



# Additional Fire Insurance for Real Estate

Insurance Terms No. EF15

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

## The insurance is governed by:

- The insurance policy, including endorsements and special terms.
- These insurance terms no. EF15.
- The VÍS general terms and conditions no. EF15.
- Act no. 30/2004 on Insurance Contracts.

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

The **insurance** is supplementary to the mandatory fire insurance of buildings and is intended to increase the insured amount when the property is considered to be more valuable than its fire compensation assessment indicates. The insurance is only available to those who have mandatory fire insurance with VÍS.

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 real estate specified in the policy or renewal receipt, at the location mentioned therein.
- 1.2 The insurance also covers the usual fixtures of the property that fall under its fire damage assessment in accordance with the assessment rules at any given time. The insurance includes, among other things, the following items, provided they were considered in the property's fire damage assessment:
- a) Fixed fittings, such as fixed chairs, benches, and elevators.
  - b) All permanent installations, such as water, heating, ventilation, sewage, electrical, telephone, and computer systems.
  - c) Usual fixtures in apartments, such as stoves, range hoods, radio and TV antennas (excluding satellite dishes), fixed equipment like fire and burglary protection systems, fixed lamps in kitchens, laundry rooms, bathrooms, and toilets, and lights embedded in ceilings or paneling. It also covers flooring that has been custom-fitted for the property and permanently installed, along with curtain rods and fixtures for curtains.
  - d) Foundation slabs and supports, along with filling, insulation, and installations in the foundation up to 1.2 meters below the top edge of the foundation slab.
  - e) Shelter walls and other structures, such as decks, that are connected to the house and appear on approved plans.
  - f) Necessary design and material costs, including due to increased requirements and directives from public authorities after the house was built, provided the homeowner incurred expenses for such measures before the loss event.
  - g) Costs for cleaning the property and removing fire debris.
- 1.3 The insurance also covers permanently installed charging stations for electric cars, even if they are not part of the property's fire damage assessment.

## 2. Who is insured?

- 2.1 The owner of the property is insured.
- 2.2 The insurance does not benefit those who have financial interests in the property, such as lending institutions or other mortgagees<sup>1</sup>, unless they have received confirmation of this from VÍS. However, they will never obtain greater rights against VÍS than the owner of the property.

<sup>1</sup>As per the provisions on co-insured parties in Articles 41 – 43 of Act No. 30/2004 on Insurance Contracts.



### 3. 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?
3.1 Fire, lightning, and explosion	<ul style="list-style-type: none"> <li>a) Damage caused by fire.</li> <li>b) Damage caused by lightning.</li> <li>c) Damage caused by an explosion in a steam boiler used for heating property and damage caused by gas explosions from cooking and boiling equipment and gas pipes used for heating property.</li> </ul>	<ul style="list-style-type: none"> <li>d) 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.</li> <li>e) 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.</li> <li>f) Damage to the machine or boiler in which the explosion takes place.</li> </ul>
3.2 Soot	<ul style="list-style-type: none"> <li>a) Damage caused by soot that emits suddenly and unexpectedly from an approved heating device, fireplace, or blower.</li> </ul>	<ul style="list-style-type: none"> <li>b) Damage due to soot or smoke that has gradually accumulated during use, such as soot from a chimney or from candles.</li> </ul>
3.3 Aircraft	<ul style="list-style-type: none"> <li>a) Damage caused by aircraft and objects that fall from them.</li> </ul>	
3.4 Firefighting and rescue efforts	<ul style="list-style-type: none"> <li>a) Damage resulting from firefighting and rescue efforts whose objective is to avoid or limit damage covered by the insurance, provided that the efforts are considered specific and justifiable.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

### 4. Special limits of liability

- 4.1 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.

### 5. Precautionary rules

- 5.1 The insured must ensure that all arrangements and fire protections on and around the insured property comply with the provisions of applicable laws and regulations.

### 6. Conduct of others

- 6.1 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.<sup>2</sup>
- 6.2 In a business context, VÍS may take into account the conduct of the insured's managers and supervisors of the insured property.

### 7. Change in use

- 7.1 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.<sup>3</sup>

### 8. Insurance premium

- 8.1 The insurance premium is calculated based on, among other factors, the insured amount, the use of the property, and its location.

### 9. Insurance amount

- 9.1 The insured amount is determined by an agreement between the insured and VÍS and is stated in the policy or renewal receipt. The insured amount is in addition to the fire compensation assessment according to the mandatory fire insurance of buildings.
- 9.2 The insured amount is not proof of the property's value, and the total compensation from the mandatory fire insurance and the additional fire insurance shall never exceed the assessed repair cost, cf. Article 10.

**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.

<sup>2</sup> See Article 29 of Act No. 30/2004 on Insurance Contracts.

<sup>3</sup> See Article 24 of Act No. 30/2004 on Insurance Contracts.



9.3 The insured amount changes according to the building cost index.

## 10. Damage assessment

- 10.1 Loss assessors appointed by VÍS assess the damage, and VÍS is responsible for ensuring that the assessment is carried out as quickly as possible. The main items of the assessment shall be itemized.
- 10.2 The claimant is obliged to provide any information they can about the damage and its cause, and to submit books, invoices, plans, drawings, and other materials that may assist in the assessment.
- 10.3 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, the new value shall be excluded from the determination of fire compensation.
- 10.4 If the building is completely destroyed, the assessors shall determine whether the insured amount corresponds to the actual value of the property on the date 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. Compensation shall be calculated based on the price level on the date of the damage.
- 10.5 When determining compensation, additional costs due to construction materials and methods that are no longer considered economical shall not be included, unless otherwise agreed.
- 10.6 If it had been decided to demolish the building, or its condition was such that demolition was unavoidable before the damage occurred, the compensation amount shall be based on the value of the property for demolition.
- 10.7 The insured is not permitted to disturb the scene before VÍS's assessors have evaluated the damage.

## 11. Determination of compensation

- 11.1 When determining compensation, the total insured amount of the mandatory fire insurance of buildings (i.e., the fire compensation assessment of the property) and the insured amount of the additional fire insurance are considered.
- 11.1.1 In the case of total loss, the compensation amount can never exceed the assessed repair cost, cf. Article 10.
- 11.1.2 In the case of partial damage, the loss is calculated as a percentage of the assessed repair cost, cf. Article 10. This percentage is then used to calculate the compensation amount from the total insured amount according to Article 11.1.
- 11.2 Insurance compensation shall be used to repair the damaged building or to rebuild it. Compensation is not payable until repair or reconstruction has taken place. If partial repairs have been made, the insured is entitled to payment for the repair costs already incurred.
- 11.3 No compensation will be paid until an official investigation of the damage event has been completed or, if criminal proceedings have been initiated, until a final judgment has been rendered.
- 11.4 VÍS may grant an exemption from the obligation to rebuild, in consultation with planning authorities, on the condition that 15% is deducted from the compensation amount. This deduction shall not apply if reconstruction is not permitted due to planning regulations or other reasons beyond the control of the claimant. If a decision has been made to grant the aforementioned exemption from the rebuilding obligation and VÍS considers the fire compensation assessment of the property to be clearly higher than its market value, VÍS may base the compensation amount on the market value of the property, including the land, minus the aforementioned 15%.

**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.**