

Liability Insurance for Financial Loss

Product guide
Valid as of 1 April 2020



This product guide provides a general outline of what Liability Insurance for Financial Loss compensates and what the main exclusion clauses are.

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

- Liability Insurance for Financial Loss, terms and conditions VA 03
- General Terms of Contract YL.

Liability Insurance for Financial Loss can also involve special terms and conditions specific for certain customers or industries.

Who is Liability Insurance for Financial Loss designed for?

Liability Insurance for Financial Loss is intended for companies whose risks of loss or damage are primarily of financial nature. These include law firms, accounting and bookkeeping firms, real estate brokers and property management firms.

What does Liability Insurance for Financial Loss compensate and what is required of the policyholder?

Liability Insurance for Financial Loss compensates financial losses to the client or other parties that are not connected with bodily injury or material damage. The prerequisite for any compensation is that the policyholder is liable for the loss either

- to the client on the basis of a client agreement or
- to a third party under current legislation.

The insurance covers losses caused during the insurance period.

The policyholder must apply the regular commission agreement terms and conditions commonly used in the branch of business. If the policyholder uses

external service providers to execute its orders, the policyholder must obligate them as well to take out a Liability Insurance for Financial Loss and keep the insurance valid.

We will determine your company's liability

In cases of losses which are covered by the policy and which exceed the deductible, we will find out whether your company is liable to pay indemnity. When the loss is covered by Liability Insurance for Financial Loss and the policyholder is liable to pay compensation, we will pay the compensation directly to the injured party (less the deductible). However, if the policyholder is not liable for the loss, we will defend the policyholder against the claimant in trial. Investigation and legal defence expenses are also covered.

Liability Insurance for Financial Loss does not cover everything your company is liable for

Liability Insurance for Financial Loss will not cover everything your business can be liable for.

That is, Liability Insurance for Financial Loss always covers less than what the company's indemnification liability is. Liability Insurances for Financial Loss always include restrictions, read them carefully!

Liability Insurance for Financial Loss does not cover, for example,

- expenses caused by repairing work that has been completed incorrectly, or the expense of having to do the work again, even if the work is performed by someone else
- losses caused wilfully or through gross negligence
- a fine or any similar sanction.

Examples of losses

We have provided examples below showing which kind of losses are indemnified under Liability Insurance for Financial Loss and which are not. You cannot generalise these examples, because each loss event's circumstances affect the claims settlement decision.

Example

Books kept by accounting firm A contained errors. The errors did not cause a loss to the client, but the books had to be drawn up again nevertheless. The client had the books drawn up again by accounting firm B. Liability Insurance for Financial Loss does not compensate work performed in order to rectify the faulty result of work or work redone, even if the work is performed by a party other than the policyholder. That is, the costs for having the work done again was not compensated under accounting firm A's Liability Insurance for Financial Loss. The expenses would not have been covered even if A had drawn up the books again themselves.

Example

Law firm A was securing its customer's claim in a bankruptcy, but failed to secure preference to it on the basis of a business mortgage. There were only enough distributable funds in the estate for preferred receivables. Because there were not enough assets in the estate for ordinary claims, failure to secure the claim resulted in a financial loss of about EUR 9,000 to the client. This loss was compensated from the law firm's Liability Insurance for Financial Loss, less the deductible.

Example

Plaintiff A had lost its claim case in a district court and wanted to take the matter to the court of appeal. The plaintiff's lawyer failed to submit the petition of appeal to the court of appeal in time, and the court never took on the case. Having lost the right to pursue the case in a the court of appeal, A demanded the receivable amount from its lawyer.

It turned out that the claim would have been turned down in the court of appeal, too. A did not receive compensation under the lawyer's Liability Insurance for Financial Loss, because no loss was actually caused to A.

Example

An estate agent had arranged the sale of the client's house to the buyer. The sales brochure stated that the bathroom had floor heating. The buyer made an offer and eventually bought the house, trusting this information. Later it turned out that the sales brochure contained an error, and the bathroom had no floor heating. If the buyer had known about this, the offered price would have been lower. Because the broker is responsible for the correctness of information provided to the buyer, we compensated the loss under the Liability Insurance for Financial Loss, less the deductible. The loss amount was considered to be the difference between the accepted price and the estimated lower price based on the correct information.

Example

The property management company's job was to apply for a state subsidy for the modernisation of the housing corporation's building. The property manager failed to submit the application by the deadline, and therefore the subsidy was not received. The subsidy amount was compensated to the housing corporation from the property management company's Liability Insurance for Financial Loss, less the deductible.

Territorial validity, maximum indemnity and deductible

Liability Insurance for Financial Loss is valid in Finland unless otherwise stated in the insurance policy.

The maximum compensation under the liability insurance is EUR 50,000 or any other sum entered in the policy document. The maximum amount of indemnity paid for losses caused during a single insurance period equals double the sum insured recorded in the insurance policy. The maximum amount consists of the compensation and related investigation and legal expenses.

For each loss, a deductible of EUR 600 or any higher amount entered in the policy document will be subtracted from compensation or expenses payable under Liability Insurance for Financial Loss. If the compensation is paid directly to the injured party, the policyholder must pay the deductible to that party.

Factors affecting the premium

The insurance premium of Liability Insurance for Financial Loss is determined by the company's field of operation and the payroll amount. If no wages or salaries are paid, the premium basis is an estimate of the payroll amount corresponding to the value of the work. The premium is also affected by the chosen sum insured and deductible.

In the event of loss or damage

Instructions

Any losses should be reported to us as soon as possible. Please send us as detailed as possible an account of the loss, factors that led to it, and any action or neglect that contributed to it.

Claiming compensation under Liability Insurance for Financial Loss

The loss must be reported as soon as possible once information of the loss has been received or the 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, and you can do it on our Internet Service or website. 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.

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 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 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

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

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

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

