



Cargo Insurance

KU 05, valid as of 1 January 2024

Read the cover restrictions and exclusions carefully.

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CARGO INSURANCE

Structure of insurance terms

The insurance consists of two parts

Part 1: General Terms and Conditions of Cargo Insurance

Part 2: General Terms of Contract of Cargo Insurance

These insurance clauses shall, unless otherwise agreed, apply to companies' and entrepreneurs' cargo transported within Finland and from a foreign country to Finland. Cargo Insurance, International Clauses KU 07 shall apply to deliveries from Finland to a foreign country and within and between foreign countries.

The insurance includes War and Strikes Risk Insurance if agreed separately and indicated in the insurance policy.

Pohjola Insurance's General Terms of Contract (YL) shall not apply to cargo insurance contracts.

These terms and conditions can be deviated from if separately agreed upon and marked down in the insurance policy or agreement.

GENERAL TERMS AND CONDITIONS OF CARGO INSURANCE

1 Purpose of insurance

Pohjola Insurance Ltd (hereinafter the 'insurance company') shall indemnify under these clauses (KU 05) against any direct material damage to the insured goods caused by a sudden, unforeseeable event, and any other expenses specified herein.

2 Object of insurance

2.1 This insurance covers cargo and merchandise or other specified piece of property or benefit referred to in the insurance contract or policy.

2.2 The policy is valid only for transports using vehicles or equipment approved by the authorities for traffic use or goods delivery.

2.3 Unless otherwise agreed, the policy is not valid for towing or barge transportation.

2.4 Unless otherwise agreed, the policy is not valid for

- cash, other means of payment and securities
- precious metals, pearls, precious stones, jewellery and other valuables manufactured from the above-mentioned raw materials
- works of art and valuable collections;
- valuable instruments; and
- live animals.

3 Insurance coverage

Depending on the extent of the policy, the terms applied for this cargo insurance can be either

- Basic cover (clause 4) or
- Full cover (clause 5).

The insurance coverage is specified in the insurance policy.

If it has been separately agreed and the appropriate entry has been made in the insurance policy, War and Strikes Risk Insurance may be included in the coverage, with clause 8 of these insurance terms and conditions applied to them.

4 Basic cover

4.1 Risks covered by Basic Cover

The insurance covers loss of or damage to the goods caused by a sudden and unforeseeable external event as a direct consequence of the following occurrences, and the costs referred to in clauses 4.1.12 and 4.1.13.

4.1.1 Fire

Fire refers to flames which have broken loose.

4.1.2 Explosion

Explosion refers to an occurrence arising from overpressured gas, steam or other compound due to quick combustion.

4.1.3 Stroke of lightning

Stroke of lightning refers to either a direct stroke of lightning or excessive voltage caused by one.

4.1.4 Marine accident

Marine accident refers to the sinking or capsizing of a marine vessel, or its stranding or grounding or colliding with another marine vessel or a floating or fixed object.

4.1.5 Traffic accident

A traffic accident refers to a situation in which a means of surface transport, while being ashore, moving into or exiting a marine vessel, collides, overturns, derails or swerves off the road without being able to return to the road unaided. A collision does not refer to a collision arising from shunting or coupling railroad carriages.

A traffic accident also refers to a situation in which goods loaded in a means of transport collide into an object or obstacle outside the means of surface transport.

4.1.6 Aviation accident

An aviation accident refers to a situation in which an aircraft collides, swerves off the runway, crashes into the ground or overturns.

4.1.7 Jettison

Jettison refers to measures taken to prevent the imminent danger threatening the vessel or its cargo, with the result that the goods are thrown overboard.

4.1.8 Washing overboard

Washing overboard occurs when cargo loaded and secured on the deck is washed away into the sea by waves, but not if deck cargo was not secured in the first place or had become unsecured and subsequently washed into the sea under normal sea conditions.

4.1.9 Total loss during loading and unloading from/to marine vessel or aircraft

Total loss refers to destruction or damage beyond repair of goods due to falling from a vessel or aircraft during loading, unloading or reloading, with the goods' original properties completely lost or the goods ending in a condition from which they cannot be redeemed with reasonable cost within six months.

4.1.10 Earthquake, volcanic eruption, landslide or avalanche, whirlwind

4.1.11 Unloading goods from the vessel in a port of distress

4.1.12 Sacrifice, contribution and costs related to general average, and salvage costs

4.1.13 Reasonable damage prevention or limitation expenses of an imminent insurance event coverable under insurance

4.2 Extensions to Basic Cover

Based on a separate agreement, Basic Cover can be extended to cover loss of or damage to goods caused by a sudden and unforeseeable external event as a direct consequence of occurrences, provided that said extension has been stated in the insurance contract or policy:

4.2.1 Breakage

Breakage means that the goods have been cracked, bent, bruised, dented, fractured or otherwise damaged as a result of a knock or similar external event.

4.2.2 Non-delivery

Non-delivery means that, owing to an event referred to in the policy, goods have not arrived at the destination specified in the insurance contract, nor is it known where the goods may be or their location cannot be ascertained within a reasonable time (see clause 24.2).

4.2.3 Theft

Theft means the stealing of a specific item being acknowledged without delay, provided the insurance event is not a burglary or robbery.

4.2.4 Burglary

Burglary means stealing or criminal damage, when a locked vehicle, container, storeroom, building or fencing providing sufficient structural protection has been

- broken into by damaging its structures or locks, or
- entered using a key which was obtained either through robbery or burglary as described above.

4.2.5 Robbery

Robbery means stealing combined with immediate personal violence or threat thereof.

4.2.6 Shortage

Shortage means exceptional reduction of the goods in terms of weight or volume during transportation or storage. Shortage also refers to the missing of a part of a shipment that is detected immediately.

4.2.7 Leakage

Leakage refers to exceptional flow of fluid, vapour or gas from the goods package, tank, container or vehicle.

4.2.8 Wetting

Wetting means that goods are damaged or spoiled due to having got into contact with water or other fluid or steam during transportation or storage.

4.2.9 Thermal damage

Thermal damage refers to goods becoming damaged or spoiled owing to incorrect transport or storage temperature.

The policy will not be valid unless the policyholder has given written instructions to the carrier on the proper temperature, and the means of transport or cargo-carrying unit is both suitable for the type of transport and in appropriate condition and, prior to shipping, the temperatures were found to conform with the shipping document or other written instructions.

4.3 Extensions to Basic Cover are not valid if the goods insured include

- import forwarding,
- bulk cargo,
- goods carried by land on an open conveyance outside of Finland
- deck cargo

Deck cargo is not considered to include goods carried in a box container, box trailer or box van. A conveyance or container equipped with a removable tarpaulin cover is not considered a box container, box trailer or box van.

5 Full Cover

5.1 The insurance covers, with the restrictions referred to in the terms and conditions

- damage to the property by an external and sudden and unforeseeable insurance event
- sacrifice, contribution and costs including salvage costs related to a general average, and
- reasonable damage prevention or limitation expenses of an imminent insurance event.

