

Forest Insurance

Product guide

Insurance terms and conditions

Pohjola Insurance



Forest Insurance

This product guide and insurance terms and conditions are valid as of 1 November 2020.

Our insurance services are always with you

Pohjola Claim Help

Pohjola Claim Help will instruct you what to do in case of loss. You can find the contact information of our nearest partner on our website at vahinkoapu.pohjola.fi/en or on OP-mobile.

OP-mobile

As an insurance customer, you can view your insurance policy and any loss or injury on OP-mobile. Report a loss and file claims on OP-mobile.

eInsurance Services

Login to OP eServices at op.fi or using your own online bank identifiers. You can

- Buy insurance.
- Report a loss and file claims.
- Make changes to your insurance.
- View your insurance documents.

Call us

Insurance services number 0303 0303

- From mobile phones and landline networks in Finland, EUR 0.0835 per call plus EUR 0.12 per minute.

We record customer calls to assure the quality of customer service, among other things. Read more about the subject at op.fi/dataprotection.

Benefits from loyalty.

By concentrating your banking and insurance services with OP Financial Group

- You only need one user ID and password to use banking and insurance services at op.fi or on OP-mobile.
- As a customer-owner you accumulate OP bonuses not only from your banking transactions but also from Vehicle Cover and Extrasure insurance premiums.
- You can use the bonuses to pay for home, family and motor vehicle insurance premiums.
- You can also receive notable discounts on banking and insurance products and services.

Learn more at op.fi/benefits.

Do you know the value of your forest and the opportunities it involves?

OP Forest shows the value of your forest and helps you to make decisions about your assets.

Read more at www.op-metsa.fi (in Finnish)

CONTENTS

Product guide.....	3
Insurance terms and conditions.....	6
Good to know.....	19

Forest insurance is included in the Extrasure insurance contract. The insurer is Pohjola Insurance Ltd. The Claim Help service is provided by Pohjola Insurance Ltd.

This product guide contains the main content of the policies and the primary exclusions. For more details, please refer to the insurance terms and conditions.

Regulatory authority: Financial Supervisory Authority, www.fiva.fi

Forest Insurance - product guide

A forest is a valuable asset to which storms, fires and moles pose a threat. Fires can be prevented, but little can be done about the damage caused by storms and moles. Around 70–80% of all forest damage indemnified by us is caused by storms.

Pohjola Forest Insurance secures the value of and returns on your forest. As extreme weather phenomena is becoming more common, insurance helps to prepare for sudden and unexpected damage which is difficult to anticipate.

Forest insurance mainly covers storm damage, but the share covered for insect damage is increasing steadily.

By taking out forest insurance you secure:

- tree stand and saplings
- felled logs or pulpwood and timber
- seedlings to be planted
- wood-felling residues intended for use as bioenergy.

Select the cover level according to your needs

Forest Insurance covers sudden and unforeseeable losses. You can select a scope of insurance from various levels of coverage:

Forest insurance	Coverage					Forest fire insurance
	↓	↓	↓	↓	↓	
Storm	x	x	x	x	x	
Snow	x	x		x		
Fire, lightning and fire-watch	x	x	x			x
Insects	x					
Flooding	x					
Theft and malicious damage	x					
Fungal diseases	S					
Deer*	S					
Hares, other rodents and birds	S					

S = Only covers damage to saplings and seedlings to be planted

* The Finnish Government indemnifies for damage caused to private individuals by elk or deer. The Finnish Government does not indemnify for damage caused to organisations such as the state, municipalities or foundations. Therefore, forest insurance policies taken out by the said organisations can be supplemented with elk and deer cover. Please do not hesitate to contact us for more information.

Muut kuin myrskyvahingot korvataan menetyksen mukaan vahinkoarvion ja vakuutusehtojen perusteella. Myrskyvahinkoja varten voit valita enimmäiskorvauksen määrän: 16, 23 tai 32 euroa kiintokuutiometriltä (k-m³).

- **Mature forests** are primarily threatened by insects and storms. As a result of storm damage, merchantable tree stands may remain, in which case the maximum compensation recommendation is EUR 23 or EUR 32 per solid cubic metre.

- **Forests dominated by thinning stands** are primarily threatened by snow and storms. The maximum compensation recommendation is EUR 32 per solid cubic metre.
- **Sapling-dominated forests** are threatened by moles, for example. The maximum compensation sufficient for storm damage is EUR 16 per solid cubic metre.

A storm hits your forest and destroys a total of 3,000 solid cubic metres of timber, the value of which, prior to the storm, was EUR 145,000. The forest will not produce the same amount of timber and pulpwood that it would have done prior to the damage. Moreover, increased harvesting costs reduce the stumpage price. After the damage, the value of the tree stand is EUR 70,000, and the actual loss is therefore EUR 75,000, i.e. EUR 25 per solid cubic metre.

The amount of compensation depends on the maximum compensation you have chosen for your policy.

EUR 16 per solid cubic metre: EUR 48,000 – deductible – withholding tax

EUR 23 per solid cubic metre: EUR 69,000 – deductible – withholding tax

EUR 32 per solid cubic metre: EUR 75,000 – deductible – withholding tax

Damage to tree stand and timber

We compensate losses when, following a coverable loss,

- tree stand or timber (a minimum of 15 cubic metres of) is destroyed or becomes unusable
- timber and pulpwood levels are lower following the loss
- the damaged tree stand must be felled before the final felling age (expectation value loss). Expectation value is compensated according to the guidelines issued by Tapio Oy. The requirement for compensation is that the tree stand is underproductive after the storm. The maximum compensation for storm damage does not limit compensation payable for expectation value loss.

The maximum compensation for a tree stand is its stumpage price and for timber the sale price for the felled timber. We will subtract your deductible and withholding tax from the compensation.

A heavy layer of snow on the branches damaged young trees over an area of one hectare.

- Before the damage, the value of the trees was EUR 1,200.
- After the damage, the stand was found to be underproductive.
- According to the Forest Management Association's assessment expert, the expectation value increment was EUR 1,320.
- Thus, the value of the trees prior to the loss was EUR 2,520 (EUR 1,200 + EUR 1 320).
- The value of the tree stand after the loss is EUR 580 and compensation amounts to EUR 1,940 (EUR 2,520 – EUR 580).

The deductible selected and withholding tax is subtracted from the compensation payable.

Damage to sapling stands

We compensate the costs of establishing and growing a sapling stand when the number of trees that have been destroyed following a coverable loss is so extensive that artificial reforestation is required to compensate for underproduction. The area to be reforested must be at least 0.5 hectares.

Damage to seed tree stands

We compensate forest cultivation costs if a storm fells seed trees or fire destroys a tree stand to the extent that artificial reforestation is required to compensate for underproduction.

Damage to wood-felling residues

We compensate a loss at fair value when wood-felling residues intended as bioenergy collected or intended to be collected from an area of at least 0.5 ha burns or is stolen or vandalised.

Fire-watch

We compensate necessary and reasonable fire-watch costs due to forest fires from the moment the rescue operations leader transfers responsibility for the fire-watch to you.

Additional cover for forests (max. five hectares)

Forest insurance is suitable for forests of all sizes.

Insurance for forests of not more than five hectares can be extended in such a way that

- you receive compensation even if less than 15 solid cubic metres of tree stand or timber is destroyed
- you receive compensation even if saplings are destroyed and the area becomes underproductive over an area smaller than 0.5 hectares
- storm damage does not have a limit for maximum compensation as set out above

The deductible you selected and the withholding tax is subtracted from the compensation payable.

What does forest insurance not cover?

Forest insurance does not cover damage or loss which

- began before the insurance took effect
- has been or may be indemnified under a guarantee, legislation or other agreement or from public funds.
- is coverable under perpetual forest insurance or perpetual forest fire insurance.

Nor does it cover

- extinguishing costs
- clearance costs
- loss caused by air, ground or water pollution
- Costs of reforestation due to damage to a tree stand.
- damage to sawn, planed or otherwise processed wood.

