



Basic Corporate Insurance

YH 05

Insurance terms and conditions valid as of 1 January 2018

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Structure of insurance

The insurance includes property (ES), cargo (KU), business interruption (KE), general liability (VA) and legal expenses insurance (OI) and the General Terms of Contract (YL).

If it has been separately agreed on and recorded in the insurance policy, the insurance also includes financial loss cover (VV) or cover for business interruption caused by an employee (TK) or both.

ES PROPERTY INSURANCE

ES1 Purpose of insurance

In accordance with these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd or A-Insurance Ltd (hereinafter the Insurance Company) undertakes to cover material damage caused to the object of insurance referred to in clause ES 4, and other expenses mentioned separately in the terms and conditions.

ES2 Object of insurance

2.1 Object of insurance

The object of insurance is the following property falling in the sphere of the policyholder's business operations specified in the insurance policy:

- the policyholder's moveable property
- loaned or rented movable property which the policyholder is using for his business, and
- property owned by customers that is related to the policyholder's business

2.2 Extensions and restrictions

2.2.1 Money and securities

Money and securities are covered by the insurance up to the following maximums per loss. Unused postage stamps, coupons, bills of exchange, cheques, lottery tickets and other similar certificates of claim are also regarded as money and securities.

- the equivalent of the last two business days' cash income preceding a robbery. If this period also includes Sunday opening hours, the maximum compensation is equivalent to the last three business days' cash income.
- EUR 40,000 in case of robbery when one company employee is in charge of transportation, and EUR 80,000 if two employees are jointly in charge of transportation
- when storing property in a locked Euro Grade safe or vault marked with points for its protective value to an amount equivalent to the cash income of the two preceding business days. If this period also includes Sunday opening hours, the maximum compensation is equivalent to the last three business days' cash income.
- when keeping money in a cash handling machine, the maximum compensation is the equivalent of the preceding two business days' cash income. If this period also includes Sunday opening hours, the maximum compensation is equivalent to the last three business days' cash income. The cash handling machine must be placed in a separate room/space conforming with Safety regulations for break-in protection 3 (S853).
- EUR 20,000 when storing property in another type of locked safe or vault weighing at least 400 kg
- EUR 2,000 if property kept in a locked fireproof cabinet or safe or other separate, closed place that provides protection.

2.2.2 Motorised machines

The insurance does not provide cover for motorised vehicles, trailers, towed equipment, aircraft, radio-controlled aircraft, and vessels and boats subject to registration.

Contrary to the above restrictions, coverage is provided to

- garden tractors, mopeds, quad bikes, snowmobiles, motor boats, trailers and towed equipment included in the policyholder's inventories excluding situations in which they are being transported or used for their purpose using their own motors and
- forklift trucks and lawn mowers which do not have to be registered that are included in the policyholder's inventories and used in the place of insurance for other property damage than breakages caused by use.

2.2.3 Structures, fittings and machinery permanently fixed in a building

The insurance does not cover buildings and real estate. Contrary to the restrictions above, the insurance covers the following items which are permanently fixed in a building located in the place of insurance (ES 3.1), which the policyholder is in possession of and which serve the sole purpose of the policyholder's business operations specified in the insurance policy:

- structures, fittings and surface coverings and
- machinery and equipment and structures, wiring and piping connected to them.

The property specified above in this section, including installation and clearance work and removal expenses, is covered by the insurance for up to EUR 30,000 insofar as it is not insured under another insurance for the same loss.

2.2.4 System software, application software and files

If software or files in electronic format are lost, the insurance will cover backup recovery costs to a total of up to EUR 10,000. The insurance will not cover the destruction of software or files in electronic format except in the event that the insured device or data medium has sustained damage that is indemnifiable under these terms and conditions.

2.2.5 Employees property

The insurance also covers such moveable property of an employee in the service of the policyholder as the employee carries during work subject to the same restrictions that apply to property within the sphere of the policyholder's business operations under section ES 2.1. The employee's property is covered up to EUR 1,000 per employee. The insurance does not cover the employee's money, credit cards, cheques or similar instruments of payment or securities.

2.2.6 Advertisements and window tape

The insurance also covers losses to the company's illuminated advertisements, hoardings and window tape for a total of up to EUR 5,000.

2.2.7 Works of art in the place of insurance

The insurance also covers loss of or damage to works of art in the place of insurance for a total of up to EUR 20,000.

2.2.8 The insurance does not cover

- animals
- other property, which is not covered under a merchant agreement, unless separately agreed upon, with an entry made in the insurance policy.

2.3 Secondary nature of insurance

When, on the basis of the above provisions concerning the object of insurance, the insurance may cover property other than that owned by the policyholder, such property is covered by the insurance only if it has not been insured under another insurance for the same loss.

ES 3 Territorial limits

3.1 Place of insurance

The insurance is valid when the property is in the place in Finland specified in the insurance policy (place of insurance).

Property kept outdoors is only covered in case of theft if it is necessary to keep it outdoors and it is kept in the place of insurance or its immediate vicinity in a fenced or guarded area or if it is locked with a chain, cable or equivalent.

3.2 Other places

The insurance is valid in the following situations in Finland also if the object of insurance is somewhere else than the place

of insurance, unless otherwise specified in these terms and conditions.

3.2.1 Inventories or movable property in other than the place of insurance

The insurance is also valid within Finland in other than the place of insurance, with the compensation being a maximum of EUR 100,000.

The insurance is valid without the above maximum amount of compensation

- in agricultural and hardware store operations, in a temporary storage place in Finland required for inventories concerning the business referred to in the policy.
- with regard to agricultural store business, for grain producer's storage places concerning grain amounts which the policyholder has bought from an agricultural producer on the condition that the grain is stored for the policyholder in the producer's storage facility.

3.2.2 Money and securities

The insurance is valid for robbery or burglary when money or securities are transported elsewhere in Finland.

Money and securities are also covered by the insurance also in case of a robbery of or burglary into a container of a bank, security business or money transport company. The prerequisite for compensation is that the money is not at the responsibility of the bank. The maximum amounts of compensation are stated under clause ES 2.2.1.

Coverage includes losses caused by the loss of credit and bank card sales documents as a result of a coverable fire or crime. Compensation is paid for a period of 24 hours for up to EUR 10,000. The prerequisite for compensation is that both paper receipts and computer files have been lost.

3.2.3 Equipment, tools and accessories that are being transported or stored elsewhere

The insurance is valid for equipment, tools and accessories that are being transported or stored elsewhere within Finland, with the maximum compensation at EUR 20,000 per loss on the condition that the transportation of the equipment is related to the carrying out of the business operations specified in the insurance policy.

3.2.4 Repair and maintenance

The insurance is valid when the object of insurance is being repaired or maintained within Europe.

3.2.5 Employees property

An employee's property specified in section ES 2.2.5 above is covered by the insurance in connection with work performed outside the place of insurance in Finland.

ES 4 Coverable losses, related restrictions, and special indemnification regulations

The insurance covers direct material damage suffered by the object of insurance, and any other expenses specified elsewhere in these terms and conditions if the damage was caused by an event specified below during the validity of the insurance. Whether an insurance event is unforeseeable or not is subject to an objective assessment, on the basis of the cause of the loss, not on the basis of the consequence of the loss.

4.1 Deductible

A deductible indicated in the insurance policy or specified in these terms and conditions applies to each loss event. When calculating the compensation, any age reductions, if applicable, will be deducted from the amount of loss before the deductible.

The insurance covers the following losses

4.2 Fire or soot

The insurance covers loss caused by uncontained fire or by soot spreading suddenly and unforeseeably from a fireplace or a similar heating unit in the premises.

The insurance does not cover damage to an object subjected to heat.

Special deductible

If a fire loss is caused by hot work, the policyholder's deductible is ten times that specified in the insurance policy, but no more than EUR 20,000 or a higher deductible specified in the insurance policy.

Hot work is defined in the safety regulations' section Fire safety.

4.3 Lightning

The insurance covers loss caused by direct strike of lightning or by overvoltage resulting from lightning.

4.4 Explosion

The insurance covers loss caused by an explosion.

The insurance does not cover

- loss or damage caused by internal tension, by loosening of a seal or by fluid pressure
- loss of damage caused by professional explosion or excavation work. Loss covered otherwise under the insurance is, however, indemnified to the extent that the policyholder shows that the party found to be liable is unable to meet its liability,
- damage to a combustion engine caused by an explosion in the engine
- damage to a closed, pressure-resistant container, equipment, pipe or tank unless the reason for the breakage was exceptional overpressure arising suddenly and unforeseeably.

4.5 Triggering of fire extinguishing equipment

The insurance covers loss caused when fire extinguishing equipment is triggered suddenly and unforeseeably.

4.6 Burglary

The insurance covers loss caused by theft or malicious damage when the place of insurance mentioned in the policy

- have been broken into by damaging their structures or locks, or
- entered using a key which was obtained either through robbery or burglary as described above.

Damage to a building in connection with burglary and vandalism

The insurance covers damage to buildings located in the place specified in the insurance policy for up to EUR 10,000 if such damage occurred when the apartment or another space containing property covered by burglary and robbery insurance was broken into by means of breaking structures, windows or locks or by some other violent method, or if property or structures were wilfully damaged, unless it was insured with another insurance policy against the same damage.

Special deductible for burglary damage

When storing property in a car or other means of transport, the deductible for losses caused by burglary is 25% of the loss, but no less than EUR 1,000, or a larger deductible entered in the insurance policy.

4.7 Robbery

The insurance covers loss caused by theft carried out by using immediate violence on or threatening a person with immediate violence in order to carry out the theft.

4.8 Leakage

The insurance covers loss caused by leakage of liquid, vapour or gas.

The insurance also covers any loss to the leaked liquid, vapour or gas in connection with a leakage loss, provided that the said substance is the object of insurance.

The precondition is that the said substance has escaped suddenly, unforeseeably and directly from

- the building's own fixed water pipes, sewer or heating system or steam, gas or oil pipes
- oil tank
- a rainwater drain inside the building
- pipes connected to a jacuzzi or swimming pool
- pipes permanently connected to machines or appliances
- a container used for storage of a substance.

The insurance does not cover loss caused by

- rainwater or melt water from roof gutters, downpipes outside the building, storm drains or from elsewhere
- condensing water
- flooding of manhole or pipe during rain, thaw or flood
- leak in the outlet pipe or valve of a bathtub or pool
- damage or blockage in a municipal or other public water or sewer line
- malfunction of a no-return valve in a sewer pipe
- liquid leaking through the water insulation in the structures or through the join of pipes and structures such as between a floor gully and a raising piece,
- the flowing of liquid from a fixed network before the pipe network has been approved for use
- liquid leaking through an open tap, cut-off valve or shower which is connected to the pipe network, unless the damage was caused by mechanical breakage of the tap or shower
- defective design, foundation, installation or construction or any damage caused by these
- moisture, such as rotting, fungal growth or odour.

Nor does the insurance cover losses caused to the pipes, operating equipment or their insulation.

Special deductible for leak damage

No deductible will be subtracted if the loss caused by leakage was reduced because the leakage alarm equipment at the place of insurance restricted the extent of the damage.

4.9 Storm

The insurance covers loss caused by a storm.

The insurance does not cover

- loss caused by snow or water penetrating, during a gale, into structures without breaking them,
- loss caused by heavy seas or movement of ice
- loss caused by flood or rising water levels
- loss caused by the weight of ice or snow,
- damage to a jetty
- damage to movable property outdoors, nor
- damage to movable property unless incurred in connection with storm damage to the building.

4.10 Other coverable expenses

Expenses arising from disposal, clearing and destruction

The insurance covers direct expenses of the disposal, clearing away and destruction of the damaged property arising from cleaning,

demolition, disposal, clearing and destruction of the coverable place of damage or property and the subsequent surveillance of the area. These expenses are added to the indemnity otherwise payable under the insurance and do not reduce the rest of the indemnity.

Combating impending loss

In addition to direct material damage, the insurance covers, under clause YL 6.2, reasonable expenses arising from mitigating or preventing a loss occurred or immediately impending and coverable under the insurance.

Damage to soil

As a result of coverable material damage to the object of insurance, the insurance covers the examination, soil remediation or replacement costs and waste transportation and treatment costs arising from damage to the soil on property owned or controlled by the policyholder. The precondition is that the costs were incurred due to measures taken as a result of an imperative official regulation issued no later than within twelve months of the date when the loss was discovered or took place. Expenses are covered for a maximum of EUR 200,000 per loss.

Additional damage

The insurance also covers loss caused by

- property being stolen, disappearing or being damaged, as a result of the circumstances of a coverable loss, in connection with a loss otherwise subject to indemnification, and
- cold or heat, rain or other similar reason if the loss was a direct consequence of a coverable loss.

ES 5 Security guidelines

The insured must comply with the safety regulations given in the insurance policy, insurance terms and conditions or other instructions in writing. If the insured fails to comply with safety regulations, either intentionally or through negligence that cannot be considered minor, and the failure to comply with safety regulations has contributed to the damage or the amount of damage, the compensation may be reduced or the claim may be rejected in accordance with the general terms and conditions.

Buildings and machinery shall be maintained in a condition which complies with the Building Act, building regulations and occupational safety regulations.

5.1 Fire safety

5.1.1 Hot work

The hot work safety regulations S621 must be followed when performing any hot work. Before starting any hot work, the safety procedures should be reviewed with each participant. The hot work permit specifies the practices and procedures that must be followed before, during and after hot work. By hot work we mean work in which sparks are created or in which a naked flame or other heat is used, creating a fire hazard. Hot work in connection with roofing and waterproofing includes drying the insulating substrate with a naked flame or hot air, heating bitumen in a bitumen boiler and fixing work on built-up sheet roofing involving the use of heat.

Frozen pipes may not be defrosted using open fire or a hot air gun.

5.1.2 Sides of buildings and waste bin shelters

No flammable material may be stored in loading bays and shelters unless unauthorised access to them has been prevented.

Flammable material must not be stored on the outside wall of buildings if there is a danger that a fire may spread from them into the building. To prevent fire from spreading to the building, structural solutions (EI 30 fire compartments in walls/eaves) may

be used, or, alternatively, flammable material must be placed at a sufficient distance from the building.

If there is a danger that a fire may spread from the waste into the building, it must be stored in a place where unauthorised access to them is prevented.

To prevent fire from spreading from the waste bin shelter, the shelter must be placed at a sufficient distance from the building. Fire compartment structures in a shelter must be at least compliant with EI 30, with tight fire compartments against the building, or waste placed in an underground container.

In the absence of a fireproof shelter or an underground waste container, waste bins and other flammable material must be placed within the following safety distances from the eaves:

4 metres	individual 240-litre and 600-litre waste bins
6 metres	lines of several waste bins and trolleys for flammable material
8 metres	waste bin shelters and demountable platforms containing flammable material

Do not store anything in stair enclosures and the corridors of common areas.

5.1.3 Fire extinguishing systems and automatic fire alarm systems

Locations protected by fire extinguishing equipment or automatic fire alarm equipment must have a written maintenance programme drawn up for them in compliance with official regulations for these systems.

Fire extinguishing and fire alarm systems must be in working order, properly inspected and maintained, and personnel must be trained to use them properly.

