

Motor liability insurance

General motor liability insurance terms and conditions

1 Scope of insurance terms and conditions

The insurance terms and conditions are applied to individuals concerning vehicle-specific motor liability insurance for motor vehicles used in traffic.

2 Territorial limits

A motor liability insurance granted for a motor vehicle is valid in all European Economic Area (EEA) countries. In non-EEA countries that have signed the Green Card Agreement, the motor liability insurance is valid as a general liability insurance on the basis of a Green Card issued by an insurance company, or without it, when one is not necessary. In these countries the amount of compensation for road accidents is determined under the legislation of the country where the accident took place.

3 Content of insurance

The motor liability insurance indemnifies personal injuries and material damage, as prescribed under the Motor Liability Insurance Act, that took place when the motor vehicle was used in traffic in Finland.

The insurance will also indemnify road accidents involving the insured person's vehicle in another European Economic Area country under the relevant legislation in these countries concerning road accident indemnification or alternatively under the Finnish Motor Liability Insurance Act if the latter provides better cover. Similarly, road accidents involving the insured person's vehicle while driving from an EEA country directly through a non-EEA country to another EEA country will be indemnified, provided the other party involved is vehicle registered in an EEA country.

4 Insurance contract

4.1 Insurer

OP Insurance Ltd (hereinafter the insurance company) is the insurer.

4.2 Obligation by the policyholder to submit information prior to concluding insurance contract

Prior to the insurance being granted, the policyholder must provide full and correct answers to all questions presented by the insurance company or its representative which may affect the assessment of the insurance company's liability. During the validity of the insurance period, policyholders must also correct without undue delay any information provided to the insurance company that they have found to be erroneous or deficient.

If policyholders have wilfully or through gross negligence neglected their duty to disclose information and the insurance company, if it had received the correct information, would have charged a higher premium, has the right to charge a higher premium retroactively. If the insurance company had granted the policy at a lower price than had been agreed, extra premiums that were charged do not have to be returned.

If, owing to a deliberate neglect to disclose information, a person who is not by law obliged to insure the object has been entered as the policyholder, the insurance premium will be the responsibility of both the policyholder and the person who is obliged to insure the vehicle. The insurance company may, within 14 days of having learned of any irregularities, cancel the policy.

4.3 Changed conditions during the period of insurance

The policyholder must inform the insurance company without delay, when making the insurance contract, if there have been any changes in the circumstances on matters specified in the policy document with regard to

increased risk of loss. The policyholder must notify the insurance company of any such changes no later than one month of receipt of the annual bulletin following such a change. The insurance company will remind the policyholder of this obligation in the annual bulletin.

If policyholders have, wilfully or through negligence that cannot be considered minor, neglected their duty to report on a higher risk of loss, the insurance company, if it had received the correct information, would have charged a higher premium, has the right to charge a higher premium retroactively.

5 Commencement of the insurance company's liability

If the insurance company has not agreed on any other date 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. Cover cannot be agreed to commence any earlier than this under any contract.

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 clarification 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.

If there are special reasons, for instance, the policyholders earlier default of payment of the premium, the insurer's liability starts only when the premium for the first insurance period has been paid.

6 Insurance period

The first insurance period is a maximum of 13 months and the following ones 12 months.

7 Validity of policy

Unless otherwise provided below, an insurance policy will be in force for one insurance period after another until the vehicle owner's or keeper's obligation to insure the vehicle ends, even if no insurance premium had been paid by the due date.

8 Insurance premium

8.1 Premium basis

The insurance premium is calculated according to the premium rating criteria applied by the insurance company. A road safety charge is added to the insurance premium.

Insurance premiums are calculated as provided in section 20 of the Motor Liability Insurance Act, with a view to safeguarding the interests of the insured and injured parties providing, however, that insurance premiums are in reasonable proportion to the expenses arising from the insurance policies and that insurance premiums are usually higher on policies under which compensation has been paid out.

The size of an insurance premium may vary according to differences in the risks that different policyholder categories are exposed to.