The insurance also covers thermal damage provided that the policyholder has given written instructions to the carrier on the proper temperature, and the means of transport or cargo-carrying unit is both suitable for the type of transport and in appropriate condition and, prior to shipping, the temperatures were found to conform with the shipping document or other written instructions.

5.2 The insurance is nevertheless valid as Basic Cover (see 4.1) if the goods insured include

- import forwarding
- bulk cargo
- goods carried by land on an open conveyance outside of Finland
- deck cargo.

Deck cargo is not considered to include goods carried in a box container, box trailer or box van. A conveyance or container equipped with a removable tarpaulin cover is not considered a box container, box trailer or box van.

6 Exclusions

6.1 In no case shall this insurance cover loss, damage or expense caused by

- 6.1.1 a war, civil war or other insurance events that are also regarded as indemnifiable under the insurance company's war risk insurance clauses of cargo (see War Cover clause 8)
- 6.1.2 a strike, lockout, riot, civil commotion, looting, terrorism or sabotage
- 6.1.3 ionising radiation or radioactive contamination originating from nuclear fuel or nuclear waste or the combustion of nuclear fuel
- 6.1.4 explosive, radioactive, toxic or other dangerous or contaminating characteristic of a nuclear power plant, reactor or other nuclear equipment or the related component

6.1.5 the use of any weapon of war employing atomic or nuclear fission and/or other similar reaction or radioactive force or matter

6.1.6 the embargo, seizure, requisition, confiscation, quarantine delay or other measures taken by civil or military authorities

6.1.7 intent by policyholder and the insured person

6.1.8 The insurance does not cover liability for damages to a third party.

6.2 Unless otherwise agreed, in no case shall this insurance cover loss, damage or expense caused by

6.2.1 ordinary loss in weight or volume, or ordinary chafing, wear and tear or scratching

6.2.2 non-performance or malfunction of electronic or electric devices, which cannot be shown to be the direct consequence of a blow or knock or equivalent covered by the insurance

6.2.3 the fact that the property was not, prior to transportation, properly packaged, marked, protected or equipped to withstand normal load taking into account its exposure to damage and transportation, handling and storage conditions

6.2.4 insufficiency or unfitness of the vehicle, of lashing of the cargo, or of the container for safe transit which has been or should have been known to the policyholder upon loading or stowing of the goods

6.2.5 the insurance does not cover loss of or damage to the transport packing of the goods

6.2.6 inherent vice or nature of the goods insured

6.2.7 moisture content variation or the condensation of airborne humidity in the container, vehicle, storage, goods or transport packing

6.2.8 exposure to light or atmospheric radiation

6.2.9 Thermal damage

If the policy applies to Full Cover or Basic Cover inclusive of thermal damage, the policy also covers thermal damage, provided that the policyholder has given written instructions to the carrier on the proper temperature, and the means of transport or cargo-carrying unit is both suitable for the type of transport and in appropriate condition and, prior to shipping, the temperatures were found to conform with the shipping document or other written instructions.

6.3 However, the insurance covers thermal damage caused as a direct consequence of an insurance event covered by Basic Cover.

6.4 Unless otherwise agreed, in no case shall this insurance cover

6.4.1 expenses arising from the removal or destruction of damaged goods

6.4.2 cleaning expenses for the means of transport or container, or environmental decontamination expenses

6.4.3 loss of or damage to the goods insured caused by delay. This applies even if the delay had been caused by an insured risk

6.4.4 loss of time, interest, profit or market or loss caused by late arrival or other consequential losses or indirect costs

6.4.5 loss, damage or expense arising from insolvency, criminal or fraudulent act of the carrier or intermediary through whom the policyholder has concluded a contract of transit resulting in non-performance of the transit. This exclusion shall not apply if the policyholder can be considered to have acted in good faith and have not been aware of the insolvency or the criminal or fraudulent act.

6.4.6 costs of transshipment, freight which is not at the risk of the policyholder or the insured, or costs payable for goods damaged or disappeared at the place of destination, such as customs duties, taxes or similar charges.

7 Duration for a single transit

7.1 Attachment of the insurance

The insurance attaches when goods are for the first time being moved from the place of storage for immediate loading into the means of transport that has been reserved for it to begin transportation. If, after completion of the loading, commencement of the transit is delayed owing to circumstances beyond the policyholder's control, this insurance remains in force during such delay. The actual transit is considered to include any ordinary handling and transfer of the goods carried out during the insured transit outside the shipper's or consignee's premises.

7.2 Duration of the insurance

7.2.1 The insurance continues to be in force during the ordinary course of transit covering ordinary transshipment, intermediate storage, loading and discharge connected therewith.

7.2.2 This insurance also covers any such transit or storage of the goods in lighters within the port area as is an ordinary part of a sea transit not exceeding a period of eight days counting from the day of loading the goods into the lighter.

7.2.3 In case of deviation or transshipment other than ordinary or delay in excess of the time limits specified in 7.3.2 arising from circumstances beyond the control of the policyholder, the insured or any person identifiable to them, the insurer also covers such extension, provided that this has been separately agreed upon with the insurer.

After becoming aware of the aforementioned circumstance, the policyholder shall give prompt notice thereof to the insurer. In case of non-compliance, the insurer is exempted from all liability for any loss or damage due to such circumstances.

7.3 Termination of the insurance

7.3.1 The insurance terminates when the goods have arrived at the destination stated in the insurance contract and have been unloaded from the transport equipment and immediately transferred to a storage place in the unloading site or when the policyholder, the insured or any person identifiable to them has prior to that exercised his right of disposal to have the goods stored, sorted, distributed or sold, or decides to forward the goods to a place

other than that named in the insurance policy or referred to in the insurance contract.

7.3.2 Unless otherwise agreed, this insurance will be terminated at the latest

- upon expiry of 60 days counting from midnight of the day of discharge of the insured goods from the seagoing vessel at the final port of discharge, or
- upon expiry of 30 days counting from midnight of the day of discharge of the goods from the aircraft at the airport at the place of destination, or
- upon expiry of 8 days counting from midnight of the day of discharge of the insured goods from a means of transport other than vessel or aircraft at a customs house, railway station or other cargo terminal at the place of destination.

7.4 Interruption of transit

7.4.1 When the policyholder, the insured or any person identifiable to them by his action or failure to take action

- delays or interrupts the forwarding of the goods from the port of discharge to the final destination, or
- causes the goods to be stored at any place other than the final warehouse or place of storage at the place of destination named in the insurance policy or referred to in the insurance contract,

this insurance terminates upon commencement of such delay, interruption or storage.

7.4.2 If, owing to circumstances beyond the control of the policyholder, the contract of affreightment has been terminated and the goods have been discharged at a place other than the final destination and the policyholder, the insured or any person identifiable to them will not take delivery of the goods at the place, this insurance continues to be in force on such terms and at such additional premium as agreed separately

- until the goods have been sold at such place
- until the policyholder has requested to terminate this insurance, or
- if the goods are forwarded either to the destination named in the contract of affreightment terminated or to any other agreed destination, until this insurance has been terminated as stipulated in 7.3,

provided that the policyholder has given the insurance company prompt notice of such circumstances and no loss or damage to the goods insured has been reported to the policyholder or to the insurance company at this time.

