



Machine and Electronic Equipment Insurance

Insurance Terms No. EV10

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. EV10.
- The VIS general terms and conditions no. YY10.
- 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.

Machine and electronic equipment insurance covers the devices themselves but does not cover equipment replaced during regular maintenance.

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 by logging on at vis.is

1. What is insured?

- 1.1 Machine and/or electronic equipment specified in the policy or renewal receipt is insured after being fully installed and ready for use.
- 1.2 After the insured item has been fully installed, the insurance applies whether the items are in use or not, disassembled for cleaning or repair, or in reassembly.
- 1.3 The insurance does not cover:
 - a) Any kind of equipment that is expected to be regularly replaced, such as drills, crushers, molds, knives, saw blades, grinding stones, and punches.
 - b) Conveyors, sieves, hoses, rubber, cloth, and plastic linings and strips, brushes and tires, ropes, chains, and belts, items made of glass, porcelain, or clay.
 - c) Foundations, brick linings in furnaces, ovens, and containers, fire grates, burner nozzles.
 - d) Fuel, filters, coolants, cleaning agents, lubricants, oil.
 - e) Catalysts, chemicals, mixing agents.

2. Who is insured?

- 2.1 The owner of the insured items is insured.

3. Where is the insurance valid?

- 3.1 The insurance is valid at the location specified in the policy or renewal receipt.

4. What is covered under the insurance?

- 4.1 The insurance covers damage to the insured due to:
 - a) Soot, overheating, scorching, and melting without a fire breaking out.
 - b) Short circuits, excessive voltage or current, and failures in the power grid, unless the causes are events excluded under clause 5.1(a).
 - c) Storms, i.e., when wind speeds reach 28.5 meters per second. Damage to the insured property caused by precipitation accompanying the storm is covered only if the wind has breached the roof, windows, or other parts of the house. If recognized data on wind speed at the damage site is not available, determining the insurance liability shall take into account whether there was general property damage in the area due to the weather when the damage event occurred.
 - d) Vandalism.
 - e) Careless handling by employees or customers. Incorrect use, lack of knowledge, neglect, or intent by employees, subject to negligence and/or intentional acts mentioned in clause 5.1(e).
 - f) Indoor transport and transport between locations within the same company, except when the carrier is liable for the damage under law or contract.



- g) Water or liquid that spills or leaks onto the insured item.
- h) Accidental operational mishaps such as:
 - Misalignment of machinery or equipment.
 - Failure or defect of protective equipment.
 - Loose parts or foreign objects entering the machine.
- i) Items breaking due to centrifugal force.
- j) Water shortage in steam boilers or pressure systems.
- k) Overpressure or underpressure, unless caused by events excluded under clause 5.1(a).

5. What is not covered under the insurance?

- 5.1 The insurance does not cover damage to the insured:
- a) Caused by fire, explosion, lightning, or directly or indirectly by firefighting, demolition, disassembly, or debris removal.
 - b) Covered by the seller's or manufacturer's liability under law or contract.
 - c) Due to rust, corrosion, shrinkage, or wear due to normal use or other continuous effects from substances or the atmosphere, undesirable accumulation of rust, sludge, scale, or other deposits.
 - d) Due to defects or incorrect assembly.
 - e) Due to breakdown, testing, intentional overload, or experiments involving abnormal operating conditions for the insured.
 - f) Due to software damage.
 - g) Due to internal failures of electronic equipment.
 - h) Due to theft or burglary.
- 5.2 The insurance does not cover indirect or consequential damage.
- 5.3 The insurance does not cover damage or 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 must follow the manufacturer's instructions regarding the handling, use, and maintenance of the insured items.
- 6.2 The insured must ensure that all packaging and safety measures at the insured location comply fully with the instructions in applicable laws and regulations, as appropriate at each location.

7. Conduct of others

- 7.1 In determining liability for compensation, VIS reserves the right to consider the conduct of the insured's spouse and individuals with whom the insured cohabits in a permanent relationship.¹
- 7.2 In business operations, VIS may consider the conduct of the insured's managers or the supervisors of individual items or equipment.

8. Change in risk

- 8.1 The insured must notify VIS if there is any change in the insured risk, such as:
- a) Increase in the initial risk.
 - b) Any changes or additions to the insured item.
 - c) Deviation from the predetermined operating procedure that increases the risk of damage or loss.
 - d) Changes in the interests of the policyholder or the insured, such as if the company stops operations, ceases business, or is taken into bankruptcy proceedings.
- 8.2 Failure to notify VIS of the above changes may result in VIS being released from liability in whole or in part.²

9. Determination of compensation

- 9.1 Compensation shall be based on the value on the date of the damage.
- 9.2 If it is possible to repair the damaged item to a similar condition as before the damage and the repair is deemed worthwhile by VIS, VIS may either pay the estimated repair cost to the insured or have the repair done at VIS's expense. If such a repair increases the value of the insured item, the compensation will be reduced by the amount of the value increase. VIS also pays for the disassembly and reassembly costs associated with the repair, as well as reasonable transportation costs, customs duties, and other fees, if any. If the repair is carried out in a workshop owned by the insured, VIS pays for the material costs and wages for the repair, plus reasonable management costs. The value of reusable parts will be deducted from the compensation. The repair is considered

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

² See Articles 24 and 25 of Act No. 30/2004 on Insurance Contracts.



complete even if it is evident that the item has been repaired.

- 9.3 If it is not possible to repair the damaged item or the repair is not deemed worthwhile by VIS, VIS may pay compensation in cash or provide a similar item to the one that was damaged. VIS will pay the insurance value of the item as it was at the time of the damage. The insurance value is considered the price of a new machine or equipment, including transportation, installation, and customs duties, but deducting reasonable depreciation. VIS also pays the reasonable cost of removing the damaged machine or equipment, but always deducts the value of any parts that can be reused. If compensation has been paid according to this section, VIS reserves the right to claim the damaged item.
- 9.4 VIS has the right to pay the difference between the value of the item before the damage event and the value after the damage event.
- 9.5 The insured shall not profit from a damage event. The insurance only compensates for the actual loss of the insured.
- 9.6 Costs for maintenance, modifications, additions, or improvements carried out simultaneously with the repair are not covered.
- 9.7 VIS pays the cost of temporary repairs if such repairs are part of the final repair and do not increase the total repair cost.
- 9.8 VIS's liability for each machine or equipment shall never exceed the insurance amount per insurance period.
- 9.9 Special costs, such as for overtime, express delivery, and air freight incurred due to the damage event, are not covered unless specifically mentioned in the policy or renewal receipt.

10. Assignment

- 10.1 The insured may not assign their rights under the insurance contract without the consent of VIS.

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.