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

Vehicle Insurance

Insurance Terms BA10

Vehicle insurance is a **mandatory** insurance that all owners of registered vehicles must have.

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

The insurance is governed by:

- The policy, including endorsements and special terms.
- These insurance terms BA10.
- The VÍS general terms and conditions YY10.
- Act No. 30/2004 on Insurance Contracts.
- Terms and conditions of Ökuvísir.

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.

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

This insurance is in accordance with the Vehicle insurance Act no. 30/2019 and the Vehicle Insurance Regulation no. 1244/2019.

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"). The price of this insurance option is determined as provided in Article 7.3 and its sub-articles of these terms.

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I. General provisions

1. Where is the insurance valid?

1.1 The insurance applies to the use of the vehicle in Iceland and in other member states of the European Economic Area. The insurance also applies in the United Kingdom and Switzerland.

1.2 When driving abroad in countries other than those listed above, the policyholder must carry an international insurance card (green card) for the vehicle's liability insurance, provided that the country concerned is a party to the agreement on the use of such insurance cards.

1.3 The insurance does not apply when the vehicle is used for purposes other than as a vehicle, or when it participates in a motor race in a closed area for which a permit has been obtained under the Road Traffic Act.[1]

2. When is the insurance valid?

2.1 The insurance covers insurance incidents that occur during the insurance period.

2.2 If the consequences of an incident, which damage has resulted from and occurred

When referring to a **"third party,"** it means the party that is not VÍS and is not covered by the liability insurance. Example: You cause damage to an object owned by another person. The person is not covered under the insurance but can make a claim against your liability insurance due to the damage.

[1] According to Article 2 of Act No. 30/2019 on Vehicle Insurance.

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during the insurance period, do not become apparent until after the insurance has expired, compensation will nevertheless be paid by VÍS.

2.3 Even though the insurance expires, VÍS still continues its liability towards a third party for any damage that occurs up to four weeks after the insurance has expired, unless another adequate insurance has been purchased.

3. What is not covered under the insurance?

3.1 Damage or increase in damage that directly or indirectly arise from or is caused by earthquakes, volcanic eruptions, landslides, avalanches or other natural disasters.

4. Precautionary rules

4.1 The driver of the insured vehicle must hold the licences and have the skills required to drive it.

4.2 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.

4.3 The vehicle must not be used for driving other than as specified in the policy.

4.4 The insured owner or operator 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.

4.5 The insured owner or operator must maintain the vehicle in accordance with the manufacturer's instructions and guidelines.

4.6 The insured must ensure that the vehicle's safety equipment is in proper working order at all times.

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.

5. Changed use of vehicle

5.1 VÍS must be notified immediately if the use of the vehicle changes from what is stated in the policy. 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]

6. Access to information

6.1 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.

7. Price

7.1 The price of the insurance is, among other things, calculated based on the use of the vehicle and the legal residence of the policyholder. The price changes upon renewal of the insurance in accordance with changes in the consumer price index and VÍS's tariff.

7.2 When determining the price, VÍS is allowed to obtain information from other insurers about the claim experience of the policyholder in this line of insurance.

7.3 Price for the Ökuvísir insurance program is determined in the following ways:

- 7.3.1 Determined by measurements from the associated app and telematics device.
- 7.3.2 Calculated on the basis of a base premium, which is the maximum price for the insurance and is determined by the 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.
- 7.3.3 Variable factors of the price can lower the base price and are calculated for every 30 days within the insurance period.
- 7.3.4 If the policyholder turns off the telematics device, the app or otherwise tries to influence the calculation or the driving rating, the price for the period will be based on the base price.
- 7.3.5 The base price changes upon renewal of the insurance in accordance with changes in the consumer price index and VÍS's price list.

8. Payment

8.1 The payment for the insurance becomes due when it is requested, and the payment deadline is specified in the payment request.

8.2 Payment for Ökuvísir is based on the driving history for the past 30 days and falls due

[2] According to Article 25 of Act No. 30/2004 on Insurance Contracts.

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monthly when payment is demanded.

8.3 If the insurance has been issued with a unilateral declaration of the policyholder, the payment period may be seven days at the earliest from the day payment was demanded. If the payment is not received by that time, VÍS is allowed, despite Article 8.4, to cancel the insurance. VÍS shall then notify the policyholder of the decision and send a notification to the Icelandic Transport Authority about the termination of the insurance.

8.4 If the payment, plus the cost of the accident, has not been received within 14 days from the sending of the notification according to 1st paragraph of Article 33 or 1st paragraph of Article 96 of Act No. 30/2004 on Insurance Contracts, or after the expiration of the payment period according to 2nd paragraph of Article 32 of the same law, the vehicle insurance becomes invalid. VÍS shall notify the Icelandic Transport Authority and the policyholder about the cancellation.