Qualifying periods for snow, rodent and insect damage

The indemnifiability of snow, rodent and insect damage is subject to restrictions during the first insurance period.

Snow, rodent and insect covers are not valid during the qualifying period. A qualifying period is in effect when the cover is taken out at the following times:

- The qualifying period for snow and rodent damage is from 1 October to 30 April.
- The qualifying period for insect damage is from 15 April to 30 September.

During the qualifying period, the share of these covers is deducted from the insurance premium. The discount is indicated in the policy document. After the qualifying period, the discount ends and the cover becomes valid.

Example 1:

Cover against insect damage is added to the insurance in May 2020. The insurance does not cover insect damage that occur before 1 October 2020.

Example 2:

An insurance that includes covers against snow and rodent damage is issued in January 2020. The insurance does not cover snow and rodent damage that occur before 1 May 2020.

Insurance pricing

Each cover in forest insurance is priced separately to correspond with the risks as closely as possible. The total price depends on the details of the object of insurance and the insurance coverage choices.

Things that affect the price when you buy the insurance and while it is valid include

- The exact surface area of the forest or forest plot. Any low-yield forest and waste land is excluded from the area.
- Location of the forest. Give us the forest's real estate unit identifier.
- Is there a forest plan in effect for your forest?
- Level of cover chosen for the insurance.
- The deductible, i.e. the amount you have to pay yourself in the event of loss or damage.
- The maximum compensation you have chosen in case of storm damage: EUR 16, EUR 23 or EUR 32 per solid cubic metre.
- Loyalty benefits for using our banking and insurance services: with OP bonuses, your insurance bills may be reduced.
- Number of instalments: if you pay in one instalment, you will receive a 2.5% discount.

The information concerning the insurance must be correct because if it turns out later that the information you have given, for example the land area, is incorrect or incomplete, the indemnity may be reduced or denied altogether, or your insurance contract may even be cancelled.

Change in premium

We weigh the policy's existing pricing factors' effect on the premium price on the basis of claims paid out, and review the price to ensure that it corresponds to the potential risk involved. We will also review the premium annually if necessary on the basis of claims expenditure and for reasons explained in the general contract terms and conditions. Premiums are linked to the forest insurance premium index which is adjusted annually by Natural Resources Institute Finland.

In addition to the above, the insurance company has the right to make price changes owing to bonus, customer loyalty and owner-customer matters or other similar reasons. The premium amount is affected, at the time the policy is taken out and also later during its validity by any customer benefits and discounts, the amounts of which and the grounds for granting them, and duration and validity periods may change, for example, when a fixed-period discount or campaign discount comes to an end.

Take good care of your forest

Forests should be protected according to the safety regulations provided. They include risks of forest fire, how felled timber is to be stored at the felling site and how saplings should be handled. For more detailed information, see the safety regulations in the insurance terms and conditions. If the safety regulations are not followed, compensation can be reduced or may not be paid at all. Please see also the guide for preventing damage by the European spruce bark beetle (in Finnish) at www.vahinkoapu.pohjola.fi.

In case of loss or damage

The number and address of the OP claims settlement partner closest to you will be readily made available on OP-mobile, online or by telephone. You can conveniently report the loss or injury at the same time. To file a report online or on OP-mobile, you need the login identifiers and key code for your online bank.

- vahinkoapu.pohjola.fi/en
- OP-mobile
- eInsurance Services at op.fi
- Insurance services number +358 (0)10 253 1333

We will ask the Forest Management Association or a forest company of your choice for an estimate of the value of the damaged tree stand and we will pay the costs involved and compensation according to the terms and conditions.

Insurance terms and conditions

The types of insurance covering forests are forest insurance and forest fire insurance.

By excluding risks, a type of forest insurance can be selected which only covers

- losses caused by storm, snow, fire and lightning
- losses caused by storm, fire and lightning
- losses caused by storms and snow, or
- storm damage.

The form and type of the selected cover is recorded in an insurance policy.

COMMON PROVISIONS

1 Liability and legal expenses insurance extension to forestry

If the policyholder has liability and legal expenses insurance included in Extrasure,

- liability insurance also covers the insured party's liability for damages regarding forest management in a forest property, and
- legal expenses insurance covers issues related to the insured party's ownership, possession or forest management of the insured forest property.

2 Insured property

The object of insurance is the forest of the farm specified in the insurance policy. The term 'forest' refers to tree and sapling stands with silvicultural value.

A 'tree stand' is forest in which the dominant height of the trees is over seven metres. A 'sapling stand' is forest in which the dominant height of the trees is no more than seven metres and the diameter of the trees does not meet the requirements for pulpwood.

The object of insurance is also

- any timber owned by the policyholder, felled on the insured farm and stored at a felling site or roadside landing or in a forest depot
- seedlings intended for the forestation of the insured forest, when the seedlings are in a storage space, or before plantation temporarily in a motor vehicle or forest
- wood-felling residues, owned by the policyholder and collected or intended for collection for bioenergy use, for which an agreement has been concluded with an outside buyer for processing forest chips.

Exclusion:

Sawn, planed or otherwise further processed wood does not, however, constitute objects of insurance.

3 Nuclear accident and war

The insurance does not cover any loss or damage caused by

- a nuclear accident as referred to in the Nuclear Liability Act, or caused by material, equipment or weapons based on nuclear reaction or ionising radiation, regardless of where the nuclear accident occurred
- war or armed conflict.

FOREST INSURANCE

1 Coverable insurance events

The insurance covers sudden and unforeseeable direct material damage caused during the validity of the insurance by

1.1 storm to a tree stand, sapling stand, timber or seedlings to be planted.

1.2 snow to a tree stand, sapling stand, timber or seedlings to be planted.

1.3 fire, fire extinguishing measures or lightning to a tree stand, sapling stand, timber, seedlings to be planted or wood-felling residues.

1.4 insects, flood, theft or criminal damage to a tree stand, sapling stand, timber or seedlings to be planted. Loss or damage caused to wood-felling residues are only covered on condition that the loss or damage has been caused by theft or criminal damage.

1.5 rodents, hares, deer, birds or fungal diseases to a sapling stand or seedlings to be planted.

Limited cover alternatives

If recorded in an insurance policy, the insurance only covers

- losses caused by storm, snow, fire and lightning as per sections 1.1, 1.2 and 1.3
 - losses caused by storm, fire and lightning as per sections 1.1 and 1.3
 - losses caused by storm and snow as per sections 1.1 and 1.2
 - losses caused by storm as per section 1.1
- to a tree stand, sapling stand, timber or seedlings to be planted.

2 Preconditions for compensation of insurance events

2.1 Damage to a tree stand or timber is covered provided that the volume of damaged trees and timber totals at least 15 solid cubic metres per insurance event.

2.2 Damage to a sapling stand is covered provided that the continuous damaged area totals at least 0.5 ha and artificial reforestation is required to compensate for underproductivity. Underproductivity is assessed according to guidelines issued by Tapio Oy.

2.3 The preconditions laid down in sections 2.1 and 2.2 do not apply to loss caused by theft or criminal damage.

2.4 Damage to seedlings to be planted is covered provided that the amount of damaged seedlings equals at least an amount needed for planting a forest area of 0.5 ha.

2.5 Loss or damage caused to wood-felling residues is covered only if the amount of felling residues that has been destroyed or stolen equals at least the amount collected or intended to be collected from a forest area of 0.5 ha.

3 Removal of the preconditions for compensation

3.1 If so recorded in the insurance policy, damage is covered even if the amount is smaller than is required under sections 2.1 and 2.2. In the case of damage to a sapling stand, however, underproduction as referred to under section 2.2 is a precondition for compensation.

3.2 If so recorded in the insurance policy, damage is covered even without existence of the preconditions for compensation as referred to under sections 2.1 and 2.2.

