



Fire Insurance

Insurance Terms No. EF10

The insurer is VÍS tryggingar, reg. no. 670112-0470, hereinafter "VÍS".

The insurance is governed by:

- The insurance policy, including endorsements and special terms.
- These insurance terms no. EF10.
- The VÍS 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.

Fire Insurance is a mandatory insurance that all homeowners must have.

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

The **policy** confirms that you have purchased insurance from VÍS. The policy is accessible by logging on at vis.is

1. What is insured?

- 1.1 The insurance is valid for the property specified in the policy or renewal receipt, at the location designated therein.
- 1.2 The insurance also covers the customary fixtures of the property, subject to its valuation for insurance purposes according to the prevailing regulations at any given time. The insurance covers, among other things, the following items, considering them in the property valuation:
 - a) Stationary fixtures, such as fixed chairs, benches, and elevators.
 - b) All permanent pipes and wiring, such as water pipes, heat pipes, ventilation pipes, sewage pipes, telephone wiring and computer wiring.
 - c) Standard accessory property to residential property, such as stoves, ventilation hoods, radio and television antennae (but not satellite dishes); permanently wired equipment such as fire and theft prevention systems, installed lighting in kitchens, laundry rooms, bathrooms, and lavatories; and lighting that is embedded into ceilings or paneling. It also covers floor coverings that have been custom-cut for the property and permanently installed in it, as well as drapery cornices and fasteners for draperies.
 - d) Foundations and supports, together with filling, insulation, and wiring in the foundation, up to 1.2 meters beneath the upper edge of the foundation.
 - e) Sheltering walls and other structures, such as sun decks, that are connected to the building and appear on approved technical drawings. If these structures have been built later than the property, their construction must have been reported to VÍS and a reappraisal requested.¹
 - f) The necessary design and material costs, including those related to additional demands and instructions from the authorities after the property was constructed, provided that the property owner has incurred expenses for such measures due to damage.
 - g) Costs for cleaning the property and removing the debris caused by fire.
- 1.3 The insurance also covers fixed charging stations for electric vehicles, even if they are not part of the property's construction valuation.

2. Who is insured?

- 2.1 The owner of the property is the insured.
- 2.2 Holders of registered ownership rights, mortgage rights, or other registered security interests in the property are co-insured.²

3. Beginning and end of coverage

- 3.1 Without prejudice to Article 2 of VÍS's General Terms no. YY10, this insurance shall take effect when VÍS has verifiably received an application for insurance, provided that a

¹ See Article 8 of the Regulation No. 809/2009 on Mandatory Fire Insurance.

² See Articles 39, and 41 – 43 of Act No. 30/2004 on Insurance Contracts.



request for a fire insurance appraisal of the property has been submitted. The same applies to the effective date of a reappraisal.

- 3.2 VÍS is prohibited from cancelling the insurance without confirmation that the owner of the property has taken new insurance with another company.

4. What is covered under the insurance?

The insurance covers the following events/incidents:	What is covered under the insurance?	What is not covered under the insurance?
4.1 Fire, lightning, and explosion	a) Loss or damage caused by fire. b) Loss or damage caused by lightning. c) Loss or damage caused by explosions in boilers for indoor heating and damage due to gas explosions arising from cookers, stoves, or gas pipes for indoor heating.	d) Loss or damage due to fire that cannot be considered accidental, such as damage to objects that are subjected to fire or heat during heating, boiling, drying, smoking, and the like, and are burned or damaged as a result. e) Loss or damage to electrical machinery, wiring, or equipment, when the damage is caused by power conversion, overheating, short circuit, or other pure electrical phenomenon, or electromagnetic induction due to electrical storms, unless such damage causes or is caused by fire. f) Loss or damage to the machine or boiler in which the explosion takes place.
4.2 Soot	a) Loss or damage due to soot that emits suddenly and unexpectedly from an approved heating device, fireplace, or blower.	b) Loss or damage due to soot or smoke that has gradually accumulated during use, such as soot from a chimney or from candles.
4.3 Aircraft	a) Loss or damage due to aircraft and objects that fall from them.	
4.4 Firefighting and rescue efforts	a) Loss or damage due to firefighting and rescue efforts whose objective is to avoid or limit damage covered by the insurance, provided that the efforts are considered unusual and justifiable.	b) Indirect loss that could arise from covered incidents, such as operating losses, delays in production or delivery of goods, loss of rental income, etc. c) Costs due to clean-up of waste or toxic substances in the environment, or due to clean-up of earth or soil, resulting from a covered loss incident.

5. Special limits of liability

- 5.1 The insurance does not cover damage or an increase in damage that directly or indirectly results from or is caused by earthquakes, volcanic eruptions, landslides, avalanches, or other natural disasters.

6. Precautionary rules

- 6.1 The insured is required to ensure that all facilities and fire prevention equipment on and adjacent to the insured property comply with the instructions set forth in the applicable regulatory instruments.³

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.

7. Conduct of others

- 7.1 When determining liability for compensation, VÍS reserves the right to take into account the conduct of the insured's spouse and individuals with whom the insured is in a permanent, stable relationship.⁴
- 7.2 In a business context, VÍS may take into account the conduct of the insured's managers and supervisors of the insured property.

