



Trainee Insurance

ES 14, Valid as of 1 January 2021

1 Purpose of insurance

In accordance with these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd (hereinafter the Insurance Company) undertakes to cover material damage caused to the object of insurance referred to in clause 2, and other expenses mentioned separately in the terms and conditions.

2 Object of insurance

The object of insurance is property owned or used by or otherwise in the possession of the work placement company.

The object of insurance is also property which, at the time of the neglect or act that caused the loss, was, in view of the nature or immediate sphere of influence of the work performance causing the loss by the trainee or work placement company

- subject to a safety or loss prevention obligation or
- otherwise in the care of either of the aforementioned.

The object of insurance does not include the personal property of the policyholder or the trainee.

3 Territorial limits

The insurance is valid in the area specified in the insurance policy.

4 Coverable losses and related exclusions

4.1 Coverable losses

The insurance covers direct material damage suffered by the object of insurance as well as any other expenses specified elsewhere in these terms and conditions in the event that the damage was caused by a sudden and unforeseeable event during the validity of the insurance as a direct consequence of the actions of the trainee in work placement. Whether an insurance event is unforeseeable or not is subject to an objective assessment, on the basis of the cause of the loss, not on the basis of the consequence of the loss.

The insurance covers damages only to the extent that compensation cannot be received on the basis of another policy. This insurance will, however, cover the deductible of

the other policy, as well as any monetary damages in euros resulting from the loss no-claims bonus for the damaged vehicle.

4.2 Losses excluded from cover and other exclusions

4.2.1 Wear and tear

The insurance does not cover wear and tear, rust, corrosion, deterioration, material fatigue or any similar gradual damage, or malfunction of the object or any of its parts. Moreover, the insurance does not cover loss caused by scratching, abrasion or air humidity.

4.2.2 Maintenance costs

The insurance does not cover expenses caused by adjustments and maintenance, preventive or periodic servicing or the elimination of functional disturbances, nor does it cover any parts replaced in connection with such work.

4.2.3 Financial crime

The insurance does not cover loss caused by fraud, embezzlement or any other similar offence.

4.2.4 Disappearance, forgetting and theft

The insurance does not indemnify against losing, forgetting or theft if

- the exact time, place and circumstances of the loss or disappearance cannot be specified or
- the disappearance is only discovered in inventory.

Moreover, loss caused by theft is not covered if the work placement company has not taken all reasonable safety precautions in view of the value of the property and the circumstances of its storage.

4.2.5 Consumables

The insurance does not cover damage caused to consumables used in machinery or equipment, such as fuels and lubricants, other liquids, scoops, cables and rubber tyres, except when the consumables have been damaged in connection with a loss covered under these terms and conditions.

4.2.6 Software and data errors

The insurance does not cover damage to programmable electronic equipment or to its data medium, files or software caused by malfunction of hardware or software,

operating error, or by destruction or disappearance of data due to magnetic fields.

4.2.7 Indirect losses

The insurance does not cover any losses resulting from material damage other than those listed in clause 4.1.

4.2.8 Reduction in value

The insurance does not cover any reduction in value or any loss that does not affect the usability of property.

ES 5 Appraisal and indemnification regulations

The sum insured and indemnities are determined in accordance with these regulations, unless otherwise specified elsewhere in the terms and conditions or in the insurance policy.

5.1 Sum insured of property

Property is insured for the agreed sum insured entered in the insurance policy for each object or property item. This sum is the maximum indemnity in the case of loss.

The basis of the sum insured is recorded in the insurance policy. It is one of the following.

5.1.1 Replacement value

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

Unless otherwise agreed with the insurance company, the sum insured is based on the replacement value of the property.

5.1.2 Current value

The current value refers to the amount based on the reduced value of property, as a result of age, use, technological obsolescence, decrease in usability or similar reasons, deducted from the replacement value. When determining the current value for buildings, the fair value of the asset is also taken into account. Fair value refers to the sum that would have been obtained if the asset had been sold before the damage occurred.

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

5.1.3 First loss

This insurance is a form of first loss insurance.

First loss refers to the sum insured agreed for the object of insurance and recorded in the insurance policy. Provisions governing underinsurance shall not apply to first loss insurance (see clause 5.5.2 Underinsurance).

5.2 Significance of the sum insured

The sum insured is the maximum amount of compensation payable, but it does not form a basis for the amount of loss or its assessment.

5.3 Scope of indemnity

The insurance covers direct material damage to insured property. The indemnity is at most the agreed sum insured for the property, each object or property item.

