



# Freight Forwarder's Liability Insurance

AKH 02 Insurance terms and conditions valid as of 1 January 2023

Read the cover restrictions and exclusions carefully.

## 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

With respect to terminal and warehousing operations, the insurance is valid in the terminal or warehousing area located in Finland that has been specified in the insurance policy.

In other forwarding operations, the insurance is valid worldwide.

## 3 Coverable losses and related restrictions

### 3.1 Coverable losses

The insurance covers material damages or financial losses caused to third parties during forwarding operations for which the policyholder is held liable, according to what is stated in the currently valid General Conditions of the Nordic Association of Freight Forwarders on transport, freight forwarding and warehousing, provided that the indemnification liability is based on an act committed or an omission that has occurred during the insurance period. (The commissions included in forwarding operations are defined in section 9 of the terms and conditions.)

Concerning freight forwarding commissions, the policyholder shall make a binding agreement with their principal to follow the General Conditions of the Nordic Association of Freight Forwarders. If this has not taken place, the maximum indemnity payable under the insurance is, in any event, the indemnity specified in the General Conditions of the Nordic Association of Freight Forwarders.

The insurance also covers any additional expenses incurred by the policyholder in cases where the policyholder has sent the goods to the wrong destination, up to a maximum of EUR 50,000 per insurance event and insurance period.

In shipbroking activities, the insurance includes the intermediation of contracts of carriage and ship clearing (see section 9 of the terms and conditions).

The insurance does not include the fire, water and burglary insurance referred to in section 25, paragraph A of the General Conditions of the Nordic Association of Freight Forwarders.

### 3.2 Restrictions

#### 3.2.1 Loss or damage sustained by the policyholder

The insurance does not cover loss or damage sustained by the policyholder.

#### 3.2.2 Production-related added value services

Unless otherwise agreed with the insurance company with an entry having been made in the policy, the insurance does not cover any operations where the forwarder undertakes to install, manufacture, assemble or price commissioned goods or performs other such jobs.

#### 3.2.3 FIATA Freight Forwarding Services document

The insurance does not cover any loss incurred as a consequence of a document drawn up in accordance with FIATA Freight Forwarding Services.

#### 3.2.4 Money and securities

The insurance does not cover the loss of or damage to money, securities, precious metals, jewellery or other such valuables.

#### 3.2.5 Taxes and fees on tobacco and alcohol products

The insurance does not cover customs duties, taxes or other similar fees on alcohol or tobacco products in international forwarding, transportation, terminal or warehousing operations.

#### 3.2.6 Contractual liability

The insurance does not cover any loss that is incurred as a result of a situation where the policyholder has, without agreeing about it in advance with the insurance company,

assumed greater liability than that specified in the General Conditions of the Nordic Association of Freight Forwarders or renounced a limit specified in a regulation included in the aforementioned conditions that limits their liability.

### 3.2.7 Road carrier's liability

The insurance does not cover liability for damages as specified under the Road Transport Agreement Act or the Convention on the Contract for the International Carriage of Goods by Road (CMR).

However, this insurance covers the policyholder's indemnification liability as a cargo carrier in terminal and warehousing operations provided that

- the loss will not be covered by some other insurance of the policyholder, and
- the loss occurs and is verified in the terminal or warehousing area specified in the insurance policy

### 3.2.8 Cargo carrier's liability

The insurance does not cover the indemnification liability of the insured as a cargo carrier in sea, air or rail transport. In sea transport, however, the insurance covers the indemnification liability of the insured as a cargo carrier in liner shipping in the Baltic Sea and North Sea region. Liner shipping refers to operating on an established and regular trade route between designated ports.

### 3.2.9 Goods unfit for transport

The insurance does not cover any damage to goods that, according to currently valid regulations, may not be transported.

### 3.2.10 Negligent guarding

The insurance does not cover any loss or damage incurred in the event that the transport vehicle, container, transport unit or goods item is left unguarded or the vehicle or the cargo space is left unlocked.