8 War and strike clauses

Cargo insurance includes War and Strikes Risk Insurance if agreed separately and indicated in the insurance policy.

War cover applies only to marine and air transport and transport of postal items.

8.1 Validity of War and Strike Clauses in High War Risk Areas

War and strike insurance is not valid in high war risk areas unless otherwise agreed with the insurance company in advance.

The validity of insurance cover in these areas must be agreed individually for each shipment with the insurance company, and the insurance company must be contacted at least three days before the beginning of shipment. The insurance company must be notified of the shipment's value, terms of delivery and planned route. If the insurance is granted to a high war risk area, the insurance company may charge an additional premium according to the assessed level of risk.

High war risk areas refer to areas whose risk level for war or strikes is rated 3.2 or higher by the JCC Cargo Watchlist compiled by the Joint Cargo Committee. The list is published on IHS Markit's website and is updated monthly.

The updated list of risk levels is located at:

JCC Cargo Watchlist

https://watchlists.ihsmarkit.com/services/watchlistinspector.aspx?watchlist_id=a661e336-c342-4965-b1e7-70980edf8cc2

A link to this list can also be found on our website:

<https://www.op.fi/corporate-customers/insurance/property-insurance/cargo-insurance>

8.2 Extent of war cover

The war cover condition is superordinate and overrides anything that may contradict it in the terms and conditions herein, in the general terms and conditions or in the insurance policy or agreement.

If separately agreed, this insurance covers the loss, damage or expenses, as referred to in clause 6.1.1 of the Cargo Insurance General Terms and Conditions, caused by an external factor to the goods insured, and the related expenses, as a direct consequence of any of the following events, with exclusions specified in the war cover terms and conditions herein.

8.2.1 War damage caused by

8.2.1.1 ammunition, missiles, bombs, torpedoes, mines or other weapons used for their intended purpose, regardless of whether or not these were used in war or warlike conditions

8.2.1.2 capture, embargo, seizure or any other such act by a belligerent power if the act causes loss, damage, or expenses in relation to the goods or their packaging

8.2.1.3 a collision or any other impact caused by a vessel or aircraft of a belligerent power, or parts thereof

8.2.1.4 the act of a person participating in a civil war or suchlike act, revolution, rebellion, sabotage of a political nature or other comparable unrest

8.2.1.5 use of a weapon or the detonation of an explosive device based on a political motive or as a malicious act.

8.2.2 Any accident that occurred because

8.2.2.1 a beacon, lightship, navigation mark or flight director system had been removed or displaced or ceased to function, or had been prevented from functioning properly for a comparable reason

8.2.2.2 those in authority had prohibited a vessel or aircraft from using marine or air navigation aids

8.2.2.3 a vessel or aircraft had joined a convoy or taken some route or seaway because of war, where such arrangements contributed to the risk of loss or damage and would have not been necessary under normal conditions. However, the cases mentioned in this Clause require that no evident navigational error or other such reason unrelated to war contributed to the occurrence of loss or damage.

8.2.3 A fire or accident which occurred

8.2.3.1 as the result of an act of a belligerent power. This requires that the journey was immediately brought to a halt and the interruption continued for a maximum of 30 days from the beginning of said act.

8.2.3.2 when the vessel or aircraft was under the command of, or steered by, officers designated by a belligerent power

8.2.3.3 when a person appointed by a belligerent power was navigating or providing navigational directions.

If an insurance event mentioned in Clause 8.1.1 is a general average as referred to in Decree 502/1980, or if the event caused expenses of the type referred to in Chapter 14, Section 40 of the Maritime Act (674/1994), this insurance will only cover the general average contribution of the goods, or the share of the expenses referred to in the above-mentioned Section. This contribution or share is covered provided that it has arisen after the vessel or aircraft has been in the territory of a belligerent power for seven days upon arriving or having been taken there for inspection, and provided that the costs incurred as a result of commissioned officers' and the crew's pay and provisions, fuel consumption of the vessel or aircraft during this time, or other direct costs. No compensation is paid for the journey of a vessel or aircraft to or from a checkpoint.

8.3 Exclusions to war cover

8.3.1 The policy does not cover damage caused by a nuclear explosion.

8.3.2 This insurance does not cover loss caused by expropriation, embargo or seizure performed by a Finnish authority.

8.3.3 Nor does the insurance cover any indirect loss or cost even if this were caused by an insurance event covered by this insurance, such as the following:

8.3.3.1 the voyage is delayed, re-routed or interrupted or the goods are unloaded, reloaded, stored or sold because of a blockade, increased risk, or other similar reason

8.3.3.2 if the goods suffer cyclical loss

8.3.3.3 if markets shares are lost

8.3.3.4 a decrease in the value of the goods as a result of defective packing

8.3.3.5 inherent vice in the goods

8.3.3.6 increases in duties, or export or import bans.

8.3.4 Nor does the insurance cover any other corresponding cost or indirect loss.

8.4 Validity of war cover during a single transit

8.4.1 Attachment, continuation and termination of war cover in marine and air transport

8.4.1.1 War cover attaches from the time when the goods are loaded on a vessel or aircraft.

8.4.1.2 War cover will continue in force for a maximum of 15 days from the time the goods are unloaded in any place that does not constitute the destination in the freight contract and forwarded by another vessel or aircraft, provided that the goods are not transferred out of the port or place of discharge. If war cover has expired during this time, it will reattach when the goods are loaded on a vessel or aircraft used for on-carriage, provided the on-carriage is reported to the insurance company and an additional premium agreed prior to the commencement of the carriage.

8.4.1.3 This insurance terminates when the goods have been discharged from a vessel or aircraft at their destination or another place that constitutes the destination in the freight contract. However, war cover terminates no later than 15 days upon the expiry of the vessel's or aircraft's arrival, unless the goods have not been unloaded by that time.

8.4.1.4 This war insurance also applies to loss or damage caused by a floating or submerged mine or abandoned torpedo if the goods were loaded from land onto a barge or vessel at the point at which the journey began. This insurance terminates when the goods have been discharged at the destination from a vessel or barge used for the delivery of the goods.

8.5 Attachment, continuation and termination of war cover in postal transport

8.5.1 War cover attaches when the goods are delivered to the postal service.

8.5.2 War cover continues to be in force during the ordinary course of transit covering ordinary transshipment, intermediate storage, loading and discharge connected therewith.

8.5.3 War cover terminates when the postal service delivers the goods to the recipient.

8.6 Compensation provisions concerning war cover

The insured is entitled to compensation if the captured, embargoed or seized goods have been declared lost by the legally valid judgement of a court of law. Otherwise, the special contract terms of Cargo Insurance apply (part 2).