8. Change of risk level

- 8.1 All changes to the structure of the property and its use that could result in increased risk of damage must be reported to VÍS immediately. Failure by the insured to notify such changes may result in VÍS's liability being limited or nullified.⁵

9. Insurance premium

- 9.1 The insurance premium is calculated based on, among other factors, the fire damage assessment of the property, its usage, and its location.

³ See Article 26 of Act No. 30/2004 on Insurance Contracts.

⁴ See Article 29 of Act No. 30/2004 on Insurance Contracts.

⁵ See Article 24 of Act No. 30/2004 on Insurance Contracts.



9.2 The premium for the insurance holds a statutory lien on the property and takes precedence for two years over all other obligations on the property, except taxes owed to the state. If the premium is not paid within six months from the due date, it is permissible to auction the property.⁶

10. Insurance amount

- 10.1 The insured amount of the property shall be equal to its fire damage assessment according to the real estate register at all times.
- 10.2 If the property has been expanded or improved beyond regular maintenance, the insured must have it reassessed, no later than four weeks after the expansion or improvements are completed. The insured must also request a reassessment if they believe the insured amount does not reflect the actual value of the property considering construction costs, structure, age, and condition.
- 10.3 The insured is entitled to request a new fire damage assessment of the property at any time, at their own expense. If there is a dispute between VÍS and the insured about the amount of the fire damage assessment, VÍS may also request a reassessment. This reassessment will be at VÍS's expense if the previous assessment is confirmed.
- 10.4 The insured amounts shall be adjusted annually in accordance with the fire damage assessment rules at the time. Additionally, the insured amount changes monthly in accordance with the construction cost index.⁷

11. Determination of compensation

- 11.1 Insurance compensation shall be used to repair the damaged property or to rebuild it. Compensation is not due until the repair or rebuilding has been carried out. If repairs have been partially completed, the insured is entitled to payment for the repair costs that have already been incurred.
- 11.2 No compensation will be paid until the official investigation of the damage event is completed or, if criminal proceedings have been initiated, until a final judgment has been rendered.
- 11.3 VÍS is permitted to grant an exemption from the rebuilding obligation after consulting with planning authorities, on the condition that 15% is deducted from the compensation amount. This deduction shall not apply if rebuilding is not permitted due to planning reasons or other reasons beyond the control of the insured. If a decision has been made to grant the aforementioned exemption from the rebuilding obligation and VÍS considers the fire damage assessment of the property to be clearly higher than its market value, VÍS is permitted to base the compensation amount on the market value of the property, including the plot, less the mentioned 15%.

12. Assessment of damage

- 12.1 Loss assessors appointed by VÍS will evaluate the damage, and VÍS must ensure that the assessment is carried out as soon as possible. The main items of the assessment must be itemized.
- 12.2 The insured is required to provide as much information as possible about the damage and its cause and to submit books, invoices, plans, drawings, and other relevant materials to assist in the assessment.
- 12.3 If changes or additions have been made that increase the value of the insured property after it was insured with VÍS, and this increase in value has not been covered by additional insurance, this new value will be excluded from the determination of fire compensation.
- 12.4 If the property is completely destroyed, the assessors must determine whether the insured amount corresponds to the actual value of the property on the day of the damage. The repair cost of the insured property shall be assessed based on the construction methods and materials commonly used at the time of the damage event. Compensation shall be calculated at the price level as it was on the day of the damage.
- 12.5 In determining compensation, additional costs for construction materials and methods that are no longer considered cost-effective shall not be included.
- 12.6 If it was decided to demolish the property, or if its condition was such that demolition was inevitable before the damage event occurred, the compensation amount shall be based on the demolition value of the property.
- 12.7 The insured is not permitted to alter the scene until VÍS's assessors have evaluated the damage.

13. Transfer of ownership

- 13.1 In the event of a change of ownership, the insurance becomes effective on the delivery date specified in the purchase agreement for the property or other ownership documents. If more than 14 days have passed since the delivery of the property at the

⁶ See Article 7 of Act No. 48/1994 on Fire Insurance.

⁷ See Article 5 of Regulation No. 809/2000 on Mandatory Fire Insurance.



time of registration of the ownership change in the real estate registry, or if there is no information available about the delivery date, the insurance becomes effective on the registration date of the ownership change in the real estate registry.

14. Dispute concerning fire insurance value and compensation amount

- 14.1 If a dispute arises between VÍS and the insured regarding the amount of the fire damage assessment, the reassessment shall be conducted according to clause 11.3. If either VÍS or the insured is dissatisfied with the reassessment result by the real estate registry, the dispute may be referred to the National Valuation Appeals Committee. The cost of the committee's ruling shall be paid according to the fee schedule set by the Minister of Insurance Affairs. The party against whom the ruling is made shall generally bear the cost.
- 14.2 If damage has occurred and there is a dispute about the amount of compensation, the matter may be referred to arbitration. The arbitration panel shall consist of two individuals appointed by the district court in the district where the property is located. Costs related to the arbitration shall be paid according to the fee schedule set by the Minister of Insurance Affairs. Generally, the party against whom the arbitration is decided shall bear the costs.

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.