

Green Card Bureau Compendium

IS - Iceland

The information in this compendium is provided by the Green Card Bureau of the country concerned and serves an information purpose only. It is not intended to be comprehensive or complete, nor can it be guaranteed to be accurate or up to date. The Council of Bureaux nor the Green Card Bureau concerned accepts any responsibility or liability whatsoever in relation to the information provided in this document.

General information

Please provide the official full name of your Bureau.

Alþjóðlegar bifreiðatryggingar á Íslandi sf.

International Motor Insurance in Iceland

What is the legal status (form) of your Bureau (non-profit organisation, association of legal entities, limited liability company, etc.)?

Non-profit organisation

How is the ownership/membership of your Bureau structured (e.g. owned/controlled by all members equally, part of state government, etc.)?

Owned and controlled by all members equally

Question N° 1

1.1. What was the date of the original Law, which introduced Compulsory Third Party Motor Insurance and what was the date of its entry into force?

15th June 1926 (Law No.56/1926).

1.2. What is the date of the present Law and of its entry into force?

30th March 1987 (Traffic Act No. 50/1987). Entry into force 1st March 1988.

Question N° 2

2. Which are the classes of motor vehicles for which insurance is compulsory?

All motor vehicles, which are used on the public road system.

Question N° 3

3. Is the Law applicable to foreign visitors?

Yes.

Question N° 4

4. Does the Law apply in respect of liability for both personal injury and damage to property?

Yes.

Question N° 5

5. What is the minimum limit of cover required for personal injury damage? State the minimum value of sum insured, date with effect from and please indicate whether the limit is per accident or per victim.

Type of vehicle	Personal injuries		Material damage (cover may be limited to an amount of no less than)	
	Per accident	Per victim	Per accident	Per victim
	Icel.Kr. 3,493,000,000	N/A.	Icel.Kr. 441,000,000	N/A.
Date of effect: 23/02/2017				

Question N° 6

6.1. Does the Law require cover in respect of passengers carried in the vehicle?

Yes.

6.2. Is there any category of passenger excluded from this cover?

If the claimant himself has caused the accident by negligence or deliberately, property damage is not indemnified;

If he has caused the accident by gross negligence or deliberately, personal injury is not indemnified.

Question N° 7

7. Under what conditions is an insurer permitted by Law to reject a third party claim? Please specify.

Under no condition.

Question N° 8

8. Is there a direct right of action by a third party against an insurer?

Yes.

Question N° 9

9. Does a claimant resident in a foreign country have a direct right of action against the local Bureau or the insurer representing the Bureau?

Yes.

Question N° 10

10.1. Does the Law require the insurer and/or Bureau to make an offer of compensation to a claimant within a specified time?

No.

If yes, what is the nature of the damages to which the time-limit applies?

N/A.

10.2. What is the specific time-limit?

N/A.

10.3. Which are the other provisions of the Law in this respect? (e.g. sanctions)

N/A.

10.4. Are there any similar stipulations for provisional payments?

No.

Question N° 11

11.1. Is there a limitation period for legal proceedings against the insured or the insurer?

Yes.

If yes, please specify.

Claims are time-barred 4 years after the claimant came to know about his claim and the claim could be evaluated and settled. All claims are time-barred 10 years after the accident took place.

11.2. Are there any provisions in the Law which allow for the suspension or extension of that limitation period?

No.

If yes, please specify.

N/A.

Question N° 12

12.1. Is your Bureau a VAT liable entity?

No

12.2. If yes, please indicate the VAT number:

In this case is the service of claims handling by the Bureau VAT exempted?

No

12.3. Is an MTPL insurer in your market a VAT liable entity?

No

If yes, is the service of claims handling by an MTPL insurer VAT exempted?

No

12.4. Is a specialised claims handling office a VAT liable entity?

No

If yes, is the service of claims handling by this entity VAT exempted?

No

Question N° 13

[Note: Questions addressed to non-EEA Bureaux only. For EEA Bureaux, see Section 2 & 3]

13.1. Is there a Guarantee Fund in your Country?

N/A.

If yes, what are the conditions and limits of intervention of the Guarantee Fund?

N/A.

13.2. Are these conditions and limits applicable to non-residents whether they are the cause of, or victims of, accidents?

N/A.

Question N° 14 – For countries concerned by Section III of the Internal Regulations

14.1. Are there natural or legal persons (public or private) exempted from the obligation of compulsory MTPL insurance in your country? (Article 12.2 of the Internal Regulations)

Yes

If yes, please list the persons exempt from compulsory MTPL insurance:

Exempted if owned by the State of Iceland, a foreign State or international organization

In this case please also indicate the authorities or bodies responsible for compensation:

The State

14.2. Are there certain types of vehicles or certain vehicles bearing a special plate exempted from the obligation of compulsory MTPL insurance in your country? (Article 12.3. of the Internal Regulations)

No

If yes, please list those vehicles:

Question N° 15

15.1. Any other special features?

Apart from Third Party Insurance a special accident insurance is compulsory for the driver and the owner. The minimum sum insured is Icel. kr. 262,000,000 per accident.