8.7 Termination of war cover

8.7.1 The policyholder or the insurance company may cancel the insurance so as to end within two days from midnight on the day when the insurance company issued or received written notice of said cancellation.

8.7.2 However, such a cancellation does not apply to cargo insured if the war risk insurance attached prior to the cancellation taking effect.

8.7.3 However, such a cancellation does not apply to specified cargo reported to the insurance company before submitting the notice of cancellation, provided that the goods are loaded onto a vessel or aircraft which leaves the loading place within 15 days of the attachment of the insurance. If the vessel or aircraft does not embark on the

intended journey within 15 days, the insurance will expire regardless of the other conditions of the cargo insurance contract.

8.8 Extent of strike cover

The insurance covers loss, damage or costs, as referred to in the exclusions 6.1.2 of the Cargo Insurance, General Terms and Conditions, caused by employees engaged in a strike or lockout, or people engaged in riots, civil unrest, looting, terrorism or sabotage.

In other respects, the General Terms and Conditions of Cargo Insurance and the General Terms of Contract of Cargo Insurance shall apply.

9 Special Corporate Insurance's additional cover

No compensation is made under the insurance if compensation liability is based on forwarding, warehousing or transport operations or the Road Transport Agreement Act, similar foreign acts, the CMR Convention or another Finnish or foreign act, regulation or agreement related to a mode of transport, or the forwarder's liability in accordance with the General Conditions of the Nordic Association of Freight Forwarders.

GENERAL TERMS OF CONTRACT OF CARGO INSURANCE

10 Key concepts

A **policyholder** is a party who takes out an insurance policy with an insurance company, or underwrites insurance.

The **insured** is the party for whose benefit the insurance is valid.

The **insurer** is the insurance company issuing the insurance. In these terms and conditions, the insurer is referred to as 'the insurance company'.

The **insurance period** is the agreed time indicated in the insurance contract or policy during which the insurance is valid. A continuous contract continues for one agreed insurance period at a time, unless either party terminates the contract.

Total sum insured is the total insurable value of the goods insured per insurance period.

The **premium period** is the period for which a premium is paid as agreed.

An **insurance event** is an event for which compensation is paid under the insurance.

A **safety regulation** is an obligation by the policyholder or insured to observe instructions specified in the insurance contract, insurance policy or insurance terms and conditions, or otherwise written down, aimed at preventing or restricting the occurrence of loss.

Marine insurance refers to cargo insurance against risks the insured goods may be subjected to during sea transport. If any leg of the transport is in fact or is intended to be by sea, the entire transport is considered a sea transport.

Other cargo insurance refers to cargo insurance against the risk the insured goods may be subjected to during transport other than sea transport.

Insured goods refer to merchandise specified in the insurance contract or policy that is subject to transport or storage, or other property specified in the contract.

Storage refers to storage that is directly connected to regular transport.

Container refers to a freight container, flat rack or similar transport unit.

Merchandise refers to an invoiced product or commodity which is intended for trading, being transported or stored in connection with transportation.

Entrepreneur refers to a natural or legal person who is engaged in profession or business to earn income or make a profit.

11 Disclosure of information prior to concluding an insurance contract

11.1 Insurance company's obligation to disclose information

Before a continuous insurance policy is given out, the insurance company provides the policyholder with the necessary information such as the insurance company's insurance types, premiums and insurance terms and conditions to evaluate insurance needs and to help choose a suitable product.

Policyholders who have chosen insurance for a fixed period or for a specific transport will be informed of the insurance terms and conditions and premiums before the insurance enters into force.

11.2 Policyholder's obligation to disclose information

The policyholder means here also the insured and a representative of the policyholder or the insured.

Prior to the insurance being granted, the policyholder and the insured shall provide correct and adequate information on all issues that may be relevant to the assessment of the insurance company's liability, such as information on the company's line of business, goods and their value, and susceptibility of damage, transportation, means of transport and claims history. During the validity of the insurance period, policyholders must also correct without undue delay any information provided to the insurance company that they have found to be erroneous or deficient.

If the policyholder has neglected his obligation to disclose information, the insurance contract will not bind the insurance company, or the insurance company may decide to lower or altogether decline compensation. Before making a decision on the consequences, it must first be established to what extent the erroneous or deficient information provided by the policyholder contributed to the loss. In addition to the above, the insurance company has the right, under clause 27.3, to terminate the contract.

If the policyholder has acted in bad faith, the insurance company has the right to withhold all premiums paid, even if the insurance has been annulled or terminated before the end of the insurance period.

12 Insurable value and sum insured

12.1 Insurable value

12.1.1 Merchandise

The insurable value is, unless otherwise agreed:

The invoiced amount,

- added with freight costs that are the responsibility of the insured, unless they are included in the invoice
- added by 10% of the total value of the above.

12.1.2 Other than merchandise

The insurable value is, unless otherwise agreed, the market value of the goods added with the transportation costs that are the responsibility of the insured.

By the goods' market value we mean its value when put on the market in the place and on the date the insurance concerning a single transit enters into force.

If the goods have no market value, the insurable value is the goods' absorption value. This means its cost value without sales profit or its purchase price in the place and on the date the insurance enters into force.

The insurable value is the product's absorption cost, unless otherwise agreed, in the following shipments:

- internal shipments between the policyholder's operating premises
- shipments from/to subcontractors.

12.2 Sum insured

The sum insured must be set at the insurable value.

The sum insured is based on the policyholder's own notification and the insurance company will not be responsible if the sum does not correspond with the actual total sums insured for the shipments. The insurance company is under no obligation to check the correctness of the notification of the sum insured.

However, the sum insured can be separately agreed upon with the insurance company. The sum insured is binding to both parties unless the insurance company can prove that compensation paid on its basis would be considerably higher than necessary to cover the costs.

13 Maximum liability

The maximum amount of compensation paid by the insurer for any one conveyance, transit or immediate storage is the maximum aggregate sum insured of the goods transported, as specified in the insurance contract or policy. Moreover, the maximum liability is also the insurance company's maximum indemnification liability, unless otherwise specified in the insurance terms and conditions.

14 Overinsurance and underinsurance

Property is overinsured if its sum insured is higher than its insurable value.

Property is underinsured if its sum insured is lower than its insurable value.

See clause 24.9 for compensation practices in cases of under- and overinsurance.

15 Commencement of the insurance company's liability and validity of the insurance contract

15.1 Commencement of the insurance company's liability

The insurance company's liability commences on the date agreed by the parties. If no commencement date has been agreed, the insurance company's liability will begin as soon as the policyholder or the insurance company has issued or sent an affirmative reply to the offer of the other contracting party.

An insurance application or an affirmative reply which the policyholder has submitted or sent to the insurance company's representative is considered to have been submitted or sent to the insurance company.

If it is unclear what time of day the reply was issued or sent, it is considered to have taken place at midnight.