4 Exclusions

The insurance does not cover

- 4.1 loss if the loss event began before the insurance took effect
- 4.2 loss insofar as it has been covered or may be covered under a guarantee, legislation or other agreement or from public funds, or insofar as it is coverable under perpetual forest insurance or perpetual forest fire insurance
- 4.3 extinguishing costs or clearance costs
- 4.4 loss caused by pollution of the air, soil or water
- 4.5 reforestation due to damage to a tree stand. In case of damage caused by storm and fire to a seed-tree stand, however, the insurance covers forest cultivation costs in situations specified in section 4.2 of the indemnification regulations.

FOREST FIRE INSURANCE

1 Coverable insurance events

The insurance covers sudden and unforeseeable direct material damage caused during the validity of the insurance by

- fire and measures taken to extinguish it
- lightning

to a tree stand, sapling stand, timber, seedlings to be planted or wood-felling residues.

2 Preconditions for compensation of insurance events

2.1 Damage to a tree stand or timber is covered provided that the volume of damaged trees and timber totals at least 15 solid cubic metres per insurance event.

2.2 Damage to a sapling stand is covered provided that the continuous damaged area totals at least 0.5 ha and artificial reforestation is required to compensate for underproductivity. Underproductivity is assessed according to guidelines issued by Tapio Oy.

2.3 Damage to seedlings to be planted is covered provided that the amount of damaged seedlings equals at least an amount needed for planting a forest area of 0.5 ha.

2.4 Loss or damage caused to wood-felling residues is only covered provided that the amount of felling residues that has been destroyed equals at least the amount obtained or intended to be obtained from a forest area of 0.5 ha.

3 Exclusions

The insurance does not cover

- 3.1 loss if the loss event began before the insurance took effect
- 3.2 loss insofar as it has been covered or it can be covered from public funds, or insofar as it is coverable under perpetual forest insurance or perpetual forest fire insurance
- 3.3 extinguishing costs or clearance costs
- 3.4 loss caused by pollution of the air, soil or water
- 3.5 reforestation due to damage to a tree stand. In case of damage caused by fire to a seed-tree stand, however, the insurance covers forest cultivation costs in situations specified in section 4.2 of the indemnification regulations.

SAFETY REGULATIONS FOR FOREST INSURANCE AND FOREST FIRE INSURANCE

1 Significance of safety regulations

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 the safety regulations, any compensation payable to him/her may be reduced or disallowed under clause 6 of the General Contract Terms and Conditions.

2 Open fire

Making an open fire without the necessary permit is forbidden. No camp fire or any other open fire may be built if, owing to a drought or some other reason, the conditions are such that there is an obvious risk of forest fire.

Open fires must be continuously supervised and extinguished with special care. Proper extinguishing equipment must be at hand when an open fire is burning.

3 Insect and fungus damage

In order to prevent damage by insects and fungi, it is necessary to act in accordance with the provisions of the Forest Damages Prevention Act (1087/2013).

The Act in question contains provisions on when coniferous wood must be removed from the felling site and the intermediate storage site, and on alternative methods to act, such as debarking the timber.

The Act also stipulates when damaged conifers must be removed from a forest stand or an intermediate storage site, such as after a storm.

The Act further provides on the removal of parts of the trunk and stumps of pine and spruce from a forest stand and their intermediate storage.

4 Theft and criminal damage

To prevent theft and criminal damage, insured seedlings may not be stored alongside a public road or in an otherwise visible place without supervision.

INDEMNIFICATION REGULATIONS FOR FOREST INSURANCE AND FOREST FIRE INSURANCE

1 How to make a claim

1.1 Notification of an insurance event

The claimant shall immediately notify the insurance company of the insurance event. This can be done by filling in the insurance company's loss report form.

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 that confirm the occurrence of loss, the extent of the loss, and the recipient of compensation. Examples of such documents are a police investigation report or notice of a crime, abstract of title and account of mortgage holders. All crimes must be reported to the local police without delay.

1.2 Documents and the cost of obtaining them

The police investigation report must be supplied to the insurance company upon request. The company indemnifies for the fees arising from the police investigation reports and other official documents which are required for handling the claim and which the company has requested.

Any costs incurred from a specialist's evaluation requested by the insurance company for the claims handling are refunded. To clarify the amount of loss, the insurance company may require a certificate of measurement with unit prices or a deed of conveyance.

1.3 Loss inspection

The insurance company must be reserved the right to inspect the loss before the damaged area is cleared, damaged trees are harvested or other measures are taken which may hamper ascertainment of the loss.

Any assessment of loss or damage by the insurance company does not imply that the insurance will indemnify for the loss or damage.

2 Upper limits of indemnity

The insurance covers damage to a tree stand and timber caused by

- their destruction
- unsuitability for use or
- the fall of a higher stumpage price tree stand or timber into a lower assortment class (a change in the timber assortment).

In addition, the insurance covers loss due to a rise in the felling and harvesting costs of a tree stand.

The maximum compensation for a tree stand is its stumpage price and for timber the sales price for the felled timber. If the tree stand is destroyed completely with no residual value, increased felling and harvesting costs are indemnified even in excess of the stumpage price. The indemnity in excess of the stumpage price for increased felling and harvesting costs may not, however, be more than 20 per cent of the stumpage price.

The loss caused by the destruction of a sapling stand is compensated in accordance with guidelines issued by Tapio Oy.

Curly birches are considered equivalent to silver birches and Christmas tree plantations equivalent to spruce stands.

Storm damage to a tree stand is only compensated up to the maximum indemnity specified in the insurance policy in euros per solid cubic metre.

3 Deductible

In all insurance events, the policyholder is responsible for a certain amount of the loss, i.e. the deductible, which is specified in the insurance policy. Furthermore, when the maximum compensation limit for storm damage applies, the deductible is subtracted from the maximum compensation limit.

4 Costs indemnified in addition to material damage

4.1 Compensation of expectation value loss

In addition to material damage, the insurance covers the expectation value loss incurred due to premature cutting of damaged tree stand following a coverable loss. The insurance also covers expectation value loss where the maximum

indemnity limit for storm damage applies. The expectation value of a tree stand refers to its present value calculated on the basis of the income from felling obtainable in the future.

Expectation value loss is compensated according to guidelines issued by Tapio Oy.

To qualify for compensation for expectation value loss, the tree stand must, as a result of a loss, have been underproductive as defined by Tapio Oy.

4.2 Forest cultivation costs in case of damage caused by storm or fire to seed-tree stand

The insurance covers forest cultivation costs if storm makes seed trees fall or fire destroys a seed-tree stand to the extent that artificial reforestation is required to compensate for underproduction. Artificial reforestation is replaced if natural reforestation has been recorded in the valid forestation plan as the most recommendable forestation method in the said forest area and if the forestation has been undertaken in accordance with guidelines issued by a forest professional. It is required, among other things, that enough seed trees are available and that they have been grouped in an accurate manner and that the forest area intended for reforestation has been cultivated or that cultivation measures are recorded to be taken in a forest use declaration.

Losses are covered on the basis of costs incurred from forest seeding. Compensation is paid on the condition that the forest area has been insured under insurance corresponding to storm or fire insurance and that compensation is paid even if the volume of the damaged tree stand did not total 15 solid cubic metres as required by the preconditions for compensation.

Expenses are not covered if storm makes seed trees fall or if fire damages the seed tree stand after five full calendar years have elapsed from the year of seed-tree cutting.

4.3 Indemnity for fire-watch and other measures taken to prevent loss or damage

In addition to material damage, the insurance covers

- any necessary and reasonable fire-watch costs from the moment when the rescue operations leader has transferred the responsibility for the fire-watch to the forest owner
- any reasonable costs incurred due to measures taken by the policyholder to prevent and limit forest fire.

5 Indemnity for loss or damage

5.1 Bases for the amount of compensation

The basis for the amount of compensation is the felling value of the tree stand, the price of timber or the cost value of the sapling stand.

If the property still has value after the loss, it is taken into account when the compensation is calculated. The residual value is determined using the same criteria as for the pre-loss value.

The felling value of a tree stand refers to the stumpage price obtainable for the stand if it had been sold as current timber assortments at the price level current in the place of loss at the date of loss.