5.1.4 Prevention of electric fires

By electrical work we refer to the installation, repair and maintenance of electrical equipment. Electrical work can be carried out only by persons and companies fulfilling the requirements issued by virtue of the relevant acts, decrees and official regulations.

The owner of electrical equipment must make sure that all electrical installations and equipment in the property have undergone statutory regular inspection. With the exception of residential buildings, electrical installations in other buildings and outdoor areas must be inspected at the following intervals:

- Public, commercial, industrial and agricultural buildings with main fuses higher than 35A every 15 years (electrical inspection category 1)
- Conference and accommodation premises and large commercial properties every 10 years (electrical inspection category 2)
- Premises featuring a risk of explosion where the manufacture, handling or storage of chemicals or explosives requires permission from the authorities, and
- The electrical power network used by the network operator for distribution and transmission, every 5 years (electrical inspection category 3).

Moreover, instructions in S331, Prevention of Electric Fires, must also be followed.

5.1.5 Sweeping of fireplaces and flues

The property owner is responsible for arranging sweeping in the property. Depending on usage and the fuel used, fireplaces and flues must be swept as follows:

- Solid fuel, light or heavy oil or multi-fuel stoves and flues once a year
- The fireplaces and flues of holiday homes that are not in use all year round must be swept once every three years.

Flues and especially steel flues must be inspected whenever the chimney is being swept.

The inspection should ensure that the flue is compatible with the fireplace and that the flues have been installed and through-holes in the adjacent structures are made in accordance with the fire regulations and the manufacturer's installation instructions.

The chimney sweeper must have a chimney-sweeper's vocational qualification.

5.1.6 Other fire safety issues

When putting sauna stoves in place, the safety distances specified for sauna stoves in the installation instructions must be observed. Clothes or other combustible material may not be dried above a sauna stove or its immediate vicinity.

5.1.7 Use and storage of flammable liquids and liquid gas

Flammable liquids and liquid gas must be stored in accordance with the laws, regulations and any stipulations issued pursuant to these, as well as the instructions issued by the rescue authorities.

Open fire and smoking is prohibited in the premises where the items listed above are stored or when handling such items.

5.2 Protective measures against theft and burglary

Building attics, cellars and other common areas must be locked to prevent unauthorised access to them. The windows, doors and other openings to storage spaces must be closed in a manner providing protection against theft and burglary.

A person responsible for key management in the property must be named. This person shall have the responsibility for all locking-related issues such as re-keying and the storage, handover and returning of maintenance and master keys. Records must be kept of all keys handed over, and keys must be returned when the key holder's employment terminates.

The key storage facility placed on the wall of the property must not be used for storing the master key.

The master key may not be handed over to anyone besides the property manager, maintenance man, Board member, the maintenance company or the cleaning and security companies. Any company to which the key is handed over must be required under an agreement to follow these safety regulations.

Keys to premises used by others and access-granting devices used in access control systems in the possession of the policyholder or the insured must be stored carefully. They may not feature any identifying information that would allow an outsider to connect them to a specific locking system.

The doors of a safe or a vault must be locked after use, and the key to them must not be kept in the same premises.

Cash registers and cashboxes must be left unlocked and open in closed storage spaces.

If specified in a separate agreement that the insurance is valid during transportation of the insured property, transportation of the property may not be entrusted to a person who is not suitable for the task by reason of age or health.

Property may not be stored in a means of transport where it is easily seen by passers-by.

5.3 4 Protection of property from loss due to leakage

Goods stored at the lowest basement level must be placed at a minimum of 10 cm from the floor surface. Basement level refers to a space where the floor is fully or partly at least one metre below the ground.

In order to prevent frost and leakage damage to water pipes and HEPAC equipment, the building must be heated sufficiently. If a

building is left without supervision during the cold season for more than a week, the main valve must be closed or the water pump turned off.

If a building is not heated at all during the cold season, all the water must be run out of the pipes and any heating, water supply and air conditioning equipment, in addition to ensuring that the main valve outside the building is closed or the water pump turned off.

The connection of an operating device connected to the pipes must conform to the instructions and regulations issued by the manufacturer or importer and the authorities.

Washing machines must always be connected to the water supply network with its own cut-off valve and pressure-proof filling hose. The outlet hose shall be connected tightly to the waste water system or the operation of the washing machine shall otherwise be supervised. The cut-off valve for a pressurised water feed pipe to a washing machine must be closed when the wash programme has finished. You must see to that the hose connections are in good repair and that the hoses have no kinks.

5.4 Other instructions

System and application software and data must be copied at least once a day so that, in addition to the original, there are two copies on an electronic data storage medium. Backup copies must be kept in a fireproof safety file intended for data media. The safety file must not be located in the same fire compartment as the other copies, or it must be placed in a data medium cabinet of at least class S60 DIS.

Insured property must be serviced and used in the manner required or recommended by its importer or manufacturer. A service log must be kept.

The installation rooms and operating conditions of the insured property, such as operating voltage, air humidity and temperature, must comply with the recommendations of the importer or manufacturer.

Portable computers and similar equipment that are being transported must be kept in passenger cabin facilities during air transportation.

ES 6 Appraisal and indemnification regulations

This insurance is a full-value insurance, unless a maximum indemnity has been separately recorded in the insurance policy. The premium is based on the turnover reported to the insurance company. Indemnification is calculated in accordance with the indemnification regulations below on the basis of replacement or current value.

6.1 Scope of indemnity

The insurance covers direct material damage to insured property.

6.2 Assessment of property value and loss amount

6.2.1 Loss amount based on replacement value

The replacement value refers to the amount of money required for acquiring new similar or equivalent property to replace the old one.

The loss amount based on replacement value is calculated by deducting the value of the remaining property (residual value) from the value of the property immediately before the loss. Both values are calculated in accordance with the replacement value.

If the damaged property can be repaired, the resulting repair costs constitute the loss amount. However, the maximum loss amount equals the difference between the replacement value and residual value.

If, however, the value of the property item had by the time of loss decreased to the extent that the current value of the object was less than 50% of the replacement value immediately before the loss, the loss amount is calculated based on the current value (see ES 6.2.2). Each damaged object is appraised separately.

6.2.2 Loss amount based on current value

The current value refers to the amount based on the reduced value of property, as a result of age, use, technological obsolescence, decrease in usability or similar reasons, deducted from the replacement value. Any decrease in the property's usability due to changed conditions in the locality in question, such as termination of the business conducted or some other such reason, is also taken into account.

The loss amount based on current value is obtained by deducting the value of the remaining property (residual value) from the current value. Both values are calculated in accordance with the current value.

If the damaged property can be repaired, the resulting repair costs constitute the loss amount. However, the maximum loss amount equals the difference between the current value and residual value.

Current value must be lower than the asset's replacement value.

6.2.3 Value added tax

Provisions governing value added tax are taken into account when calculating the loss amount. Accordingly, the tax will not be paid if it is tax-deductible by the beneficiary.

Value added tax will not be compensated in case the insured has the right of refund with respect to value added tax.

6.3 Amount of indemnity

The amount of indemnity is the amount of loss less the deductible.

6.3.1 Underinsurance

The object is underinsured if the turnover reported by the policyholder and recorded in the insurance policy is lower than the actual turnover. In such a case, a portion is paid of the indemnity amount that is proportionate to the portion of the actual turnover represented by the reported turnover.

6.4 Payment of indemnity

Indemnity based on the current value is paid first. The difference between indemnity based on replacement value and current value is paid when the damaged property has been repaired or replaced with similar-quality property for similar use in Finland within two years of the damage.

Only the policyholder or a third party in favour of whom insurance has been taken out has the right to the difference between the indemnities based on the replacement value and current value. This right is not transferable.

6.5 Other provisions concerning indemnity

6.5.1 Indemnity for drawings, etc.

Drawings and documents, as well as patterns and moulds, are indemnified only if similar property is acquired within two years of the loss to replace the damaged property. In case of unfinished manuscripts and translations, indemnity is only paid for those sheets that, owing to the loss, must be rewritten in order to complete the unfinished work.

6.5.2 Alternatives to cash indemnity

The insurance company has the right to have the lost or damaged property built, acquired or repaired instead of cash indemnity.

If, however, the indemnity is paid in cash, the maximum amount of indemnity is determined on the basis of the amount which the

company would have paid the seller for the object or the repairer for the repair costs. When assessing the amount of indemnity, all cash, wholesale, special and other discounts to which the insurance company would have been entitled if it had acquired similar property or had the property repaired are taken into account.

6.5.3 Loss investigation costs

The insurance company is only obliged to compensate loss assessments it has requested itself, or other necessary investigations carried out to settle a claim or evaluate the extent of loss. The insurance company is not obliged to compensate other assessments or investigations unless they have been agreed upon in advance with the insurance company.

6.5.4 Mortgageable property

The policyholder will be indemnified for property for which a mortgage can be secured only if he has ascertained that the property has not been mortgaged in security for debt or that the mortgagees have agreed that the policyholder should be indemnified (cf. the Finnish Enterprise Mortgage Act, section 13).

6.5.5 Insurance company's right to redeem damaged property

The owner of insured property retains ownership even if the property is damaged. However, the insurance company has the right to redeem the remaining damaged property or part thereof. The redemption will be indemnified on the same grounds as damage to that object or property item (i.e. in accordance with either replacement value or current value).

6.5.6 Policyholder's obligation to return recovered property

If the policyholder recovers part of the lost property after payment of indemnity, he shall immediately surrender said property to the insurance company or refund the relevant indemnity.

ES 7 Double insurance

In the case of multiple insurance, i.e. the same property is insured under several insurance policies for the same loss, indemnity is calculated in accordance with the Insurance Contracts Act.

KU CARGO INSURANCE

1 Purpose of insurance

Pohjola Insurance Ltd (hereinafter the 'Insurance Company') shall indemnify, under these terms and conditions, any sudden and unforeseeable insurance events concerning the objects of insurance as referred to in clause 4, and any other expenses specified in the terms and conditions.

2 Object of insurance

The insurance covers the policyholder's shipments in Finland, concerning the business specified in the insurance policy, which are at the policyholder's risk or which the policyholder is under obligation to insure on the basis of a sales agreement or other agreement made before transportation began. The insurance also covers the policyholder's removals in Finland. The insurance is also valid when the object of insurance is being shipped in Europe for repair or maintenance.

3 Validity of insurance

3.1 Duration for a single transit

3.1.1 Insurance inception

The insurance attaches when goods are for the first time being moved from the place of storage for immediate loading into the means of transport that has been reserved for it to begin transportation or when risk is transferred to the policyholder pursuant to the terms of delivery or other written agreement. If, after completion of the loading, commencement of the transit

is delayed owing to circumstances beyond the policyholder's control, this insurance remains in force during such delay. The actual transit is considered to include any ordinary handling and transfer of the goods carried out during the insured transit outside the shipper's or consignee's premises.

3.1.2 Termination of the insurance

The insurance terminates when the goods have arrived at the destination stated in the insurance contract and have been unloaded from the transport equipment and immediately transferred to a storage place in the unloading site or when the policyholder, the insured or any person identifiable to them has prior to that exercised his right of disposal to have the goods stored, sorted, distributed or sold, or decides to forward the goods to a place other than that named in the policy or referred to in the insurance contract.

Unless otherwise agreed, this insurance will be terminated at the latest

- upon expiry of 60 days counting from midnight of the day of discharge of the insured goods from the seagoing vessel at the final port of discharge, or
- upon expiry of 30 days counting from midnight of the day of discharge of the goods from the aircraft at the airport at the place of destination, or
- upon expiry of 8 days counting from midnight of the day of discharge of the insured goods from a means of transport other than vessel or aircraft at a customs-house, railway station or other cargo terminal at the place of destination.

4 Coverable losses and related restrictions

4.1 Coverable losses

The insurance covers direct material damage suffered by the object of insurance, and any other expenses specified elsewhere in these terms and conditions if the damage was caused by an event specified below during the validity of the insurance. Whether an insurance event is unforeseeable or not is subject to an objective assessment, on the basis of the cause of the loss, not on the basis of the consequence of the loss.

4.1.1 Fire

Fire refers to flames which have broken loose.

4.1.2 Explosion

Explosion refers to an occurrence arising from overpressured gas, steam or other compound due to quick combustion.

4.1.3 Stroke of lightning

Stroke of lightning refers to either a direct stroke of lightning or excessive voltage caused by one.

4.1.4 Marine accident

Marine accident refers to the sinking or capsizing of a marine vessel, or its stranding or grounding or colliding with another marine vessel or a floating or fixed object.

4.1.5 Traffic accident

A traffic accident refers to a situation in which a means of surface transport, while being ashore, moving into or exiting a marine vessel, collides, overturns, derails or swerves off the road without being able to return to the road unaided. A collision does not refer to a collision arising from shunting or coupling railroad carriages.

A traffic accident also refers to a situation in which goods loaded in a means of transport collide into an object or obstacle outside the means of surface transport.

4.1.6 Aviation accident

An aviation accident refers to a situation in which an aircraft collides, swerves off the runway, crashes into the ground or overturns.

4.1.7 Jettison

Jettison refers to measures taken to prevent the imminent danger threatening the vessel or its cargo, with the result that the goods are thrown overboard.

4.1.8 Washing overboard

Washing overboard occurs when cargo loaded and secured on the deck is washed away into the sea by waves, but not if deck cargo was not secured in the first place or had become unsecured and subsequently washed into the sea under normal sea conditions.

4.1.9 Total loss during loading and unloading from/to marine vessel or aircraft

Total loss refers to destruction or damage beyond repair of goods due to falling from a vessel or aircraft during loading, unloading or reloading, with the goods' original properties completely lost or the goods ending in a condition from which they cannot be redeemed with reasonable cost within six months.

4.1.10 Earthquake, volcanic eruption, landslide or avalanche, whirlwind

4.1.11 Unloading goods from the vessel in a port of refuge

4.1.12 Sacrifice, contribution and costs related to general average, and salvage costs

4.1.13 Reasonable damage prevention or limitation expenses of an imminent insurance event coverable under insurance.

4.1.14 Cleaning and clearance expenses

The insurance covers direct disposal, clearance and destruction costs of the damaged property resulting from a regulation issued by the authorities. However, a maximum of 20% of the goods' insurable value will be compensated for the cleaning, unloading, disposal, clearance and destruction of the coverable place of loss or property and the area's fire-watch.

4.2 Losses excluded from cover and other restrictions

4.2.1 The policy does not cover damage caused by

- insufficiency or unsuitability of packing or protection or preparation of the goods insured to withstand ordinary strain during transit considering the nature of the goods and the method of handling and storage during the insured transit
- insufficiency or unfitness of the vehicle, of lashing of the cargo, or of the container for safe transit which has been or should have been known to the policyholder upon loading or stowing of the goods
- inherent vice or nature of the goods insured

The insurance does not cover

- damage to only the shipment package
- any indirect expenses.

5 Amount of indemnity

5.1 Inventories

The insurable value is, unless otherwise agreed:

The invoiced amount,

- added with freight costs that are the responsibility of the insured, unless they are included in the invoice
- 10% of the total value of the preceding items.

5.2 Other than inventories

The insurable value is, unless otherwise agreed, the market value of the goods added with the transportation costs that are the responsibility of the insured.