Guarding means that the area where the transport vehicle, container, transport unit or goods item is left is closed and guarded 24 hours a day and that the area is subject to continuous and adequate access control for people and vehicles.

Guarding also means that the vehicle may not be left without continuous supervision except for such business as is necessary for the completion of the transport assignment or the driver's own necessary personal needs for a short period of time. This supervision is continuous when the driver sleeps in the driver's cabin in the vehicle.

In transportation activities conducted within Finland, a transport vehicle, container, transport unit or goods item may be left unguarded for a maximum period of 24 hours (see special deductible 7.5.2.3). With respect to terminal and warehousing operations, goods must be guarded 24 hours a day.

In the aforementioned cases, the vehicle must be locked and its immobiliser and alarm equipment (see also section 9 SPECIAL TERMS AND CONDITIONS) must be switched on. Moreover, the vehicle and cargo space must always remain locked so that it is not possible to enter the vehicle or its cargo space without breaking in. If it is not possible to

lock the cargo space due to its structure, the vehicle must be parked, whenever possible, in a way that restricts access to the vehicle's cargo space. Moreover, the doors must be fitted with seals, and the intactness of the seals must be inspected in connection with every rest break.

### 3.2.11 Negligent protection

The insurance does not cover any loss or damage arising from goods being inadequately protected during carriage or while being stored outdoors.

### 3.2.12 Right of lien or retention

The insurance does not cover the obligation to pay damages when this arises from the exercise of a right of lien or retention.

### 3.2.13 Fines and other measures taken by the authorities

The insurance does not cover any fines, contractual penalties, forfeitures or losses arising from a writ of confiscation or any other such orders issued by the authorities.

### 3.2.14 Fire and liquid leakages

The insurance does not cover any loss caused by a fire, an eruption of liquid, steam or gas, or an unexpected stream from a water, sewer, gas or heating system when goods are stored in the policyholder's warehouse or terminal.

### 3.2.15 Dangerous goods

The insurance does not cover the policyholder's indemnification liability for any actions the policyholder has assumed as the sender, carrier or warehouse operator of dangerous goods.

### 3.2.16 Delay in storage

The insurance does not cover any losses caused by a delay that occurred in connection with the warehousing activities.

### 3.2.17 Time guarantee

The insurance does not cover any loss incurred by the policyholder when the policyholder exceeds the given transport time (time guarantee) as specified under section 7, paragraph 2 of the General Conditions of the Nordic Association of Freight Forwarders.

### 3.2.18 Other delays

In other delay-related losses than those specified in sections 3.2.16 and 3.2.17, the maximum indemnity is the amount that corresponds to the agreed upon freight for the commission.

### 3.2.19 Failure to take out storage insurance

The insurance does not cover any loss incurred when the policyholder has fully or partly neglected their insurance obligation as specified under section 25, paragraph A, of the General Conditions of the Nordic Association of Freight Forwarders and the loss would have been coverable under the aforementioned insurance.

### 3.2.20 Neglect of the obligation to insure

Unless otherwise agreed with the insurance company, the insurance does not cover any loss or damage caused by the freight forwarder's fault or neglect to take out the necessary and sufficient cargo insurance or any other insurance on behalf of the principal.

### 3.2.21 Disposal and cleaning expenses

The insurance does not cover expenses arising from the disposal or removal of damaged goods, or from the cleaning of a vehicle, load carrier or environment.

### 3.2.22 Undefined theft and loss identified during inventory

The insurance does not cover any loss in storage arising from theft or in cases where goods are lost or disappear and the theft cannot be defined or the loss or disappearance of said goods is detected during an inventory check.

### 3.2.23 Intent or gross negligence

The insurance does not cover any loss caused wilfully or through gross negligence by the policyholder or a third party for whom the policyholder is liable.

### 3.2.24 Temperature

#### At a terminal or warehouse

The insurance does not cover any loss of or damage to goods housed in a terminal or warehouse if said loss or damage is caused by excessive heat or cold or otherwise by temperature.