15.2 Validity of insurance contract

The insurance contract is continuous unless otherwise agreed. A continuous insurance contract is valid for one insurance period at a time until either party terminates it in writing at least one month before its expiry date.

A fixed-term insurance contract is valid for the agreed period. An insurance contract for a single transit is valid for the duration of a specified transit.

If either party terminates the agreement either on the basis of clauses 27.2–27.4 or some other clause in the contract, the insurance shall nevertheless cover all transport that started during the validity of this contract. Unless otherwise agreed, insurance cover for other risks, such as storage, ends upon the expiry of the contract at the latest.

16 Transport and storage included in the insurance contract

The insurance contract applies to the transport and storage of goods in the policyholder's line of operation and business that are specified in the insurance contract.

Unless otherwise agreed, the insurance contract will nevertheless not apply to the carrier's shipments for which no bill of lading, consignment note or other documentation of carriage or electronic registration exists.

16.1 In order for a single transit to be included in an insurance contract, the transit must begin during the contract's validity and the policyholder must, in accordance with the sales agreement, terms of delivery or other contract that was made before transport,

- carry the risk for transport damage or
- be obliged to take out cargo insurance for the benefit of the other party.

However, the insurance contract does not include shipments in which the insurance obligation lies with the sales counterparty or other party to the contract (for example when the goods are purchased under CIF or CIP conditions or equivalent).

16.2 If it has been specifically agreed with the insurance company, the insurance contract may include all shipments related to the policyholder's line of operation and business, regardless of which party to the sale carries the risk or has the obligation to take out insurance under the sales agreement, terms of delivery or other agreement made before transport.

16.3 Goods bought during transit will be included in the insurance contract as soon as the risk for the goods or the obligation to insure has been transferred to the policyholder, provided the arrangement has been agreed in advance between the insurance company and policyholder.

16.4 The date of the shipment's first bill of lading, mate's receipt, consignment note or other equivalent document or electronic registration determines whether the transport otherwise covered by the insurance contract actually began during the validity of the contract. If the document date deviates from the date when the liability is to begin as specified in the cargo insurance terms and conditions, the inception date in the terms and conditions takes precedence.

16.5 Transport or storage included in the insurance contract may not be removed, even in part, from the contract afterwards, even if the buyer, seller, forwarder or some other party had insured the goods by taking out some other insurance.

17 Insurance premium

17.1 Determining the amount of insurance premium

Insurance premiums are determined on the basis of the principles confirmed in the insurance contract or policy based on, for example, the total sum insured of shipments during the insurance period, the company's net sales, or the sum insured of an individual shipment. If the basis for payment has not been agreed upon, cargo insurance is priced case by case.

If the insurance premium is less than the minimum sum specified in the insurance contract, it equals the minimum sum.

Unless they are included in the insurance premiums, statutory insurance premium taxes or fees are charged in addition to the premiums mentioned in the insurance contract.

The policyholder must provide the necessary information within the time specified by the insurance company in order to calculate the premium. If the information arrives late, the insurance company may calculate the premium using the previous insurance period's information.

Using an accountant authorised by the Central Chamber of Commerce, the insurance company is entitled to obtain information on the policyholder's accounts and documents to the extent that is relevant concerning the policyholder's obligations under the insurance contract.

17.2 Payment of premium

Premiums must be paid by the due date. If the amount of payment made by the policyholder is not sufficient to cover all of the amounts of insurance company's premiums outstanding, the insurance company has the right to decide for which outstanding premium the money will be used.

17.3 Delays in payment of premium

If a premium has not been paid on the due date, the insurance company has the right to terminate the insurance contract in 14 days from the dispatch of the notice of termination.

Any overdue insurance premium payment is subject to late payment interest under the Interest Act.

17.4 Premium refunds

If a continuous insurance contract terminates before the date agreed, the insurance company is entitled to the premium only for the period which it provided cover for. If the insurance premium is primarily determined by a factor other than time, such as the total sum insured of completed shipments, the insurance company's entitlement to the premium is calculated on this basis. The rest of the premium paid is returned to the policyholder, but the insurance company has the right to deduct reasonable expenses incurred from making the insurance contract and returning the premium.

However, no premium is returned if the amount is the minimum sum or less.

The premium for the insurance period will not be refunded if compensation paid during the insurance period amounts to

- the entire sum insured or
- the object of insurance in full.

Neither will the insurance premium be returned if the insured or policyholder has acted in bad faith in situations referred to in clauses 18.2 and 27.3.

17.5 Setoff against premiums to be returned

The insurance company may deduct the policyholder's overdue premiums and other outstanding amounts referred to in the insurance contract from the premium to be refunded.

18 Disclosure of information during validity of contract

18.1 Insurance company's obligation to disclose information

Upon entering into an insurance contract, the insurance company issues the policyholder with the terms and conditions of insurance plus the insurance contract, certificate or policy. If the policyholder has been informed about the extent of the insurance cover owing to previous customer relationship, the documents will only be sent upon request.

During the validity of the insurance, the insurance company will notify the policyholder in writing about any insurance-related matters of obvious relevance to the policyholder.

18.2 Obligation of the policyholder and insured to disclose information on increased risk

Following the conclusion of the insurance contract, the policyholder or the insured shall inform the insurance company without delay during the insurance period of any material change in the circumstances or state of affairs entered in the policy or insurance contract that may increase risk, which the insurance company could not be regarded as having taken into consideration at the time of concluding the insurance contract.

These may include risk-increasing changes in the company's industry, business, corporate structure, goods shipped, method and area of transport. Increased risk may result in reviewing the insurance validity, the terms and conditions and premiums.

If the policyholder or the insured neglects this obligation, the indemnity may be reduced or disallowed. The effect of the changed, risk-increasing circumstance on the occurrence of the loss or damage is taken into account when considering whether to reduce or disallow the compensation.

18.3 Policyholder's obligation to disclose the total sum insured or net sales used as basis for premium

The policyholder must inform the insurance company, in a manner specified in the contract, of the following that are used as a basis for shipment and/or storage premiums included in the contract:

- the total sum insured of the goods during the insurance period. As to merchandise, the total sum insured must include the invoiced value and the freight costs that are the responsibility of the insured, unless they are already included in the invoice. The total value of the above items is added with 10% (see also insurable value, clause 12.1). For other than merchandise, the total sum insured to be given is its market price or cost price plus freight costs or
- the company's net sales.

If the policyholder has not engaged in any goods transport or storage referred to in the contract, this must be reported too.

18.4 Policyholder's disclosure obligation when the insurance period changes

18.4.1 Continuous insurance contract without balance procedure

The insurance company will charge the premium for each insurance period on the basis of the preliminary estimate calculated from the payment bases confirmed in the insurance policy. The key figures (total sum insured or net sales) used as premium bases may be reviewed at the change of the insurance period to correspond with the general rise in prices and expenses, in a manner specified separately by the insurance company. The policyholder shall ensure that

the above key figures reflect the actual total sums insured and net sales.