If the goods have no market value, the insurable value is the goods' absorption value.

KE BUSINESS INTERRUPTION INSURANCE

KE 1 Purpose of insurance

In accordance with these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd or A-Insurance Ltd (hereinafter the Insurance Company) undertakes to cover financial loss caused to the object of insurance by damage referred to in section KE 4, and other expenses mentioned separately in the terms and conditions.

KE 2 Object of insurance

The object of the insurance is the estimated gross profit of the policyholder's business operations specified in the insurance policy. Estimated gross profit is obtained when the annual net sales calculated from the beginning of the insurance period (12 months) is subtracted by the variable costs specified in the Accounting Ordinance. If the sum insured is calculated for another period or on other grounds, this must be indicated in the insurance policy.

The premium is based on turnover.

KE 3 Indemnity period and deductible

3.1 Period of liability

The indemnity period recorded in the insurance policy is the continuous period of time that begins at the end of the waiting period. The insurance covers business interruption during the indemnity period.

3.2 Deductible

No indemnity is paid for the qualifying period specified in the insurance policy and calculated from the beginning of a business interruption loss.

If authorities order business premises to be closed and isolated in the place of insurance owing to a threat or dangerous situation concerning the staff or bystanders, the deductible is 10% of the loss, but no less than EUR 600. (See KE 4.1.3 and KE 5.3.6.)

KE 4 Coverable losses and related restrictions

4.1 Coverable losses

4.1.1 Business interruption losses

The insurance covers financial loss caused by interruption of business operations, provided such loss took place during the insurance period and in the territorial scope of insurance specified in clause ES 3, and was the direct consequence

- of coverable material damage referred to in section ES 4 and sustained during the insurance period by property covered by property insurance
- of damage caused during the insurance period to property used by the policyholder for business operations provided it would be a coverable loss event under section ES 4 when sustained by an object of property insurance.
- of an order by a Finnish authority during the insurance period to close and seal off business premises in the place of insurance owing to a threat or dangerous situation affecting the personnel or bystanders.

4.1.2 Contingency business interruption losses

The insurance covers financial loss caused by interruption of business operations in the territorial scope specified in clause ES3. The loss must be a direct consequence of a loss occurring during the insurance period outside Finland, affecting property used in their business by a supplier of goods or services or a customer who is in direct business relationship with the policyholder.

Another prerequisite is that the property was at a permanent place of business of the customer or supplier of goods or services at the time of loss. This loss must be indemnifiable under property insurance clause ES 4.

4.1.3 Business interruption losses caused by epidemic

The insurance covers loss caused by business interruption that is a direct consequence of a mandatory order, pursuant to the Communicable Diseases Act, Animal Diseases Act or Food Act, issued by the Finnish authorities during the insurance period to combat contagious or animal diseases. Such measures caused by the order must be directly connected with the insured business operations.

The insurance also compensates the premises' disinfection and destruction costs. We also compensate the acquisition of equivalent inventories and fixed assets to replace those that have been ordered to be destroyed, taking into account the clauses in ES 6.2 of Property insurance about the calculation of property value and amount.

KE 5 Indemnification regulations

5.1 Loss amount

The loss amount is the loss of the estimated gross profit (see KE 2).

5.2 Expenses paid to reduce business interruption loss

The coverable loss also includes expediting costs and other additional financially justifiable expenses paid by the policyholder, which have reduced the business interruption loss by at least the same amount during the indemnity period.

5.3 Other regulations for calculating the loss amount

5.3.1 Overinsurance

The object is overinsured if the turnover calculated for the insurance period reported by the policyholder and recorded in the insurance policy is higher than the actual turnover. In such a case, the loss amount is calculated from the actual turnover.

5.3.2 Underinsurance

The object is underinsured if the turnover calculated for the insurance period reported by the policyholder and recorded in the insurance policy is lower than the actual turnover. In such a case, a portion is paid of the loss amount that is proportionate to the portion represented by the reported turnover of the actual turnover.

5.3.3 Termination of business operations

If business operations are discontinued after a loss, the loss amount is the operating profit lost and the paid expenses included in the sum insured for the period it would have taken to resume business operations up to the indemnity period.

5.3.4 Expansion of business operations

Any deductions due to use of part of the indemnity period for development or expansion of business operations, or for other changes, are not taken into account in calculating the reduction in net turnover.

5.3.5 Business interruption caused by other than insured property

If the cause of business interruption loss is material damage sustained by a building or premises, the property of a supplier of goods or services or a customer's property (see KE 4.1.1–4.1.3), the business interruption loss is covered up to the period that repairing the material damage would take using efficient repair methods. This is assessed using the criteria that would be observed if the material damage were to be covered from this insurance.

5.3.6 Indemnity amount

The indemnity amount consists of the loss amount calculated in accordance with the above rules, less

- any amount saved during the indemnity period because there has been no need to pay an expense item included in the estimated gross profit (see clause KE 2) as a result of material damage, or because the item has been reduced, compensated under another policy or otherwise saved,
- the amount by which the operating profit of the policyholder, a company in the same Group or someone else acting for the policyholder increased during the indemnity period owing to the loss, and
- any estimated gross profit included in an indemnity received for material damage.

5.3.7 Restrictions concerning indemnity amount

Business interruption loss sustained through dependence (see clause KE 4.1.2) is indemnified up to a maximum total of 20% of the 12-month estimated gross profit calculated from the beginning of the insurance period.

If a business interruption loss is caused by an epidemic, the indemnity is calculated for the loss period within the indemnity period. The loss period is considered to be the time during which the order is in force and, in addition, the time, up to two weeks, required for resuming operations.

If business interruption is caused by a bomb threat, indemnity during the indemnity period is calculated for the loss period, which amounts to the validity period of the official regulation, yet no more than 2 days.

5.3.8 Extension of indemnity amount

The maximum amount of business interruption compensation for a single insurance period is the total of estimated gross profit for 12 months from the beginning of the insurance period, increased by 50%.

KE 6 Other provisions

In the event of loss, the policyholder must promptly report to the insurance company and take measures to mitigate any resulting business interruption loss. Any expenses incurred by the policyholder owing to such measures will be indemnified in accordance with the principles applicable to business interruption loss.

The insurance company is discharged from any liability if the policyholder's accounting has not been performed as required by the Finnish Accounting Act and Ordinance.

VA GENERAL LIABILITY INSURANCE

VA 1 Purpose of insurance

On the basis of these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd or A-Insurance Ltd (hereafter 'the insurance company') undertakes to

- cover the losses referred to in sections VA 3 and VA 4 and other expenses specified separately in the terms and conditions
- investigate the grounds for and amount of damages,
- negotiate with the claimant
- handle court proceedings or pay legal expenses if the indemnity issue is subjected to legal proceedings.

The insurance covers the policyholder's business activities that were reported to the insurance company when the insurance was taken out and which are recorded in the insurance policy (insured activity).

The insurance includes a general liability insurance on operations (see VA 3) and product liability insurance (see VA 4).

VA 2 Territorial limits

The insurance is valid throughout Europe, unless otherwise agreed and recorded in the insurance policy.

VA 3 Losses coverable from general liability insurance on operations and related restrictions

3.1 Coverable losses

The insurance covers bodily injury and material damage caused to a third party in the insured operations and within the territorial scope of the insurance, provided that

- such injury or damage is discovered during the insurance period, and
- the policyholder is liable for it under legislation in force.

The insurance also covers financial loss as referred to in the Personal Data Act, caused by unlawful use of personal data in the insured operations during the insurance period.

3.2 Restrictions

3.2.1 Loss or damage sustained by the policyholder

The insurance does not cover any loss sustained by the policyholder.

3.2.2 Property at the disposal of the policyholder

The insurance does not cover damage to property which at the time of the act or neglect causing damage was

- in the possession of, borrowed by or otherwise at the disposal of the policyholder for the policyholder's benefit.

3.2.3 Damage caused to property being handled by or in the care of the insured party

The insurance does not cover any damage to property which, at the time of the act or omission causing the loss, was

- being manufactured, installed, repaired or otherwise handled by the policyholder or a third party on behalf of the policyholder
- stored
- subject to the safety or prevention obligation of the policyholder or a third party on behalf of the policyholder in view of the nature and immediate sphere of influence of the policyholder's operations or the work performed that caused the loss, or
- otherwise being taken care of by the policyholder.

With regard to operations related to agricultural trade or a hardware store, damage of up to EUR 100,000 to foreign property kept for maintenance, repair or storage will be compensated provided the policyholder is liable to compensate for the loss.

3.2.4 Product liability

Product liability losses are covered in accordance with section VA 4.

3.2.5 Products sold or handed over

The insurance does not cover any damage to

- damage to products handed over when the loss is caused by a characteristic of the products themselves or by errors or deficiencies in the products or in information or instructions given concerning the products, or
- damage to products sold but not yet handed over.

3.2.6 Expenses incurred due to work performed

The insurance does not cover expenses caused by rectifying or redoing work incorrectly performed, not even if this work is performed by a party other than the policyholder.

3.2.7 Contractual liability

The insurance does not cover any loss insofar as the liability is based on a contract, guarantee or other obligation, unless the

liability would be incurred even without such an obligation being in force.

3.2.8 Loss caused by plans, advice or instructions

The insurance does not cover any loss caused by errors or deficiencies in research or measurement results, calculations, drawings, work specifications or reports or advice or instructions pertaining to a product given to a third party.

3.2.9 Environmental damage, various discharges or disturbances

The insurance does not cover any damage to

- pollution of water, air or soil,
- smoke, soot, dust, steam, gas
- noise, vibration, radiation, light, heat or smell or
- other similar disturbance.

The insurance does, however, cover sudden loss caused by a random or single error or omission or by a fault or defect in a building, plant or piece of equipment appearing suddenly or unforeseeably as a result of an eventuality constituting liability for the policyholder. An additional condition is that the loss sustained for a reason fulfilling the above conditions took place suddenly, unforeseeably and quickly and is not based on a slow, gradual effect or repeated act or omission or otherwise recurring events.

A further precondition for payment of indemnity is that the policyholder became aware of the pollution, emission/discharge or other disturbance no later than fourteen days after its beginning, and filed a written claim with the insurer within sixty days of the date when such pollution, emission or other disturbance began.

For measures to be taken to prevent environmental damage and for indemnification of expenses incurred from such measures, see clause VA 8.2.

3.2.10 Costs incurred by the authorities in cases of environmental damage

The insurance does not cover costs arising from preventive and rehabilitation measures taken by the authorities under Section 6, Paragraph 1(2) of the Act on Compensation for Environmental Damage (737/1994).

3.2.11 Loss caused by moisture and flooding

The insurance does not cover any damage to

- moisture or
- flooding caused by rainwater or thaw, waste water, rivers, lakes and seas.

The insurance does, however, cover sudden loss caused by a random or single error or omission or by a fault or defect in a building, plant or piece of equipment appearing suddenly or unforeseeably as a result of an eventuality constituting liability for the policyholder. An additional condition is that the loss sustained for a reason fulfilling the above conditions took place suddenly, unforeseeably and quickly and is not based on a slow, gradual effect or repeated act or omission or otherwise recurring events.

The insurance does not, however, cover any loss incurred from flooding caused by a planning, measurement or construction defect in water pipes or sewers.

If the damage was caused by the policyholder's faulty installation, a further precondition for payment of indemnity for humidity damage is that the damage is discovered within 12 months of the installation. This extension does not apply to any other damage than that caused by humidity.

3.2.12 Groundwater

The insurance does not cover any loss caused by a change in the groundwater level.

3.2.13 Ownership and possession of real estate

The insurance does not cover any loss arising from the ownership, possession or maintenance of real estate.

The insurance does, however, cover the loss if

- the greater part of such real estate is used by the policyholder for purposes relating to the insured operations or
- liability insurance concerning the real estate has been agreed separately and this has been entered in the insurance policy.

3.2.14 Loss caused by use of watercraft or aircraft

The insurance does not cover any damage to

- use of craft or vessel subject to registration, unless the use is connected with work performed by the policyholder for the policyholder's own benefit or
- use of an aircraft for aviation when the policyholder is held liable in the capacity of owner, possessor or user of the aircraft, in the capacity of someone carrying out a task or duty aboard the aircraft or in the capacity of the employer of the above.

3.2.15 Loss caused by quarrying and blasting

The insurance does not cover any loss caused by quarrying or blasting performed using external labour or for a third party, or by any consequential subsidence or landslip.

3.2.16 Financial loss

The insurance does not cover any financial loss that is not connected with bodily injury or material damage.

The insurance does, however, cover financial loss referred to in the Personal Data Act (see clause 3.1).

3.2.17 Injury caused by medication or to patient, occupational accident, work-related exposure or occupational disease

The insurance does not cover

- a loss which is compensated in Finland as a patient injury as specified in the Patient Injury Act or pursuant to pharmaceutical insurance, nor
- a loss insofar as it is covered by statutory workers compensation insurance, nor
- in cases of occupational disease or other injury or illness caused by work-related exposure.

3.2.18 Road accident

The insurance does not cover any loss caused by use of a motor vehicle in traffic under the provisions of the Motor Liability Insurance Act or corresponding foreign legislation.

However, the insurance covers

- damage caused in a road accident in Finland to another motor vehicle, as referred to in Section 5(2) of the Motor Liability Insurance Act and not indemnified under motor liability insurance, engaged in loading, unloading or some other performance while this is in progress. However, the insurance does not cover losses to the policyholder's property being lifted or transported. Damage to such other motor vehicle is indemnified, contrary to clause VA 3.2.3, insofar as the damaged other vehicle or part thereof was in the care of the insured during the work performance.
- bodily injury caused in Finland to the owner, driver or another person who performs work as referred to herein, of an immobile motor vehicle during loading, unloading or other work performance, but not insofar as the damage is covered by the policyholder's statutory workers' compensation insurance. (See clause VA 3.2.17).

If the country where the loss occurs has no law which corresponds to the Finnish Motor Liability Insurance Act, the insurance does not cover loss caused by use of a motor vehicle in traffic.

3.2.19 Chemical products or equivalent

The insurance does not cover any loss or damage caused either directly or indirectly by:

- asbestos
- lead or lead paint
- polychlorinated biphenyl (PCB)
- chlorinated hydrocarbons
- ureaformaldehyde
- diethylstilbestrol (DES)
- electromagnetic fields (EMF)
- welding fumes
- silica or silica-related dust
- genetically modified organisms (GMO)
- nanotechnology elements in products
- fungi or bacteria on or within a building or other structure

3.2.20 Nuclear accident

The insurance does not cover any loss caused by a nuclear accident referred to in the Nuclear Liability Act or corresponding foreign legislation.

3.2.21 Loss caused wilfully or through gross negligence

The insurance does not cover any loss caused wilfully or through gross negligence (see YL 7).

A loss can be considered to have been caused wilfully or through gross negligence if, for example, the act, operating method or neglect has involved a considerable risk for the loss to take place.

However, the insurance covers loss caused wilfully or through gross negligence if the policyholder in the capacity as employer is held liable for loss caused by an employee in the course of work and is able to show that the policyholder or its supervisory staff was not, and did not have to be, aware of the employees action.

