



House Owner Insurance of Residential Housing

Insurance Terms No. GF15

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. GF15.
- 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.

Homeowner's insurance provides protection against unexpected and sudden events that result in damage to real estate properties.

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

I. General provision

1. Who is insured?

1.1 The owner of the property is insured.

2. Special Limits of Liability

2.1 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.

II. Property and Loss of Use of Residential Property

3. What is Insured?

3.1 The insurance covers the property or part of the property specified in the policy or renewal receipt, along with its usual fixtures, provided these have been considered in the fire damage assessment according to the assessment rules at any given time.

3.2 The insurance also covers permanently installed charging stations for electric cars, even if they are not part of the property's fire damage assessment.

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?	Precautionary rules
4.1 Water, steam, and oil	a) Damage caused by water, steam, and oil that unexpectedly and suddenly flows from the property's pipes and originates within its walls. The insurance covers the cost of breaking and disturbance that is unavoidable to stop the leak, as well as the necessary restoration to return the property to its original condition, ensuring it is no worse than before the damage occurred. Compensation is not paid for breaking and disturbance other than to stop the leak.	g) Damage caused by external water not mentioned in section f) of this article, such as: <ul style="list-style-type: none"> i. Due to groundwater or floods from the sea, lakes rivers, or streams. ii. Due to water from balconies, roofs, roof gutters, or their drainage pipes. iii. Due to precipitation entering through the roof or walls, except as a result of 	m) The insured must ensure that the water supply is shut off in an unheated property and that water pipes are drained when there is a risk of frost to prevent frost damage. n) The insured must ensure that drains are in proper condition by clearing them to prevent the accumulation of surface water.

Only damage from unexpected and sudden leaks is covered. Damage resulting from **inadequate maintenance**, such as faulty seals or caulking, is not covered.



The insurance covers the following events/incidents:	What is covered under the insurance?	What is not covered under the insurance?	Precautionary rules
	<p>b) Damage caused by water from pipes in shared areas or common pipes of the property, proportionate to the insured's ownership share in the property.</p> <p>c) Damage caused by water that unexpectedly and suddenly flows from waterbeds or aquariums due to malfunctions.</p> <p>d) Damage caused by water that flows from sanitary fixtures, water taps, dishwashers, and washing machines due to mistakes or unexpected and sudden malfunctions in the fixtures.</p> <p>e) Damage caused by water that unexpectedly and suddenly leaks from freezers and refrigerators.</p> <p>f) Damage caused by external surface water flowing in through window and door openings at the insured location due to sudden heavy rainfall (cloudburst) or snowmelt, and the volume of water becomes so great that drainage systems cannot remove it. Consideration should be given in determining liability for compensation whether general property damage has occurred in the vicinity of the insured location due to the same event.</p>	<p>compensable wind damage.</p> <p>g) Damage caused by water that backs up from sewage or drainage pipes, or if the sewage pipes suddenly cannot carry all the water entering them, with the exception of pipes that clog or burst indoors.</p> <p>h) Damage to the item or items that caused the damage, such as the pipes themselves or the work involved in repairing or replacing them.</p> <p>i) Damage due to base pipes that are misaligned, decayed, or have otherwise deteriorated from use or inadequate foundations. However, direct water damage to the property is covered if such a pipe clogs and overflows above the foundation slab.</p> <p>j) Damage to pipes outside the property's walls, such as service pipes, pipes to hot tubs, and snow melting systems.</p> <p>k) Damage resulting from prolonged dampness or water leakage and damage due to mold or fungal growth, even if it is considered a consequence of a compensable damage event.</p> <p>l) Damage that can be attributed to normal wear and tear, as well as damage that only causes cosmetic defects without reducing usability.</p>	
4.2 Frost cracks	<p>a) Damage caused by frost-cracks indoor water pipes of the property, which occurs when the property's heating system unexpectedly and suddenly fails. This includes snow melting systems within the walls of the property, such as those located on balconies and in stairwells. The snow melting system must be closed and contain antifreeze.</p>	<p>b) Damage to snow melting systems outside the walls of the property.</p> <p>c) Damage that can be attributed to normal wear and tear, as well as damage that only causes cosmetic defects without reducing usability.</p>	<p>d) The insured must ensure that the water supply is shut off in an unheated property and that water pipes are drained when there is a risk of frost to prevent frost damage.</p>
4.3 Burglaries or attempted burglaries	<p>a) Damage caused by burglary or attempted burglary.</p>	<p>b) Damage that can be attributed to normal wear and tear, as well as damage that only causes cosmetic defects without reducing usability.</p>	<p>c) The insured must ensure that the property is always locked and all windows are closed.</p>
4.4 Glass	<p>a) Damage to glass and from glass breakage, only when it breaks after being installed or otherwise permanently placed in its intended location, and as long as it remains in that location.</p>	<p>b) Damage to glass due to construction work or outdoor repairs on the property where the insured glass is located, except for regular maintenance such as painting.</p> <p>c) Damage to glass caused by maintenance or actions performed on the glass, its frame, or its surroundings.</p> <p>d) Damage to glass when it gets scratched or chipped.</p> <p>e) Damage to glass in household appliances.</p>	



