



# Cargo Handling Insurance

AKR 05, valid as of 1 January 2023

## 1 Purpose of insurance

- On the basis of these terms and conditions and the General Terms of Contract, the insurance company undertakes to
- cover the losses referred to under section 3.1 and the other expenses referred to separately in these terms and conditions,
- investigate the grounds for and amount of the damages,
- negotiate with the claimant, and
- appear in court or pay the legal expenses if the claim for damages leads to legal proceedings

## 2 Territorial limits

The insurance is valid in Finland unless otherwise stated in the insurance policy.

## 3 Coverable losses and related restrictions

### 3.1 Coverable losses

The insurance covers – under an insured operation within the territorial scope of the policy and using a vehicle specified in the insurance policy – the destruction of or damage to the cargo that the policyholder had accepted for lifting and that was being lifted against payment by professionals.

Further conditions for the payment of indemnity:

- the cargo was destroyed or damaged during the lifting operation,
- the policyholder is held legally liable for the loss,
- the cargo was destroyed or damaged during the insurance period
- the cargo was destroyed or damaged as a result of falling over, falling down or hitting an external object.

A lifting operation is considered initiated when a hook, chain, cable or equivalent lifting device is attached to the cargo with the actual lifting taking place immediately afterwards, and ended when the cargo is lowered down and the lifting device has been or could have been detached.

The insurance also covers any losses caused by the negligence of the policyholder or a person employed by the

policyholder while working under circumstances where the policyholder is, in accordance with the Tort Liability Act, comparable to an employee in relation to the party commissioning the work.

### 3.2 Restrictions

The insurance does not cover

- 3.2.1 any loss or damage caused when operating or otherwise moving a vehicle during the cargo lifting operation
- 3.2.2 any loss or damage caused to the insured themselves
- 3.2.3 any loss or damage caused with intent or through gross negligence

A loss can be considered to have been caused with intent or through gross negligence if, for example, the act, operating method or neglect involved a considerable risk for the loss to take place when considering the circumstances at hand.

However, the insurance does cover a loss that is caused with intent or through gross negligence if the policyholder, in their role as an employer, is responsible for a loss caused by an employee and the policyholder can prove that neither they nor their supervisors knew or were even supposed to know about the employee's actions.

3.2.4 any compensation liability that is based on the transport of goods under the Road Transport Agreement Act (345/79).

3.2.5 loss or damage insofar as the liability is based solely on a contract, promise, guarantee or other obligation, unless the liability would exist even without such an obligation being in force.

3.2.6 any loss or damage caused by the use of a motor vehicle in traffic under the provisions of the Motor Liability Insurance Act (279/59).

3.2.7 any loss or damage caused by the use of the vehicle in a criminal act.

3.2.8 any loss or damage to property that is or was rented, borrowed or otherwise at the disposal of the policyholder at the time of the act or failure that caused the loss.

3.2.9 any loss or damage caused by the cargo being unsuitable for lifting or moving due to its properties, or by the cargo not being able to withstand the strain of the lifting operation due to its structure.

**3.2.10** any loss or damage caused by the cargo being lifted from the wrong point or in a manner that did not comply with its lifting marks.

**3.2.11** any loss or damage caused by the weight of the cargo exceeding the classified lifting capacity of the vehicle-mounted crane.

**3.2.12** any loss of or damage to money, securities, precious metals, gemstones, precious metal jewellery or pearls, works of art or other valuables, or to live animals or plants.

**3.2.13** the insurance does not cover any cargo handling operations that are performed by two or more vehicles together.

#### **3.2.14 Communicable Disease Exclusion**

- Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage, liability, claim, cost or expense of whatsoever nature caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

## **4 Safety regulations**

**4.1** The driver of the vehicle must be in possession of an appropriate driving licence issued by the authorities and the qualifications necessary for the lifting and moving operations.

**4.2** The vehicle used for the lifting or moving operation and the crane used for the lifting operation must be road-worthy, inspected, registered and in safe working order as specified in the applicable rules and regulations, and its structures and equipment must be appropriate and in the condition required by the applicable rules and regulations.

**4.3** The policyholder must ensure that their employees and any other persons the policyholder is responsible for are aware of the safety regulations that apply to this insurance contract and comply with them in their operations.

**4.4** If the policyholder has not complied with the safety regulations specified above or otherwise applicable to the insurance, compensation may be denied or reduced.

The effect of the insured's actions in connection with the occurrence of the loss or damage is also taken into account in the consideration whether the compensation is to be reduced or denied in the aforementioned cases.

## **5 The policyholder's obligations**

### **5.1 Filing a claim**

The insured is required to notify the insurance company immediately of the loss or damage and provide it with the opportunity to inspect the damaged goods.

### **5.2 Prevention and limitation of loss or damage**

In the case of the immediate threat or realisation of an insurance event, the insured is obliged to take any necessary actions to prevent or limit the loss or damage.

This obligation refers only to actions which prevent the immediate threat of a liability loss to another party, but not any subsequent actions after the event, unless such actions have been separately agreed upon with the insurance company. Any reasonable costs arising from such immediate actions are covered under the insurance (see section 7.4 of the terms and conditions).