3.2.22 Defamation of character or invasion of privacy

The insurance does not cover any loss caused by attacks on the policyholders' honour or invasion of their privacy.

3.2.23 Fines

The insurance does not cover fines or other similar sanctions.

3.2.24 Known risk of loss or damage

The insurance does not cover any loss caused by an error, deficiency or other grounds for liability of which the policyholder was or should have been aware at the inception of the insurance cover.

3.2.25 Costs of repairing and remediating environmental damage as referred to in the EU Environmental Liability Directive

The insurance does not cover costs based on EU directive 2004/35 or corresponding legislation concerning repairing and remediation of environmental damage, nor any other costs or compensation related to such damage.

3.2.26 Other liability insurance

The insurance does not cover any loss to the extent that the loss is covered by another liability insurance policy taken out by the policyholder.

3.2.27 Tobacco

The insurance does not cover any loss caused by tobacco, tobacco products or tobacco smoke.

VA 4 Losses coverable under product liability insurance and related restrictions

4.1 Purpose of insurance

The product liability insurance covers liability for loss caused by products handed over to a third party when the policyholder is the seller or lessor of the product or manufacturer of the product in small-scale production taking place alongside regular business operations in the place of insurance and included in insured operations. The insurance does not cover importer's liability.

4.2 Coverable losses

The insurance covers bodily injury and material damage caused by a product delivered to a third party in the insured operations and within the territorial limits of the insurance, provided that

- such injury or damage is discovered during the insurance period, and
- the policyholder is liable for it under legislation in force.

Another prerequisite is that the claim is presented within the territorial limits of the insurance and is based on the tort law effective therein.

4.3 Restrictions

(in addition to sections VA 3.2.1, 3.2.16 and 3.2.19–3.2.26 above)

4.3.1 Products sold or handed over

The insurance does not cover any damage to

- damage to products sold or delivered,
- damage to property other than the product itself in cases where the damage may be rectified by repairing or replacing the product delivered.

The insurance does not cover any expenses arising from complaints regarding a product, or from returning, repairing, replacing or withdrawing from sale of a product.

4.2.3 Contractual liability

The insurance does not cover any loss insofar as the liability is based on a contract, guarantee or other obligation, unless the liability would exist even without such an obligation being in force.

The insurance does not cover any loss caused by the failure of a chemical substance or pharmaceutical product to have the promised effect or performance.

The insurance does not cover any loss or part thereof insofar as some other party has agreed to indemnify for it on behalf of the insured party.

4.3.3 Injury caused by medication or to patient, occupational accident, work-related exposure or occupational disease

The insurance does not cover

- a loss which is compensated in Finland as a patient injury as specified in the Patient Injury Act or pursuant to pharmaceutical insurance, nor
- a loss insofar as it is covered by statutory workers compensation insurance, nor
- in cases of occupational disease or other injury or illness caused by work-related exposure.

4.3.4 Action violating product safety regulations

The insurance does not cover any loss caused by an action in violation of laws, decrees or mandatory official product safety regulations or instructions, if the policyholder was, or should have been, aware of such action.

VA 5 Security guidelines

The policyholder must comply with the safety regulations stated below, recorded in the insurance policy or otherwise issued in writing (see YL 6.1).

5.1 Hot work

This condition concerns such work (hot work) that creates sparks or which uses a flame or other heat causing a fire hazard (with regard to the deductible, see clause 8.7).

Hot work must be performed in a regular or temporary place designated for such work as defined in the safety regulations for hot work included in the insurance policy. A written permit is required to perform hot work in a temporary place.

Anyone who performs hot work must be able to produce a valid hot-work card or a hot-work card for roofing hot work.

The policyholder must comply with the provisions of the safety regulations for hot work included in the insurance policy, and the equipment and machinery used for the work must be in accordance with the current regulations.

5.2 Waterproofing

This clause refers to construction and renovation work which does not incorporate rainwater or thaw insulation or in which such insulation is being constructed, replaced or repaired (for deductible, see clause 8.7).

The risk of loss caused by rainwater or thaw must be investigated in advance and a protection plan must be drawn up by the contractor.

The work area must be waterproofed. Any valuable or damage-prone property on premises below the work area must be removed or separately protected. The users of such premises must be informed of the work.

5.3 Excavation and earthmoving

This condition concerns all excavation and earth-moving work (as to the deductible, see VA04, clause 322).

Before the work begins, the policyholder must acquire information on the location of any cables and pipes in the work area from their owner and take this location into account in performing the work.

In the event of loss involving a subterranean cable, the insurance company must be provided with a written certificate from the owner of the cable or pipe proving that a map had been supplied or the cable or pipe locations had been shown on site before the work began.

VA 6 Claims settlement

6.1 Insurance company's obligations

The insurance company shall investigate whether the policyholder is liable to pay damages for the reported loss covered under the insurance, the amount of which exceeds the deductible, and shall negotiate with the claimant.

If the policyholder makes good the loss, agrees thereon or accepts the claim, this will not be binding on the insurance company, unless the amount of and grounds for the damages are manifestly correct.

If the insurance company has reached an agreement on indemnification with the party who has sustained a loss, and the policyholder does not agree to this, the insurance company will not be held liable for any subsequent expenses or for more than it would have indemnified on the basis of the aforementioned agreement. Nor is the insurance company liable to conduct any further investigations into the matter.

6.2 Policyholder's obligations

The policyholder shall

- participate in the investigation into the loss at his own expense
- provide the insurance company with all information, documents and other material in his/her possession that are relevant to the claim settlement
- obtain or prepare any necessary clarifications and studies available to the policyholder at reasonable expense and
- reserve the insurance company the opportunity to participate in bringing about an amicable settlement.

VA 7 Legal proceedings

If a claim for damages, based on grounds which constitute a loss coverable under the insurance, is submitted to the court, the policyholder must promptly notify the insurance company thereof as soon as the policyholder has been informed of such legal proceedings.

If a claim for damages concerns a loss or damage that, as to its grounds and amount, is coverable under the insurance, the insurance company will pay the resulting legal expenses provided that

- the claim notification was submitted before the rejoinder and
- the insurance company has approved the attorney being used.

If the legal proceedings also concern other issues, the insurance shall only cover that part of the expenses arising from the claim for damages covered by the insurance.

The insurance company always has the right to assume the policyholder's defence at the legal proceedings.

VA 8 Indemnification regulations

8.1 Damages

The insurance covers the damages for which the policyholder is liable. The amount of damages is calculated according to damages regulations and legal practice. Legal provisions on value added tax will be taken into account when calculating the loss amount. The portion accounted for by the tax will not be paid if it is deductible in the insured party's or beneficiary's taxation. Value added tax will not be compensated in case the insured party or beneficiary has the right of refund with respect to value added tax.

If several parties are jointly and severally liable for the same loss, the insurance only covers that part of the loss that corresponds to the policyholder's share of the liability. If no other grounds exist, the indemnity is paid per capita.

8.2 Loss prevention expenses

8.2.1 Expenses incurred from preventing an impending loss

The insured party is under an obligation to prevent or mitigate the loss from an impending or actual insurance event (see YL 6.2). This obligation only concerns measures that eliminate the immediate threat of liability for a loss caused to a third party but not any further measures after the event unless these measures are separately agreed on with the insurance company. Costs arising from such necessary measures are coverable under the insurance.

8.2.2 Supplementary conditions for indemnification of costs incurred due to prevention of environmental damage to property owned by or in the possession of the insured party

If the policyholder causes environmental damage to property owned by or in the possession of the policyholder, such as soil, the following shall apply, in addition to clause 8.2.1 above.

No indemnity is paid for damage caused to property in the ownership or possession of the insured party.

Prevention costs will be covered only if there is imminent risk of damage to the property of a third party, for example when environmental pollutants pass through the groundwater or soil beyond the boundary of the policyholder's land.

Only such measures are coverable that are necessary to eliminate an impending threat of coverable damage to the property of a third party. After the occurrence of environmental damage, more extensive measures than merely the prevention of imminent danger may be necessary to remedy the situation completely. These may include the transportation of polluted soil and the disposal or neutralisation of the hazardous waste. Costs arising from these measures are not coverable as loss prevention costs under the general liability insurance, not even in case the measures are mandatory under official regulations.

8.2.3 Measures in the event of environmental damage

The policyholder must inform the insurance company without delay of any impending or actual occurrence of environmental damage (see clause 3.2.9 above) in order to confirm which prevention measures are coverable under the general liability policy (see clauses 8.2.1 and 8.2.2 above).

8.3 Investigation and legal expenses

The insurance also covers reasonable and necessary expenses arising from the investigation of the loss, but not those investigation expenses which are the liability of the policyholder under the insurance terms and conditions or which have not been separately agreed with the insurance company.

Legal expenses are covered as specified in clause VA7 above.

8.4 Maximum compensation

The aggregate maximum amount of all indemnities for a single loss, including investigation, negotiation, interest and legal expenses, is the sum insured entered in the insurance policy. Loss prevention expenses are covered in accordance with section YL 6.2.

In cases of product liability loss (see VA 4), the maximum indemnity for losses detected during a single insurance period is double the sum insured recorded in the insurance policy.

The maximum compensation for a single financial loss, as specified in the Personal Data Act, is EUR 50,000 during one insurance period.

The special terms and conditions may specify different sums insured.

8.5 Serial loss

Losses caused by the same event or circumstance will be considered a single loss regardless of whether they are discovered during one or more insurance periods.

If such losses are discovered during different insurance periods, they will be attributed to the insurance period in which the first loss was discovered.

8.6 Deductibles

For each loss, the policyholder's deductible specified in the insurance policy will be subtracted from the total amount of indemnity including any expenses incurred from loss prevention, investigations, negotiations, interest payments and legal proceedings, all calculated in accordance with the insurance terms and conditions.

8.7 Special deductible

In cases of loss resulting from hot work, waterproofing, excavation, earthmoving work, vibration or the loss of a key, the policyholders

deductible is 10% of the loss amount but not less than EUR 3,000 and no more than EUR 20,000 or the amount of deductible, if greater, recorded in the insurance policy.

The insurance policy and special terms and conditions may have different deductibles.

VA 9 Measures to be taken after a liability loss

As soon as a loss has become known or a claim has been submitted, the insurance company must be informed of the loss. No special form of notification is required but it is vital to make the notification at the earliest opportunity.

As the process proceeds, the insurance company must be provided with further information whenever relevant factors emerge. Information, minutes, reports and any other available documentation must be provided in the greatest possible detail on the cause of the loss and the loss itself. The names and addresses of the person(s) suffering loss must be collected for contact purposes.

In addition to the above guidelines, please see clauses YL 6.2 and YL 10.2–10.310

OI LEGAL EXPENSES INSURANCE

OI 1 Purpose of insurance

In accordance with these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd or A Insurance Ltd (hereinafter the Insurance Company) undertakes to cover any necessary and reasonable legal expenses incurred by the insured as a result of resorting to legal counsel in a disputed civil case, criminal case or non-contentious civil case concerning insurance events referred to in section OI 4.

The insurance covers the business activities recorded in the insurance policy.

OI 2 Persons insured

Those insured are

- the company recorded as the policyholder in the insurance policy
- the policyholder's employees
- persons who receive no remuneration for their work or who work on a temporary basis, provided that the policyholder, under effective legislation, is liable to make good any loss or damage caused by such persons
- independent entrepreneurs comparable to the policyholder's employees, provided that the policyholder, under effective legislation, is liable to make good any loss or damage caused by such entrepreneurs
- a general partner or shareholder of the policyholder company in a case concerning legal action or commitment in the name, on behalf or in favour of the policyholder, or when the general partner or shareholder is faced with a claim jointly and severally with the policyholder.

OI 3 Courts of law and territorial limits

The insured may use the insurance in cases which have been brought before a district court in Finland or which are subject to arbitration proceedings in Finland. If the case concerns a disputed civil case settled out of court, the insurance can be used if the case could have immediately been brought before a district court in Finland.

The insurance does not cover expenses in cases handled by the administrative authorities or special courts, such as an administrative court, the Insurance Court, the Labour Court, the

Market Court or the Supreme Administrative Court. Nor does the insurance cover expenses in cases handled by the European Court of Justice.

OI 4 Coverable insurance events

4.1 Definition of an insurance event

In disputed and non-contentious civil cases, an insurance event refers to a dispute. A 'dispute' refers to a claim specified as to its grounds and amount and which has been demonstrably and specifically disputed as to its grounds or amount.

In a criminal case, an insurance event refers

- to charges pressed by the insured person as the complainant
- to a complainant's charges against the insured brought and pursued after the public prosecutor has decided to waive or withdraw charges for the same action. The charges are considered to have been brought when the complainant's application for a summons has arrived at the office of a district court. The charges are considered pursued when the complainant has notified the court in writing of pursuing the charges after the public prosecutor has withdrawn the charges.

The insurance indemnifies for insurance events occurring during the validity of the insurance. If, however, this policy has been valid for less than two years at the time of the insurance event, the matters on which the dispute, claim, denial, notice of work relationship termination, charge or suspected crime is based must also have taken place during the validity period of the insurance.

The validity period is defined as the period that this policy alone or consecutively with other terminated legal expenses insurance policies with equivalent content has been continuously valid for the benefit of the insured. However, if, on the occurrence of an insurance event, the insured has several effective legal expenses insurance policies, only this policy will be taken into account when determining the validity period of the insurance.

If the policy's coverage has been extended and the extension had been valid for less than two years when the insurance event occurred, the extension will only be applied if the factors upon which a dispute, demand, denial, notification of termination of employment contract, prosecution or suspected crime is based arose after the extension had entered into force. By extension of the policy's coverage we mean a higher sum insured, larger territorial scope, or the adverse party's expenses being included in the policy.

4.2 Single insurance event

A 'single insurance event' refers to an insurance event where

- two or more people covered by this insurance are on the same side in a disputed civil case, criminal case or non-contentious civil case, or
- the insured has several disputed civil cases, criminal cases or non-contentious civil cases pending which are based on the same event, circumstance, juristic act or legal offence, or which are based on the same or similar claim with different grounds.

OI 5 Exclusions related to insurance events

The insurance does not cover expenses incurred by the insured in a case

- 1) where the claim has not been demonstrably disputed
- 2) which is related to other than the operations specified in the insurance policy
- 3) which is related to the transfer of the insured company, shares entitling to the ownership of the company, or partnership share, or the full or partial transfer of a business

- 4) of minor importance to the insured
- 5) in which those insured under this insurance represent adverse parties; the insurance does, however, cover expenses incurred by the policyholder
- 6) which is related to a claim or receivable transferred to the insured, unless, at the time the dispute arises, two years have elapsed since the transfer
- 7) in which the insured is being prosecuted by the public prosecutor or in which the complainant has filed a civil claim against the insured while such prosecution is pending
- 8) which relates to a civil claim against the insured on account of which he/she has been sentenced or, on the basis of the relevant special provisions, the charges or sentence against him/her have been waived; however, the insurance covers the policyholder's expenses if the case, as regards the policyholder, concerns the employer's liability to pay damages
- 9) in which the insured has submitted a civil claim on account of which the insured has been sentenced or, on the basis of the relevant special provision, the charges or sentence against the insured have been waived
- 10) which concerns a legal person's penal liability
- 11) in which the insured is involved as the owner, possessor or driver of a motor vehicle or a watercraft subject to registration under the Register of Watercraft Act (976/2006), or in which expenses incurred by the insured are covered under liability insurance
- 12) which concerns a bankruptcy
- 13) which relates to a distraint, execution dispute or the execution of distraint
- 14) which relates to proceedings carried out in accordance with the provisions on company restructuring or the debt rescheduling of private individuals, or the voluntary debt rescheduling of farmers in accordance with the Rural Industries Act
- 15) which demand clarification of whether the expenses incurred from the insurance event reported by the insured are fully or partly coverable under the legal expenses insurance
- 16) which is dealt with as a class action and in which the insured is a claimant or a member of the group
- 17) which concerns a patent or other intellectual property right.

