

# Professional Indemnity Insurance for Construction Supervisor



Product guide  
Valid as of 1 April 2020

This product guide provides a general outline of what Professional Indemnity Insurance for Construction Supervisor covers and what the main exclusion clauses are.

Please also read the insurance terms and conditions as they define the content of the insurance. The following are applied to this policy:

- Professional Indemnity Insurance for Construction Supervisor, terms and conditions VA 09
- General Terms of Contract YL

Customer-specific special clauses can also apply to Professional Indemnity Insurance for Construction Supervisor.

## The insurance covers losses or damage relating to technical supervision in the construction sector

By building work supervision we mean construction supervision to ensure that construction is carried out in a way that is correct in terms of technical requirements and that it complies with the construction contract with regard to technical specifications. The technical supervision of building services engineering and excavation are also considered construction supervision.

If a building work supervisor fails to fulfil their duties and causes loss or damage, they can become liable for any loss or damage they cause. Professional Indemnity Insurance for Construction Supervisor covers this liability for damages. The insurance covers loss or damage which is a consequence of an error in building work supervision.

## Based on the general terms of contract for consultancy (KSE)

The general terms of contract for consultancy (KSE) are intended to be used in supervision commissions between consultant (i.e. construction supervisor) and customer. According to these terms and conditions, the supervisor's maximum indemnity is entered in the contract. In the absence of such an entry, the maximum indemnity, that can be paid from the insurance, is the amount of the supervision commission fee.

Professional Indemnity Insurance for Construction Supervisor covers losses and damage to the extent to which the policyholder is liable for them under the existing general terms of contract for consultancy (KSE).

However, the scope of compensation liability specified herein does not apply when work has been commissioned by a private individual or an institution considered to be a consumer.

## We determine your company's liability

In cases of losses which are covered by the policy and which exceed the deductible, we will determine whether your company is liable. We will work with you in investigating the loss or damage. If your company is liable for the loss, it will be indemnified, less the deductible. However, if the policyholder is not liable for the loss, we will defend the policyholder against the claimant in legal proceedings. Investigation and legal defence expenses are also covered.

## Losses or damage covered by the insurance

Professional Indemnity Insurance for Construction Supervisor covers bodily injuries, material damages and financial losses caused to a third party for which the insured is liable in accordance with the contract they have concluded or in accordance with the existing law. Indemnification liability can be based, for example, on an error, deficiency or negligence in building work supervision.

Payment of compensation requires a claim to be made in writing during the validity of the insurance. The loss or damage must also be a consequence of an act or a case of negligence occurring after the inception date of the insurance.

## The insurance does not cover all losses or damage

Professional Indemnity Insurance for Construction Supervisor does not cover everything your company can be liable for. The insurance includes exclusion clauses. Please read them carefully!

### Main exclusion clauses in the insurance

Professional Indemnity Insurance for Construction Supervisor does not cover, for example:

- consequential or indirect loss such as lost output or profit or other financial consequence.
- any work performed in order to repair the results of work done on the basis of a commission agreement, nor does it cover any work redone, even if the work is performed by a party other than the policyholder.
- appearance and quality faults in object of design.
- delays.

### Examples of losses

We have provided examples below showing which kind of losses are indemnified under Professional Indemnity Insurance for Construction Supervisor and which are not. These examples cannot be generalised, as the circumstances of each insurance event affect the claims settlement decision.

### Example

A construction supervisor had supervised a balcony renovation for a housing company, and approved the substandard work of the contractor as accepted in its entirety. The customer had paid the last instalments to the contractor, who was declared bankrupt before the errors and deficiencies for which they were responsible were rectified. The supervisor had made an error in accepting the contractor's work. On account of the supervisor's error, the housing company suffered financial losses in the form of the costs of rectifying the error in the work. We covered the loss from the supervisor's liability insurance, less the deductible.