8.2 Application of bonus system

The bonus system for private individuals' motor liability insurance policies is applied to passenger car, van, campervan, lorry, bus and motorcycle policies.

Motor liability insurance policies conform to the Motor Liability Insurance Act provisions on the effect of insurance and claims history on the premium.

The bonus affecting the premium is based on the policyholder's insurance and claims history. The insurance and claims history of both the policyholder and a spouse, common-law spouse or person in registered partnership who lives in the same household with the policyholder may, upon consent of the person in question, be taken into account when determining the bonus. A deceased person's insurance and claims history may, upon the death estate's consent, be taken into account when determining the widow(er)'s bonus. The condition for doing this is that the persons have been using the same vehicle and that the policyholder has no previous insurance and claims history.

By insurance and claims history we refer to information on losses to passenger cars, vans, campervans, lorries, buses and motorcycles and the validity of their policies. The amount of bonus is determined, regardless of the purpose of use, the claims histories of cars on the one hand, and those of motorcycles on the other. The uses are private, licenced, school vehicle, and renting without a driver.

One day of use in traffic is counted as one day even if several vehicles had been used at the same time.

If the vehicle to be insured is one that does not have to be registered or a museum vehicle, the bonus system described herein is not applied.

The vehicle must be owned by or be in the possession of the policyholder.

8.3 Bonus class

8.3.1 Bonus classes for a car whose insurance began on 1 June 2017 or later

Class	%	The bonus class in the next insurance period when			
		No losses	1 loss	2 losses	3 losses
1	0	2	1	1	1
2	10	3	1	1	1
3	20	4	1	1	1
4	30	5	1	1	1
5	40	6	2	1	1
6	53	7	4	1	1
7	60	8	5	1	1
8	64	9	5	1	1
9	67	10	6	2	1
10	70	11	6	2	1
11	72	12	7	4	1
12	74	13	7	4	1
13	76	14	8	5	1
14	78	15	9	5	1
15	80	16	10	6	2
16	80	17	11	6	2
17	80 (BC)	17	15	9	5

If a fourth loss occurs, the bonus class goes down to class 1.

Example: Bonus class 5, equivalent to 40%, goes up to class 8 after three no-claims years, equivalent to 64%.

A new insurance starts off in bonus class 5 (40% bonus). A policy is considered to be new if the policyholder has no claims history. If the policyholder refuses access to his claims history, the policy will be placed in bonus class 1 (0% bonus). A claims history may not be transferred to another person. Neither can a claims history be transferred from one vehicle to another. When the bonus percentage and bonus class have been determined for a vehicle, the bonus is from then on linked to that particular policy.

Following the first no-claim year, the bonus increases annually as shown in the table. Following each insurance period in which no claims have been paid out by the insurer that would affect the bonus class, the policy is moved up to a higher class. See also clause 8.5.

The requirement for a policy to be moved up to a higher bonus class is that the vehicle has been on the road during the insurance period for at least 120 days. The insurance can, however, transfer to a higher bonus class no more than once within a period of one year.

Bonus cover:

The vehicle's bonus percentage is not reduced on the basis of one claim if the bonus has for at least two years been 80%, that is, bonus class 17 or higher.

8.3.2 Bonus classes for motorcycles and cars whose policy began before 1 June 2017

Class	%	The bonus class in the next insurance period when			
		No losses	1 loss	2 losses	3 losses
0B	0	0A	0B	0B	0B
0A	0	1	0B	0B	0B
00	0	2	0B	0B	0B
1	5	2	0B	0B	0B
2	10	3	0A	0B	0B
3	15	4	0A	0B	0B
4	20	5	1	0B	0B
5	25	6	2	0B	0B
6	30	7	3	0B	0B
7	35	8	3	0B	0B
8	40	9	4	0A	0B
9	45	10	5	1	0B
10	50	11	6	2	0B
11	55	12	7	2	0B
12	60	13	8	3	0B
13	65	14	9	4	0A
14	70	15	10	5	1
15	70	16	10	5	1
16	70	17	10	5	1
17	70	18	10	5	1
18	70	19	10	5	1

If a fourth accident occurs, the bonus class goes down to 0B.