The insurance covers the following events/incidents:	What is covered under the insurance?	What is not covered under the insurance?	Precautionary rules
		<p>f) Damage to glass in windbreaks and fences.</p> <p>g) Increased value of glass due to decorations and films or when it has been lead melted or lead lined in composition or in a similar manner. In these cases, the glass is compensated as if it were ordinary flat glass.</p> <p>h) Damage due to condensation between panes of glass.</p>	
4.5 Breakage	<p>a) Damage caused by breakage when fixtures, ceiling panels, or other parts of the property fall and break due to an incidental malfunction.</p> <p>b) Damage caused by breakage of ceramic cooktops, countertops, sanitary fixtures such as sinks, bathtubs, toilets, and water tanks, only when they break due to unexpected and sudden external events after they have been permanently placed in their intended location, and as long as they remain in that location. Only the value of the ceramic cooktop, countertop, or sanitary fixtures themselves is compensated.</p>	<p>c) Damage to sanitary fixtures and ceramic cooktops due to maintenance or actions performed on them.</p> <p>d) Damage to sanitary fixtures and ceramic cooktops caused by scratching or chipping.</p> <p>e) Damage to countertops caused by scratching or chipping.</p> <p>f) Other countertops than those that break, even if they are part of the same fixture.</p> <p>g) Damages covered by the seller's or installer's warranty.</p> <p>h) Damage that can be attributed to normal wear and tear, as well as damage that only causes cosmetic defects without reducing usability.</p> <p>i) Costs related to disconnection, demolition, or installation.</p> <p>j) Accessories that can be reused.</p>	
4.6 Soot	<p>a) Damage caused by sudden and unexpected soot fallout from approved heating appliances or fireplaces.</p>	<p>b) Damage due to soot or smoke that has gradually accumulated through use.</p> <p>c) Damage that can be attributed to normal wear and tear, as well as damage that only causes cosmetic defects without reducing usability.</p>	
4.7 Sudden heavy snow	<p>a) Damage caused by the sudden weight of snow that has overloaded the roof or walls of the property.</p>	<p>b) Damage attributed to construction defects.</p> <p>c) Damage due to inadequate maintenance.</p> <p>d) Damage that can be attributed to normal wear and tear, as well as damage that only causes cosmetic defects without reducing usability.</p>	
4.8 Storms	<p>a) Damage caused by a storm, i.e., when wind speeds reach 28.5 meters per second. Damage to the insured property caused by precipitation and sand drift in conjunction with the storm is covered only if the wind has breached the roof, windows, or other parts of the property. 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.</p>	<p>b) Damage to antennas, flagpoles, fences, and vegetation.</p> <p>c) Damage that can be attributed to normal wear and tear, as well as damage that only causes cosmetic defects without reducing usability.</p>	
4.9 Aircraft	<p>a) Damage caused by aircraft and parts falling from</p>		



The insurance covers the following events/incidents:	What is covered under the insurance?	What is not covered under the insurance?	Precautionary rules
	them.		
4.10 Loss of use of residential building	<p>a) VÍS pays compensation when residential property is damaged by fire or a compensable event under this insurance. The condition for compensation is that the repair is so extensive that it is not possible to use the cooking, sleeping, or sanitation facilities, and it is unavoidable to move out of the property.</p> <p>b) The compensation amounts to the average rent of comparable housing in size and condition, at the location and time in question. However, the compensation will never exceed 0.6% of the insured amount of the property, with a maximum of ISK 500,000 per month.</p> <p>c) The compensation is paid for up to 6 months from the date of the damage, but not longer than the reasonable repair time considering the extent of the damage.</p>	d) Damage due to loss of use lasting 3 days or less.	