18.4.2 Continuous insurance contract with balance procedure

The insurance company will charge the premium for each insurance period on the basis of the preliminary estimate calculated from the payment bases confirmed in the insurance policy. The key figure (total sum insured or net sales) used as the basis for the premium is either a preliminary estimate of the upcoming insurance period or the key figure reported for the previous insurance period.

After the end of the insurance period, the advance premium will be balanced to correspond with the realised figures of the past insurance period, resulting in either a refund or an extra charge.

The policyholder must inform the insurance company within two months after the end of the insurance period of the actual key figure used as the premium basis in order for the insurance company to calculate the final amount.

The policyholder shall provide the insurance company two months before the beginning of the following insurance period with the estimated key figures for the assessment of premiums for the following insurance period. Should the policyholder fail to do so within the specified time, the insurance company will charge the advance premium on the basis of the previous insurance period's key figure.

If the policyholder does not provide the insurance company with the actual or predicted key figures, the insurance company has the right to charge what it considers to be a reasonable premium.

18.4.3 Notification requirement

Policyholders who wilfully or through more than minor negligence either fail to disclose an instance of shipping or storage referred to in the insurance contract or provide false, misleading or incomplete information about them may result in the indemnity being reduced or disallowed.

19 Responsibilities of the policyholder and insured to prevent damage, and measures if damage has occurred

19.1 Obligation to follow safety regulations

The policyholder and insured must observe the safety regulations recorded in the insurance contract, policy, terms and conditions or otherwise issued in writing. If the policyholder or the insured fail to do so, the indemnity may be reduced or disallowed. The effect of a failure to observe the safety regulations on the occurrence or extent of the loss or damage is taken into account when considering whether to reduce or disallow the compensation.

19.2 Measures if damage is impending or has occurred

The policyholder or insured must

19.2.1 make on external inspection of the goods to assess their condition and quantity

19.2.2 file a written complaint to the cargo carrier on the damage, the carrier's representative or other party

responsible for the damage before signing to have received the goods or, if the damage cannot be immediately verified, as soon as it has been, considering all the relevant deadlines referred to in legislation and the carriage conditions

19.2.3 take any other prompt measures to secure the insurance company's right, once the damage has been indemnified, to demand compensation from whoever can be considered responsible for the damage

19.2.4 contact the police without delay if a crime is suspected

19.2.5 if necessary, stop the unpacking of the goods or their discharge from the vehicle or container to determine the factors that have contributed to the type of damage

19.2.6 take care of the damaged goods and inform the insurance company or its representative immediately about the damage, and follow any instructions given

19.2.7 provide the insurance company with an opportunity to check the goods.

Even if the goods are damaged, the policyholder or insured will not be entitled to refuse to accept them.

19.3 Responsibility for preventing and mitigating damage

19.3.1 If damage is imminent, the policyholder or insured must make every effort to prevent it, or if damage has occurred, the policyholder or insured must mitigate it in order to ensure that the damaged goods cannot cause any further damage to the shipment. The policyholder and insured must observe all instructions given by the insurance company or its representative aimed at preventing and mitigating loss or damage.

19.3.2 The insurance company will compensate any reasonable and necessary expenses incurred due to the damage prevention and mitigation, even if the sum insured was consequently exceeded.

19.3.3 Measures taken by the policyholder, insured or insurance company to save, protect or retrieve the goods do not affect the right to claim for compensation or the insurance company's final indemnification liability.

19.4 Consequences of neglecting obligations

If the policyholder or the insured has neglected any of the above responsibilities, the indemnity can be reduced or disallowed. The effect of such a failure on the occurrence or extent of the loss or damage or making the party that caused the damage or loss indemnifiable for it is taken into account when considering whether to reduce or disallow the compensation.

20 Causing an insurance event

20.1 The insurance company will be free from liability if

the policyholder or insured has wilfully caused the insurance event.

20.2 The insurance company may reduce or altogether disallow compensation if

20.2.1 the policyholder or insured has caused the insurance event through gross negligence or

20.2.2 use of alcohol or other intoxicant by the policyholder or insured has contributed to the insurance event.

The effect of the policyholder's or insured's action on the occurrence of the loss or damage is also taken into account when considering whether the compensation related to clauses 20.2.1 and 20.2.2 is to be reduced or disallowed in the above-mentioned cases. In addition, the type of negligence of the policyholder and insured and other circumstances will be taken into account.

21 Identification

What has been said under these terms and conditions about the policyholder, insured or claimant refers, whenever applicable, also to

- their employees
- those who they are responsible for, or
- those who act as their representatives.

22 Entitlement to compensation

22.1 The right to compensation is held by those who

- under the sales agreement, terms of delivery or other agreement made before the transport of goods began carry the risk for damage to the goods during the insured transit at the time of loss or
- present a duly transferred insurance policy or
- can otherwise present reasonable documentation to claim compensation.

The insurance company has the right to pay compensation to anyone presenting a duly transferred insurance policy and thereby discharged itself from liability. The insurance company is entitled to receive back the insurance policy against payment of indemnification.

22.2 The claimant must present written documentation such as an invoice or sales agreement containing the terms of delivery or other equivalent condition stating that he is entitled to compensation on the grounds above or directly by law as pledgee etc.

22.3 If the policyholder has concluded a contract with the insurance company to insure all shipped goods regardless of the policyholder's risk or its obligation to insure, compensation may be paid to the policyholder even if the latter did not carry the risk of damaged goods at the time of loss. If the insurance was valid at the time of loss under terms of delivery CIF or CIP (Incoterms®2020) for the benefit of the buyer or other party entitled to compensation, the policyholder must, before payment of compensation, present written permission from the party entitled to compensation for the transfer of the rights for the policyholder's benefit.

22.4 The insurance is not directly or indirectly valid for the benefit of the carrier or any other party to whom the goods had been entrusted or who performs duties related to the insured cargo.

23 Claims settlement procedure

23.1 Claimant's obligations

23.1.1 Any damage or loss must be promptly reported to the insurance company to allow it to inspect the goods.

23.1.2 Claimants must submit to the insurance company all reports and documents that may be relevant to determine the liability for compensation and any amount thereof. Such documents and information include a regular shipping document, commercial invoice, complaint, inspection report, abstract of title or other document to ascertain whether the insurance event is actually indemnifiable, what the amount of damage or loss is and who the beneficiary is.

The insurance company is not required to pay compensation before it has received the above documentation.

23.1.3 If the policyholder, insured or other claimant has, after the insurance event, fraudulently provided the insurance company with incorrect or incomplete information relevant to investigating the insurance event and assessing the insurance company's liability, the indemnity may be reduced or disallowed.

23.2 Insurance company's indemnification obligation

23.2.1 The insurance company will pay compensation in accordance with the insurance contract within a month from having received a detailed claim. If not all of the reports and documents that may be relevant to decide on the amount of indemnification have not been attached to the claim, the insurance company will pay the compensation no later than one month from the receipt of such documents and information.

