1 of Article 33 of the Insurance Contracts Act No. 30/2004, or after the payment deadline according to paragraph 2 of Article 32 of the same law, the motorcycle insurance will expire. VIS must notify the Transport Authority and the policyholder about the cancellation.
- 9.4 The mandatory insurance premium for the motorcycle, along with interest and costs, is a legal lien on the motorcycle.³

10. Refund

- 10.1 The provisions of Article 9 of the General Terms No. YY10 on refunds do not apply to

² According to Article 25 of Act No. nr. 30/2004 on Insurance Contracts.

³ According to Article 12 of Act No. nr. 30/2019 on Motor Vehicle Insurance.



insurances where seasonal use and risk fluctuations have been considered in the pricing.

- 10.2 If the motorcycle has not been in use and its registration mark has been in the possession of the Transport Authority for at least 30 consecutive days, VIS will refund the insurance price proportionally for the idle period, deducting the part of the price for fire and theft risk. This provision only applies to comprehensive insurance according to chapter V of the policy.

11. Insurance amount

- 11.1 VIS's liability for each loss event is limited to the insurance amount according to the Motor Vehicle Insurance Act No. 30/2019. This provision applies to chapters II, III, and IV of the policy.
- 11.2 In the comprehensive insurance according to chapter V, the amount of compensation is determined by the motorcycle's value. The value of the motorcycle is the amount that a comparable motorcycle of the same type, age, and quality would cost on the general market on the loss date, based on cash transactions. However, the amount of compensation can never be higher than the amount stated in the certificate or renewal receipt, if specified there.

II. Mandatory Motorcycle Liability Insurance

12. Who is insured?

- 12.1 The registered owner or custodian is insured.

13. What is covered under the insurance?

- 13.1 The insurance covers any liability claim that the insured is obliged to insure against according to the Motor Vehicle Insurance Act No. 30/2019, as the owner or custodian of the insured vehicle, due to loss resulting from its use.

14. What is not covered under the insurance?

- 14.1 The insurance does not cover damage to the motorcycle itself or other property of the policyholder or the insured. However, the insurance covers damage to the insured's own vehicle caused by a collision with the insured motorcycle.

15. Determination of compensation for personal injury

- 15.1 The insurance pays compensation for third-party personal injury based on the Tort Liability Act No. 50/1993.

16. Determination of compensation for property loss or damage

- 16.1 Compensation is based on the value on the loss date.
- 16.2 If it is possible to repair the damaged item so that it is in a similar condition to before the damage and repair is worthwhile in VIS's opinion, VIS can either pay the estimated repair cost or have the damaged item repaired at VIS's expense.
- 16.3 If it is not possible to repair the damaged item or if it is not worthwhile in VIS's opinion, VIS can pay compensation in money or provide a similar item to the one that was damaged. If compensation has been paid according to this provision, VIS reserves the right to claim the damaged item.
- 16.4 VIS has the right to pay the difference in the value of the damaged item as it was before the loss event and its value after the loss event.
- 16.5 The insured must not profit from the loss event. The insurance only compensates for the actual loss of the insured.

17. Recourse

- 17.1 VIS has the right of recourse according to the Motor Vehicle Insurance Act No. 30/2019, the Insurance Contracts Act No. 30/2004, and general legal rules due to VIS's payment of compensation, for example, if:
- a) The loss was caused because the driver, due to prior consumption of alcohol, addictive, and controlled substances, stimulants, or depressants, was unable to safely control the motorcycle or was unfit to do so, according to the Traffic Act No. 77/2019.
 - b) The loss was caused because the driver did not have the necessary



- rights and skills to control the respective motorcycle.
- c) The loss was caused intentionally or due to gross negligence.
 - d) VIS has paid compensation from the insurance for a loss that occurred more than 14 days after ownership transfer or the insurance had expired.
 - e) The motorcycle was used for purposes other than those specified in the certificate or renewal receipt.
 - f) The motorcycle was rented without a driver contrary to the provisions of the Rental of Registered Vehicles Act No. 65/2015. If the insured shows that the causes of the loss or the extent of the loss cannot be attributed to a violation of the provisions of this law, VIS does not have the right of recourse.