5. Conduct of others

- 5.1 When determining liability for compensation, VÍS reserves the right to consider the conduct of the insured's spouse and individuals with whom the insured is in a permanent, stable relationship.¹
- 5.2 In a business context, VÍS may take into account the conduct of the insured's managers and supervisors of the property.

6. Insurance amount

- 6.1 The insured amount is based on the fire damage assessment of the property or part of the property and corresponds to the amount specified in the policy or renewal receipt.
- 6.1.1 If the insured has additional fire insurance for the property in effect with VÍS, the insured amount according to clause 6.1 increases by the amount specified in that insurance.
- 6.2 If the property has been expanded or improved beyond regular maintenance, the insured must request a reassessment of the fire damage assessment.

7. Determination of compensation

- 7.1 Compensation shall be based on the value on the day of the damage. VÍS is entitled to depreciate the value due to age, usage, and other factors that may affect the value of the damaged item.
- 7.2 Notwithstanding clause 7.1, depreciation for parquet flooring cannot exceed 5% per year after the parquet is 5 years old. Depreciation can never exceed 70%. In the event of damage to flooring, compensation is only paid for the flooring in the damaged area. There is no requirement for thresholds or doors to define the area.
- 7.3 If it is possible to repair the damaged item so that the condition of the property is similar to its pre-damage state and the repair is deemed worthwhile by VÍS, VÍS may either pay the estimated repair cost to the insured or cover the repair costs directly.
- 7.4 If it is not possible to repair the damaged item or it is not deemed worthwhile by VÍS, VÍS may pay compensation in money or provide a similar item to the one damaged. If VÍS pays compensation under this clause, it reserves the right to claim the damaged

If there are **adjoining floor coverings**, the insurance only covers the flooring in the area where the damage occurred.

¹ See Article 29 of Act No. 30/2004 on Insurance Contracts.



item.

- 7.5 If the property is so severely damaged that it cannot be repaired or it is not deemed worthwhile by VÍS, VÍS may pay compensation in money equal to the value of the fire damage assessment, minus the remaining value in the property.
- 7.6 Compensation for damage to common property is based on the insured's ownership share in the property.
- 7.7 The insured shall not profit from the damage event. The insurance shall only compensate for the actual loss of the insured.

III. Liability insurance

8. When is the insurance valid?

- 8.1 The insurance covers incidents that occur during the insurance period.
- 8.2 If the consequences of an incident that caused damage during the insurance period do not become apparent until after the insurance has expired, VÍS will still pay the compensation.
- 8.3 VÍS does not pay compensation for damage caused by incidents that occurred before the insurance period began, even if the damage only becomes apparent during the insurance period.

9. What is covered under the insurance?

- 9.1 The insurance covers direct bodily injury or property damage to a third party due to the insured's liability as the owner of the property or part of the property specified in the policy or renewal receipt, in accordance with Icelandic law. "Property" refers to real estate and personal property, including animals. The insurance compensates for such damages to the extent that the injured party is not supposed to bear the damage themselves due to contributory negligence or shared liability.
- 9.2 It is a condition of liability under this provision that bodily injury or damage to property can be traced to a sudden and unexpected event.

10. What is not covered under the insurance?

- 10.1 The insurance does not cover:
 - 10.1.1 Damage within contracts, i.e., damage for which the insured is responsible due to breach of contract.
 - 10.1.2 Damage caused by individuals who have a shared legal residence, live at the same location, or have a shared household.
 - 10.1.3 Damage resulting from the insured's occupation, whether it is their own business or profitable work in the service of others.
 - 10.1.4 Damage to items that the insured has for use, storage, or is otherwise in their custody, including items that the insured has unlawfully in their possession.
 - 10.1.5 Damage to items caused by fire, water due to firefighting, smoke, soot, or explosion.
 - 10.1.6 Damage to items caused by explosion or excavation.
 - 10.1.7 Fines, legal costs, or other expenses related to criminal cases.
 - 10.1.8 Damage caused by pollution of air, soil, vegetation, sea, or water. However, VÍS compensates for such damage if it can be traced to a single unexpected and sudden event.
 - 10.1.9 Damage due to prolonged dampness or water leakage.
 - 10.1.10 Damage attributable to asbestos or materials containing asbestos in any amount.
 - 10.1.11 Damage attributable to PFAS (Per- and polyfluorinated alkyl substances) chemicals and compounds, whether working with such substances or products containing them.
 - 10.1.12 Damage due to mold or fungal growth.