A car whose insurance began before 1 June 2017, is placed into bonus class 00 (0% bonus). Any insurance policy with no former claims history or claims history that can be transferred to it is considered such an insurance policy. Following the first no-claim year, the bonus is 10% (bonus class 2) after which it will grow annually by 5% as shown in the table.

A policy for a motorcycle taken out before 1 June 2017 is placed in bonus class 4 (bonus 20%) unless the bonus is not, owing to a loss, in a lower bonus class. Any insurance policy with no former claims history or claims history that can be transferred to it is considered such an insurance policy.

Following each insurance period in which no claims have been paid out by the insurer that would affect the bonus class, the policy is moved up to a higher class. See also clause 8.5.

The requirement for a policy to be moved up to a higher bonus class is that the vehicle has been on the road during the insurance period for at least 120 days, a motorcycle for at least 90 days. The insurance can, however, transfer to a higher bonus class no more than once within a period of one year.

8.3.3 Bonus classes for a motorcycle whose insurance began between 1 June 2017–31 March 2018

A motorcycle whose insurance began between 1 June 2017–31 March 2018 is placed in bonus class 4 (bonus 20%) as shown in the table in clause 8.3.2. A policy is considered to be such a one if the policyholder has no claims history. If the policyholder refuses access to his claims history, the policy will be placed in bonus class 00 (0% bonus) as shown in the table in clause 8.3.2. A claims history may not be transferred to another person. Neither can a claims history be transferred from one vehicle to another. When the bonus percentage and bonus class have been determined for a motorcycle, the bonus is from then on linked to that particular policy.

Following each year in which no claims have been paid out by the insurer that would affect the bonus class, the policy is moved up to a higher class as shown in the table under clause 8.3.2. See also clause 8.5.

The requirement for a policy to be moved up to a higher bonus class is that the vehicle has been on the road during the insurance period for at least 90 days. The insurance can, however, transfer to a higher bonus class no more than once within a period of one year.

8.3.4 Bonus classes for a motorcycle whose insurance began on 1 April 2018 or later

Class	%	The bonus class in the next insurance period when			
		No losses	1 loss	2 losses	3 losses
1	0	2	1	1	1
2	10	3	1	1	1
3	20	4	1	1	1
4	30	5	1	1	1
5	40	6	2	1	1
6	53	7	4	1	1
7	60	8	5	1	1
8	64	9	5	1	1
9	67	10	6	2	1
10	70	11	6	2	1
11	72	12	7	4	1
12	74	13	7	4	1
13	76	14	8	5	1
14	78	15	9	5	1
15	80	16	10	6	2
16	80	17	11	6	2
17	80 (BC)	17	15	9	5

A motorcycle who insurance began on 1 April 2018 or later is placed in bonus class 5 (bonus 40%) as shown in the table above. A policy is considered to be such a one if the policyholder has no claims history. If the policyholder refuses access to his claims history, the policy will be placed in bonus class 1 (0% bonus) as shown in the table above. A claims history may not be transferred to another person. Neither can a claims history be transferred from one motorcycle to another. When the bonus percentage and bonus class have been determined for a motorcycle, the bonus is from then on linked to that particular policy.

Following each insurance period in which no claims have been paid out by the insurer that would affect the bonus class, the policy is moved up to a higher class as shown in the table above. See also clause 8.5.

The requirement for a policy to be moved up to a higher bonus class is that the vehicle has been on the road during the insurance period for at least 90 days. The insurance can, however, transfer to a higher bonus class no more than once within a period of one year.

Bonus cover:

The motorcycle's bonus percentage is not reduced on the basis of one claim if the bonus has for at least two years been 80%, that is, bonus class 17 or higher.

8.4 Transfer of claims history between policies that began before 1 June 2017

The claims history of vehicles can be transferred from car to car and motorcycle to motorcycle, but not from car to motorcycle or vice versa. The claims history of a deceased person is transferred to the deceased person's estate.