OI 6 Measures to be taken on the occurrence of an insurance event

6.1 If the insured wishes to use the insurance, he/she must inform the insurance company thereof in advance in writing. The insurance company will then send the insured a written claim settlement decision.

6.2 The insured shall use a solicitor or other legal counsel as his/her representative. No indemnity will be paid if the insured decides not to use any representative at all or selects one who is not a Finnish Master of Laws or does not have equivalent foreign qualifications.

6.3 In cases that go to the main hearing, the insured must require the opposing party to reimburse his legal expenses in full. However, in matters processed in court according to the procedure prescribed in the Act on Court-annexed Mediation, no such demand is required for the mediation expenses.

If the insured has presented to the adverse party a legal expenses demand which has been partly or fully rejected by a court order, an appeal must be lodged against the decision if the insurance company so requires. If the insured fails to lodge such demand,

waives the right to do so, or refuses to appeal the court decision, the insurance compensation may be lowered or altogether denied.

6.4 The insured has no right to approve, in a manner that would be binding on the company, the amount of expenses incurred from handling his/her case.

Any payment by the insured to his/her representative for legal fees and expenses is not binding on the insurance company in its evaluation of reasonable litigation costs.

01 7 Indemnification regulations

7.1 Sum insured

7.1.1 The sum insured recorded in the policy is the upper limit of the insurance company's liability in each insurance event.

7.1.2 However, the sum the insurer is obliged to pay for expenses prior to a main hearing at a district court, mediation in a court of law or arbitration proceedings, or for expenses in a matter solved without a trial, is only up to 50% of the sum insured specified in the insurance policy.

7.1.3 If the monetary value of a disputed benefit is assessable, the insurance covers, in a disputed or non-contentious civil case and when the insured party is a complainant in a criminal case, up to double the amount of the disputed benefit. When assessing the amount of benefit, no claims for interest, legal or litigation expenses or expenses arising from being party to the matter are taken into account. If a dispute concerns a periodical payment, a maximum of a tenfold amount of the disputed periodical payment is taken into account when assessing the amount of benefit.

7.1.4 During one insurance period, the maximum amount of indemnity paid for insurance events is double the sum insured.

7.2 Deductible

The deductible recorded in the policy is subtracted from the coverable expenses.

7.3 Coverable expenses

The insurance covers necessary and reasonable legal expenses incurred by the insured as a result of the insurance event as follows:

7.3.1 Disputed and non-contentious civil cases

Expenses incurred by the insured for use of legal counsel and presentation of evidence.

If bringing the case before a court requires a juristic act or a decision taken by a given body or in connection with any specific proceedings, the expenses are indemnified as of the date when the case can be brought before a district court.

If the matter has been handled as a conciliation case by a court of law, the insurance will also cover the insured person's portion of the fee and expenses for an assistant to the conciliator calculated per capita of the parties to the dispute.

If a dispute between the insured and an entrepreneur or legal person as adverse party has been handled as a voluntary conciliation case other than that by a court of law, the insurance will also cover the insured person's portion of the conciliator's fee calculated per capita of the parties to the dispute, Compensating this fee requires that the conciliator is an attorney or other legal counsel.

7.3.2 Criminal cases

7.3.2.1 The insured as the complainant

Legal expenses incurred by the insured for use of legal counsel and presentation of evidence in so far as the court proceedings involved a civil claim made by the insured for other than legal expenses on the basis of a crime.

7.3.2.2 The insured as the defendant

Legal expenses incurred by the insured for use of legal counsel and presentation of evidence if the case involves charges raised by the complainant against the insured when the public prosecutor has waived or withdrawn charges for the same action.

7.3.3 Appealing to the Court of Appeal and the Supreme Court

If a permit is required to appeal to the Court of Appeal or the Supreme Court, the costs incurred from the appeal will be indemnified under the insurance only if the permit or leave has been granted.

Costs incurred in the use of extraordinary channels of appeal are indemnified only if the Supreme Court has approved the appeal for nullification, reversed the judgement or reinstated a time limit forfeited.

7.3.4 Common interest

If the case involves an interest essentially other than that of the insured or the insured has an interest to safeguard in the insurance event in common with persons not covered by this insurance, the insurance indemnifies only for those costs which are attributable to the insured.

7.4 The amount and calculation of indemnity; value added tax

The legal expenses indemnified under the insurance are determined in accordance with the relevant provisions of the Code of Judicial Procedure and the Criminal Procedure Act.

If, owing to the admission by interested parties or some other reason, the court of law has not mentioned legal expenses in its decision, or if the matter has been settled out of court, the coverable expenses are determined also by taking into account the expenses normally paid or ordered by a court to be paid in similar cases. However, the coverable expenses come to a maximum of the amount which the court orders the insured person's adverse party to pay, unless the court has specifically concluded, on the basis of the grounds appearing from its decision, that the insured must personally bear his/her expenses, in part or in full, to his detriment.

For the use of a legal counsel, the insurance covers a reasonable fee charged by the counsel for his/her work and necessary expenses. The value of the disputed benefit, the difficulty and extent of the case and the quantity and quality of the work involved are taken into account in the determination of a reasonable sum for the fees and expenses. However, coverable expenses come to a maximum of the amount of the expenses claimed by the insured person's adverse party.

If the insured, under the Value Added Tax Act, has the right to deduct or reclaim the tax included in the legal expenses invoice, the indemnity will be reduced by the value added tax included in the invoice.

Value added tax will not be compensated in case the insured party or beneficiary has the right of refund with respect to value added tax.

7.5 Expenses not covered by the insurance

The insurance does not cover

- costs incurred due to measures taken before the insurance event, to the preliminary investigation of a case or to the investigation or handling of such a disputed case as a result of which the insured justifiably waives his/her claims against the adverse party
- any legal expenses of the adverse party which the insured has been ordered or has agreed to pay, unless agreed upon separately and entered in the insurance policy
- expenses arising from the enforcement of a ruling or decision

- the insured person's wasted time, own work, loss of income or earnings, travel or accommodation costs or any additional costs arising from a change of representative or from any conduct on the part of the insured which has increased costs unnecessarily
- the costs of acquiring expert legal opinion
- expenses for acquiring other than expert legal opinion, if such opinion does not support the insured person's claims or denial of the adverse party's claims
- costs incurred from reporting a criminal offence or making a request for investigation, or from pretrial investigation of a criminal case
- costs incurred due to matters and evidence which the court of law will not take into account
- costs caused by the insured or his/ her legal counsel by not being present in court, by disregarding the orders of the court, or by entering a plea which they knew or should have known to be unfounded, or costs which they have themselves caused by prolonging the litigation wilfully or through negligence
- costs for litigation which the insured or his/her legal counsel initiated without the adverse party giving any cause, or if they have in some other way caused unnecessary litigation wilfully or through negligence
- fees and costs of arbitrators.

7.6 Other provisions concerning indemnity

7.6.1 The insurance company indemnifies for the insured person's legal expenses after a legal ruling has been issued or a settlement has been reached.

7.6.2 If the insured, under the Value Added Tax Act, has the right to deduct the tax included in the legal expenses invoice, the insurance company will indemnify the insured for the legal expenses against the invoice paid by the insured.

7.6.3 The insurance company's liability to pay indemnity will be reduced by any compensation for expenses which the insured person's opposing party has been ordered by the court or has undertaken to pay to the insured, provided that it has been possible to collect this sum from the party liable for payment.

7.6.4 If the opposing party has been ordered by the court or has undertaken to pay compensation for expenses to the insured and this remains unpaid at the time the indemnity is paid, the insured is obliged, before the indemnity is paid, to transfer the insured person's right to the said compensation to the insurance company, up to the amount indemnified under the insurance.

If the insured has had to pay a proportion of the costs him/herself because they exceeded the maximum indemnity under clause 7.1, the insured is obliged to transfer to the insurance company that part of the expenses compensation collected from the adverse party which is in excess of the part paid by the insured him/herself.

7.6.5 If the expenses compensation the opposing party has been ordered or has agreed to pay has been paid to the insured or it has otherwise been taken into consideration in the insured person's favour, the insured must return the expenses compensation cum interest to the insurance company up to the amount of compensation paid out of the insurance.

7.7 Adverse party's expenses

The insurance indemnifies legal expenses payable by the insured, provided this has been separately agreed upon and entered in the policy.

The compensation for legal expenses payable by the insured can be no more than half of the sum insured, and in the cases referred to in clause 7.1.3, no more than the sum of the insured person's own legal expenses to be indemnified.

The insurance will indemnify the insured person's adverse party's necessary and reasonable legal expenses which the insured is forced to pay in the matter, provided the insured person's own legal expenses are indemnified from this legal expenses insurance.

SUPPLEMENTARY INSURANCE COVER

If it has been separately agreed on and recorded in the insurance policy, the insurance also includes financial loss cover (VV) or cover for business interruption caused by an employee (TK) or both.

VV FINANCIAL LOSS COVER

VV 1 Purpose of insurance

On the basis of these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd or A-Insurance Ltd (hereafter 'the insurance company') undertakes to

- cover the losses referred to under section VV 3.1 and the other expenses referred to separately in these terms and conditions,
- investigate the grounds for and amount of damages,
- negotiate with the claimant
- handle court proceedings or pay legal expenses if the indemnity issue is subjected to legal proceedings.

The insurance covers the policyholder's business activities that were reported to the insurance company when the insurance was taken out and which are recorded in the insurance policy (insured activity).

VV 2 Territorial limits

The insurance is valid in Finland and covers the insured operations within the territorial limits and claims handled in accordance with the law in force within the territorial limits.

VV 3 Coverable losses and related restrictions

3.1 Coverable losses

The insurance covers financial loss caused to a third party by the policyholder, which is not connected to bodily injury or material damage.

Another prerequisite is that the policyholder is held, under the legislation in force, liable for the loss resulting from action or negligence during the insurance period either

- to the policyholder's client under a contract made with the policyholder or
- to a party other than his client on the basis of valid legislation

3.1.1 Certain sectors of operation and extension of coverable loss

Contrary to section VV 3.1 the insurance also covers loss detected during the insurance period which has been caused during the validity in Pohjola Insurance of this or some other financial loss cover. Also coverable are losses detected during the insurance period and caused during the validity of a financial loss cover immediately preceding this insurance but not indemnified under the preceding financial loss cover because they were detected after the termination of the cover.

This extension concerns the following sectors of operation:

- real estate management firms
- law firms
- attorney firms
- accounting and bookkeeping firms
- auditing firms
- motor vehicle inspection
- translation services

3.2 Restrictions

3.2.1 Loss or damage sustained by the policyholder

The insurance does not cover any loss sustained by the policyholder.

3.2.2 Loss related to work performed under contract

The insurance does not cover any work performed in order to repair the results of work done on the basis of a commission agreement, nor does it cover any work redone, even if such work is performed by a party other than the policyholder.

3.2.3 Loss caused to an employee or partner

The insurance does not cover loss caused to a person in the employment of the policyholder or a corresponding person or to a partner.

3.2.4 Bodily injury and material damage

The insurance does not cover bodily injury or material damage or any related financial loss.

Material damage is also deemed to include the destruction of, damage to or loss of cash, securities, unused postage stamps, coupons, bills of exchange, cheques and other similar certificates of claim.

3.2.5 Loss related to payment in or acceptance of cash

The insurance does not cover any loss caused by miscalculations in accepting cash or making payments in cash.

3.2.6 Expenses for rekeying or renewing locks

The insurance does not cover any loss caused by rekeying or renewing locks.

3.2.7 Contractual liability

The insurance does not cover any loss insofar as the liability is based on a provision of a commission agreement under which the policyholder has assumed greater responsibility than would apply to the policyholder under current legislation in the same contractual relationship in the absence of such contractual provision.

3.2.8 Loss related to liability to a company under the same ownership

The insurance does not cover any loss incurred by

- a company belonging to the same Group as the policyholder, or
- a company which, on the basis of majority ownership or otherwise, is under the same control as the policyholder.

3.2.9 Loss caused wilfully or through gross negligence

The insurance does not cover any loss caused wilfully or through gross negligence by the policyholder or a third party on whose behalf the policyholder is liable (see YL 7).

A loss can be considered to have been caused wilfully or through gross negligence if, for example, the act, operating method or neglect has involved a considerable risk for the loss to take place.

3.2.10 Fines

The insurance does not cover fines or other similar sanctions.

3.2.11 Other liability insurance

The insurance does not cover any loss to the extent that the loss is covered by another liability insurance policy taken out by the policyholder.

3.2.12 Intellectual property rights

The insurance does not cover any loss or costs caused by or in a way resulting from violation of intellectual property rights.

VV 4 Security guidelines

4.1 The policyholder must apply the regular commission agreement terms and conditions commonly used in the sector (see YL 6.1).

4.2 When using external service providers to execute its orders, the policyholder must obligate them to take out financial loss liability insurance and keep the insurance valid.

4.3 In addition, the policyholder must comply with the safety regulations specified in the insurance policy or otherwise issued in written form.

VV 5 Claims settlement

5.1 Insurance company's obligations

The insurance company shall investigate whether the policyholder is liable to pay damages for the reported loss covered under the insurance, the amount of which exceeds the deductible, and shall negotiate with the claimant.

If the policyholder makes good the loss, agrees thereon or accepts the claim, this will not be binding on the insurance company, unless the amount of and grounds for the damages are manifestly correct.

If the insurance company has reached an agreement on compensation with the party who has sustained a loss, and the policyholder does not agree to this, the insurance company will not be held liable for any subsequent expenses or for more than it would have indemnified on the basis of the aforementioned agreement. Nor is the insurance company liable to conduct any further investigations into the matter.

5.2 Policyholder's obligations

The policyholder shall

- participate in the investigation into the loss at his own expense
- provide the insurance company with all information, documents and other material in his/her possession that are relevant to the claim settlement
- obtain or prepare any necessary clarifications and studies available to the policyholder at reasonable expense and
- reserve the insurance company the opportunity to participate in bringing about an amicable settlement.

VV 6 Legal proceedings

If a claim for damages, based on grounds which constitute a loss coverable under the insurance, is submitted to the court, the policyholder must promptly notify the insurance company thereof as soon as the policyholder has been informed of such legal proceedings.

If a claim for damages concerns a loss or damage that, as to its grounds and amount, is coverable under the insurance, the insurance company will pay the resulting legal expenses provided that

- the claim notification was submitted before the rejoinder and
- the insurance company has approved the attorney being used.