### **5.3 Notifying the police of a crime**

In the case of a crime, the policyholder or their representative must immediately notify the local police authorities in the region where the loss or damage occurred.

### **5.4 Claims settlement**

The policyholder must

- participate in the investigation of the loss at their own expense
- provide the insurance company with all information, documents and other material in their possession that are relevant to the claim settlement
- obtain and prepare any necessary clarifications available to the policyholder at a reasonable expense, and
- provide the insurance company with the opportunity to participate in bringing about an amicable settlement

### **5.5 Notifying the insurance company of legal proceedings**

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

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

- the loss report has been submitted before the statement of defence is given and
- the insurance company has approved the attorney being used.

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

The insurance company always retains the right to assume control of the legal proceedings.

(See section 7.5 Investigation and legal expenses.)

## 6 The insurance company's obligations

The insurance company must investigate whether the policyholder is liable to pay damages for any reported loss covered under the insurance, for the part exceeding the deductible, and negotiate with the claimant.

If the policyholder covers the loss, makes an agreement concerning it or accepts the claim, this will not be binding on the insurance company unless the amount of and grounds for the damages are manifestly correct.

If the insurance company has reached a compensation agreement with the party who has suffered a loss coverable under the insurance, and the policyholder does not agree to this, the insurance company will not be held liable for any subsequent expenses or for more than it would have indemnified on the basis of the aforementioned agreement. The insurance company will also not be required to conduct any further investigations into the matter.

## 7 Indemnification regulations

### 7.1 Maximum indemnity

The sum insured specified in the policy is the upper limit of the insurance company's liability in each insurance event, including both damages and other expenses coverable under these terms and conditions.

The expenses arising from the prevention and limitation of an impending loss as specified in section 5.2 are compensated even if the sum insured is exceeded.

### 7.2 Deductible

For each and every loss, the insured party's deductible or special deductible specified in the insurance policy will be subtracted from the total amount of damages, prevention costs and expenses arising from investigations, consultations, interests and legal proceedings.

However, the deductible does not apply to the costs arising from the limitation or prevention of loss.

### 7.3 Loss amount and indemnity

#### 7.3.1 Direct material damage

In the case of an event covered by the insurance, the insurance covers the destruction of or damage to insured cargo in the following manner:

The loss amount and the amount of indemnity payable under the insurance only covers the direct material damage caused to the cargo in accordance with either section 7.3.1.1 or section 7.3.1.2, with section 7.3.1.1 taking precedence.

#### 7.3.1.1 Repair costs

If the damaged item can be restored to its condition prior to the damage or to an equivalent condition by repairing it or replacing damaged parts with original or equivalent

parts, the loss amount and indemnity payable under the insurance equals the incurred repair costs.

The insurance does not cover any other loss, damage or cost arising from the destruction of or damage to the item.

#### 7.3.1.2 Indemnity based on fair value

If an item has been destroyed, the loss amount is calculated on the basis of the fair value of the item. The insurance covers the loss amount calculated on the basis of the fair value of the item.

An item is considered destroyed

- if the item is damaged in such a way that its original features have disappeared completely, or
- if the repair costs referred to in section 7.3.1.1 are higher than the fair value of the item.

The insurance does not cover any other loss, damage or cost arising from the destruction of or damage to the item.

### 7.4 Costs arising from the limitation or prevention of loss (See section 5.2 above)

The insurance compensates not only direct material damages but also such reasonable costs incurred by the policyholder in taking action to limit or prevent any occurred or imminent losses covered by this insurance.

The costs referred to in this section are covered even if the maximum indemnity specified in section 7.1 is exceeded as a result of this.

### 7.5 Investigation and legal expenses

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

Legal expenses are covered as specified in section 5.5 above.

### 7.6 Value added tax

If the insured is entitled, under the Value Added Tax Act, to deduct the value added tax included in the invoice or claim payable under the insurance, the value added tax is deducted from the indemnity paid under the insurance.

### 7.7 Joint and several liability

If several parties are jointly liable for the same loss, the insurance will only cover the portion of the loss that corresponds to the policyholder's share of the liability and to any advantage the policyholder may have gained from the insurance event. Unless otherwise specified, the maximum indemnity payable is no more than the per-capita share of the total loss.

## 8 Insurance premium

8.1 The insurance premium is determined on the basis of a separate cargo handling insurance tariff used by the insurance company. The insurance premium depends on such factors as the maximum value of cargo lifted at a time and the deductible.

### 8.2 Calculating the premium in advance

If, owing to the nature or extent of the policyholder's business, the insurance premium must be estimated in advance, the final premium will be determined after the expiry of the insurance period, at which time the difference between the final premium and the advance premium shall immediately be paid by or returned to the policyholder.

The policyholder is required to provide the insurance company with information on the premium bases specified in the insurance policy for the calculation of the premium for the insurance period and for defining the final insurance premium at the end of the insurance period.

If the policyholder does not provide the insurance company with the information it has requested for the purpose of calculating the final insurance premium within one month of the submission of the request, the insurance company will be entitled to set the final premium at an amount it considers reasonable.

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