5.4 Calculation of property value and material damage

5.4.1 Amount of loss in accordance with replacement value (see clause 5.1.1 above)

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

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

If, however, the value of the property item had by the time of loss decreased to the extent that the current value of the object was less than 50% of the replacement value immediately before the loss, the loss amount is calculated based on the current value (see section 6.4.2). Each damaged object is appraised separately.

5.4.2 Amount of loss in accordance with current value (see clause 5.1.2 above)

The amount of loss based on current value is calculated by deducting the value of the remaining property (residual value) from the current value. Both values are calculated in accordance with the current value. If the damaged property can be repaired, the resulting repair costs constitute the loss amount. However, the maximum loss amount equals the difference between the current value and residual value.

5.4.3 Amount of loss in accordance with first loss (see clause 5.1.3 above)

If first loss insurance has been taken out on property, indemnity deviates from that based on the replacement and current value in such a way that provisions governing underinsurance shall not apply.

5.4.4 Value added tax

Provisions governing value added tax are taken into account when calculating the loss amount.

Accordingly, the tax will not be paid if it is tax-deductible by the beneficiary.

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

5.5 Indemnity amount

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

5.5.1 Deductible

For each loss, the policyholder has a deductible. The deductible is stated in the policy document.

5.5.2 Underinsurance

If the sum insured is less than the property's value, the property is underinsured. In such a case, the indemnity is calculated in accordance with clause 11.2 of the General Terms of Contract.

5.5.3 Overinsurance

If the sum insured is higher than the property's value, the property is overinsured. In such a case, the indemnity is calculated in accordance with clause 11.1 of the General Terms of Contract.

5.6 Payment of indemnity

Indemnity based on the current value is paid first. The difference between the indemnities based on the replacement value and current value will be paid if, within two years of the loss, the damaged property has been repaired or replaced with similar property intended for the same use in the same location.

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

If construction is delayed due to action by the authorities, the delay period will be added to the two-year time limit.

5.7 Residual value of the building

5.7.1 Indemnity for reduction in residual value

If, due to a building prohibition or construction restriction in force under the provisions of the Finnish Building Act or Road Act, the parts of the building remaining after the loss may not be used for restoring the building, the reduction in residual value will also be indemnified.

5.7.2 Special permit

The policyholder shall prove that a building prohibition or construction restriction is in force.

If the insurance company so requests, the policyholder shall apply for a special permit to restore the building to its former condition and, if the permit is rejected, the policyholder shall appeal against the decision. At the insurance company's request, the policyholder shall authorise the insurance company to represent him in applying for the permit.

5.8 Other regulations concerning indemnity

5.8.1 Indemnity for drawings, etc.

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

5.8.2 Unfinished work

Unless otherwise agreed on the insured value of current assets, the value of unfinished work is calculated in accordance with the pricing bases which the policyholder has agreed on in advance with the buyer. The indemnity is paid in accordance with the above-mentioned pricing bases up to the value of the work phase of the damaged property at the time of loss.

5.8.3 Securities

In case of equities, amortisable bonds, debentures, other fixed-income securities and other amortisable financial instruments, indemnity is only paid for the amortisation costs incurred.

5.8.4 Third party property

In case of damaged third party property covered by the insurance, indemnity is only paid in the event that the said property is not indemnified under another insurance contract. The loss is covered in full up to the sum insured, in maximum, and the regulations concerning underinsurance are not applied.

5.8.5 Alternatives to cash indemnity

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

The insurance company has the right to decide what builder or repairer is to be used for rebuilding or repairing the property, or from what source of supply similar property is to be acquired.

5.8.6 Mortgageable property

The policyholder will be indemnified for property for which a mortgage can be secured only if he has ascertained that the property has not been mortgaged in security for debt, or that the mortgagees have agreed that the policyholder should be indemnified (cf. section 13 of the Finnish Business Mortgages Act and chapter 17, section 8 of the Code of Real Estate).

For real estate, no such ascertainment is required,

- provided that the policyholder proves that the damage has been repaired;
- provided that the policyholder shows a guarantee stating that the indemnity will be used to repair the damaged property;
- provided that the policyholder indicates that the amount of indemnity is small in comparison with the value of the real estate; or,
- if it is otherwise obvious that indemnification will not impair a creditor's prospect of payment.

5.8.7 Insurance company's right to redeem damaged property

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

5.8.8 Policyholder's obligation to return recovered property

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

5.8.9 Motorised machinery and equipment

Compensation for motorised machinery and equipment is calculated in the basis of current value.

Pohjola Insurance Ltd, Business ID: 1458359-3

Helsinki, Gebhardinaukio 1, 00013 OP, Finland

Domicile: Helsinki, main line of business: non-life insurance companies

Regulatory authority: Financial Supervisory Authority, finanssivalvonta.fi/en