8.5 The mandatory vehicle insurance premium together with interest and costs rests as a legal lien on the vehicle[3]

9. Refund

9.1 If an insurance policy is terminated before the expiration of the insurance period, the policyholder is entitled to a refund proportionate to the time for which payment has been made and the insurance is not in effect.

9.1.1 However, this does not apply to insurance contracts for quad bikes, snowmobiles, and motorhomes where consideration has been given to seasonal use and risk fluctuations when determining the price.

9.1.2 This does not apply to windshield insurance when it comes to temporary deregistration.

10. Change of ownership and deregistration

10.1 When a change of ownership occurs to a registered motor vehicle, the previous insurance applies to the new owner (permanent custodian) for 14 days unless the vehicle has been previously deregistered or a new insurance purchased for it.

11. Insurance amount

11.1 VÍS's liability for each insurance event is limited to the insurance amount in accordance with Act No. 30/2019 on Vehicle insurance.

II. Mandatory vehicle insurance

12. Who is insured?

12.1 The registered owner or permanent custodian is insured.

13. What is covered under the insurance?

13.1 The insurance covers any liability claim that the insured is obliged to insure according to Act No. 30/2019 on Vehicle insurance, as the owner or custodian of the insured vehicle, due to damage resulting from its use.

14. What is not covered under the insurance?

14.1 The insurance does not cover damage to the vehicle itself or other property of the policyholder or the insured. However, the insurance covers damage to the insured's own vehicle caused by the collision of the insured vehicle.

15. Conduct of others

15.1 VÍS is allowed to consider the conduct of parties who are responsible for the insured vehicle with the consent of the insured.

15.2 In business operation, VÍS may consider the conduct of the manager of the insured vehicle.

16. Determination of compensation for bodily injury

16.1 Compensation for bodily injury to third parties is paid based on the Tort Compensation Act No. 50/1993.

17. Determination of compensation for property loss or damage

17.1 Compensation for property damage is based on the value on the day of the loss.

17.2 If it is possible to repair the damaged item so that it is in a similar condition as before the damage and the repair is cost-effective according to VÍS, VÍS may either pay the

[3] According to Article 12 of Act No. 30/2019 on Vehicle insurance.

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estimated repair cost or have the damaged item repaired at VÍS's expense.

17.3 If it is not possible to repair the damaged item or the repair is not cost-effective according to VÍS, VÍS may pay compensation in money or provide a comparable item, considering depreciation. If compensation has been paid from the insurance, VÍS reserves the right to claim the damaged item.

17.4 VÍS has the right to pay the difference between the value of the damaged item before and after the loss event.

17.5 The insured should not profit from an insurance event. The insurance shall only compensate for the true damage of the insured.

18. Recourse

18.1 VÍS has the right of recourse according to the Vehicle Insurance Act No. 30/2019, the Insurance Contracts Act No. 30/2004, and general legal rules due to VÍS's payment of compensation, for example, if:

a) The loss was caused because the driver, due to prior consumption of alcohol, addictive, and controlled substances, stimulants, or depressants, was unable to safely control the vehicle or was unfit to do so, according to the Traffic Act No. 77/2019.

b) The loss was caused because the driver did not have the necessary rights and skills to control the relevant vehicle.

c) The loss was caused intentionally or due to gross negligence.

d) VÍS has paid compensation from the insurance for a loss that occurred more than 14 days after ownership transfer or the insurance had expired.

e) The vehicle was used for purposes other than those specified in the policy or renewal receipt.

f) The vehicle was rented without a driver contrary to the provisions of the Rental of Registered Vehicles Act No. 65/2015. If the insured shows that the causes of the loss or the extent of the loss cannot be attributed to a violation of the provisions of this law, VÍS does not have the right of recourse.

19. The status of the claimant in case of loss or damage

19.1 VÍS is obligated to compensate the claimant.[4] VÍS and the insured are obliged to inform the claimant about the liability insurance if it is available.

19.2 If a claim for compensation is made against VÍS, the insurer shall notify the insured without undue delay and provide them with information regarding the handling of the claim. VÍS's acknowledgement of matters related to liability is not binding for the insured.

19.3 If the claimant informs VÍS that he intends to file a lawsuit, VÍS can then demand that he also direct the lawsuit against the insured and must inform the claimant of this claim without unnecessary delay and in a verifiable manner.[5]

19.4 For the status of the claimant otherwise, reference is made to Articles 44 and 45 of the Insurance Contracts Act No. 30/2004 and Articles 19 and 21 of the Vehicle Insurance Act No. 30/2019.

20. Handling of compensation claims

20.1 The insured may not concede his liability or make agreements on compensation without the consent of VÍS.

20.2 VÍS acts on behalf of the insured and controls all legal proceedings, as well as handles all aspects of the legal proceedings in court if needed. The same applies to claims for wages for rescue or assistance.