If the legal proceedings also concern other issues, the insurance shall only cover that part of the expenses arising from the claim for damages covered by the insurance.

The insurance company always has the right to assume the policyholder's defence at the legal proceedings.

VV 7 Indemnification regulations

7.1 Damages

The insurance covers the damages for which the policyholder is liable. The amount of damages is calculated according to damages regulations and legal practice.

Legal provisions on value added tax will be taken into account when calculating the loss amount. The portion accounted for by

the tax will not be paid if it is deductible in the insured party's or beneficiary's taxation. Value added tax will not be compensated in case the insured party or beneficiary has the right of refund with respect to value added tax.

If several parties are jointly and severally liable for the same loss, the insurance only covers that part of the loss that corresponds to the policyholder's share of the liability. If no other grounds exist, the indemnity is paid per capita.

7.2 Costs incurred due to preventing risk of an impending loss

The insured party is under an obligation to prevent or mitigate the loss from an impending or actual insurance event (see YL 6.2). This obligation only concerns measures that eliminate the immediate threat of liability for a loss caused to a third party but not any further measures after the event unless these measures are separately agreed on with the insurance company. Costs arising from such necessary measures are coverable under the insurance.

7.3 Investigation and legal expenses

The insurance also covers reasonable and necessary expenses arising from the investigation of the loss, but not those investigation expenses which are the liability of the policyholder under the insurance terms and conditions or which have not been separately agreed with the insurance company.

Legal expenses are covered as specified in clause 6 above.

7.4 Maximum compensation

The aggregate maximum amount of all indemnities for a single loss, including investigation, negotiation, interest and legal expenses, is the sum insured entered in the insurance policy. Loss prevention expenses are covered in accordance with section YL 6.2.

The maximum amount of indemnity paid for losses caused during a single insurance period equals double the sum insured recorded in the insurance policy.

7.5 Serial loss

Losses caused by the same act or neglect will be considered a single loss regardless of whether they are discovered during one or more insurance periods.

If such losses are discovered during different insurance periods, they will be attributed to the insurance period in which the first loss was caused.

7.6 Deductible

For each and every loss, the policyholder's deductible specified in the insurance policy will be subtracted from the total amount of indemnity including any expenses incurred due to loss prevention, investigations, negotiations, interest payments and legal proceedings, all calculated in accordance with the insurance terms and conditions.

TK INSURANCE FOR BUSINESS INTERRUPTION CAUSED BY AN EMPLOYEE

TK 1 Purpose of insurance

In accordance with the terms and conditions of business interruption cover of the Basic Corporate Insurance (KE), these supplementary terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd or A-Insurance Ltd (hereinafter the Insurance Company) undertakes to cover any loss referred to in section TK 3 and caused by the disability of an entrepreneur or employee.

TK 2 2.1 Indemnity period and deductible

2.1 Period of liability

The indemnity period recorded in the insurance policy is the continuous period of time that begins at the end of the waiting period. The insurance covers business interruption during the indemnity period.

The indemnity period for the insurance for business interruption caused by disability of an employee is 12 months.

If the same injury or illness results in several disability periods, this is a single business interruption loss and coverable only insofar as the periods fall within 12 months of the end of the qualifying period.

2.2 Deductible

No indemnity will be paid for the qualifying period of three days following an accident or 14 days following an illness; this qualifying period is considered to have started as the business interruption loss began.

TK 3 Losses

3.1 Coverable losses

The insurance covers financial loss caused by business interruption or reduction that is a direct consequence of

- of an owner working for the policyholder or an entrepreneur holding the position of a manager, or
- death occurring or the diagnosis of a disability made by a physician during the insurance period of an employee permanently employed by the policyholder.

The cause of death or disability must be an injury or illness sustained during the insurance period.

3.2 Exclusions

3.2.1 The insurance does not cover loss caused by disability or death resulting from

- an illness clear symptoms of which have been evident or which, according to medical experience, must otherwise be considered to have begun before the entry into force of the insurance or before the commencement of the work of an entrepreneur or employee in the company
- an illness that is caused by some other illness, injury or exposure sustained before the entry into force of the insurance or before the commencement of the work of an entrepreneur or employee in the company
- pregnancy, childbirth or termination of pregnancy; or
- an injury or illness that is self-induced either wilfully or through gross negligence.

3.2.2 The insurance does not cover loss if the injury causing disability or death was sustained or the illness began after the entrepreneur or employee had turned 65.

3.2.3 Indemnity may be denied or it may be reduced if the disability or death of an entrepreneur or employee has been caused by use of alcohol or drugs or abuse of medicinal products, or if this has significantly affected the occurrence or extent of the loss.

TK 4 Loss amount

When calculating the loss amount and the sum insured, the terms and conditions of the business interruption insurance (KE) included in Basic Corporate Insurance are applied.

When the amount of the loss is calculated, compensations and daily allowances which are due to entrepreneurs, employees,

general partners of a partnership or limited partnership or the company under statutory schemes and which have reduced the loss amount are taken into account as deductions in addition to the matters referred to in section KE 5.3.

The maximum indemnity payable from the insurance per insurance period is recorded separately in the insurance policy.

TK 5 Other provisions

In other respects, the terms and conditions of the Business Interruption Insurance (KE) included in Basic Corporate Insurance General Terms of Contract (YL) apply.

GENERAL TERMS OF CONTRACT

YL 1 Key concepts

Policyholder is the party who has concluded an insurance contract with Pohjola Insurance Ltd or A-Insurance Ltd (hereafter the insurance company).

In these terms and conditions, the insurer is referred to as 'the insurance company'.

The insured is the party for whose benefit a non-life insurance is valid.

Consumer is a person who acquires consumer goods mainly for a purpose other than his/her business activity.

A policyholder comparable to a consumer is a natural or legal person who, considering the nature and extent of his/her business or other activity as well as other circumstances, is comparable to a consumer as a contracting party of the insurer.

The insurance period is the agreed period recorded in the policy during which the insurance is valid. A continuous insurance contract continues for one agreed insurance period at a time, unless either contracting party gives notice of termination.

Safety regulation is the obligation to observe given regulations recorded in the insurance policy or insurance terms and conditions, or otherwise in written form, aimed at preventing or restricting the occurrence of a loss, or a regulation to the effect that the person using or looking after the object of insurance has the required qualification.

Exclusion clause is a condition or regulation in the insurance policy or insurance terms and conditions or other written agreement specifying losses that are not coverable or restricting the insurance cover.

YL 2 Disclosure of information prior to concluding an insurance contract

2.1 Insurance company's obligation to disclose information

Prior to concluding an insurance contract, the insurance company will provide the insurance applicant with essential information on such matters as the insurance company's own types of insurance, premiums and insurance terms and conditions, so that the applicant can evaluate his/her insurance needs and choose the most suitable insurance cover. The insurance company will also bring to the applicant's attention the most important restrictions on the insurance cover.

In distance selling of insurance products, the insurance company must also provide consumers with the advance information referred to in Chapter 6 a of the Consumer Protection Act. Distance selling refers to selling insurance policies for example over the telephone or on the internet.

2.1.1 Insurance company's failure to disclose information

2.1.1.1 Corporate and institutional insurance

If the insurance company or its representative has given the policyholder incomplete, incorrect or misleading information when marketing the insurance, the insurance company will correct the incorrect information promptly as soon as the error is detected. The insurance contract is considered valid in the corrected form as of the time when the policyholder is informed of the correction.

2.1.1.2 Insurance policies of consumers and policyholders comparable to consumers

If the insurance company or its representative has failed to provide the policyholder with any necessary information on the insurance when marketing it or has provided incorrect or misleading information, the insurance contract will be considered valid in the form that the policyholder has had reason to understand it in the light of the information given.

2.2 Policyholder's and insured person's obligation to disclose information

2.2.1 Corporate and institutional insurance

The policyholder means here also the insured and a representative of the policyholder or the insured.

Prior to the insurance being granted, the policyholder must provide full and correct answers to all questions presented by the insurance company which may be relevant to the assessment of the insurance company's liability. During the insurance period, the policyholder and the insured must also correct without undue delay any information provided to the insurance company by him/her which he/she has found to be incorrect or insufficient.

2.2.2 Insurance policies of consumers and policyholders comparable to consumers

Prior to the insurance being granted, the policyholder and the insured must provide full and correct answers to all questions presented by the insurance company which may affect the assessment of the insurance company's liability. During the validity of the insurance period, the policyholder and the insured must also correct without undue delay any information provided to the insurance company by him/her which he/she has found to be incorrect or insufficient.

2.3 Failure to disclose information

2.3.1 Corporate and institutional insurance

In this clause, the policyholder also means the insured and a representative of the policyholder or the insured.

If the policyholder or the insured person has acted fraudulently with regard to the above-mentioned obligation, the insurance contract is not binding on the insurance company. The insurance company has the right to withhold all premiums paid, even if the insurance is annulled.

If the policyholder or the insured has wilfully or through negligence which cannot be deemed minor failed in his/her obligation to disclose information, the indemnity can be reduced or disallowed. The effect of the erroneous or deficient information given by the policyholder or the insured on bringing about the loss or damage will be taken into account when reduction or disallowance is being considered. In addition, the policyholder's and the insured person's intent or the type of negligence and other circumstances will be taken into account.

If, due to incorrect or insufficient information provided by the policyholder or the insured person, the agreed premium is smaller than it would have been had the insurance company been given the correct and full information, the insurance company, when reducing the amount of compensation, takes account of the ratio

of the agreed premium to the premium that would have been charged had the information provided been correct and full. If, however, the information provided differs only slightly from the correct and full information, the insurance company is not entitled to reduce the compensation.

2.3.2. Insurance policies of consumers and policyholders comparable to consumers

If the policyholder or the insured person has acted fraudulently with regard to the abovementioned obligation, the insurance contract is not binding on the insurance company. The insurance company has the right to withhold all premiums paid, even if the insurance is annulled.

If the policyholder or the insured has wilfully or through negligence which cannot be deemed minor failed in his/her obligation to disclose information, the indemnity can be reduced or disallowed. The effect of the erroneous or deficient information given by the policyholder or the insured on bringing about the loss or damage will be taken into account when reduction or disallowance is being considered. In addition, the policyholder's and the insured person's intent or the type of negligence and other circumstances will be taken into account.

If, due to incorrect or insufficient information provided by the policyholder or the insured person, the agreed premium is smaller than it would have been had the insurance company been given the correct and full information, the insurance company, when reducing the amount of compensation, takes account of the ratio of the agreed premium to the premium that would have been charged had the information provided been correct and full. If, however, the information provided differs only slightly from the correct and full information, the insurance company is not entitled to reduce the compensation.

YL 3 Commencement of the insurance company's liability and validity of the insurance contract

3.1 Commencement of the insurance company's liability

The insurance company's liability commences on the date agreed by the parties. If no other date has been agreed on individually with the policyholder, the insurance company's liability will commence from the time when the insurance company or the policyholder has submitted or sent an affirmative reply to the offer/bid of the other contracting party.

If there are special reasons, for instance, the policyholder's earlier default of payment of the premium, type or duration of insurance, the insurance company's liability starts only when the premium for the insurance period has been paid. The invoice for the premium will contain a mention to this effect.

If the policyholder has submitted or sent a written insurance application to the insurance company and if it is apparent that the insurance company would have approved the application, the insurance company will also assume liability for an insurance event occurring after the application was submitted or sent.

An insurance application or an affirmative reply which the policyholder has submitted or sent to the insurance company's representative is considered to have been submitted or sent to the insurance company.

If there is no indication of the time of day when the reply or application was submitted or sent, it is considered to have taken place at 12.00 midnight.

3.2 Validity of the insurance contract

An insurance contract is either continuous or for a fixed period.

After the first insurance period, a continuous insurance contract is valid for one agreed insurance period at a time, unless the

policyholder or the insurance company terminates the contract. The insurance contract may also be terminated without notice on grounds specified under clause 16.4 (change of owner).

A fixed-period insurance contract is valid for the agreed insurance period unless the policyholder or the insurance company terminates the contract or the contract is terminated on grounds specified under clause 16.4 (change of owner).

The insurance contract can also be terminated on other grounds, as specified below under clauses 4.2.1 and 16.

YL 4 Insurance premium

4.1 Payment of premium

4.1.1 Corporate and institutional insurance

Premiums must be paid by their due date indicated on the invoice sent by the insurance company. However, the initial premium need not be paid before the commencement of the insurance company liability, unless, under the insurance terms and conditions, payment of the premium is a precondition for the commencement of the insurance company's liability, nor will subsequent premiums have to be paid before the commencement of the agreed premium period or insurance period.

If payment made by the policyholder is not sufficient to cover all the insurance company's insurance premium receivables, the insurance company has the right to decide for which of the outstanding premiums his/her payments are to be used.

4.1.2 Insurance policies of consumers and policyholders comparable to consumers

Premiums must be paid by their due date indicated on the invoice sent by the insurance company. Even if the due date on the invoice were to be an earlier date, the insurance premium may be paid within one month of the date on which the invoice for the premium was sent by the insurance company to the policyholder. However, the initial premium need not be paid before the commencement of the insurance company liability, unless, under the insurance terms and conditions, payment of the premium is a precondition for the commencement of the insurance company's liability, nor will subsequent premiums have to be paid before the commencement of the agreed premium period or insurance period. If part of the insurance company's liability commences at a later date, the related premium need not be paid before said liability commences.

If payment made by the policyholder is not sufficient to cover all the insurance company's insurance premium receivables, the policyholder has the right to decide for which of the outstanding premiums his/her payments are to be used.

However, the policyholder's payment will primarily apply to the insurance contract in accordance with the reference data based on the paid bill unless the policyholder has specifically ordered otherwise in writing in connection with the payment.

4.2 Delays in payment of premium

4.2.1 Right of termination due to delay

If the policyholder has neglected to pay the premium by the due date, the insurance company has the right to terminate a voluntary insurance policy 14 days after sending a notice of termination.

However, if the policyholder pays the outstanding premium in full before the end of the notice period, the insurance will not cease to be effective at the end of the notice period. The insurance company will state this option in its notice of termination.

If the policyholder is a consumer or comparable to a consumer and the delay of payment is caused by the policyholder's insolvency resulting from illness, unemployment or other special reason primarily beyond the policyholder's control, then despite

the notice given, the insurance will not expire until 14 days after the obstacle in question has ceased to exist. The contract will, however, expire three months from the end of the notice period, at the latest. The policyholder must notify the insurance company in writing of the financial difficulties referred to here during the notice period at the latest.

4.2.2. Penalty interest and collection and legal expenses

If the premium is not paid by the due date, penalty interest shall be paid for the period of delay in accordance with the Finnish Interest Act.

The insurance company is entitled, under the Act on the collection of receivables (513/1999), to compensation for expenses arising from the collection of insurance premiums. If the insurance company has to collect an unpaid insurance premium through legal action, it is also entitled to being recompensed for the statutory fees and charges incurred due to legal proceedings. The insurance company may also transfer outstanding amounts for collection by a third party.

4.3 Payment of delayed premium

If the policyholder pays an overdue premium in full after the insurance has expired, the insurance company's liability commences on the day following such payment. In such a case, the insurance is valid from the date of its reinstatement until the end of the insurance period originally agreed.