11. Precautionary rules

- 11.1 The insured must fully comply with all laws and regulations in effect at any given time regarding the production, delivery, transport, storage, or preservation of explosives, poisons, or other similarly hazardous substances.

According to Icelandic law, a person is liable for tort damages with respect to any harm which he causes others in a culpable and unlawful manner. This principle is called the **culpa rule**, and it is a basic principle of Icelandic law. If the person who is subject to a litigation claim for tort damages is not culpable, that person will not be liable in tort.

The purpose of a liability insurance is to pay indemnity for the insured person in the event that he has incurred tort liability, to the extent that the injured party will not have to cover his own loss or damage on account of shared liability or shared accountability, and its purpose is also to pay the cost incurred by the insured party in case a tort claim is made against him.

The insurance does not cover damage that the insured causes to himself or other insured persons.

The term "**third party**" in this context refers to a person who is not covered under this insurance.



12. Insurance amount

- 12.1 VÍS's liability for each individual damage event is limited to the insured amount specified in the policy or renewal receipt. If multiple damage events arise from the same cause, they are considered to result from a single damage event.
- 12.2 Expenses incurred with VÍS's consent to determine the insured's liability and interest on the compensation amount are covered, even if VÍS's payment exceeds the maximum compensation amount specified in the policy or renewal receipt.
- 12.3 If the maximum compensation amount specified in the policy or renewal receipt is lower than the principal amount of the compensation claim, only that portion of the costs and interest corresponding to the insured amount that VÍS is obligated to pay will be covered.

13. Determination of compensation for personal injury

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

14. Determination of compensation for property loss or damage

- 14.1 Compensation shall be based on the value on the day of the damage.
- 14.2 If it is possible to repair the damaged item so that its condition is similar to its pre-damage state and the repair is deemed worthwhile by VÍS, VÍS may either pay the estimated repair cost to the insured or cover the repair costs directly.
- 14.3 If it is not possible to repair the damaged item or it is not deemed worthwhile by VÍS, VÍS may pay compensation in money or provide a similar item to the one damaged. If VÍS pays compensation under this clause, it reserves the right to claim the damaged item.
- 14.4 VÍS has the right to pay the difference between the value of the damaged item as it was before the damage event and its value after the damage event.
- 14.5 The insured shall not profit from the damage event. The insurance shall only compensate for the actual loss of the insured.

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

- 15.1 If the insurance covers damage for which the insured is liable, the injured party can claim compensation directly from VÍS. VÍS and the insured are obligated to inform the injured party about the liability insurance if it exists.
- 15.2 If a claim for compensation is made against VÍS, it must notify the insured without unreasonable delay and provide information on the handling of the claim. VÍS's acknowledgment of liability-related issues is not binding on the insured.
- 15.3 If the injured party notifies that they intend to file a lawsuit against VÍS, VÍS can then demand that the lawsuit also be directed against the insured. VÍS must notify the injured party of this demand without unreasonable delay and in a verifiable manner.
- 15.4 For the status of the injured party in other respects, refer to Article 44 of the Insurance Contracts Act No. 30/2004.

16. Handling of compensation claims

- 16.1 The insured must consult with VÍS regarding their legal position if they are claimed for damages that they are deemed responsible for.
- 16.2 The insured may not acknowledge their liability or make compensation agreements without VÍS's consent. The insured's acknowledgment of liability binds only them and not VÍS.
- 16.3 VÍS acts on behalf of the insured and manages the entire process, including handling legal proceedings if necessary. The same applies to claims for rescue or assistance wages.

IV. Legal expenses insurance

17. When is the insurance valid?

- 17.1 The insurance covers disputes that arise during the insurance period, provided that the insurance has been continuously valid with VÍS for at least two years. If the insured had a similar insurance with another insurance company, that period will be credited.
- 17.2 The insurance also covers disputes if:
- 17.2.1 The events or circumstances underlying the claim occurred after the

The purpose of the legal expenses insurance is to pay legal costs incurred in civil suits.



insurance took effect.