23.2.2 If, for reasons beyond the policyholder's control, the delay of documents is unreasonable, compensation will be paid for the amount on which can be conclusively decided on the basis of the available documents.

23.2.3 If compensation is not paid within the above time, an annual penalty interest calculated as prescribed in the Interest Act must be paid from the date onwards when compensation should have been paid.

23.3 Limitation on right to receive compensation

The claimant must file a written claim with the insurance company, conforming with the insurance contract, no later than six months from the date that he became aware of the loss or damage. If the claim is not submitted within this time, the insurance company will be discharged from liability and the right for compensation will be lost.

23.4 Payment made to wrong person

If the insurance company pays compensation to other than who has the legal right to it, the insurance company has nevertheless fulfilled its obligation provided it has exercised due care in the circumstances.

23.5 Setoff against compensation

The insurance company may deduct from the compensation any of the policyholder's overdue premiums and other overdue receivables referred to in the insurance contract.

24 Compensation

24.1 Calculation of indemnity

Compensation will be paid for direct cost or loss caused by material damage up to the sum insured, with deductions and restrictions in the insurance contract and terms and conditions, and herein (see clauses 24.6–24.9). Compensation may consist of repair costs, reduction of value or the amount of the sum insured corresponding to the damage, depending on which option is the most appropriate.

24.2 Sum insured or part thereof paid as compensation

The compensation will be the sum insured or part thereof, when the goods, as a result of an event covered by the policy,

- have disappeared or been destroyed entirely or damaged to the extent that the original properties are completely lost, or
- have ended in a state from which they cannot be re-deemed with reasonable cost within six months.

If the insurance company has compensated the insurable value of the goods, the insurance company may exercise its right to decide over the indemnified goods.

Goods are considered to have become lost

- when they, as a result of an event covered by the policy, have not arrived at their destination within 60 days of the agreed or estimated arrival date of the insured shipment and there is no knowledge of its whereabouts, or alternatively, if the entire vehicle or container has disappeared, within 90 days of the agreed or estimated arrival date of the insured shipment
- the vehicle has been abandoned and the goods in it have not been found within the above time limits, or
- the goods have not been found within 60 days of the shipment's estimated arrival date and the carrier or any other party to whom the goods have been entrusted admits in writing that the goods have been lost.

24.3 Repair costs

If the damaged item can be restored to its condition prior to the damage or to equivalent condition by repairing it or replacing damaged parts with original or equivalent parts, only these costs incurred will be paid.

No compensation will be paid for any additional costs arising from non-standard repair methods chosen by the policyholder or any overtime compensation or charge for express service related to such a course of action.

24.4 Compensation for shortage or leak

When calculating compensation for shortage or leak, the compensation will be deducted with an agreed amount of the merchandise or an amount which is typical reduction of the merchandise, but no less than 0.5% of the insured shipment's total sum insured.

24.5 Value depreciation

In other cases, the value depreciation of the goods is determined, unless otherwise agreed, either through a

joint inspection conducted by the parties or, if necessary, by means of an official inspection following the procedure prescribed in the Maritime Act (674/1994), or if the value depreciation cannot be determined by such means, by selling the goods. If the insurance company so requires, the goods must be sold through public auction.

The value depreciation is expressed as a percentage by comparing the damaged goods' market value at the destination with the market value of undamaged goods at the destination. The market value constitutes the gross market value – that is, it includes freight, customs duties and other charges – and the same items are included in both figures compared.

If the sum insured is lower than the insurable value, the compensation corresponds to the reduction in insurable value or sum insured.

24.6 Insurance company's maximum liability per shipment and/or storage

The insurance company will be liable for the insured goods per each vehicle, journey or storage up to the maximum amount entered in the agreement.

If the combined insurable value of the shipped goods under the same policy either in the same storage facility or in the same vehicle exceeds the maximum liability specified in the agreement, underinsurance clauses will apply to determine the amount of compensation.

The insurance company will be liable for the part in excess of the maximum amount only if insuring it has been agreed upon prior to shipment.

24.7 Sum insured as the maximum amount of indemnity

The sum insured is the maximum amount of compensation payable by the insurance company per each vehicle, transit or storage, as defined in the insurance contract or policy.

The insurance company will nevertheless compensate any reasonable and necessary expenses incurred in the process of preventing an imminent threat and mitigating any damage, even if the sum insured were thus exceeded.

The sum insured may also be exceeded if the insurance indemnifies against a general average sacrifice, contribution or expense or related rescue expenses, and the goods become liable for indemnification later during the same shipment as a result of another indemnifiable loss.

24.8 Deductible

The amount of the policyholder's deductible is specified in the insurance policy for each insurance event (see also clause 24.4).

24.9 Overinsurance and underinsurance

If the goods have been overinsured, the insurance company will only indemnify against the insured damage up to the correct insurable value.

If the goods have been underinsured, the insurance company will only indemnify the insured damage up to the difference between the sum insured and the correct insurable value.

This clause is also applied when indemnifying expenses referred to herein and in connection with general average contribution or expense. If the amount of indemnification for expenses or contributions has been too high owing to calculations based on underinsurance, the policyholder must refund the excess amount to the insurance company.

24.10 Double insurance

If more than one insurance company has issued insurance for the same goods and against the same damage, each of them will be liable to pay compensation as if they had alone issued the insurance. If the interest, with the policies combined, is overinsured, the party entitled to compensation cannot nevertheless receive compensation from the policies in excess of the amount of damage.

If more than one insurance company is liable to pay compensation for the same damage and the combined liabilities exceed the amount of compensation payable to the insured, the liability will be divided between the insurance companies in proportion to their liabilities.

If the goods are also insured by another insurance company, one which has set a condition that discharges itself from liability in part or full in case of double insurance, the same condition will also apply to the insurance issued by Pohjola Insurance Ltd/A-Insurance Ltd.

24.11 Effect of sanctions on compensation

The insurance does not cover any loss, nor is the insurance company or its partner in a network underwriting insurance locally under any obligation to pay indemnity, damages, prevention costs or investigation and legal expenses or any other financial resources if providing the insurance cover against such loss or paying such a sum is contrary to sanctions, other restrictive actions or legislation imposed by the Finnish government, the United Nations, the European Union, the United States of America, or the United Kingdom or their competent authorities or governing bodies.

25 The Insurance Company's right of recovery

25.1 Insurance company's right of recovery vis-à-vis a third party

When the insurance company has paid compensation for any loss or damage, the injured party's right to recover compensation for the loss or damage from a third party is subrogated to the insurer in an equal amount.

If loss or injury has already occurred or the policyholder or insured person has made a prior agreement to either fully or partly waived his rights towards a third party, the insurance company is released from its obligations to the same extent.

25.2 Insurance company's right of recovery against the policyholder, the insured or a person comparable to the insured

The insurance company may demand back any compensation or part thereof from the policyholder, insured or the party they are liable for if such a party has

- caused the insurance event
- neglected its obligation to disclose information upon conclusion of the agreement
- neglected its obligation to inform about increased risk
- neglected its obligation to follow the safety regulations or
- neglected its obligation to prevent and mitigate damage.