18. The status of the injured party when loss or damage occurs

- 18.1 VIS is obliged to pay the injured party.⁴ VIS and the insured must inform the injured party about the liability insurance if it exists.
- 18.2 If a claim for compensation is made against VIS, it must notify the insured without undue delay and provide him with information about the handling of the claim. VIS's acknowledgment of matters relating to liability is not binding on the insured.
- 18.3 If the injured party notifies that they intend to sue VIS, VIS can require that the lawsuit be directed against the insured as well. VIS must notify the injured party of this requirement without undue delay and in a verifiable manner.⁵
- 18.4 For the injured party's position otherwise, refer to Articles 44 and 45 of the Insurance Contracts Act No. 30/2004 and Articles 19 and 21 of the Motor Vehicle Insurance Act No. 30/2019.

19. Handling of compensation claims

- 19.1 The insured may not acknowledge their liability or make compensation agreements without VIS's consent.
- 19.2 VIS represents the insured and manages all legal proceedings and handles legal proceedings in court if necessary. The same applies to claims for wages for rescue or assistance.

III. Mandatory Driver and Owner Accident Insurance

20. What is insured?

- 20.1 The insurance applies to motorcycles that are not exempt from insurance obligations according to Article 11 of the Motor Vehicle Insurance Act No. 30/2019.

21. Who is insured?

- 21.1 The policyholder and any driver who operates the vehicle is insured, provided they have not used the vehicle without authorization.

22. What is covered under the insurance?

- 22.1 The insurance covers personal injury due to an accident that:
 - a) The driver suffers while operating the insured motorcycle, provided the accident can be attributed to its use.⁶
 - b) The policyholder suffers as a passenger on the insured motorcycle, or due to it, provided the accident can be attributed to the motorcycle's use.⁷

23. Determination of compensation

- 23.1 The insurance pays compensation for personal injury to the insured based on the Tort Liability Act No. 50/1993.

⁴ According to paragraph 1 of Article 19 of Act No. nr. 30/2019 on Motor Vehicle Insurance.

⁵ According to paragraph 2 of Article 21 of Act No. nr. 30/2019 on Motor Vehicle Insurance.

⁶ According to Article 9 of Act No. nr. 30/2019 on Motor Vehicle Insurance.

⁷ According to Article 9 of Act No. nr. 30/2019 on Motor Vehicle Insurance.



23.2 If the insured is entitled to compensation for the accident under the Motor Vehicle Insurance Act No. 30/2019, or other tort rules, compensation from this insurance will be reduced accordingly.⁸

IV. Driver and Owner Accident Insurance for Off-Road Motorcycles (Optional)

24. What is insured?

24.1 The insurance applies to motorcycles that are exempt from insurance obligations according to Article 11 of the Motor Vehicle Insurance Act No. 30/2019.

25. Who is insured?

25.1 The policyholder and any driver who operates the motorcycle is insured, provided they have not used the motorcycle without authorization.

26. What is covered under the insurance?

26.1 The insurance covers personal injury⁹ due to an accident, when the permanent impairment is over 15 degrees, that:

- a) The driver suffers while operating the insured motorcycle, provided the accident can be attributed to its use.¹⁰
- b) The policyholder suffers as a passenger on the insured motorcycle, or due to it, provided the accident can be attributed to the motorcycle's use.¹¹

27. What is not covered under the Insurance?

27.1 The insurance does not cover personal injury where the permanent impairment according to Article 4 of the Tort Liability Act No. 50/1993 is under 15 degrees.

27.2 If the permanent impairment according to Article 4 of the Tort Liability Act No. 50/1993 is under 15 degrees, VIS does not pay for the insured's out-of-pocket expenses, such as obtaining medical certificates and evaluations.

28. Determination of compensation

28.1 The insurance pays compensation for personal injury to the insured based on the Tort Liability Act No. 50/1993.

28.2 The insured must submit at their own expense all documents that VIS may require to assess its liability and pay out compensation.