- 17.2.2 The insured no longer has legal expenses insurance or similar coverage when the dispute arises, provided the insurance was in effect when the events or circumstances underlying the claim occurred and no more than 4 years have passed since the event or circumstance.

18. What is covered under the insurance?

- 18.1 The insurance covers legal costs due to disputes in civil cases involving the insured as the owner of the insured property or part of the property, which can be resolved by the District Court, Court of Appeal, or Supreme Court in Iceland, and is concluded by a judgment, ruling, or settlement made according to Article 109 of the Act on Civil Procedure No. 91/1991. If the dispute cannot be referred to the courts without prior proceedings in another forum, the insurance only covers costs incurred after such proceedings. The insurance also covers retrial if permitted and the conditions of Article 17 of the terms are met.

19. What is not covered under the insurance?

- 19.1 The insurance does not cover legal costs:
- a) Due to criminal cases.
 - b) Due to disputes that can only be decided by executive authorities or special courts.
 - c) Related to divorce or matters arising in connection with divorce. The same applies to matters due to separation.
 - d) Related to the insured's occupation or official duties.
 - e) Related to liability assumed by the insured, including mortgage loans on real estate.
 - f) Related to financial arrangements that are unusual or exceptionally extensive for an individual or arise from the individual assuming liability for another.
 - g) Related to claims or other demands that have been assigned to the insured.
 - h) Related to the insured as the owner of another property or part of a property not specified in the policy or renewal receipt.
 - i) Related to compensation or other claims concerning acts leading to suspicion or charges against the insured for a criminal offense.
 - j) Related to promissory note cases and collection cases against the insured where the claim is undisputed or indisputable, and cases related to bankruptcy or composition where the insured is bankrupt or seeking composition.
 - k) Related to disputes between the insured and VÍS.
 - l) If there are no legitimate interests in obtaining a judgment in the case. Such interests are, for example, not considered present if an application for legal aid has been rejected for that reason or the granting of legal aid has been revoked.

20. Choice of litigation lawyer

- 20.1 As a condition for liability, the insured must have sought the assistance of a lawyer who has accepted the case. The insured selects a lawyer from the members of the Icelandic Bar Association. A lawyer cannot represent themselves in their own case without VÍS's approval.
- 20.2 The lawyer must notify VÍS when they have accepted the case before taking further action. However, the lawyer may perform urgent actions that cannot be delayed.

21. Determination of compensation

- 21.1 VÍS pays the necessary and reasonable legal fees and costs for each claim that the insured cannot recover from the opposing party or the government once the case has been resolved by judgment or settlement. This means that VÍS does not pay if the insured waives the opportunity to collect legal costs from the opposing party with or without a lawsuit.
- 21.2 A single claim is considered to be one event if the insured parties are on the same side



in a dispute or case. If the insured is involved in multiple disputes, such cases are considered one claim as long as the claims are fundamentally of the same origin.

21.3 If a dispute arises regarding the legitimacy of the attorney's fees, the insured must submit the dispute to the Bar Association's Arbitration Committee.

21.4 VÍS pays:

- a) Attorney fees and costs.
- b) Costs of obtaining expert opinions if the insured's lawyer requests the opinion before a lawsuit or if it is clear that the court would not rule on the case without such an opinion.
- c) Costs of witness testimony or other evidence before the courts.
- d) Court fees.
- e) Legal costs that the insured is ordered to pay the opposing party by a court at the end of the case.
- f) Legal costs that the insured agrees to pay the opposing party in a settlement if it is clear that the court would have ordered them to pay higher legal costs if the case had gone to judgment.

21.5 VÍS does not pay:

- a) The insured's own work, loss of income, travel, accommodation, or other costs.
- b) Enforcement of a judgment, ruling, or agreement.
- c) Additional costs incurred from hiring multiple lawyers or changing lawyers.
- d) Additional costs incurred due to the insured or their lawyer's negligence in handling the case.
- e) Higher compensation for legal costs than the amount of the claim, if present, otherwise equivalent to the amount of the interests in dispute, but never higher than the compensation amount stated in the certificate or renewal receipt.

22. Recourse

22.1 To the extent that compensation has been paid under the insurance, VÍS acquires the insured's right to legal costs from the opposing party or the government.

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.