The price of timber refers to the sales price obtainable for felled timber at the price level current in the place of loss at the date of loss.

The cost value of a sapling stand refers to the cost of establishing and growing such a stand.

Loss or damage caused to wood-felling residues intended for bioenergy use is covered based on the current value loss. The amount of loss is determined by calculating the current value of the felling residues immediately before and after the damage occurred.

5.2 Bases of compensation in conservation areas

If the economic use of a forest land which is the object of insurance has been significantly restricted by some law, statute or agreement, the compensation payable may be reduced to correspond to the actual felling possibilities in the forest area at the time of loss.

5.3 Effect of false or insufficient information

If the policyholder has submitted false or insufficient information for the calculation of the premium and too small a premium has, therefore, been collected, the indemnity is paid only for that part of the loss amount, reduced by the deductible, which corresponds to the ratio of the premium collected for the object of insurance to the premium determined on the basis of correct data.

5.4 Ornamental value coefficient

If an ornamental value coefficient has been specified in the insurance policy, the amount of loss for a tree stand is its felling value and for saplings the cost value multiplied by the ornamental value coefficient.

6 Indemnity for mortgaged property

If indemnity is paid on property for which a real estate mortgage has been secured, the owner of the property is entitled to receive the indemnity (Code of Real Estate, chapter 17, section 8) provided that:

- he/she has repaired the damage within a reasonable time
- he/she has provided assurance that the indemnity will be used to renovate or repair the damaged property
- the amount of indemnity is small compared to the value of the property; or
- it is evident that drawing the indemnity does not weaken the creditors chance of being paid back the debt.

7 Value added tax

Legal provisions on value added tax will be taken into account in calculations of the amount of loss.

If the indemnity is to be considered income which replaces business income subject to value added tax, the indemnity is exempt from tax.

GENERAL CONTRACT TERMS AND CONDITIONS

The General Contract Terms and Conditions apply to all the types of insurance included in the insurance contract.

The General Contract Terms and Conditions contain the relevant provisions of the Insurance Contracts Act (543/94). The symbol § in brackets refers to the relevant sections of the Insurance Contracts Act in which the matters in question are dealt with. The insurance contract is also subject to certain provisions of the Insurance Contracts Act not appearing from these General Contract Terms and Conditions. Insofar as these General Contract Terms and Conditions differ from the optional provisions of the Insurance Contracts Act, these General Contract Terms and Conditions shall apply to the insurance contract.

1 Concepts (§§2 and 6)

The policyholder is the party who has concluded an insurance contract with the insurer.

The insurer with respect to life insurance is OP Life Assurance Company Ltd. For any other insurance, the insurer is Pohjola Insurance Ltd. In these terms and conditions, the insurer is referred to as 'the insurance company'. The insurers under the contract are stated in the insurance policy.

The insured person is the party who is the object of insurance of the person or for whose benefit non-life insurance is valid.

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

The premium period is the period for which a premium is paid at regular intervals as agreed.

The insurance event is an event for which compensation is paid under the insurance.

Non-life insurance is a policy taken out to cover a loss incurred due to material damage, an obligation to pay damages, or other financial loss.

Insurance of the person, or personal insurance, is insurance by which a natural person is covered.

Group insurance is insurance under which those insured are members of a group as defined in the insurance contract and the premium is paid in full by its policyholder.

2 Disclosure of information prior to concluding an insurance contract

2.1 Policyholder's and insured person's obligation to disclose information (§22)

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.

2.2 Failure to disclose information under non-life insurance (§§ 23 and 34)

If the policyholder or the insured person has acted fraudulently when fulfilling its obligation to disclose information, 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 person has wilfully or through negligence which cannot be deemed minor failed in his/her obligation to disclose information under non-life insurance, compensation payable under the insurance can be reduced or disallowed. The effect of the erroneous or deficient information given by the policyholder or the insured person 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.

For example, in motor vehicle insurance, the actual user of the object of insurance must be reported as the vehicle keeper; any wrong person (so-called ostensible owner or keeper) must not be reported as the vehicle owner or keeper.

2.3 Failure to disclose information under insurance of the person (§24)

If the policyholder or the insured person has acted fraudulently when fulfilling its obligation to disclose information, 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 person has wilfully or through negligence which cannot be deemed minor failed in their obligation to disclose information under insurance of the person, and the insurance company would have refused to grant the insurance altogether had the full and correct information been provided, the insurance company is free from liability. If the insurance company had granted the insurance only against a higher premium or otherwise on terms other than those agreed, the insurance company's liability is restricted to what corresponds to the agreed premium or the terms on which the insurance would have been granted.

If the above-mentioned consequences of failure to disclose information would lead to a result that is clearly unreasonable from the point of view of the policyholder or another party entitled to compensation, they may be adjusted.

3 Beginning of the insurance company's liability and validity of the insurance contract

3.1 Beginning of the insurance company's liability (§11)

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.

Payment of the premium for the insurance period is a precondition for commencement of the insurance company's liability

- always in the case of a Sports Cover insurance or a fixed-term travel insurance
- when the insurance company has set the payment of the premium for the first insurance period as a precondition before continuous travel insurance can enter into force, or
- if there are special reasons, for instance, because of the policyholder's earlier default of payment.

The insurance bill contains a mention to this effect.

3.2 Grounds for granting insurance

The insurance premium and other terms of contract are determined according to the policy anniversary. If another insurance is added to the contract, the premium and other contract terms are determined in accordance with the start-date of the added insurance.

Under insurance of the person, the insured person's state of health is assessed and his/her age calculated on the basis of his/her state of health and age at the time he/she gave or submitted the insurance application. The insurance company will not reject an application for personal insurance on the grounds that an insurance event has occurred or that the state of health of the person for whom the application is made deteriorated after the application documents were submitted or sent to the insurance company.

3.3 Validity of the insurance contract (§§16 and 17)

After the first insurance period, a non-life insurance contract is valid for one agreed insurance period at a time, unless the policyholder or the insurance company terminates the contract.

After the first premium period, an insurance contract regarding insurance of the person is valid for one agreed premium period at a time, unless the policyholder or the insurance company terminates the contract. However, in the case of life insurance and disability insurance, the insurance company does not have the right to give notice if the terms and conditions of Insurance no longer sold are applied to the said policies.

The insurance contract may also terminate for other reasons referred to in clauses 4.2 and 14 below.

A fixed-term insurance contract is valid for the agreed insurance period. The insurance can, however, be terminated during the insurance period on grounds specified below in clauses 4.2 and 14.

In fixed-term travel insurance, if the journey back to the insured person's country of residence is delayed for reasons beyond his/her control, the validity period of the insurance will be extended by 48 hours.

The validity of Crisis Cover, which can be taken out in connection with motor liability insurance, does not extend beyond that of the motor liability insurance which is the basic component of the insurance package.

4 Insurance premium

4.1 Premium payment (§38)

The insurance premium must be paid within one month of the date on which the insurance company sent the premium bill to the policyholder or notified the policyholder of the premium due date.

The premiums of the individual insurance policies included in the same insurance contract are combined into a single premium to be invoiced in one or several instalments as agreed. If a premium arising from a change in the insurance contract is not combined with the earlier agreed instalments, this premium will be invoiced separately. The insurance premium paid for the insurance contract is divided amongst all cover types included in the contract in proportion to the relationship between the payment and the invoice, so that all continuous insurance types are valid until the same date.

If a payment by the policyholder is not sufficient to cover all the insurance company's insurance premium receivables, the policyholder has the right to decide which of the outstand-

ing premiums the money is to be used for. 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 Delayed premium (§39)

If the policyholder has neglected to pay the premium in part or in full by the due date as referred to under clause 4.1, the insurance company has the right to terminate the entire insurance contract 14 days after sending a notice of termination. Such termination may also be carried out by one insurance company referred to in clause 1 on behalf of another.

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

If the delay of payment is caused by the policyholder's financial difficulties 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 notice of termination will state this option concerning continuation of the insurance for a fixed period. The policyholder must notify the insurance company in writing of the financial difficulties referred hereto during the notice period at the latest.

