VÍS tryggingar hf.
Ármúla 3, 108 Reykjavík, 560 5000
kt. 670112-0470, www.vis.is

Comprehensive Vehicle Insurance

Insurance terms BK10

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 BK10.
- The VÍS general terms and conditions YY10.
- Act No. 30/2004 on Insurance contracts.
- Terms and conditions of Ökuvísir.

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

Ökuvísir is an insurance program in vehicle insurance that individuals can choose as part of their private vehicle insurance. If individuals choose this insurance program, they will be provided with a custom app (hereinafter the "app") and a telematics device (hereinafter the "telematics device") which monitor the driving behavior and give a driving rating. This allows policyholders to influence the premiums they pay for mandatory vehicle insurance and comprehensive vehicle insurance through their driving rating (this insurance program is hereinafter referred to as "Ökuvísir"). Further information on the Ökuvísir pricing can be found in clause 10.1 of these insurance terms.

Comprehensive vehicle insurance covers all damage to your vehicle unless otherwise stated in the terms or policy.

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 signing in at vis.is.

1. What is insured?

1.1 The insurance applies to the vehicle specified in the policy.

When you buy **comprehensive insurance**, you are insuring your vehicle against damage. You as the owner of the vehicle are insured.

2. Who is insured?

2.1 The owner of the vehicle is insured.

3. Where is the insurance valid?

3.1 The insurance is valid:

a) In Iceland.
b) During travel within the European Economic Area, the United Kingdom and Switzerland for up to 92 days. The period is calculated from the date of departure from Iceland, plus the time necessary for transport between those countries, provided that the insurance is an annual policy.

If you are **travelling** within the EEA, the United Kingdom or Switzerland for more than 92 days, we encourage you to contact us to arrange separate insurance for the vehicle.

4. What is covered under the insurance?

4.1 The insurance covers:

a) Damage to the vehicle due to sudden, external events.
b) Damage to the vehicle due to fire. Items scorching or melting in the absence of an open flame is not considered fire.
c) Theft or attempted theft of the vehicle or parts thereof, provided that the theft has been reported to the police immediately.
d) Vandalism to the vehicle, provided that it has been reported to the police immediately.
e) The cost of salvage, storage or transport to the nearest repair shop approved by VÍS, if the vehicle is unfit to drive due to compensable damage

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in Iceland. The maximum compensation under this provision is stated in the policy.

5. What is not covered under the insurance?

5.1 The insurance does not cover:

a) Damage to a vehicle while being driven in areas where vehicle traffic is prohibited by order of the authorities, or while being driven across unbridged rivers and streams, along beaches, through fords or on other off-road terrain, unless it is proven that the damage occurred because the driver had to leave the carriageway, for example due to roadworks. However, the insurance covers damage to tractors, off-road vehicles and specially modified SUVs while being driven across unbridged rivers and streams, along beaches, through fords and on other off-road terrain.

b) Mechanical breakdown of the vehicle or its equipment.

c) Damage to the undercarriage, including all mechanical and electrical equipment located there, where the vehicle is driven on national or primary roads in the highlands and the damage is attributable to loose stones being thrown up underneath the vehicle, or to the vehicle striking uneven ground, a pothole or rocks while being driven. This also applies when driving across unbridged rivers, streams and tracks.

d) Superficial damage to the undercarriage, mechanical and electrical equipment, tyres or rims of the vehicle that does not impair their functionality, even if the manufacturer's warranty is invalidated as a result of such damage. This includes, for example, scratches, dents, impact marks, bends or abrasion marks.

e) Damage to the surface of the vehicle caused by ordinary stone chipping from the road or by stones or rocks falling from other vehicles. However, damage to a glass roof is covered if it affects the structural integrity of the vehicle. Ordinary stone chipping means an incident in which loose stones on the road are thrown from another vehicle onto the insured vehicle.

f) Damage to or theft of any additional equipment of the vehicle, such as tracking and telecommunications equipment, charging equipment, tail lifts and cranes on trucks, removable roof racks and roof boxes, decals, painted advertisements and images, unless otherwise agreed and stated in the policy or renewal receipt.

g) Damage to the vehicle resulting from participation in a motor race or while practising a motorsport, whether or not the practice is in preparation for a competition.