However, if the insurance company does not wish to see the validity of the insurance policy renewed, it will, within 14 days of payment of the premium, notify the policyholder that it will not accept the payment.

4.4 Premium refunds

If the insurance terminates before the date agreed, the insurance company is entitled only to the premium for the period during which it was liable. The rest of the premium paid is returned to the policyholder. The premium is not returned, however, if the policyholder or the insured has acted fraudulently with regard to the obligation to disclose information as specified in clause 2.2.

The amount of premium refund is calculated by subtracting from the total premium for the insurance period in question that part which corresponds to the actual period of validity, as shown in the formula below:

$$\text{Insurance period premium} - \left(\frac{\text{validity in days}}{\text{insurance period in days}} \times \text{insurance period premium} \right) = \text{refunded premium}$$

The insurance company will deduct a handling fee of EUR 50 from the premium to be refunded, or a minimum payment as defined in the insurance policy, the insurance terms and conditions or some other agreement between the insurance company and the policyholder is charged on the insurance.

The premium is not returned separately if the returnable sum is smaller than the sum in euros specified in the Insurance Contracts Act.

4.5 Setoff against premiums to be returned

The insurance company may deduct any outstanding premiums overdue and other outstanding amounts from the premium to be returned. If the amount to be refunded is not sufficient to cover all overdue receivables, it is used for payment of outstanding amounts as specified in clause 4.1 in accordance with general setoff regulations.

YL 5 Disclosure of information during validity of contract

5.1 Insurance company's obligation to disclose information

5.1.1 Corporate and institutional insurance

On conclusion of an insurance contract, the insurance company issues the policyholder with an insurance policy, any other agreement made concerning the content of the insurance and the insurance terms and conditions, unless they have already been given previously, or unless otherwise agreed.

During the validity of the insurance, the insurance company will notify the policyholder annually in writing of the sum insured and any other insurance-related matters with obvious relevance to the policyholder.

If, during the validity of the insurance, the insurance company or its representative has provided incomplete, incorrect or misleading information on the insurance, the insurance company will correct the incorrect information without delay as soon as the error is detected. The insurance contract is considered valid in the corrected form as of the time when the policyholder is informed of the correction.

The provisions of Section 9, Subsection 2 of the Insurance Contracts Act apply to provision of information after the occurrence of an insurance event.

5.1.2 Insurance policies of consumers and policyholders comparable to consumers

On conclusion of an insurance contract, the insurance company issues the policyholder with an insurance policy and the insurance terms and conditions, if these terms and conditions have not already been given to the policyholder.

During the validity of the insurance, the insurance company will annually notify the policyholder of the sum insured and any other insurance-related matters of obvious relevance to the policyholder (annual bulletin).

If, during the validity period of the insurance, the insurance company or its representative has provided incomplete, incorrect or misleading information on the insurance, the insurance contract will be considered valid in the form that the policyholder has had reason to understand it in the light of the information he/she was given, provided that such incomplete, incorrect or misleading information can be regarded as having influenced the policyholder's conduct. However, this does not apply to information provided by the insurance company or its representative on future compensation payable after a loss has occurred.

5.2 Policyholder's obligation to disclose information about any increase in risk

5.2.1 Corporate and institutional insurance

In this clause, the policyholder also means the insured and a representative of the policyholder or the insured.

The policyholder must notify the insurance company without delay, within 14 days at the latest, of any essential change in the information provided at the time of concluding the insurance contract or in the information entered in the insurance policy which increases the risk of loss and which the insurance company cannot be deemed to have taken into account when concluding the contract.

Essential changes increasing the risk may, for instance, include a change in the use of the insured object, repair, conversion or extension work, altered transport conditions or changes in the insured activity.

If such notification is neglected, the insurance company has the right to reduce any compensation payable under the insurance or to disallow the compensation altogether.

The effect of the changed, risk-increasing circumstance on the occurrence of the loss or damage is taken into account when considering whether to reduce or disallow the compensation. The policyholder's intent or the nature of negligence and other circumstances will also be taken into account.

If the policyholder neglects his/her obligation to notify the insurance company of any essential risk-increasing change that has taken place during the insurance period, the insurance company has the right to terminate the insurance on the basis of clause 16.2.1.7.

If, due to incorrect or insufficient information provided by the policyholder or the insured person, the agreed premium is smaller than it would have been had the insurance company been given the correct and full information, the insurance company, when reducing the amount of compensation, takes account of the ratio of the agreed premium to the premium that would have been charged had the information provided been correct and full. If, however, the information provided differs only slightly from the correct and full information, the insurance company is not entitled to reduce the compensation.

5.2.2 Insurance policies of consumers and policyholders comparable to consumers

The policyholder must notify the insurance company without delay, no later than one month of receipt of the annual bulletin following such change, of any essential change in the information provided at the time of concluding the insurance contract or in the information entered in the insurance policy which increases the risk of loss and which the insurance company cannot be deemed to have taken into account when concluding the contract. The insurance company will remind the policyholder of this obligation in the annual bulletin.

Essential changes increasing the risk may, for instance, include a change in the use of the insured object, repair, conversion or extension work, altered transport conditions or changes in the insured activity.

If such notification is neglected, the insurance company has the right to reduce the compensation or disallow it altogether, if the policyholder has neglected his/her notification obligation wilfully or through negligence which cannot be deemed minor.

The effect of the changed, risk-increasing circumstance on the occurrence of the loss or damage is taken into account when considering whether to reduce or disallow the compensation. The policyholder's intent or the nature of negligence and other circumstances will also be taken into account.

If, due to incorrect or insufficient information provided by the policyholder or the insured person, the agreed premium is smaller than it would have been had the insurance company been given the correct and full information, the insurance company, when reducing the amount of compensation, takes account of the ratio of the agreed premium to the premium that would have been charged had the information provided been correct and full. If, however, the information provided differs only slightly from the correct and full information, the insurance company is not entitled to reduce the compensation.

YL 6 Obligation to prevent and limit loss or damage

6.1 Obligation to follow safety regulations

The insured must observe the safety regulations recorded in the policy, in the insurance terms and conditions or otherwise provided in writing. If the insured has wilfully or through negligence which cannot be deemed minor failed to observe the

safety regulations, the insurance company may reduce or disallow any compensation payable to him/her. The effect of the failure to observe the safety regulations on the occurrence of the loss or damage is taken into account when considering whether to reduce or disallow compensation. The insured person's intent or the nature of negligence and other circumstances will also be taken into account.

If the policyholder is a consumer or comparable to a consumer, the compensation may, in general liability insurance, be reduced or disallowed due to the negligence of the insured only if the insured has failed to observe the safety regulations wilfully or through gross negligence, or if the insured person's use of alcohol or drugs has contributed to the negligence.

The insurance company will nevertheless, regardless of the insured person's conduct, pay under general liability insurance, to a natural person, that part of the compensation which the party who has suffered the loss has been unable to collect from the insured. The indemnity is not, however, paid if the insured has wilfully failed to observe the safety regulations.

6.2 Obligation to prevent and limit loss or damage (duty of salvage)

In the case of a loss or the immediate threat of one, the insured or a person identifiable with him/her must, to the best of his/her ability, take the necessary action to prevent or mitigate the loss or damage. If the loss or damage is caused by a third party, the insured must take the necessary action to uphold the insurance company's right vis-à-vis the liable party. The insured must, for instance, attempt to establish the identity of the tort-feasor. If the loss or damage resulted from a punishable act, the insured must without delay report it to the police and demand punishment for the offender if the insurance company's interest so requires. The insured person must, in other respects, too, observe all instructions given by the insurance company aimed at preventing and mitigating loss or damage.

The insurance company will nevertheless compensate any reasonable and necessary expenses incurred in the process of preventing and mitigating any loss or damage, even if the sum insured will thus be exceeded.

If the insured has wilfully or through negligence which cannot be deemed minor failed to observe the duty of salvage referred to above, the insurance company may reduce or disallow the compensation payable to him/her. The effect of the insured person's failure to observe this duty on the occurrence of a loss or damage, or on mitigating the loss or damage, is taken into account in considering whether to reduce or disallow compensation. The insured's intent or the nature of negligence and other circumstances will also be taken into account.

If the policyholder is a consumer or comparable to a consumer, the compensation may, in general liability insurance, be reduced or disallowed due to the negligence of the insured only if the insured has neglected his/her duty wilfully or through gross negligence, or if the insured person's use of alcohol or drugs has contributed to the negligence.

The insurance company will nevertheless, regardless of the insured person's conduct, pay under general liability insurance, to a natural person, that part of the compensation which the party who has suffered the loss has been unable to collect from the insured. The compensation is not, however, paid if the insured has wilfully neglected his/her duty.

YL 7 Causing an insurance event

7.1 Causing an insurance event intentionally

The insurance company is released from liability to the insured if the insured has wilfully caused the insurance event.

7.2 Gross negligence and use of alcohol or intoxicant

If the insured has caused an insurance event through gross negligence or if the insured person's use of alcohol or some other intoxicant has contributed to the insurance event, the compensation payable to the insured may be reduced or disallowed.

The effect of the insured person's action on the occurrence of the loss or damage is also taken into account in considering whether the compensation is to be reduced or disallowed in the above-mentioned cases. The insured persons intent or the nature of negligence and other circumstances will also be taken into account.

If the insured person has caused loss or damage through gross negligence or if his/her use of alcohol or other intoxicant has contributed to the insurance event, the insurance company will nevertheless pay under the liability insurance that part of the compensation which the natural person who has suffered the loss or damage has been unable to collect because of the insured person's state of insolvency as authenticated by distraint or bankruptcy.

7.3 The effect of alcohol and other intoxicants on loss or damage in motor vehicle insurance

In addition to what is stated in clauses 7.1 and 7.2 above, the following also applies in considering payment of compensation under motor vehicle insurance policies.

If the insured has caused an insurance event while driving a motor vehicle at the time of loss with at least 1.2 per mille of alcohol in his/her blood, or a minimum of 0.53 mg of alcohol per litre of exhaled air at the time of the insurance event or immediately after it, compensation is paid only for special reasons. The same applies if the insured has caused an insurance event while driving a motor vehicle otherwise under the influence of alcohol or an intoxicant other than alcohol, or under the influence of both alcohol and some other intoxicant, in such a way that his/her ability to perform faultlessly was considerably diminished.

If the insured has caused an insurance event while driving a motor vehicle under the influence of alcohol or an intoxicant or under the influence of both alcohol and some other intoxicant otherwise than in the cases mentioned above, the compensation may be reduced in proportion to the extent of the loss attributable to him/her.

YL 8 Identification

What is stated above concerning the insured with regard to causing a loss, observing the safety regulations or the duty of salvage also applies to a person

- who, with the consent of the insured, is responsible for a motor-driven or towed vehicle, vessel or aircraft covered by the insurance
- who, jointly with the insured, owns the insured property and uses it jointly with him/her; or
- who co-habits with the insured party and uses the insured property jointly with him.

What is stated above concerning the insured party with regard to observing the safety regulations also applies to a person who, on the basis of his/her employment or official post with the policyholder, is responsible for supervising compliance with such regulations.

YL 9 Irresponsibility and emergency

The insurance company will not invoke clauses 6 and 7 to release itself from or restrict its liability if the insured was under 12 years of age at the time he/she caused the loss or failed to observe the safety regulations or the obligation to prevent or mitigate the loss,

or was in such a state of mind that he/she could not have been sentenced for a crime.

The insurance company will not invoke clauses 5, 6 and 7 to release itself from or restrict its liability if the insured was seeking to prevent injury to a person or damage to property in circumstances in which his/her negligence or action was justifiable at the time he/she increased the risk or caused the loss or failed to observe the safety regulations or the obligation to prevent and mitigate loss.

What is stated in this clause concerning the insured also applies to a person identifiable with the insured in clause 8.

YL 10 Claims settlement procedure

10.1 Claimant's obligations

The claimant must immediately notify the insurance company of an insurance event. The insurance company must also be given the opportunity to assess the loss or damage. All crimes must be reported to the local police without delay.

The claimant must provide the insurance company with documents and information necessary for the assessment of the insurance company's liability. These include documents and information which confirm that a loss occurred, the extent of the loss or damage and the recipient of the compensation (e.g. a police investigation report or report of an offence, abstract of title and account of mortgage holders). The claimant is required to obtain the documentation which he/she is best able to obtain.

The insurance company is not required to pay compensation before it has received the above documentation.

If the claimant has, after the loss, fraudulently provided the insurance company with incorrect or incomplete information which is of importance in investigating the loss and assessing the insurance company's liability, the compensation can be reduced or disallowed, depending on what is reasonable in the circumstances.

10.2 Time limitation on claims

A claim for compensation must be presented to the insurance company within 12 months of the date when the claimant became aware of the insurance and was informed of the insurance event and the damaging consequences of that event. A claim for compensation must in any case be presented within 10 years of the date when the insurance event occurred or, in the case of insurance taken out against liability for damages, the damaging consequences were caused. Reporting an insurance event is comparable to presenting a claim. If the claim is not presented within the said period, the claimant loses his/her right to obtain compensation.

10.3 Insurance company's obligations

After the occurrence of a loss, the insurance company is under obligation to provide the claimant with information on the contents of the insurance and the claim procedure. No advance information given to the claimant on the compensation, its amount or method of payment will affect the payment obligation stated in the insurance contract.

The insurance company will pay the compensation resulting from the loss in accordance with the insurance contract or notify the claimant of non-payment of compensation without delay and, at the latest, in one month's time of the date on which it received the documentation and information necessary for the assessment of its liability. If the amount of compensation is disputed, the insurance company will nonetheless pay any undisputed part of the compensation within the above-mentioned period.

In the case of a claim settlement decision under liability insurance,

the insurance company will also inform the person who has suffered the loss or damage.

If the total amount of compensation payable to a legally incompetent person for losses other than expenses or loss of property exceeds 1,000 euros, the insurance company will notify the guardianship authority in the home municipality of the legally incompetent person of such compensation.

The insurance company will pay penalty interest on any delayed payment of compensation in accordance with the Interest Act.

10.4 Setoff against compensation

The insurance company may deduct any outstanding premiums overdue and other overdue amounts from the compensation. If the compensation payable cannot be used to set off all overdue receivables, it will be used as payment for outstanding amounts as specified in clause 4.1 in accordance with general setoff regulations.

YL 11 Compensation

11.1 Overinsurance and principle of non-enrichment

The property or benefit is overinsured if the sum insured entered in the insurance contract is considerably higher than the real value of the insured property or the benefit.

In the case of a loss incurred by an overinsured property or benefit, the insurance company will not indemnify for more than is necessary to cover the loss. If, however, the sum insured is essentially based on an estimate given by the insurance company or its representative, the compensation equals the sum insured, except when the estimate was affected by incorrect or incomplete information submitted intentionally by the policyholder.

11.2 Under-insurance

The property or benefit is underinsured if the sum insured entered in the insurance contract is considerably lower than the real value of the insured property or benefit.

In the case of loss incurred by an underinsured property, the insurance company will only indemnify for that part of the loss which corresponds to the ratio of the sum insured to the value of the property or benefit. When assessing under-insurance, the sum insured is compared, when the indemnity based on replacement value is calculated, with the replacement value of the property and, when the indemnity based on current value is calculated, with the current value of the property.