If the premium is not paid by the due date referred to under clause 4.1 above, penalty interest must be paid for the period of delay in accordance with the Interest Act.

The insurance company is entitled to compensation for costs incurred due to collection of insurance premiums under the Act on the Collection of Debts. 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 transfer outstanding amounts for collection by a third party.

4.3 Minimum insurance premium

The premium for any insurance period, including tax, is at least the minimum amount separately confirmed in the insurance policy or product guide for each insurance line.

The insurance period refers to a period of up to one year during which the insurance is valid at a time under the contract.

4.4 Returning of premium at the termination of a contract (§45)

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.

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.

However, the premium is not returnable in cases stated below in this clause or if the policyholder or the insured person has acted fraudulently in the circumstances referred to in clauses 2.2 or 2.3 above. The premium is not returned separately if the returnable sum is smaller than the sum in euros specified in the Insurance Contracts Act.

In insurance policies where the risk of loss or damage or the policy's treatment expenses are highest at the outset of the policy's validity, however, the insurance premium for the first insurance period or premium period is always the minimum premium specified in the policy document or product guide. The minimum premium corresponding to the policy's treatment expenses may also be charged for periods following the first insurance period or premium period.

4.5 Setoff against premiums to be refunded

The insurance company may deduct any outstanding premiums overdue and other overdue receivables from the premium to be returned. Furthermore, as regards Extrasure insurance policies, a setoff can be made on behalf of all of the insurance companies that may be acting as insurers in the Extrasure contract.

5 Policyholder's obligation to disclose information about any increase in risk (§§26, 27 and 34)

5.1 Increase in risk under non-life insurance

The policyholder must notify the insurance company of any essential change, during the insurance period, in the circumstances stated at the time of concluding the contract or in the state of affairs recorded in the policy, which has increased the risk of loss or damage, and which the insurer cannot be deemed to have taken into account when concluding the contract. 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.

Changes resulting in increased risk may include repairs, alterations or extensions of the insured object, its altered use, surrender to the use of others than those insured for a continuous period exceeding three months, or transfer to other than homelike premises.

As regards motor vehicle insurance, changes resulting in increased risk can be, for instance, changing the use of a motor vehicle so that its use requires a permit or so that it can be rented, changing the domicile of a motor vehicle or use of the vehicle mainly abroad, or increasing the power of a vehicle's engine or exchanging the engine for a more powerful one.

As regards professional liability insurance, changes resulting in increased risk may include a change in the type or extent of operations.

As regards horse insurance, changes resulting in increased risk may include entering a horse originally designated for breeding purposes into races.

As regards boat insurance, changes resulting in increased risk may include changing the use of a boat so that it can be used professionally or rented, changing the boat's structure for competitive use or increasing the boat's motor power by over 20% of the amount specified in the insurance contract.

If the holder of a non-life insurance policy has wilfully or through negligence which cannot be deemed minor failed to notify the insurance company of the increased risk, any compensation may be reduced or disallowed. 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 type of negligence and any 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.

5.2 Increase in risk under insurance of the person

The policyholder must notify the insurance company of any changes in factors increasing risk that were reported when the insurance contract was concluded and that are relevant in terms of assessment of the insurance company's liability, such as changes in profession/occupation, leisure time activities or place of residence, or the termination of any other insurance cover. A change resulting in increased risk may be, for instance, residence abroad of the insured person for over a year on a continuous basis. 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. Changes in the person's state of health do not have to be reported. The insurance company reminds policyholders in the annual bulletin of their disclosure obligation.

If, in the case of insurance of the person, the policyholder has wilfully or through negligence which cannot be deemed minor failed to notify the insurance company of increased risk as mentioned above, and the insurance company would not, as a result of the changed circumstances, have kept the insurance in force, the insurance company is released from liability. If, however, the insurance company would have continued the insurance but only for a higher premium or on other terms, the insurance company's liability is limited to that which corresponds to the insurance premium or the terms on which the insurance would have been continued.

If the above-mentioned consequences of failure to disclose information lead to a result that is clearly unreasonable from the point of view of the policyholder or another party entitled to compensation, they may be adjusted.

6 Obligation to prevent and limit loss or damage under non-life insurance

6.1 Obligation to observe safety regulations (§§31 and 34)

The insured person must observe the safety regulations recorded in the insurance policy, 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 them. 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's intent or the type of negligence and any other circumstances will also be taken into account.

6.2 Obligation to prevent and limit loss or damage (salvage obligation) (§§32, 34 and 61)

In the case of an insurance event or the immediate threat of one, the insured person must, in accordance with his/her abilities, take the necessary action to prevent or limit 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 person must, for instance, attempt to establish the identity of the tort-feasor. If the loss or damage resulted from a punishable act, the insured person must, without delay, report it to the police and sue the offenders 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.

With respect to motor vehicle insurance, in the case of loss or damage due to fire, theft, vandalism or a collision with some other deer than a reindeer, the insured must immediately report to the local police. If a motor vehicle is stolen or permanently lost abroad, a notification must also be made to the Finnish police. If the insurance company so requires, a police investigation must be held at other times, too, and the related investigation report must be submitted to the insurance company.

Should the keys to the vehicle or any similar device needed for starting the vehicle, such as key cards, be lost, the immobiliser must immediately be coded so that the lost keys cannot be used for starting the vehicle. Before coding, the vehicle must have been locked with a mechanical locking device which cannot be opened with the lost key.

The insurance company will indemnify for reasonable expenses incurred due to fulfilling the above duty of salvage even if the sum insured would thus be exceeded.

If the insured person 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 them. The effect of the failure to observe the duty of salvage on the occurrence of the loss or damage is taken into account when considering whether to reduce or disallow the compensation. The insured's intent or the type of negligence and any other circumstances will also be taken into account.

6.3 Failure to observe the safety regulations and the duty of salvage under liability insurance (§§31 and 32)

Under liability insurance, negligence on the part of the insured person will not lead to compensation being reduced or disallowed.

However, if the insured person has wilfully or through gross negligence failed to observe the safety regulations or the duty of salvage, or if the insured person's use of alcohol or other intoxicant has contributed to the negligence, compensation may be reduced or disallowed.

If the insured has through gross negligence failed to observe the safety regulations or the duty of salvage or if the insured person's use of alcohol or other intoxicant has contributed to the negligence, the insurance company will nevertheless pay from 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 Causing an insurance event

7.1 Non-life insurance (§§30 and 34)

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

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 them may be reduced or disallowed.

The effect of the insured'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 person's intent or the type of negligence, as well as other circumstances, will also be taken into account.

As regards motor vehicle insurance, if the insured has caused an insurance event while driving a motor vehicle with a blood alcohol content of at least 1.2 per mille, or a minimum of 0.53 mg of alcohol per litre of exhaled air while driving or immediately after it, or if the insured's ability to perform the required tasks was considerably diminished due to the influence of an intoxicant other than alcohol or due to the combined effect of alcohol and another intoxicant, compensation is paid only to the extent that any other circumstances have contributed to the loss or damage.

If, at the time of loss, the insured was driving the vehicle with a blood alcohol content of at minimum 0.5 per mille, or a minimum of 0.22 mg of alcohol per litre of exhaled air while driving the vehicle or immediately after it, or if the ability of the insured to perform the required tasks was diminished due either to the influence of an intoxicant other than alcohol or the combined effect of alcohol and another intoxicant, compensation shall be reduced in proportion to the extent of the loss attributable to the insured.

As regards liability insurance, if the insured person has caused an insurance event through gross negligence or if the insured person's use of alcohol or other intoxicant has contributed to the insurance event, the insurance company will nevertheless pay 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.

7.2 Insurance of the person (§§28 and 29)

The insurance company is released from liability to any insured person who has wilfully caused an insurance event.

If the insured has caused the insurance event through gross negligence, the insurance company's liability may be reduced, depending on what is deemed reasonable in the circumstances.