If a policy whose claims history has been transferred to another policy remains in force, it is priced like a policy with no claims history. The provisions of these conditions also apply to transferable transfers of claims histories from policies issued by other insurers. The policy is placed on the basis of its claims history into the bonus class as shown in the table in clause 8.3.2.

8.5 Claim affecting the insurance premium

The policy will be moved from one bonus class to another after the end of an insurance period on the basis of the number of losses compensated for during the insurance period, in accordance with the tables shown in clauses 8.3.1, 8.3.2 and 8.3.4.

The number of claims paid refers to the number of losses for which the insurer has paid compensation under the policy.

A claim is considered to affect the premium if the insurer has had to pay compensation for loss caused by negligence on the part of the vehicle owner, keeper or driver or by defective condition of the vehicle. A claim is not considered to affect the premium if

- the loss was caused while the vehicle was stolen from the policyholder
- the claim has been paid for a loss incurred within seven days following a change in ownership of the insured vehicle, with the loss not being caused by the policyholder or any member of the family living in the same household with the policyholder
- the policyholder pays the insurer an amount equalling the paid claim no later than the end of the policy period that follows the payment of the claim.

If a policy's claims history is transferred to another policy and claims are subsequently paid under the former policy after the establishment of the bonus class to be transferred, these claims will affect the bonus class of the latter policy.

8.6 Storage and transfer of data

Policyholders have the right to obtain from the insurance company a certificate on their policies' period of validity, vehicles covered and losses on the basis of which compensation has been paid (claims history). However, the insurance company is not under obligation to issue a certificate on a policy that was terminated more than five year earlier.

If a motor liability insurance is connected in an insurance contract with other insured objects, the insurance period changes to those of the other objects of insurance. The bonus class increases as soon as the insurance period of the policy to be transferred has been valid for at least 120 days, for motorcycles at least 90 days. Any losses will reduce the bonus class as soon as the transfer has been made.

8.7 Premium payment

The insurance premium must be paid within one month of the date on which the invoice was sent by the insurance company to the policyholder. However, the initial premium need not be paid before the commencement of the insurance company's liability, nor the subsequent premiums before the beginning of the insurance period or the agreed payment period. Exceptions to this include situation in clause 5, in which premium payment is the condition for the commencement of the insurer's liability. A note of this will be made on invoice.

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.

The premium charged for each insurance period is always at least the minimum premium separately confirmed for the insurance company (EUR 14).

8.8 Delays in payment of premium

Overdue insurance premiums will carry an annual late payment interest under the Interest Act. The insurance premium including penalty interest can be collected immediately yet subject to the provisions concerning the enforcement of taxes and charges. If the insurance premium is not paid despite collection, the insurance company has the right to change an insurance contract paid in multiple instalments into a single instalment contract at the beginning of the following insurance period.

Before any execution is to commence, the policyholder will be notified of the amount to be collected, the grounds for payment and that execution will be carried out unless the policyholder contests the payment obligation in writing within 14 days. If the payment obligation is denied, the premium may only be collected by a court decision.

The insurance company is entitled, under the Act on the Collection of Receivables, 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 compensated for the statutory fees and charges incurred due to legal proceedings. The insurance company may transfer outstanding amounts for collection by a third party.

8.9 Insurance premium refund

The policyholder is entitled to receiving a refund of insurance premiums for the vehicle's decommissioning period, according to the grounds applied by the insurance company. With respect to vehicles other than automobiles, a refund will be paid only if the uninterrupted period of decommissioning is at least 30 days. In this case, a refund will be paid as of the first day of the decommissioning period. The vehicle's decommissioning period is considered to be the period entered in the vehicle register of The Road Traffic Sector of the Transport Safety Agency (Trafi).

No refund is given for decommissioning for museum vehicles, vehicles registered for export and for vehicles with transfer permit.

If a motor vehicle is nevertheless used in traffic during decommissioning, the insurance company will charge a triple premium from the date of the decommissioning to the date when it was discovered that it had been used in traffic.

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 insurance premium to be refunded is 1/360 of the annual premium per day.