However, the insurance does cover loss or damage caused by excessive heat or cold or otherwise by temperature if the policyholder has provided storage for a vehicle, whose cargo space is appropriately equipped with a thermoregulator for the transportation of both refrigerated and heated goods, in a terminal or warehouse area entered in the insurance policy. In such cases, the deductible specified in clause 7.5.2.4 is subtracted from the amount of compensation.

#### During transport

The insurance covers loss or damage caused during transport by excessive heat or cold or otherwise by temperature. In such cases, the deductible specified in clause 7.5.2.4 is subtracted from the amount of compensation.

### 3.2.25 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

The policyholder, the insured or the party on whose behalf the policyholder is liable must observe the Forwarding (S 960) safety regulation and the safety regulations specified in the insurance policy or issued in writing elsewhere.

## 5 The policyholder's obligations

### 5.1 Filing a claim

The policyholder is obliged to notify the insurance company immediately of any 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 policyholder 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 transport 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 7.3 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 insurance company 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 the claim for damages concerns a loss or damage that in its amount and grounds 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.

## 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 informed the policyholder that it is willing to make an indemnification agreement with the party who has suffered the loss under the General Conditions of the Nordic Association of Freight Forwarders or under the general stevedoring and terminal regulations and the policyholder does not agree to this, the insurance company will not be required to compensate any subsequent expenses or pay any more than it would have under the aforementioned agreement. The insurance company will also not be required to conduct any further investigations into the matter.

## 7 Indemnification regulations

### 7.1 Damages

With the restrictions specified in these terms and conditions, the insurance covers the policyholder's liability to pay damages in accordance with the General Conditions of the Nordic Association of Freight Forwarders.

The prerequisite for indemnity is that the indemnification liability is based on an act, neglect or circumstance that occurred during the insurance period. Any losses and damages caused by the same act, neglect or circumstance are considered to constitute a single insurance event.

If several parties are jointly liable for the same loss, the insurance will only cover that share of the loss that corresponds to the policyholder's share of the indemnification liability. If no other basis exists, the indemnity is paid per capita.

### 7.2. Maximum indemnity

Maximum indemnity is determined on the basis of the General Conditions of the Nordic Association of Freight Forwarders, up to a maximum of EUR 650,000.

However, in connection with any expenses incurred by goods sent to the wrong destination referred to in section 3.1, the maximum indemnity is EUR 50,000 per insurance event and insurance period.

The expenses arising from the prevention and limitation of a loss are compensated even if the sum insured specified in the insurance policy is exceeded.

### 7.3 Costs arising from the limitation and prevention of loss

The costs arising from the limitation and prevention of loss are compensated in the manner described in section 5.2.

### 7.4 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 compensated in the manner described in section 5.5.

### 7.5 Deductible

#### 7.5.1 Basic deductible

For each and every loss, the insured party's 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, this deductible does not apply to the costs arising from the limitation or prevention of loss.

If two or more deductibles apply to the same insurance event, only one deductible, the largest, will be subtracted from the damages.

#### 7.5.2 Special deductibles

##### 7.5.2.1 Special deductible: Obstacle above the road

As an exception to section 7.5.1, if the damage occurs as a consequence of the vehicle or its cargo striking an obstacle above the road, the policyholder's deductible is 25% of the loss amount, but no less than the basic deductible specified in the insurance policy.

##### 7.5.2.2 Special deductible: Production-related added value services

As an exception to section 7.5.1, when indemnity is paid in accordance with section 3.2.2 of the terms and conditions for a loss or damage that occurred during a work performance, the deductible is 10% of the amount of the loss or damage, but at least the amount of the basic deductible specified in the insurance contract.

##### 7.5.2.3 Special deductible: Negligent guarding

As an exception to section 7.5.1, when indemnity is paid in accordance with section 3.2.10 of the terms and conditions for a loss or damage caused by negligent guarding in Finland that lasted for a maximum period of 24 hours, the deductible is 25% of the amount of the loss or damage, but at least the amount of the basic deductible specified in the insurance contract.