If a person entitled to compensation or benefit other than the insured has wilfully caused the insurance event, the insurance company is released from liability to such party. If such a person has caused the insurance event through gross negligence or he/she was at an age or in a state of mind which meant that he/she could not be sentenced for a crime, the compensation or part of the compensation may be paid to him/her, but only when this is deemed reasonable considering the circumstances in which the insurance event was caused.

If the insured has died, the other parties entitled to compensation are paid that part of the compensation which is not paid to the person or persons who caused the insurance event.

8 Identification with another person under non-life insurance (§33)

The provisions set out above concerning the insured person with regard to causing an insurance event, observing the safety regulations or the duty of salvage also apply to a person:

1. who, with the consent of the insured person, is responsible for a motor-driven or towed vehicle, vessel or aircraft covered by the insurance. Consent refers to permission given by the insured to drive the above-mentioned vehicle or to use it in some other way, or to consent evident from the circumstances.
2. who, jointly with the insured person, owns the insured property and uses it jointly with them, or
3. who co-habits with the insured person and uses the insured property jointly with them.

The conditions stated above concerning the insured with regard to observing the safety regulations also apply to a person who, on the basis of their employment or official post with the policyholder, are responsible for supervising the observance of such regulations.

9 Beneficiary clause under insurance of the person

9.1 Beneficiary

The policyholder has the right to name a person (beneficiary) who is entitled to compensation instead of the policyholder or the insured person. The policyholder may change or cancel the beneficiary clause if the insurance event to which the clause is intended to be applied has not occurred.

If the beneficiary clause is valid, the benefit payable due to the death of the insured person is not part of the insured person's estate. The benefit is part of the insured person's estate when there is no beneficiary clause and the benefit is not in the terms and conditions of the insurance set out to be payable to the policyholder.

9.2 Form of the beneficiary clause

A beneficiary clause, its cancellation or amendment is null and void unless it has been submitted to the insurance company in writing.

9.3 Form of the beneficiary clause under group insurance

The insurance company and the policyholder agree on the beneficiary clause in the group insurance contract.

The policyholder may change the beneficiary if the right to do this has been agreed in the group insurance contract.

If the beneficiary clause is valid, the benefit payable due to the death of the insured person is not part of the insured person's estate. The benefit is part of the insured persons estate if there is no beneficiary clause and if the benefit is not payable to the policyholder under the insurance terms and conditions.

10 Claims settlement procedure

10.1 Duties of claimant (§§69 and 72)

The claimant shall immediately notify the insurance company of the loss event. 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 whether an insurance event occurred, the extent of the loss or damage and who is to be indemnified, who was driving the motor vehicle and whether alcohol or other intoxicants contributed to the occurrence of the insurance event.

The claimants shall acquire and submit to the insurance company said documentation and information at their own cost, unless otherwise agreed. The claimant shall keep any documents and information for at least six months from submitting a claim for compensation and supply them to the insurance company upon request.

For instance, the insured must not, by leaving the scene of the accident, through some other action which prevents the investigation or by consuming alcohol after the loss or damage, impede or prevent the disclosure of a fact which would be significant to the assessment of the insurance event and the liability of the insurance company.

Before any repairs, the insurance company must be given the opportunity to inspect the damaged property in order to establish the cause of damage and whether the damage is coverable under the insurance. If repairs have been initiated without giving the insurance company the opportunity to inspect the damage, the repair work must be documented by, for example, taking photos and keeping any damaged parts. A damaged object must not be disposed of without special reason.

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

If the claimant has, after the insurance event, fraudulently provided the insurance company with incorrect or insufficient information relevant to the assessment of the insurance company's liability, their compensation may be reduced or disallowed, depending on what is reasonable in the circumstances.

Insurance companies share a non-life insurance information system which can be used in processing claims to check claims submitted to different companies. After a loss or damage, the insurance company also has the right to investigate the fault and driving style data recorded in the vehicle data system insofar as this is necessary for the assessment of the insurance company's liability.

10.2 Limitation on right to obtain compensation (§73)

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 bodily injury or 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 Setoff against compensation

The insurance company may deduct any outstanding premiums overdue and other outstanding overdue amounts from compensation. Furthermore, as regards Extrasure insurance policies, a setoff can be made on behalf of all of the insurance companies that may be acting as insurers in the Extrasure contract.

10.4 Persons covered by property insurance (§62)

Property insurance is valid for the benefit of the owner, the person who has purchased the property under a provision regarding reservation of title, the holder of a right of lien and a right of retention or some other party who bears the risk pertaining to the property.

10.5 Effect of sanctions on compensation

The insurance company, its subsidiary or a partner in a network underwriting insurance locally is under no obligation to pay indemnity, damages, prevention costs or investigation and legal expenses or any other financial resources if paying them is contrary to sanctions, other restrictive actions or legislation imposed by the Finnish government, the United Nations, the European Union, the United States of America or the United Kingdom or their competent authorities or governing bodies.

11 Lodging an appeal against a decision taken by the insurance company (§§8, 68 and 74)

11.1 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.

11.2 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 law or processed by the Consumer Disputes Board or a court of law.

A decision made by an insurance company may also be submitted to the Consumer Disputes Board (www.kuluttajariita.fi). Before submitting a matter to the Consumer Disputes Board, consumers should first consult the Local Register Office's Consumer Advice services (www.kuluttajaneuvonta.fi). 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.

11.3 District court

If the policyholder or claimant is dissatisfied with the insurance company's decision, he/she may bring action against the insurance company.

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.

As regards boat damage, an indemnity adjustment by the Average Adjuster in Finland must be obtained before court proceedings (Act on Indemnity Adjustments by the Average Adjuster, 10/1953).

12 The insurance company's right of recovery (§75)

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, or as the owner, keeper, driver or passenger of a vehicle, 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.

In addition to the above, if the loss or damage was caused while driving a motor vehicle, the insurance company also has the right to reclaim the compensation it has paid owing to the loss if the driver caused the loss or damage with at least 1.2 per mille of alcohol in his/her blood while driving or immediately after it, or if the driver had a minimum of 0.53 mg of alcohol per litre of exhaled air, or if the driver's ability to perform the required tasks was considerably diminished due to the influence of an intoxicant other than alcohol or due to the combined effect of intoxicants.

As regards insurance of the person, the insurance company has the right of recovery vis-à-vis a third party only in the case of compensation paid for loss of property or costs incurred due to illness or accident.

If the loss or damage was caused by using a motor vehicle in traffic, an insurance company that has paid compensation under a voluntary insurance policy has the right of recourse towards the motor liability insurance company, up to the amount of compensation paid by the former.

13 Altering an insurance contract

13.1 Altering the terms of contract during the insurance period under non-life insurance (§18)

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

1. the policyholder or the insured has neglected his/her obligation to disclose information as referred to in clause 2.1 above; or
2. during the insurance period, a change as referred to in clause 5 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 entered into.

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.

13.2 Altering the terms of contract during the insurance period under insurance of the person (§20)

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

1. the policyholder or the insured person has wilfully or through negligence which cannot be deemed minor failed to observe his/her obligation to disclose information as referred to in clause 2.1 above, and if the insurance company, had it been given the correct and full information, had granted the insurance only against a higher premium or otherwise on terms other than those agreed; or
2. the policyholder or the insured person has acted fraudulently in observing his/her obligation to disclose information as referred to in clause 2.1 above and, regardless of this, the insurance is binding on the insurance company on the basis of clause 2.3 due to the adjustment of the consequences of the failure to disclose information; or
3. during the insurance period, a change as referred to in clause 5 above has occurred in the circumstances reported by the policyholder or the insured person to the insurance company at the time of concluding the contract, and the insurance company would have granted the insurance only against a higher premium or on otherwise other terms in the event that the circumstance related to the insured person would already have corresponded to the change when the insurance company granted the insurance.

After being informed of the said change, the insurance company will notify the policyholder, in writing and without undue delay, of any change in the premium or other terms. The notification shall state that the policyholder has the right to cancel the insurance.