28.3 If the insured is entitled to compensation for the accident under the Motor Vehicle Insurance Act No. 30/2019, or other tort rules, compensation from this insurance will be reduced accordingly.¹²

V. Motorcycle Comprehensive Insurance (Optional)

29. What is insured?

29.1 The insurance applies to the motorcycle specified in the certificate or renewal receipt.

30. Who is insured?

30.1 The owner is insured.

31. What is covered under the insurance?

31.1 The insurance covers damage to the motorcycle due to:

- a) Collision with another vehicle, such as a car or motorcycle.
- b) Impact.
- c) Rollovers and falls.
- d) Off-road accidents.

⁸ According to Article 9 of Act No. nr. 30/2019 on Motor Vehicle Insurance.

⁹ By bodily injury, it refers to bodily injury according to Chapter I of Act No. 50/1993 on Tort Liability.

¹⁰ According to Article 9 of Act No. nr. 30/2019 on Motor Vehicle Insurance.

¹¹ According to Article 9 of Act No. nr. 30/2019 on Motor Vehicle Insurance.

¹² According to Article 9 of Act No. nr. 30/2019 on Motor Vehicle Insurance.



- e) Rockfall, landslide, avalanche from a mountainside, mud or water flood, but not sea floods.
- f) Fire, lightning, or explosion resulting from fire. It is not considered a fire when items scorch or melt if the fire is not free.
- g) Theft or attempted theft if the event occurs in Iceland.
- h) Storm if the motorcycle is blown away or damaged due to wind-blown debris or impacts from the storm, but not if sand, gravel, ash, pumice, or other loose earth materials are blown onto it. A storm is defined as when the wind speed reaches 28.5 meters per second according to a certificate from the Icelandic Meteorological Office. If recognized wind speed information is not available at the damage site, it should be considered whether general property damage occurred in the area due to the weather when the loss event occurred.
- i) Its transportation by land on or off a vehicle or on a ship between ports. Damage occurring during transport between ports is not covered unless it is an annual insurance.
- j) Vandalism deliberately committed by others than the insured.

31.2 The insurance covers rescue or transport costs to the nearest repair shop approved by VIS if the motorcycle becomes inoperable due to a compensable loss in Iceland.

32. What is not covered under the Insurance?

32.1 The insurance does not cover:

- a) Damage occurring to the motorcycle when driving on roads or sections where driving is prohibited according to the instructions of the proper authorities, or when driving across unbridged rivers and streams, on beaches, marshes, or other unpaved areas. However, damage to the motorcycle is covered if it is proven that it occurred when the driver had to leave the road, for example, due to road repairs. The insurance does cover damage to cross bikes, off-road motorcycles, and climb bikes when driving on beaches, marshes, and other unpaved areas.
- b) Damage affecting only shock absorbers and dampers.
- c) Theft of individual parts of the motorcycle.
- d) Damage caused by loose gravel flying up under the motorcycle during driving.
- e) Damage caused by the motorcycle hitting rough surfaces, such as ridges after a road grader, fixed and loose rocks.
- f) Damage to any additional equipment of the motorcycle, such as trailers, mobile phones, GPS devices, and radios.
- g) Damage occurring to the motorcycle due to participation in a driving competition or practice for such a competition unless otherwise agreed.
- h) Damage to the motorcycle caused by animals.
- i) Damage caused by seawater.

33. Determination of compensation

33.1 VIS pays compensation for total loss if:

- 33.1.1 The motorcycle is so severely damaged that VIS considers it not worth repairing.
- 33.1.2 The motorcycle is stolen and has not been found within four weeks from the time VIS was notified of the event.

33.2 If a total loss occurs to the motorcycle, VIS decides whether to:

- 33.2.1 Pay the value of the motorcycle against a transfer.
- 33.2.2 Pay the difference in the value of the motorcycle before and after the loss event.
- 33.2.3 Provide another motorcycle of the same type that is comparable in age and type. If VIS chooses to provide another motorcycle, it has the right to claim the transfer from the policyholder for the damaged motorcycle.

33.3 Compensation for partial damage:

- 33.3.1 If the motorcycle is damaged without the conditions of paragraphs 33.1 - 33.2 being met, VIS pays the repair costs to the extent possible, so that it



is in the same or similar condition as before the damage. It is considered a full repair even if it is noticeable that the motorcycle has been repaired.

