



Contractor Insurance

Insurance Terms No. EV50

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. EV50.
- The VÍS 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.

Contractor Insurance is a comprehensive insurance for owners or contractors in construction projects who want to protect the project against sudden and unforeseen damage.

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 insured interests are stated in the policy.

2. Who is insured?

2.1 The policyholder is the insured.

3. When is the insurance valid?

- 3.1 VÍS's liability begins when the insured items are placed in the insurance location or the insured project begin, whichever is earlier.
- 3.2 VÍS's liability for each part of the project ends when that part has been taken into use, delivered or tested, or as provided for in the policy, whichever is first.

4. Where is the insurance valid?

4.1 The insurance applies in the location specified in the policy.

5. What is covered under the insurance?

5.1 The insurance covers:

- 5.1.1 Sudden and unforeseeable loss or damage to the insured during the execution of the project at the insurance location.
- 5.1.2 The cost of clean-up operations after an event of compensable loss or damage if provided for in the policy.
- 5.1.3 The machinery and devices of the insured, his equipment, such as work platforms, tools, work huts and other valuables at the insurance location if provided for in the policy.

6. What is not covered under the insurance?

6.1 The insurance does not cover:

- 6.1.1 Loss or damage caused by incorrect, defective or imperfect design, plans and/or calculations.
- 6.1.2 Loss or damage caused by incorrect or defective materials and/or work practices. In the case of construction other than the installation of machinery, however, compensation is paid for property loss or damage caused to other parts of the construction and which are the result of initial loss or damage.
- 6.1.3 Standard and normal maintenance.
- 6.1.4 Indirect or derived loss or damage from any causes.
- 6.1.5 Loss or damage of cash, documents, invoices, drawings, blueprints, stamps, bonds, securities, receipts, debentures, cheques or packaging such as boxes and cases.
- 6.1.6 Lack of or wastage of the insured that comes to light during inventory



- counts or account settlement.
- 6.1.7 Loss or damage caused by wear, wastage, corrosion, rust formation or other natural environmental effects.
 - 6.1.8 Loss or damage to catalysts, chemical materials, refractory materials in furnaces and or other such linings when equipment is brought into use and/or tested during the warranty period, unless such loss or damage is the direct consequence of loss or damage covered by the insurance.
 - 6.1.9 Loss or damage caused by project delays, including contractual per diem fines or because the contractor has not fulfilled his obligations.
 - 6.1.10 Costs due to clean-up of waste or toxic substances in the environment, or due to cleanup of earth or soil, resulting from a covered loss incident.
 - 6.1.11 Loss or damage due to expropriation, nationalisation or due to the instructions of legal authorities.
 - 6.1.12 Loss or damage covered by liability insurance if the scope of the policyholder is equivalent to more than five worked man-years.
 - 6.1.13 Loss or damage or increase thereof that is directly or indirectly the result of or caused by earthquakes, volcanic eruptions, landslides, snow avalanches or other natural disasters.

7. Precautionary rules

- 7.1 The insured and his employees are required to take care that heavy machinery and other equipment is not operated by other than those employees who have the knowledge how to operate such equipment and who have the mandatory licences when these are required.
- 7.2 The insured shall comply with the instructions of the manufacturer with respect to handling, use and maintenance of the insured item.
- 7.3 The insured is required to ensure that all facilities on the insured location comply with the instructions set forth in the applicable regulatory instruments.

8. Obligation to notify during period of insurance

- 8.1 In the event of a halt in the project that is likely to last more than one month and which was not anticipated at the beginning of the insurance, the insured must notify VÍS in writing of such event without undue delay. The continuation of the insurance will then be governed according to an agreement that will be negotiated.

9. Conduct of others

- 9.1 In connection with commercial activities, VÍS reserves the right to take into account the conduct of the managers of the insured entity and the supervisors of machines, devices and equipment and those who are responsible for the constructions that are insured.

10. Insurance amount

- 10.1 Insurance amounts are to be stated in the policy as follows:
 - 10.1.1 The estimated final cost price of the project, including materials, transportation fees, customs duties and other fee and costs of the structure together with the value of that provided by the contracting authority.
 - 10.1.2 Clean-up operations after loss or damage: A specific amount for each event of loss or damage.
 - 10.1.3 Other valuables at the insurance location: Total maximum compensation during the insurance period.
 - 10.1.4 Machines and equipment of the contractor: Repurchase price of new machines and equipment (value as new) arrived on site at the insurance location.
 - 10.1.5 Contractors equipment, such as work platforms, tools, work huts, etc., at actual value.
 - 10.1.6 Architects' fee, supervisors and advisory engineers: Particular compensation amount due to costs incurred by the insured with the approval of VÍS, in the reacquisition or repair of the insured items that have been destroyed or damaged due to the risks insured against. The cost of preparing a claim for compensation is not paid.
- 10.2 The insured is under obligation to:
 - 10.2.1 Notify VÍS in the event of a change in the insurance amount during the insurance period amounting to 10% upward or downward as regards the nominal price of the insured valuable. Premiums are based on the insurance amount and are to be adjusted according to its increase or decrease.
 - 10.2.2 Relate the final cost price of the project when it is completed.



10.3 The insurance amount does not decrease even if compensation is paid from this insurance. The policyholder, however, must pay an additional premium based on the compensation amount from the date of the event of loss or damage to the end of the insurance period.

11. Deductible

- 11.1 The insured carries deductible in every instance of damage as provided for in the policy.
- 11.2 If more than one event of loss or damage occurs at the same time due to unrelated events, the insured's deductible must be deducted in each event of loss or damage.

12. Determination of compensation

- 12.1 Compensation shall be based on value on the date of loss or damage.
- 12.2 VÍS may either pay the estimated cost of repair or have the damaged item repaired and then pay the repair cost if the item can be restored to its pre-damaged condition and it is worth to do so in the opinion of VÍS.
- 12.3 VÍS may pay compensation in cash, or may procure a similar item to the one lost or damaged, if the damaged item cannot be repaired or is not worth it in the view of VÍS. In the event that VÍS has paid compensation under this Article, VÍS reserves the right to claim ownership of the item that was damaged.
- 12.4 VÍS is entitled to pay the difference between the value of the item that was damaged as the value was prior to the insurance event and the value after the insurance event.
- 12.5 VÍS does not pay special costs incurred due to an event of loss or damage, such as for overtime work, courier service and air freight, unless specifically provided for in the policy.
- 12.6 VÍS does not pay the cost of maintenance, changes, additions or improvements made at the same time as the repairs.
- 12.7 The insured shall not profit from the insurance event. The insurance contract shall only compensate the actual loss or damage of the insured.

13. Assignment

- 13.1 The insured may not assign his rights according to the insurance contract without the approval of VÍS.

14. Expiry of the insurance

- 14.1 This insurance expires if the contracting authority terminates the project contract or the main contractor abandons the project, unless VÍS approves its extension. VÍS will refund the premium in light of the time of the insurance period that has elapsed.
- 14.2 The insurance period according to the policy is not extended except with the written approval of VÍS.

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.