13.3 Altering the terms of contract at the end of an insurance period under continuous non-life insurance and insurance of the person (§§19 and 20a)

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 issued by the authorities
- change in legal practice
- an unforeseeable change in circumstances (e.g. an international crisis, exceptional natural event, catastrophe)
- change in claims expenditure or cost levels, or change in the ratio between indemnities and insurance premiums
- change in a factor or circumstance which, in the view of the insurance company, has an effect on the amount of premium and the risk of loss or damage. Such may include the age or domicile of the policyholder, the insured person or the owner or keeper of the object of insurance; the age, location, properties, place of insurance, claims history or claims development of the object of insurance or part thereof.

The insurance company also has the right to change the insurance premium by defining various premium bases in accordance with risks of loss or damage.

However, as regards insurance of the person, the insurance terms and conditions or premiums may not be changed on the grounds that the state of health of the insured person has deteriorated since the time the policy was taken out or that an insurance event has occurred.

Under life insurance, the insurance company has the right to alter the insurance terms and conditions, premiums and other terms of contract at the end of the premium period for the following special reasons:

- general incidence of loss or
- change in interest rates provided that the content of the insurance contract does not change substantially compared with the original contract.

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 an insurance bill, 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.

The insurance contract may also change in accordance with clause 13.4 below concerning index regulations.

In addition to the above, the insurance company has the right to make changes as a result of bonus, customer loyalty and owner-customer rules and other similar rules applied to the insurance policy. 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.

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 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. The notice will be sent one month before the end of the insurance period at the latest. However, changes to the terms and conditions are not possible in the case of life insurance.

13.4 Effect of the index

The application of any index to an insurance contract is always mentioned in the insurance policy. Insurance which has no reference to any index in the insurance policy is not index-linked.

In the case of MyHome Insurance, the premiums, maximum compensation and deductibles are all linked to the construction cost index. The premiums, maximum indemnities and deductibles for the insurance for home contents in blocks of flats and terraced houses and for the insurance for parts of flats as well as for the insurance for stored home contents are, however, linked to the Finnish consumer price index.

The sums insured recorded in the policies for luggage, small boat, liability and legal expenses insurance are linked to the consumer price index. The deductible specified in the insurance policy is also linked to the consumer price index.

In the case of forest insurance and forest fire insurance, the premium is linked to the forest insurance premium index and the deductible to the consumer price index.

The maximum compensation and the amount of benefit under Health Insurance, Living Allowance Insurance, Pohjola Traveller's Insurance, Life Insurance and Disability Insurance are linked to the latest series of the consumer price index. If, however, the amount of benefit decreases with age in Life Insurance and Disability Insurance, the insurance premium is linked to the consumer price index.

Insurance policies to which the terms and conditions of Insurance no longer sold apply

In the case of life insurance, disability insurance and travellers insurance, the sums insured recorded in the insurance policy are linked to the consumer price index. The sums insured of medical expenses insurance and accident insurance are linked to the consumer price index subgroup related to the price development of products and services in the medical and health care sectors. If, however, the sum insured decreases with age or is not expressed in euros owing to the type of compensation, the insurance premium is linked to the consumer price index. In the case of medical treatment expenses insurance, medical treatment insurance, medical expenses insurance and accident insurance, the deductible expressed in euros and the premium are linked to the consumer price index subgroup related to the price development of products and services in the medical and healthcare sectors.

In the case of non-life insurance, the sums insured recorded in the policies for moveable property, luggage, liability and legal expenses insurance are linked to the consumer price index. The sum insured recorded in the property insurance policy for buildings is linked to the construction cost index. In the case of full-value property insurance, the insurance premium is linked to the consumer price index as regards moveable property and to the construction cost index as regards buildings. The maximum compensation recorded in the insurance policy for moveable property is linked to the consumer price index. The deductible specified in the insurance policy is also linked to the consumer price index.

13.4.1 Index clause for the sum insured

The adjustment index used is the calendar month index four months before the first day of the insurance period. The sum insured recorded in the insurance policy is adjusted at the beginning of every insurance period by the same percentage as the adjustment index deviates from the adjustment index most recently used.

As of the beginning of the insurance period, the insurance premium is altered to match the adjusted sum insured.

The sum insured is rounded off to the nearest full euro.

In the case of non-life insurance, the ratio of the sum insured at the moment of loss or damage to the sum insured recorded in the insurance policy will be identical to the ratio of the calendar month index four months before the loss date to the adjustment index most recently used. In such a case, however, the sum insured at the moment of loss will be a maximum of 15% above the sum insured recorded in the insurance policy or the sum insured adjusted at the beginning of the previous insurance period.

13.4.2 Index clause for the premium

The adjustment index used is the index for September of the calendar year preceding the first day of the insurance period.

However, as regards forest insurance, the adjustment index used is the index of the calendar year preceding the first day of the insurance period. The insurance premium for each insurance period is changed by the same percentage as the adjustment index deviates from the adjustment index most recently used.

In insurance policies based on sums insured, the sum insured for the insurance period changes to match the adjusted insurance premium.

When the amount of benefit decreases with age in life insurance and disability insurance, the amount of benefit is determined on the basis of the premium. The premium for impaired risk is calculated from the amount of benefit.

13.4.3 Index clause for maximum compensation under MyHome Insurance

The adjustment index used is the index for September of the calendar year preceding the first day of the insurance period. In the case of full-value insurance for building, moveable property and parts of a flat/house, the maximum compensation, recorded in the insurance policy, is adjusted at the beginning of every insurance period by the same percentage as the adjustment index deviates from the adjustment index most recently used.

The maximum compensation is rounded off to the nearest full euro.

13.4.4 Index linking of maximum compensation and sums insured under Health Insurance, Living Allowance Insurance, Pohjola Traveller's Insurance, Life Insurance and Disability Insurance.

The benchmark index used is the index for September of the calendar year preceding the first day of the insurance period. The maximum compensation amounts and the amounts of benefit recorded in the insurance policy are adjusted at the beginning of every insurance period by the same percentage as the adjustment index deviates from the adjustment index previously used.

The insurance premiums in both Life Insurance and Disability Insurance are made to correspond with the adjusted amount of benefit.

The maximum compensation and the amounts of benefit are rounded off to the nearest full euro.

13.4.5 Index linking of maximum compensation under non-life insurance and insurance of the person to which the terms and conditions of Insurance no longer sold apply

The adjustment index used is the index for September of the calendar year preceding the first day of the insurance period. In the case of full-value insurance for moveable property, the maximum compensation, recorded in the insurance policy, is adjusted at the beginning of every insurance period by the same percentage as the adjustment index deviates from the adjustment index most recently used.

The maximum compensation is rounded off to the nearest full ten euros.

13.4.6 Index clause for the deductible

The adjustment index used is the index for September of the calendar year preceding the first day of the insurance period. The deductible recorded in the insurance policy is adjusted at the beginning of every insurance period by the same percentage as the adjustment index deviates from the adjustment index most recently used.

The deductible is rounded off to the nearest full euro.

14 Termination of insurance contract

14.1 Policyholder's right to terminate the insurance (§12)

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.

Notice given to one of the insurance companies is also valid for the other insurers.

14.2 Insurance company's right to terminate non-life insurance during the insurance period (§15)

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

- the policyholder or the insured person has, before the insurance was granted, provided incorrect or insufficient information and the insurance company, had it known the circumstances, would have refused to grant the insurance
- 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
- the insured has wilfully or through gross negligence failed to observe the safety regulations
- the insured has wilfully or through gross negligence caused the insurance event, or
- the insured person has, after the insurance event, fraudulently provided the insurance company with incorrect or insufficient information relevant to the assessment of the insurance company's liability.

