



# Trainee Insurance

ES 14, valid as of 1 January 2022

## 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.

In addition, the object of insurance is 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 location specified in the policy document.

## 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 the 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 losses 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 losses 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 cover lost or forgotten property 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 recorded in the insurance policy in respect of each object or asset. This sum is the maximum indemnity in case of loss.

The basis of the sum insured is recorded in the policy document. 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 for delivery to the same location to replace the old property, including the costs of the demolition and disposal of the old property. Replacement value is determined according to costs incurred by the use of standard and modern construction methods and materials.

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 loss occurred.

The current value must be lower than the asset's replacement value.

#### 5.1.3 First loss

First loss refers to the sum insured agreed for the object of insurance and recorded in the insurance policy. Provisions governing under-insurance shall not apply to first loss insurance (see clause 5.5.2 Under-insurance). The provisions of the appraisal and indemnification regulations shall otherwise apply.

### 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, of the time of the loss.

### 5.4 Calculation of property value and material damage

#### 5.4.1 Loss amount based on replacement value

The loss amount based on replacement value is calculated by deducting the replacement value-based residual value of the remaining property from the replacement value of the property immediately before the loss and then the reductions based on age and usage defined in the insurance terms and conditions or policy. (A definition of replacement value is provided above in clause 5.1.1)

If the damaged property can be repaired, the amount of loss equals the repair costs minus the reductions based on age and usage as defined in the insurance terms and conditions or policy. 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 and calculation bases for the loss amount (see clause 5.1.2). Each damaged object and structure shall be assessed separately.

#### 5.4.2 Loss amount based on replacement value

The loss amount based on replacement value is calculated by deducting the replacement value-based residual value of the remaining property from the replacement value of the property immediately before the loss and then the reductions based on age and usage defined in the insurance terms and conditions or policy. (A definition of replacement value is provided above in clause 5.1.1)

If the damaged property can be repaired, the amount of loss equals the repair costs minus the reductions based on age and usage as defined in the insurance terms and conditions or policy. 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 and calculation bases for the loss amount (see clause 5.1.2). Each damaged object and structure shall be assessed separately.

#### 5.4.3 Loss amount based on first loss

The loss amount based on first loss is calculated in accordance with the determination grounds for the amount of loss for replacement value or current value. (The definition of first loss is provided in section 5.1.3 above)

The under-insurance rule does not apply to assessing the amount of indemnity under first loss insurance.

#### 5.4.4 Value added tax

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

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

Value added tax will not be compensated in the event that 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 Under-insurance

Full value insurance

If the cubic content of the building indicated in the policy document is smaller than its actual cubic content, the insurance will only cover losses up to the amount corresponding to the proportion of the indicated and actual cubic content. The definition provided in the RT card is used to calculate the actual cubic content.

Insurance based on the sum insured

If the sum insured is less than the property's value, the property is underinsured.

In the case of loss incurred by an underinsured property or benefit, the insurance will only cover that part of the loss amount which corresponds to the ratio of the sum insured and the value of the property.

When assessing under-insurance, the sum insured is compared, when the indemnity based on replacement value is calculated, with the replacement value of the property and, when the indemnity based on current value is calculated, with the current value of the property.

The under-insurance clause does not apply to first loss insurance.

##### 5.5.3 Over-insurance

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 the event 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 insurable 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 under-insurance 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 in lieu of cash indemnity.

The insurance company has the right to decide which 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 the policyholder has ascertained that the property has not been mortgaged as security for debt, or that the mortgagees have agreed that the policyholder should be indemnified. For real estate, no such ascertainment is required, if the policyholder

- proves that the damage has been repaired
- 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, the policyholder 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.

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