If, however, the sum insured is essentially based on an estimate given by the insurance company or its representative, the indemnity equals the amount of loss, but will not exceed the sum insured.

YL 12 War, nuclear accident and sanctions

12.1 War and nuclear accident

The insurance does not cover any loss incurred by

- war, rebellion, revolution, terrorism or other comparable reason
- nuclear accident as described in the Nuclear Liability Act, or by damage caused by material, equipment or weapons based on nuclear reaction or ionising radiation, regardless of where the nuclear accident occurred.

12.2 Effect of sanctions on compensation

An insurance company, its subsidiary or a partner in a network underwriting insurance locally is under no obligation to pay compensation, damages, prevention costs or investigation and legal expenses if paying them is contrary to UN Security Council

decisions, EU sanctions or regulations or United States sanctions or legislation.

YL 13 Lodging an appeal against decision taken by insurance company

The policyholder or claimant has several ways of appealing against a decision taken by the insurance company. If the matter remains unsettled after he/she has contacted the insurance company, he/she can ask for advice and counselling from the Finnish Financial Ombudsman Bureau (FINE) or request a decision recommendation from the relevant board. A policyholder or claimant who is dissatisfied with the insurance company's decision may also bring action against the insurance company in court.

13.1 Right to correct

If a policyholder or claimant suspects that the insurance company has made a mistake in its claim settlement decision, he/she has the right to obtain more information about matters which have led to the decision. The insurance company will revise the decision if the new investigations give cause to do so.

13.2 FINE and the Consumer Disputes Board

The Finnish Financial Ombudsman Bureau (www.fine.fi) offers free and independent advice and assistance. The Finnish Financial Ombudsman Bureau and the Finnish Insurance Complaints Board also give settlement recommendations in civil action cases. FINE does not handle a dispute pending in the Consumer Disputes Board or a court of justice or processed by the Consumer Disputes Board or a court of justice.

The insurance company's decision can also be submitted to the Consumer Disputes Board (www.kuluttajariita.fi), which provides recommendations for decisions on the basis of consumer protection legislation. The Consumer Disputes Board will not process any disputes that are pending or already processed at the Finnish Insurance Complaints Board or a court of law.

13.3 District court

If the policyholder or claimant is dissatisfied with the insurance company's decision, he/she may bring action against the insurance company in the district court of his/her domicile in Finland, of the insurance company's domicile or of the place of loss in Finland, unless otherwise provided by Finland's international agreements.

Action against the insurance company's decision must be brought within three years of the policyholder or claimant being informed in writing about the insurance company's decision and the time limit. The right to bring action ceases once the time limit has expired.

Handling of a case by a board will interrupt the limitation period for the right to bring action.

YL 14 The Insurance Company's right of recovery

14.1 Insurance company's right of recovery vis-à-vis a third party

The insured person's right to claim damages from a third party which is held liable transfers to the insurance company up to the amount of compensation paid by the insurance company.

If the loss or damage was caused by a third party as a private person or as an employee, a civil servant or any other person comparable to these as referred to in Chapter 3, Section 1 of the Tort Liability Act, the right of recovery will be transferred to the insurance company only if the person in question caused the insurance event wilfully or through gross negligence or is held liable regardless of the nature of his/her negligence.

14.2 Other cases of right of recovery

If the loss was caused while a motor vehicle was being driven, the insurance company is entitled, in addition to what was stated in clause 14.1, to reclaim the indemnity it has paid owing to the loss

- from the owner, driver, passenger or keeper of the motor vehicle, if he/she caused the loss wilfully or through gross negligence
- from the person who through carelessness caused the loss while a vehicle that was used without permission was being driven
- from the driver of the motor vehicle causing the loss while driving the vehicle at the time of loss with at least 1.2 per mille of alcohol in his/her blood, or a minimum of 0.53 mg of alcohol per litre of exhaled air at the time of the accident or immediately after it
- from the driver of the motor vehicle causing the loss if he/she, at the time of loss, was driving the vehicle otherwise under the influence of alcohol or an intoxicant other than alcohol, or under the joint influence of both alcohol and some other intoxicant, in such a way that his/her ability to perform faultlessly was considerably diminished.

The insurance company's right of recovery against the policyholder, the insured or a party identifiable with the insured is defined according to Section 75, Subsection 4 of the Insurance Contracts Act.

YL 15 Altering an insurance contract

15.1 Altering the terms of contract during the insurance period

The insurance company has the right to alter the insurance premiums or other terms of contract during the insurance period to correspond to the changed circumstances if

- the policyholder or the insured person has neglected his/her obligation to disclose information as referred to in clause 2.2 above; or
- during the insurance period, a change as referred to in clause 5.2 above has occurred in the circumstances recorded in the insurance policy or reported by the policyholder or the insured person to the insurance company at the time the contract was concluded.

After being informed of said change, the insurance company will notify the policyholder without undue delay of how and from what date the premium or other terms of contract will be altered. The notification shall state that the policyholder has the right to cancel the insurance.

15.2 Altering the terms of contract at the end of an insurance period

15.2.1 Corporate and institutional insurance

This clause will be applied in policies taken out since 1 January 2014.

The insurance company has the right to alter the insurance terms and conditions and premiums and other terms of contract at the end of the insurance period.

These alterations will apply as of the beginning of the following insurance period. The insurance company must inform policyholders of any changes no later than one month before the beginning of the new insurance period. The insurance continues in its new form unless the policyholder terminates it in writing before the beginning of the new insurance period.

If the policy's inception date is prior to 1 January 2014, clause 15.2.2 is applied.

15.2.2. Insurance policies of consumers and policyholders comparable to consumers

A Notification procedure

The insurance company has the right to alter the insurance terms and conditions and premiums and other terms of contract at the end of the insurance period on the basis of

- new or amended legislation or a regulation issue by the authorities
- change in legal practice
- an unforeseen change in circumstances (e.g. an international crisis, exceptional natural event, catastrophe)
- a change in an index mentioned in the policy which affects the insurance
- change in claims expenditure or cost levels
- change in a factor or circumstance which, in the view of the insurance company, has an effect on the amount of premium. Such may include changes in the company's net sales, age, line of business, risk category, payroll bill or other details; and changes in the object of insurance, the age of the object of insurance or part of it, or its location and properties; or the changes in the place of insurance.

The insurance company also has the right to change the insurance terms and conditions and premiums of motor vehicle insurance policies and other terms and conditions provided it concerns a factor or condition which, according to the insurance company has an effect on the amount of premium of such policies. These may include changes in the vehicle's data or category or its use.

The insurance company also has the right to change the premium by determining various premium bases according to risk of loss or damage.

The insurance company also has the right to make minor changes to the insurance terms and conditions and other terms of contract provided that the changes do not affect the primary content of the insurance contract.

If the insurance company alters the insurance contract as outlined above, it will, when sending the invoice for the premium, notify the policyholder of how and as of when the premium or other terms of contract will be altered. The notification shall state that the policyholder has the right to cancel the insurance.

In addition to the above, the insurance company has the right to make changes as a result of bonus and customer loyalty and other similar reasons. The amount of the insurance premium is also affected by any customer bonuses or discounts, the amounts of which, the grounds of and durations and periods of validity may vary.

B. Changes requiring termination of insurance

If the insurance company alters the insurance terms and conditions, premiums or other terms of contract in cases other than those listed in clause A above or discontinues an actively marketed benefit, the insurance company must give written notice of termination of the insurance as of the end of the insurance period. Notice shall be given in writing one month before the end of the insurance period at the latest.

YL 16 Termination of insurance contract

16.1 Policyholder's right to terminate the insurance

16.1.1 Corporate and institutional insurance

The policyholder has the right to terminate a continuous insurance policy by giving a notice of termination in writing

- one month before the end of the insurance period,
- within 30 days of the date when an alteration of the terms and conditions or of a premium increase was sent, or

- when the insured property changes owners and the policyholder's need for insurance thus ceases. (In such a case the insurance may be terminated on the date the ownership is transferred.)

If the notice of termination is not given in writing, the termination is invalid.

A fixed-period insurance is terminated without notice at the end of the period in question. The policyholder has no right to terminate the insurance before that unless otherwise agreed.

16.1.2 Insurance policies of consumers and policyholders comparable to consumers

The policyholder has the right, at any time, to terminate the insurance contract during the insurance period. Notice of termination must be given in writing. Notice of termination given in any other manner shall be null and void. If the policyholder has not specified a later termination date for the insurance, the insurance will terminate on the date the notice was submitted or sent to the insurance company.

However, the right of termination does not exist if the agreed period of validity of the insurance contract is shorter than 30 days.

16.2 Insurance company's right to terminate an insurance during the insurance period

16.2.1 Corporate and institutional insurance

The insurance company has the right to give notice of termination of the insurance during the insurance period if

16.2.1.1 the policyholder or the insured has, before the insurance was granted, provided incorrect or insufficient information and the insurance company, had it known the correct circumstances, would have refused to grant the insurance,

16.2.1.2 during the insurance period, a change which has substantially increased the risk of loss or damage has occurred in the circumstances recorded in the insurance policy or reported by the policyholder or the insured person to the insurance company at the time of concluding the contract, and which the insurance company cannot be deemed to have taken into account when concluding the contract,

16.2.1.3 the policyholder or the insured has wilfully or through gross negligence failed to observe the safety regulations,

16.2.1.4 the policyholder or the insured has wilfully or through gross negligence caused the loss,

16.2.1.5 the policyholder or the insured has, after the loss fraudulently submitted to the insurance company incorrect or incomplete information which is of relevance in assessing the insurance company's liability.

16.2.1.6 a loss occurs which is coverable under the terms and conditions applicable to the insurance,

16.2.1.7 the policyholder has failed to submit the notification referred to in clause 5.2 (reporting increased risk), or

16.2.1.8 the policyholder has been declared bankrupt.

In clauses 16.2.1.1–16.2.1.7, the policyholder also means the insured and a representative of the policyholder or the insured.

If the insurance company has the right, as specified in clauses 16.2.1.1–16.2.1.8, to terminate a single insurance policy and the insurance company avails itself of this right, it may also at the same time terminate any other policies that the policyholder may have.

Having been informed of the grounds for permitting termination, the insurance company will give written notice of termination without undue delay. The insurance contract will terminate one month from the time the notice was sent.

The insurance company's right to give notice of termination of an insurance owing to an outstanding insurance premium is defined in clause 4.2.1.

2.2.16. Insurance policies of consumers and policyholders comparable to consumers

The insurance company has the right to give notice of termination of the insurance during the insurance period if

16.2.2.1 the policyholder or the insured has, before the insurance was granted, provided incorrect or insufficient information and the insurance company, had it known the correct circumstances, would have refused to grant the insurance,

16.2.2.2 during the insurance period, a change which has substantially increased the risk of loss or damage has occurred in the circumstances recorded in the insurance policy or reported by the policyholder or the insured person to the insurance company at the time of concluding the contract, and which the insurance company cannot be deemed to have taken into account when concluding the contract,

16.2.2.3 the policyholder or the insured has wilfully or through gross negligence failed to observe the safety regulations,

16.2.2.4 the policyholder or the insured has wilfully or through gross negligence caused the insurance event, or

16.2.2.5 the policyholder or the insured has, after the loss fraudulently submitted to the insurance company incorrect or incomplete information which is of relevance in assessing the insurance company's liability.

Having been informed of the grounds for permitting termination, the insurance company will give written notice of termination without undue delay. The notice of termination will have a mention of the grounds for termination. The insurance contract will terminate one month from the time the notice was sent.

The insurance company's right to give notice of termination of an insurance owing to an outstanding insurance premium is defined in clause 4.2.1.

16.3 Insurance company's right to terminate an insurance at the end of the insurance period

The insurance company has the right to give notice of termination of an insurance effective as of the end of the insurance period. The notice of termination will have a mention of the grounds for termination. The notice of termination will be sent one month before the end of the insurance period at the latest.

16.4 Change in ownership

The insurance contract will terminate, if the insured property is transferred to a new owner other than the policyholder him/herself or his/her estate. If a loss takes place within 14 days of the transfer of ownership, the new owner will, however, be entitled to compensation provided that he has not already taken out insurance on the property.

If insurance on property includes other policies, such as liability, legal expenses or business interruption insurance policies, such insurance will terminate immediately upon transfer of the property to the new owner.

16.5 Change of insurer

Voluntary motor insurance policies taken out on a motor vehicle will terminate without notice on the date when an entry is made in the Vehicular and Driver Data Register recording that the motor liability insurance for the motor vehicle has been transferred to another insurance company.

YL 17 Rights of third party

17.1 Other persons covered by property insurance

In addition to what is otherwise prescribed concerning the insured in the terms and conditions of the insurance in question, a property insurance policy (concerning direct material damage) is, unless otherwise agreed, valid for the benefit of the owner, any party that has purchased the property with reservation of title, any pledgee or holder of a lien on the property, or any other party exposed to the risk that the property is lost or damaged.

17.2 Position of the insured after the occurrence of a loss

Against the insured as referred to in clause 17.1, the insurance company will, for reduction or disallowance of compensation, refer to failure of the policyholder or other insured person to disclose information (clause 2.2) or to notify of an increase in risk (clause 5.2) only if the insured knew or should have known, prior to the loss, of the conduct of the policyholder or another insured person.

Every insured person is entitled to compensation on the occurrence of loss or damage. However, the policyholder may negotiate with the insurance company in a manner binding on the insured person, and collect compensation, unless the name of the insured person has been recorded in the contract or he/she has declared that he/she will assert his/her rights, or the case concerns a mortgage holder's right to be paid from the compensation.

17.3 Priority to payment from compensation

If property insurance is valid in favour of a natural or legal person who has right of lien over the property as security for a receivable, he/she is entitled, even if the receivable is not overdue, to payment from the compensation before the owner, provided that the owner has not rectified the loss or placed collateral for its rectification. The above also applies in favour of a natural or legal person who is entitled to retain the property as security for an overdue receivable.

In receiving payment from the compensation, the owner has priority over a person who has bought the property on a provision regarding reservation of title.

The provisions governing a mortgage holder's right to compensation also apply to the mortgage holder's right to be paid from the compensation.

17.4 Right to compensation under liability insurance of a person who has suffered injury, loss or damage

A person who has suffered injury, loss or damage has the right, under general liability insurance, to claim compensation as per the insurance contract directly from the insurance company if the insured person has been declared bankrupt or is otherwise insolvent. If the insurance company is presented with a claim, it will notify the insured person thereof without undue delay and reserve him/her an opportunity to explain the insurance event. The insured person will also be notified of the subsequent processing of the matter. If the insurance company accepts the claim of the person who has suffered the injury, loss or damage, this acceptance is not binding on the insured.

17.5 Right of appeal under liability insurance of a person who has suffered injury, loss or damage

A person who has suffered injury, loss or damage has the right to bring action against the insurance company regarding a claim settlement decision taken by the insurance company or to submit the matter to the Finnish Insurance Complaints Board or the Consumer Disputes Board as provided in clause 13 above.

YL 18 Applicable law

The insurance is subject to Finnish law.

Pooling our resources.