h) Damage to the vehicle caused by pets.

i) Damage to the vehicle's cylinders, cooling system, electrical equipment or engine caused by frost or heat, whether due to weather conditions or the temperature in storage premises.

j) Damage caused by a lack of, or incorrect use of, lubricants, cleaning or polishing products, coolants, fuel, diesel exhaust fluid (AdBlue) or similar substances, or by the use of electrical equipment, for example as a result of using incorrect or unapproved charging equipment.

k) Damage to or wear and tear of the vehicle, paintwork, paint protection, tyres, rims or other individual parts attributable to use, corrosion, rust or other ordinary wear and tear. This includes, among other things, damage to tyres or rims caused by ordinary friction or wear during the driving and use of the vehicle, such as where tyres or rims come into contact with kerbs, fixed obstacles, nails or stones in normal driving, provided that the damage is limited to cosmetic damage or a punctured tyre.

l) Damage to trailers or other equipment attached or connected to the vehicle.

m) Damage caused by wind-blown loose earth materials, such as sand, gravel or soil.

n) Damage caused by water entering the vehicle or engine compartment off paved roads, and damage occurring on paved roads where it is clear that water has accumulated on the road or a specific warning has been issued of such danger. The exclusion for damage caused by water entering the vehicle or engine compartment also applies to tractors, off-road vehicles and specially modified SUVs.

A **specially equipped SUV** means a vehicle equipped for driving in challenging conditions, whether through features provided by the manufacturer or modifications made to its original design. Such modifications may include, among other things, raised suspension or bodywork, larger tyres and changes to the wheel assembly, modifications to the drivetrain or suspension, and alterations to wheel arches and protective equipment.

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o) Damage to or theft of a key or other access control device.
p) Damage attributable to the use or care of the vehicle, such as smoking or the consumption of food and beverages.
q) Damage to the vehicle caused by the transportation of cargo, unless the damage is attributable to a covered event.

5.2 The insurance does not cover loss or increase in loss directly or indirectly caused by or resulting from an earthquake, volcanic eruption or other natural disasters. However, the insurance covers loss due to rockslides, landslides, avalanches from maintain slopes, mudslides or floods and lightning.

6. Precautionary rules[1]

6.1 The driver of the insured vehicle must hold the licences and have the skills required to drive it.
6.2 The driver must be in a mental and physical condition that enables them to operate the vehicle safely and must not be under the influence of alcohol, narcotic or addictive drugs, or any other stimulants or sedatives when using the vehicle.
6.3 The vehicle must be locked when unattended, and its keys must be kept in a secure place.
6.4 The vehicle must be used, handled and maintained in accordance with the manufacturer's instructions and guidelines. This includes, among other things, loading and unloading cargo, use of equipment, towing, starting the vehicle and providing assistance to start the vehicle.
6.5 When lifting with a vehicle-mounted crane, the manufacturer's instructions for use of the crane must be followed, and lifting attachments suitable for the weight being lifted must be used.
6.6 The vehicle must not be used for driving other than as specified in the policy or renewal receipt.
6.7 Following a covered event, the insured must take appropriate measures to mitigate the loss or damage, such as having the vehicle inspected by a qualified professional, taking action in response to warning lights, switching off the engine or moving the vehicle to a safe location.
6.8 The insured must comply with official requirements regarding inspection of the vehicle and ensure that it meets, at all times, the applicable requirements relating to its design and equipment.
6.9 The insured must ensure that the vehicle's safety equipment is in proper working order at all times.
6.10 The insured, and any person responsible for the vehicle with the insured's consent, must store the vehicle in a manner that prevents it from being blown away in adverse weather conditions. The vehicle must not be driven in areas where public warnings have been issued against vehicle travel due to severe weather or driving conditions, or where wind gusts are verifiably measured at more than 24.5 m/sec, according to measurements by the Icelandic Meteorological Office.

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. Changed use of vehicle

7.1 VÍS must be notified immediately if the use of the vehicle changes from what is stated in the policy, as use affects the price of the insurance. Failure to comply with this notification obligation may result in VÍS's liability being reduced in proportion to the price for the changed use.[2]

An example of a **change of use** is if a vehicle is used for commercial purposes, motor sports or for rental.