When determining the amount of returnable premium, the validity is calculated in days according to the insurance period to which the premium pertains. The annual premium for policies with seasonal rating is, however, divided between months relative to risk, and upon the expiry of the policy the remainder of the previously paid premium for the insurance period will be refunded.

Yet no refund will be made if the sum to be returned is less than the sum in euros in the Motor Liability Insurance Act.

The insurance company must pay an annual late payment interest under the Interest Act on any overdue insurance premium refund. The late payment interest will be paid from the date when a month has elapsed since the documentation entitling the refund has arrived at the insurance company.

8.10 Expiry of insurance premium receivable

Insurance premium receivables expire permanently five years after the end of the calendar year when it was issued or invoiced. If an invoice has not been sent, an insurance premium receivable expires five years after the end of each insurance period.

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

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.

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

- new or amended legislation or a regulation issued by the authorities
- an unforeseen change in circumstances (e.g. an international crisis, exceptional natural event or catastrophe).

The insurance company is entitled to change the amount of the insurance premium on the basis of statistics collected on insurance policies and claims paid, in an effort to safeguard the interests referred to in section 20 of the Motor Liability Insurance Act, in such a manner that the premiums are in reasonable proportion to the expenses arising from the insurance policies. The amount of premiums may also be changed to reflect changes in claims costs and expense level or for any of the reasons mentioned below.

Insurance premiums may be set at different levels in different policyholder groups using different premium rating criteria according to the risks concerned. The premium rating criteria and the level of premiums can be amended on the basis of statistical evidence to correspond to the risks.

The insurance company also has the right to make minor changes to the insurance terms and conditions 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, notify the policyholder of the changes in the insurance premium and other terms of contract. The notification shall state that the policyholder has the right to cancel the insurance. The change will take effect from the beginning of the next insurance period following one month from the date the notification was sent.

10 Termination of insurance contract

Policyholders whose obligation to insure has not ended, have the right to terminate the policy of a registered vehicle only if

- the policyholder has taken out a policy from another insurance company or
- the vehicle has been entered in the vehicle register as decommissioned or
- the vehicle has been stolen and this has been reported to the police and insurance company.

A policyholder may terminate a motor liability insurance when the vehicle which does not have to be entered in the vehicle register is destroyed or if it is no longer used in traffic referred to in the Motor Liability Insurance Act.

Insurance policies must be cancelled in writing.

A policy is terminated also if the Finnish Transport Safety Agency Trafi, the Finnish Motor Insurers' Centre or another insurance company announces that

- the vehicle has been permanently decommissioned
- the vehicle has been transferred, following a legal action, to a new owner or keeper other than the policyholder's death estate or bankruptcy estate
- the vehicle is transferred back to the owner or to a new keeper if the vehicle keeper has previously been the sole policyholder
- a policy has been taken out from another insurance company.

The policy's validity ends on the date shown in the notification.

However, the insurance compensates for losses that occurred within seven days of the ownership transfer, change of vehicle keeper or return to the owner, unless the new vehicle owner or keeper has taken out a new policy within this period.

11 The insurance company's right of recovery

The injured party's right to demand from a third party any compensation paid to him/her by the insurance company will be transferred to the insurance company.

If a third party is a private person or an employee, civil servant or similar as specified in Chapter 3, Section 1 of the Tort Liability Act, or the vehicle's owner, keeper, driver or passenger, this right is nevertheless transferred only if the person has caused the insurance event wilfully or through gross negligence or if the driver has caused the loss under conditions prescribed in subsection 48(1) of the Motor Liability Insurance Act.

12 Measures to be taken after accident

Any road accident that may lead to a claim must be reported by the policyholder to the insurer or to the insurer's representative as soon as the policyholder has learned of the accident, using the standard accident report form whenever possible. The policyholder is required to supply the insurer with any information and documents needed for the processing of the claim.

If any compensation is claimed from the policyholder or another party involved in the accident, the claim must be forwarded to the insurance company.

13 Handling of loss information

Insurance companies have a joint non-life insurance information system in which they can check losses reported to other companies. The insurance company uses information only in claims processing to prevent crimes against insurance companies.