

Contractor's Insurance

Insurance Product Information Document

Sjóvá-Almennar tryggingar hf.

SJÓVÁ

Policy Terms nr. 223 and General Terms nr. 001

This document summarizes what is covered by the insurance policy and what is not. This is not an exhaustive list. Additional information about the insurance, including insurance amounts and deductibles, can be found under its [Insurance Policy Terms](#), [Sjóvá's General Terms](#), and in the insurance policy. You can log on to [My Sjóvá](#) to access this information.

What is this type of insurance?

Contractor's Insurance is a combined insurance policy for contractors and pays compensation for common damages that can occur to the insured property during the construction period. The insurance also covers damage to building materials in the building or containers at the construction site but does not cover tools.



What is covered?

Water damage insurance compensates:

- ✓ Damage caused by water that suddenly leaks from water pipes inside the walls of the building.
- ✓ Damage caused by water overflowing from sanitary fixtures due to mistakes or sudden malfunction.

Weather conditions insurance compensates costs:

- ✓ Damage caused by groundwater flowing into the building due to sudden torrential rain (cloudburst) or snowmelt (rapid thaw).
- ✓ Damage to the property caused by storm when wind speed reaches 28.5 meters per second or more.

Burglary insurance pays compensation for:

- ✓ Damage to the building following a burglary.
- ✓ Damage to building materials in a locked building or locked container (subject to the condition of a container lock).

Collapse and subsidence insurance pays compensation for:

- ✓ Damage to the building due to sudden collapse or subsidence.

Glass Breakage Insurance pays compensation for:

- ✓ Damage to installed glass in the insured building if it breaks.

Fire Insurance on movable assets compensates for:

- ✓ Damage to building materials, in a building or container, caused by fire, lightning or explosion.



What is not covered?

Water damage insurance does not compensate for:

- ✗ Damage caused by water originating outside the walls of the building (see, however, Weather conditions insurance).
- ✗ Damage caused by long-term moisture or fungal growth.

Weather conditions insurance does not compensate for:

- ✗ Damage caused by water leaking from balconies, gutters or their drainage systems due to sea tide and/or groundwater.
- ✗ Damage to movable property outdoors and damage caused by drifting sand.

Burglary insurance does not pay compensation for:

- ✗ Items stored outdoors unless in a locked container.
- ✗ Items stored indoors in an unlocked area.

Collapse and subsidence insurance does not pay compensation for:

- ✗ Subsidence resulting from inadequate compaction, design or calculations.

Glass Breakage Insurance does not compensate for:

- ✗ Damage to decorative glass or if the glass is scratched, chipped, or due to condensation between panes.

Fire Insurance on movable assets does not compensate for:

- ✗ Damage that is not considered fire damage, for example when an item is scorched, overheated or melted. The insurance also does not compensate business interruption or indirect loss caused by fire damage.



Are there any restrictions on cover?

- ! The insurance does not compensate damage caused by natural disasters or damage resulting from war, acts of terrorism, pollution or similar events.



Where is the insurance valid?

- The insurance applies to construction projects in Iceland.



What responsibilities do I have?

- You must report claims as soon as possible and no later than within one year from the date of loss.
- You must ensure that all information on the insurance certificate is correct.
- You must notify us of changes to your address, telephone number and email address.
- You are required to comply with the precautionary rules in the terms and conditions, for example that doors, windows and other openings to the insured premises are securely locked and that keys are stored so that unauthorized persons do not have access to them.



When and how do I pay the premium?

The premium must be paid on the due date. When the insurance policy is issued or renewed an electronic claim is created in your online bank. You have the option to distribute the premium payments by:

- Credit card payment, where the premium is charged monthly to a credit or debit card.
- Direct payment, where your bank account is debited monthly.



When does the insurance start and when does it end?

The insurance takes effect from acceptance of the offer and renews annually until the construction work is completed or the insurance is cancelled.



How do I cancel the insurance?

- Individuals and companies with fewer than five full-time equivalent positions may cancel insurance at any time, in which case it terminates at the end of the month after next from when the cancellation is received. Other companies may cancel insurance with one month's notice before the end of the insurance period.
- Cancellation must be in writing, for example with an electronic signature.