8. Access to information

8.1 If a loss event occurs, the insured, or any person making a claim under the insurance, must preserve and provide VÍS with access to audio and video recordings and any electronic information recorded in the vehicle's computer systems or its additional equipment, insofar as such information may be relevant to the investigation of the loss event, assessment of liability to pay compensation or determination of the amount of compensation.

9. Conduct of Others

9.1 VÍS may rely on the conduct of any person who, with the consent of the registered owner or operator, is responsible for the insured vehicle.
9.2 In a business context, VÍS may rely on the conduct of the insured's managers and the person

[1] See the discussion of breaches of precautionary rules in the VÍS General Terms YY10.
[2] According to Article 25 of Act no. 30/2004 on Insurance Contracts.

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responsible for the insured vehicle.

10. Price

10.1 Price for the Ökuvísir insurance program:

10.1.1 Determined by measurements from the associated app and telematics device.

10.1.2 Calculated on the basis of a base premium, which is the maximum price for the insurance and is determined by the value of the vehicle and the deductible, and variable components that include the driving rating and the kilometers driven. The policyholder can calculate how the variable components can affect the price by using a calculator in the app and by checking the Ökuvísir tariff which is accessible on the VÍS website at vis.is.

10.1.3 Based on the variable components, which can have the effect of reducing the base premium and are calculated for every 30 days within the insurance period.

10.1.4 If the policyholder does not connect to the telematics device within 60 days of applying for the insurance, turns off the telematics device, the app or otherwise tries to influence the calculation or the driving rating, the price will be based on the base price.

10.1.5 The base price will be adjusted upon renewal of the insurance in accordance with changes in the index and VÍS's premium tariff

11. Deregistration

11.1 In the event of deregistration of the insured vehicle, the insurance is cancelled when the deregistration has taken place.

12. Determination of compensation

12.1 The amount of compensation is determined by the value of the vehicle. The value of the vehicle is the amount that a vehicle of comparable type, age and quality costs on the general market on the date of the damage, based on cash transactions.

12.2 The amount of compensation according to clause 12.1 may, however, never exceed the amount stated in the policy, if specified therein. The insured shall never benefit from an insurance incident. The insurance shall only compensate for the insured's actual damage.

12.3 VÍS is authorized to depreciate the value of the following items due to age, use and other factors that may affect the value of the item. Depreciation cannot exceed what is stated in the table below:

Type	Depreciates	Depreciation	Total depreciation
Paint protection, e.g. ceramic coating or permanent coating.	Every 12 months	33,33%	100%

12.4 VÍS pays compensation for total loss if:

12.4.1 The vehicle is so severely damaged that VÍS does not consider it worthwhile to repair.

12.4.2 The vehicle is stolen and has not been found within six weeks from the time VÍS was notified of the event.

12.5 If a total loss occurs to the vehicle, VÍS decides whether to:

12.5.1 Pay the value of the vehicle against a transfer.

12.5.2 Pay the difference between the value of the vehicle before and after the loss event.

12.5.3 Replace the vehicle with the same type of vehicle which is of comparable age and condition. If VÍS chooses to provide another vehicle, it is entitled to require the policyholder to give it the title for the damaged vehicle.

12.6 Compensation for partial damage:

12.6.1 In the event of damage to the vehicle without the conditions of clause 12.4-12.5 existing, VÍS will pay the cost of repairing the vehicle to the extent possible, so that it is in the same or similar condition as before the damage. The repair is considered complete, even if it is visible that the vehicle has been repaired.

12.6.2 In the event of damage to tires and/or rims, VÍS will only pay compensation for the tires/rims that were damaged, even if other tires/rims need to be replaced.

12.6.3 VÍS is entitled to pay either repair costs at a repair shop approved by VÍS or compensation for the estimated repair cost.

12.6.4 VÍS does not compensate for damage to the vehicle prior to the reported damage.

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12.6.5 VÍS will not compensate for a reduction in the market price of the vehicle, indirect damage, such as loss of use, additional expenses for work outside normal working hours or additional costs due to special orders for spare parts.

12.6.6 VÍS is not obliged to pay for repairs that are initiated without its approval.

13. Assignment

13.1 The assignment of rights under the insurance contract is subject to the 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.