14.3 Insurance company's right to terminate insurance of the person during the insurance period (§17)

During the insurance period, the insurance company has the right to terminate the insurance or to terminate the cover for an individual insured person under Sports Cover if

1. the policyholder or the insured person has wilfully or through negligence, which cannot be deemed minor, neglected their obligation to disclose information as referred to in clause 2.1 above, and the insurance company, had it been given correct and complete information, would have refused to grant the insurance altogether
2. the policyholder or the insured person has acted fraudulently in observing their obligation to disclose information as referred to in clause 2.1 above and, regardless of this, the insurance contract is binding on the insurance company on the basis of that clause

3. during the insurance period, a change as referred to in clause 5 above has occurred in the circumstances reported by the policyholder or the insured person to the insurance company at the time of concluding the contract, and the insurance company would not have granted the insurance in the event that the circumstance relating to the insured person would already have corresponded to the change when the insurance company granted the insurance
 - the insured person has wilfully caused the insurance event; or
 - the insured person has, after the insurance event, fraudulently provided the insurance company with incorrect or insufficient information relevant to the assessment of the insurance company's liability.

14.4 Procedure when the insurance company terminates an insurance policy during the insurance period

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 contain a mention of the grounds for termination. The insurance contract will end one month from the time the notice was sent.

The insurance company's right to give notice of termination of insurance owing to an outstanding insurance premium is defined in clause 4.2 above.

14.5 The insurance company's right to terminate non-life insurance at the end of the insurance period (§16)

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 contain a mention of the grounds for termination. The notice will be sent one month before the end of the insurance period at the latest.

14.6 The insurance company's right to terminate insurance of the person at the end of the insurance period (§17a)

The insurance company has the right to terminate a contract of insurance of the person effective as of the end of the premium period. If the premium period is less than one year or its length has not been agreed, the insurance company has the right to terminate the insurance effective as of the end of the calendar year. The notice of termination will be sent one month before the end of the premium period at the latest or, if the premium period has not been agreed, one month before the end of the calendar year at the latest. Notice of termination has a mention of the grounds for termination.

Notice of termination of the insurance cannot, however, be given if the grounds are that the state of health of the insured has deteriorated since the time the policy was taken out, or that an insurance event has occurred.

However, in the case of life insurance or disability insurance, the insurance company does not have the right to give notice.

14.7 Change of owner (§63)

If the insured property is transferred to a new owner other than the policyholder him/ herself or his/her estate, or when the keeper of a vehicle sold on hire-purchase becomes the owner, the insurance for that property will terminate. If an insurance event takes place within 14 days of the transfer of ownership, the new owner will, however, be entitled to compensation unless he/she has taken out insurance on the property.

In legal expenses and consequential loss insurance policies included in an insurance package for motor vehicles, the insurance contract will terminate if the insured property is transferred to a new owner.

14.8 Notice of termination of life insurance (§21)

If the life insurance has been valid for more than a year, the insurance company will send the policyholder a reminder one month before the termination of the validity period at the latest, and three months at the earliest.

If the insurance company fails to send this reminder, the life insurance remains valid. However, the period of validity terminates in one month's time from the date on which the delayed reminder was sent to the policyholder and at the latest in six months time from the end of the validity period of the insurance.

15 Digital services

If the policyholder has concluded a private customer's digital services agreement, the policyholder may attend to his/her insurance matters using OP's digital services, such as the op.fi service. Use of the services is possible to the extent determined by OP. This may include the right to view the details of insurance policies in force or to file loss reports. When the policyholder uses OP's digital services to attend to his/her insurance matters, the general terms and conditions for private customer's digital services, which are supplied to the customer when concluding the agreement, shall apply to the insurance in addition to these insurance terms and conditions.

The insurance company is entitled to send all insurance-related information, such as decisions, messages, notifications, responses, changes and notices of termination, exclusively in electronic form to OP's online and mobile services. The policyholder has the right to receive the aforementioned information by post within reasonable time from the day on which the policyholder informed the insurance company that s/he wishes to receive the information by post.

16 Statutory right to perform profiling

When performing its risk management duties stipulated by the Insurance Companies Act and other relevant regulation, the insurance company has the right to perform profiling.

17 Applicable law and calculation bases

Finnish law shall apply to all insurance contracts, and the calculation bases required by the Insurance Companies Act shall additionally apply to personal insurance.



Good to know

General cover restrictions and exclusions

We do not cover any loss or damage caused wilfully or through gross negligence. Moreover, the insurance policies do not cover nuclear accidents or loss or damage indemnified under a specific guarantee, law or other agreement.

Inception and termination of insurance and the minimum payment

Your policy will come into force as soon as we have received your insurance application. If you wish, you may choose a later date of commencement. If the policy cannot be granted, we are not responsible for any damage. The insurance is valid until further notice but you may give notice of termination of the insurance at any time.

Note! During the insurance period, we may charge an insurance-based minimum premium.

If the bill for the premium is not paid by the due date, we can automatically terminate your insurance contract with two weeks' notice. We also charge penalty interest and collection costs.

The insurance can also be terminated if the policyholder or the insured has

- provided incorrect information
- failed to observe the safety regulations
- caused the loss intentionally or, through gross negligence, increased the risk, for example by handing over property to a third party.

The policy may be changed annually

We have the right to alter the insurance terms and conditions, and premiums and other terms of contract at the end of your insurance period on the basis of

- new or amended legislation or a regulation issued by the authorities
- unforeseen change in circumstances, such as an international crisis
- change in a factor or circumstance which, in the view of the insurance company, has an effect on the amount of premium and the risk of loss or damage. Such may include the age or domicile of the policyholder, the insured person or the owner or keeper of the object of insurance; the age, location, properties, place of insurance, claims history or claims development of the object of insurance or part thereof.
- change in the ratio between claims expenditure for the insurance and index or cost levels or the insurance premiums paid.

Please note that various price factors affect the insurance premium at the moment of purchase and that, on that basis, the payment may also change while the insurance is valid. The price factors affecting the insurance are available in conjunction with the product description.

We may also 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.

The insurance company has the right to make price changes as a result of bonus, customer loyalty and owner-customer rules and other similar rules applied to the insurance policy. The premium amount is affected, at the time the policy is taken out and also later during its validity by any customer benefits and discounts, the amounts of which and the grounds for granting them, and duration and validity periods may change, for example, when a fixed-period discount or campaign discount comes to an end.

Insurance sales commissions

Pohjola Insurance Ltd will pay a commission that is either a percentage of the insurance premiums or a fixed fee based on the number of policies sold. The commission and its amount is affected by the insurance product and sales channel. The commission is paid to the agent or insurance company employee.

How to make a claim

A claim for compensation must be made within 12 months from the date when you became aware of the insurance and received information about the loss or damage and its consequences. 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.

Advice concerning compensation and insurance policies

For advice on insurance policies and claims, call our service number at 0303 0303.

If you are not satisfied with the way we or an agent representing us has acted when selling insurance or in other insurance matters, call the number above.

External advice

- The Finnish Financial Ombudsman Bureau (FINE), tel. +358 (0)9 685 0120, www.fine.fi/en

If you wish to file a complaint or appeal a claim settlement decision, please contact

- Customer ombudsman asiakasasiat@pohjola.fi
- The Finnish Financial Ombudsman Bureau and Insurance Complaints Board (FINE), tel. +358 (0)9 685 0120, www.fine.fi/en
- Consumer Disputes Board, tel. +358 (0)10 366 5200, www.kuluttajariita.fi/en
First visit: www.kuluttajaneuvonta.fi
- Traffic Accident Board, tel. +358 (0)10 286 8200, www.liikennevahinkolautakunta.fi

You may also submit the case to court within three years of our decision.



Confidentiality

We will handle your personal data according to the law, Privacy Statement and Privacy Policy and also make use of automatic decision-making in insurance and claim settlement decisions.

When you buy an insurance policy, any automatic decision to grant the policy will be based on the information you have submitted, our customer data file and the credit information register, in accordance with our cus-

tomers selection guidelines. Should a loss occur, any automatic decision by us will be based on the loss details you have provided, on the insurance terms and conditions and our customer data file, as well as information in the joint claims register kept by insurance companies. The insurance policy is also terminated automatically in the event of the non-payment of premiums.

Read more about privacy protection at www.op.fi/data-protection.