III. Mandatory accident insurance for drivers and owners

21. What is insured?

21.1 The insurance applies to vehicles that are not exempt from insurance obligations according to Article 11 of the Vehicle Insurance Act No. 30/2019.

22. Who is insured?

22.1 The policyholder and any driver of the vehicle, provided that he has not used the vehicle without proper authorization.

[4] According to paragraph 1 of article 19 of Act No. 30/2019 on Vehicle insurance.
[5] According to paragraph 2 of article 21 of Act No. 30/2019 on Vehicle insurance.

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23. What does the insurance compensate?

23.1 The insurance compensates bodily injury due to accidents that:

23.1.1 The driver sustains while operating the insured vehicle provided that the accident can be traced back to its use.[6]

23.1.2 The policyholder suffers as a passenger in the insured vehicle, or as a result of it, provided that the accident can be traced back to its use.[7]

24. Determination of compensation

24.1 The insurance pays compensation for bodily injury to the insured based on the Tort Liability Act No. 50/1993.

24.2 If the insured is entitled to compensation for the accident according to the Vehicle Insurance Act No. 30/2019, or other compensation rules, the benefits from this insurance are reduced accordingly.[8]

IV. Accident insurance for drivers and owners of off-road vehicles (optional)

25. What is insured?

25.1 The insurance covers vehicles that are exempt from the insurance obligation according to Article 11 of the Vehicle insurance Act No. 30/2019 with accident insurance for drivers and owners specified in the policy.

26. Who is insured?

26.1 The insured is the policyholder and any driver of the vehicle, given they have not used the vehicle without proper authorization.

27. What is covered under the insurance?

27.1 The insurance covers bodily injury resulting from an accident where the permanent disability rating is at least 15 points, sustained by:

27.1.1 The driver while operating the insured vehicle, provided that the accident is attributable to the use of the vehicle. [9]

27.1.2 The policyholder as a passenger in the insured vehicle, or as a result of the vehicle, provided that the accident is attributable to the use of the vehicle.[10]

28. What is not covered under the insurance?

28.1 The insurance does not compensate for a bodily injury where the permanent disability, according to Article 4 of the Tort Liability Act No. 50/1993, is under 15 points.

28.2 If the permanent disability, according to Article 4 of the Tort Liability Act No. 50/1993, is under 15 points, VÍS does not pay for the insured's out-of-pocket expenses, such as for obtaining medical certificates and assessments.

29. Determination of compensation

29.1 The insurance pays compensation for the insured's personal injury based on the Tort Liability Act no. 50/1993.

29.2 The insured must provide, at their own expense, all the documents that VÍS may require to assess its liability and disburse compensation.

29.3 If the insured is entitled to compensation for the accident under the Vehicle insurance Act no. 30/2019, or other tort rules, compensation from this insurance will be reduced accordingly.[11]

V. Windshield insurance (optional)

30. What is insured?

30.1 If this insurance is chosen, it applies to the vehicle specified in the policy.

31. Who is insured?

31.1 The registered owner or permanent custodian is insured.

[6] According to article 9 of Act No. 30/2019 on Vehicle insurance.
[7] According to article 9 of Act No. 30/2019 on Vehicle insurance.
[8] According to article 9 of Act No. 30/2019 on Vehicle insurance.
[9] According to article 9 of Act No. 30/2019 on Vehicle insurance.
[10] According to article 9 of Act No. 30/2019 on Vehicle insurance.
[11] According to article 9 of Act No. 30/2019 on Vehicle insurance.

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32. What is covered under the insurance?

32.1 The insurance compensates damage to the front windshield, rear windshield, and side windows of the vehicle, along with the installation cost. It is not considered damage if a window chips or if it gets scratched.

33. What is not covered under the insurance?

33.1 The insurance does not compensate for:

33.1.1 A window that breaks during removal or installation.

33.1.2 Damage due to the loss of use of the vehicle when a window breaks.

34. Conduct of others

34.1 VÍS is allowed to consider the behavior of parties who are responsible for the insured vehicle with the consent of the insured.

34.2 In a business operation, VÍS can consider the behavior of the manager of the insured vehicle.

35. Determination of compensation

35.1 VÍS determines whether the cost is covered for:

35.1.1 Repair of a damaged windshield.

35.1.2 Replacement of a damaged windshield. In such cases, the cost of a comparable windshield to the one that was damaged, along with installation costs, is covered. If the vehicle is older than four years, VÍS is entitled to limit compensation to the value of an OEM (Original Equipment Manufacturer) windshield if one is available for the respective vehicle.

35.2 Compensation for the replacement or repair of a windshield is not required under the insurance policy if the work has been initiated without the approval of VÍS.

36. Deductible

36.1 If a window needs to be replaced, the policyholder is required to pay a deductible for each loss, as specified in the policy.

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.