- 33.3.2 If the tires and/or rims are damaged, VIS only pays compensation for those tires/rims that were damaged, even if others need to be replaced.
- 33.3.3 VIS has the right to either pay for the repair costs at a workshop approved by VIS or pay compensation for the estimated repair costs.
- 33.3.4 VIS does not pay compensation for damage that existed on the vehicle before the loss event.
- 33.3.5 VIS does not cover the reduction in the market value of the motorcycle, indirect loss, such as loss of use, additional expenses for work outside regular working hours, or additional costs for special orders of spare parts.
- 33.3.6 VIS is not obliged to pay for repairs that have begun without its approval.

34. Assignment

- 34.1 The insured may not assign their rights under the insurance contract without VIS's consent.

VI. Protective Equipment Insurance (Optional)

35. What is insured?

- 35.1 The insurance covers specialized protective equipment used with motorcycles, i.e., motorcycle suits, helmets, gloves, guards, and boots.
- 35.2 The insurance also covers clothing worn by the insured under protective equipment when damage occurs in connection with the use of the motorcycle.

The insurance covers damage to **protective clothing and helmets** that are not compensable under the motorcycle liability insurance or the driver and owner accident insurance.

36. Who is insured?

- 36.1 The policyholder is insured.
- 36.2 The policyholder's family members who have the same legal residence in Iceland, share the same household, and live in the same place are also insured.

37. What is covered under the insurance?

- 37.1 The insurance covers:
 - a) Damage occurring in connection with the use of the motorcycle.
 - b) Damage due to fire and explosion resulting from fire. It is not considered a fire when protective equipment scorches or melts if the fire is not free.
 - c) Damage due to theft from residential buildings, garages, and other storage belonging to residential buildings, summer houses, storage outside residential buildings, and vehicles.
 - d) Damage caused by water unexpectedly and suddenly flowing from pipes in residential buildings or garages and other storage belonging to residential buildings, with the source within the walls of the house.

38. What is not covered under the Insurance?

- 38.1 The insurance does not cover:
 - a) Damage caused by working with explosives.
 - b) Damage due to normal wear and tear, as well as damage that only causes cosmetic defects but does not reduce the usability of the insured item.
 - c) Damage to protective equipment occurring in connection with the use of off-road motorcycles, cross bikes, or climb bikes.
 - d) Damage to protective equipment occurring in connection with participation in a driving competition or practice for such a competition.
 - e) Damage due to defects.

39. Insurance amount

- 39.1 The maximum compensation for each individual loss is stated in the certificate or renewal receipt.
- 39.2 The insurance amount changes according to the consumer price index.



40. Determination of compensation

- 40.1 Compensation is based on the value on the loss date of new protective equipment comparable to that which was damaged. However, compensation is never higher than the maximum amount specified in the certificate or renewal receipt. VIS is allowed to deduct from the compensation depreciation due to age, use, and other factors affecting the item's value.
- 40.2 If it is possible to repair the damaged item so that it is in a similar condition to before the damage and repair is worthwhile in VIS's opinion, VIS can either pay the estimated repair cost or have the damaged item repaired at VIS's expense.
- 40.3 If it is not possible to repair the damaged item or if it is not worthwhile in VIS's opinion, VIS can pay compensation in money or provide a similar item to the one that was damaged, taking into account depreciation according to provision 40.1.
- 40.4 If compensation has been paid according to this provision, VIS reserves the right to claim the damaged item.
- 40.5 VIS has the right to pay the difference in the value of the item as it was before the loss event and its value after the loss event.
- 40.6 Sentimental value is not compensated.
- 40.7 The insured must not profit from the loss event. The insurance only compensates for the actual loss of the insured.
- 40.8 Stolen items that are recovered after VIS has compensated the loss are the property of VIS and must be returned to it. The insured can, however, keep the items if they wish by repaying the compensation.

The information provided on the right margin is for the guidance of customers only and is not part of the terms themselves and is not intended to be used for interpreting specific clauses of the terms.

This is a translation of the authoritative Icelandic text. In the event of any discrepancies between the translation and the original Icelandic text, the original text shall prevail.