### Example

A worked as a construction supervisor for a new build project. The contractor had installed drainage pipes contrary to the plans and instructions. The damage arose in connection with the use of the drains and the customer incurred loss from rectification in the form of the costs of reinstalling the drainage pipes and other repair costs. The customer sought compensation both from the contractor who performed the faulty installation and from the supervisor. The loss was covered by the contractor's liability insurance. The loss was not covered by the supervisor's professional indemnity insurance, as the liability insurance of the contractor who performed the faulty installation covered the loss.

## Territorial scope, maximum indemnity and deductible

Professional Indemnity Insurance for Construction Supervisor is valid in Finland.

The maximum indemnity for losses during a single insurance period is EUR 50,000 or some other sum that has been entered in the insurance policy. In addition to the compensation, the maximum amount includes also investigation and legal expenses relating to the loss.

The policyholder's deductible is 10 % per supervision commission, however, no less than EUR 2,000 or other higher amount entered in the insurance policy.

## Factors affecting the premium

The premium for Professional Indemnity Insurance for Construction Supervisor is determined by the company's line of business and invoicing. The premium is also affected by the chosen sum insured and the deductible.

## In the event of loss or damage

### Instructions

As soon as the loss is detected, efforts must be made to limit the loss and eliminate the cause of the loss. The reasons and the sequence of events leading to the loss must be properly documented and repair work started promptly to prevent any further delays. Allow us the opportunity to assess the loss with you.

Send us as accurate an account as possible of the factors and the error that led to the loss, and any contracts, drawings and designs concerning the commission.

### How to claim under professional indemnity insurance

The loss must be reported as soon as possible once information of the loss has been received or a claim has been made. The party suffering the loss cannot file a loss report on behalf of the policyholder. A loss report does not have to be filed in a specific format. You can do it through our eServices, for example, on the corporate liability loss form. The loss report should be made with care in order to ensure maximum speed and correctness in the processing of the claim. A loss report must be made within one year of the loss being discovered.

## Appeals

If you are not happy with the claim settlement decision, you can appeal it. See the instructions on filing a complaint or appeal appended to the claim settlement decision for instructions. For more information about appealing, go to [op.fi](http://op.fi).

### Handling of personal data

Pohjola Insurance processes customers' personal data in accordance with regulations in force and in a manner described in greater detail in the Privacy Statement and the Privacy Policy. It is recommended that the customer read such privacy protection information. The Privacy Statement and the Privacy Policy are available at [op.fi](http://op.fi) and the Pohjola Insurance's customer service outlets.

### Insurance sales commissions

The insurance company will pay a commission that is either a percentage of the insurance premium 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.



## Our services

### Manage your insurance matters at op.fi

Login to op.fi using the user identifiers for your own bank.

Once logged in, you can

- report a loss and file claims
- make changes to your company's policies
- order a Green Card
- print out certificates of insurance

### Pohjola Claim Help at your assistance 24/7

Pohjola Claim Help provides clear instructions for all types of accidents and losses. In the event of loss or damage, Pohjola Claim Help also lists the contact details of our doctor, repair shop and other partners.

Pohjola Claim Help is available at [claimhelp.pohjola.fi](http://claimhelp.pohjola.fi) and the OP Business mobile app.

## Our telephone services

Pohjola Insurance

- Insurance and Claims Settlement 0303 0303\*

Service numbers for statutory insurance\*\*

- Motor third party liability accidents 030 105 502
- Work-related accidents 030 105 503
- Motor third party liability and occupational accident insurance 030 105 501

\* From mobile phones and landline networks in Finland, EUR 0.0835 per call plus EUR 0.12 per minute. The price includes VAT.

\*\* Call charge: local/mobile network rate (lnr/mnr).

We record customer calls to assure the quality of customer service, among other purposes.

## Advice on claims and insurance policies

Our insurance and claims advisors provide personal assistance in our telephone service. You can also file a complaint or appeal an insurance or claim settlement decision with our customer ombudsman. For more information on filing an appeal, visit [op.fi/filing-a-complaint](http://op.fi/filing-a-complaint)

For independent advice, contact the Finnish Financial Ombudsman Bureau (FINE), tel. +358 9 685 0120, [www.fine.fi/en](http://www.fine.fi/en)

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](https://finanssivalvonta.fi/en)