##### 7.5.2.4 Special deductible: Temperature

The insurance covers loss or damage caused during transport by excessive heat or cold or otherwise by temperature

(clause 3.2.24). In this case, the policyholder's deductible is subtracted from the amount of compensation as follows:

- The policyholder's deductible is 25% of the amount of the loss or damage, but at least the amount of the basic deductible specified in the insurance contract.
- Notwithstanding the above, if the loss is a direct consequence of a traffic accident for which the insured is liable, the policyholder's deductible is the amount of basic deductible in accordance with the insurance contract.
- Notwithstanding the above, if the loss or damage is a direct consequence of a breakdown of the thermoregulator in the cargo space, the deductible is 10% of the amount of loss or damage, but at least the amount of basic deductible in accordance with the insurance contract.

The thermoregulators in the cargo space refer to cooling or heating equipment whose cooling or heating power can be regulated by thermostat so that the temperature in the cargo space remains constant and as intended.

Breakdown refers to a sudden, unforeseen breakage or technical fault in the thermoregulator or a part thereof.

After the damage, the insurance company must be given an opportunity to inspect the faulty thermoregulator and the cargo space used for the carriage without delay.

When claiming compensation, the policyholder shall provide the insurance company with a statement by a repair shop or by other reliable party on any such breakdown of a thermoregulator, in addition to any other clarifications required.

If the policyholder neglects the above-mentioned measures, a deductible of 25% will be applied to the loss.

## 7.6 Deduction of value added tax

If, under the Value Added Tax Act (1501/93), the insured is entitled to deduct the value added tax included in the bill or claim for indemnity payable under the insurance, the value added tax is deducted from the indemnity paid under the insurance.

## 8 Insurance premium

### 8.1 Insurance premium

The amount of the insurance premium is determined in accordance with a separate company tariff. The amount of the premium is determined on the basis of, for example, the length of the insurance period, the turnover of the operations, 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 can only 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.

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

## 9 Special terms and conditions

In section 3.1 of these terms and conditions, the forwarding operations refers to following commissions or services:

- carriage of goods, agency services and intermediary services,
- logistic services, supply chain services and advisory services,
- storage of goods and warehousing services,
- stevedoring services and ship brokering,
- other services, such as – but not limited to – customs clearance, other customs and VAT related services, co-operation in the performance of the customers obligations under public law, assistance in handling insurance-related issues and assistance in relation to export and import documents.

In section 3.1 of these terms and conditions, the intermediation of contracts of carriage refers to any contracts of carriage by sea that the policyholder has concluded in their own name. This includes any tasks performed by the policyholder in their role as a shipping company agent or representative. Ship clearing refers to the activities pursued by the policyholder as the representative of a shipping company and/or shipmaster, including ship clearing and other related matters, as well as any assistance provided by the policyholder in this position to the owner of the goods, insofar as this does not contradict the policyholder's position as a representative of the shipping company.

As an exception to the provisions of section 31 of the Insurance Contracts Act (534/94), sections 3.2.10 and 3.2.11 are cover restrictions and not safety regulations.

The immobiliser referred to in section 3.2.10 of the terms and conditions refers to an electronic device that is used to prevent a vehicle from moving with the help of its own engine. This electronic device prevents the start-up of the fuel supply, ignition current or the vehicle in any other way unless the ignition key is in its place or the transponder of the electronic locking system is in the immediate vicinity of the vehicle. An electronic identifier to override the locking system may also be a personal PIN or other electronic key.

As an exception to sections 6 and 8 of the General Terms of the Contract and sections 31 (observing safety regulations) and 33 (identification) of the Insurance Contracts Act, sections 4 and 3.2.23 of these insurance terms and conditions apply not only to the policyholder and the insured but also to the person for whom the policyholder or the insured is liable.

Pohjola Insurance Ltd, Business ID: 1458359-3

Helsinki, Gebhardinaukio 1, 00013 OP, Finland

Domicile: Helsinki, main line of business: insurance

Regulatory authority: Finnish Financial Supervisory Authority, [www.fiva.fi](http://www.fiva.fi)