When considering the amount of compensation to be reclaimed, the amount of the action or neglect on the damage must be assessed. The deliberateness or type of negligence and any other circumstances will also be taken into account.

26 Altering an insurance contract

26.1 Alteration of insurance terms and conditions and premium bases during insurance period

The insurance company has the right to alter the insurance premium or terms of contract during the insurance period to correspond with new circumstances if

- the policyholder or insured has neglected his obligation to disclose information when concluding the insurance agreement
- during the insurance period, a change which has essentially increased the risk of loss or damage has occurred in the circumstances recorded in the insurance contract or policy or reported by the policyholder or the insured to the insurance company upon conclusion of the contract, and which the insurance company cannot be deemed to have taken into account upon conclusion;
- the general conditions changed considerably upon conclusion of the insurance contract so as to increase the risk of loss or damage to the extent the insurance company cannot be deemed to have taken into account upon conclusion.

Having been informed of such a change, the insurance company must notify the policyholder without undue delay of how and as of what date the premium or other terms of contract will be altered.

Policyholders who do not accept the changes have the right to terminate the insurance contract within 14 days of having received information about the change, thus ending the insurance contract on the said 14th day at midnight.

26.2 Amendment to insurance contract or premium bases before the following insurance period

The insurance company has the right to alter the insurance terms and conditions and premiums and other terms of contract at the end of the insurance period.

These alterations will apply as of the beginning of the following insurance period. The insurance company must inform policyholders of any changes no later than one month before the beginning of the new insurance period. The insurance contract continues in its new form unless the policyholder terminates it in writing before the beginning of the new insurance period.

27 Termination of insurance contract

27.1 Insurance contract for a fixed term or an individual shipment

A fixed-term insurance contract ceases to be effective on the agreed date or the date specified in the insurance contract or policy, unless otherwise provided by these terms and conditions. Unless otherwise agreed, the policyholder may not terminate the policy earlier. An insurance contract for a single transit is limited to the single transit only.

27.2 Policyholder's right to terminate continuous insurance contract

Unless otherwise agreed on the period of notice, the policyholder has the right to give written notice of termination of a continuous insurance contract

27.2.1 one month before the end of the insurance period, with the insurance contract terminating at the end of the insurance period

27.2.2 when the insured property changes owners, with the policyholder no longer needing the policy, and the insurance contract may be terminated on the date of the ownership change.

27.2.3 when the policyholder's business is sold, merged or wound down, there no longer being any need for the policy, and the insurance contract may be terminated on the date of the ownership change.

27.2.4 within 14 days of the policyholder having been informed of a change in the terms and conditions or an insurance premium increase

27.2.5 30 days after the policyholder was informed by the insurance company about a claim settlement decision.

The policy will be terminated in cases referred to in sections 27.2.3–27.2.5 once the notice of termination has been given or sent to the insurance company.

Any termination of a policy outside the above periods is invalid.

27.3 Insurance company's right to terminate an insurance during the insurance period

The insurance company has the right to give notice of termination of the insurance during the insurance period if

27.3.1 the policyholder fails to inform the insurance company about a transit or storage covered by the contract or gives wrong, misleading or incomplete information about any of these, and it cannot be proved that the error or neglect is the fault of any other than the policyholder

27.3.2 the policyholder or the insured has, before the insurance was granted, submitted erroneous or deficient information

27.3.3 during the insurance period, a change which has essentially increased the risk of loss or damage has occurred in the circumstances recorded in the insurance policy or contract or reported by the policyholder or the insured to the insurance company at the time the contract was entered into, and which the insurance company cannot be deemed to have taken into account when concluding the contract

27.3.4 the general conditions changed considerably upon conclusion of the insurance contract so as to increase the risk of loss or damage to the extent the insurance company cannot be deemed to have taken into account upon conclusion.

27.3.5 the policyholder or insured has wilfully or through gross negligence failed to observe the safety regulations

27.3.6 the policyholder or insured has wilfully or through gross negligence caused the insurance event

27.3.7 an insurance event occurs that is indemnifiable under the terms and conditions applicable to the insurance

27.3.8 the policyholder or insured has, after the insurance event, fraudulently submitted to the insurance company erroneous or deficient information which is of importance in assessing the insurance company's liability

27.3.9 the insurance premium payment is delayed

27.3.10 the policyholder becomes insolvent or has been declared bankrupt.

Having been informed of the grounds justifying termination, the insurance company must give notice of termination in writing and without undue delay.

If the reason for termination is included under clauses 27.3.1–27.3.6 or 27.3.8–27.3.9, the policy will be terminated in 14 days, whereas if clauses 27.3.7 or 27.3.10 apply, one month after the notice of termination was sent.

27.4 The insurance company's right to terminate insurance contract at the end of the insurance period

The insurance company has the right to terminate an insurance contract at the end of the insurance period. Notice must be given in writing at least three months before the end of the insurance period.

28 Digital services

If the policyholder has concluded a corporate customer's digital services agreement, the policyholder may attend to his/her insurance matters in OP's digital services, such as the op.fi service. Using the services is possible to the extent determined by OP. This may include the right to view the details of insurance policies in force or to file loss reports. When the policyholder uses OP's digital services to attend to his/her insurance matters, the general terms and conditions for corporate customer's digital services, supplied to the customer when concluding the agreement, shall apply to the insurance in addition to these terms of contract.

The insurance company has the right to send all insurance-related information, such as decisions, messages, notifications, responses, changes and notices of termination only electronically to OP's online and mobile services. The policyholder has the right to receive the aforementioned information by post within reasonable time from the day on which the policyholder informed the insurance company that he/she wishes to receive the information by post.

29 Applicable provisions

Finnish law is applied to this insurance contract and the construction of these terms and conditions. The Insurance Contracts Act (no. 543 of 28 June 1994) is generally applied with the exception of Chapter 9 and any sections that are not already provided by the insurance contract, the insurance terms and conditions herein, the insurance terms and conditions or any national or international principles applied to the cargo insurance.

30 Lodging an appeal

Any complaint about the insurance company's claim settlement decision must be made within a year of the date that the party in question received written information on the insurance company's decision and this time limit.

Complaints concerning a claim settlement decision, insurance or insurance contract may be filed in Finland at a court of first instance of the policyholder's or insurance company's domicile or that of the location where the loss took place. However, disputes over claims based on marine insurance must first be investigated by an average adjuster, serving as the court of first instance (see Act on the average adjuster's specification of claims settlement in marine insurance cases, no. 10 of 1953).

The average adjuster's fee and expenses will be paid by the insurance company, except if the claimant's demand is clearly unjustified. Both the claimant and the insurance company as parties are severally liable for their own expenses arising from the matter.

CARGO INSURANCE, SUPPLEMENTARY STANDARD CLAUSES

31 Cargo insurance, supplementary standard clauses

These Cargo Insurance Supplementary Standard Clauses shall apply to all cargo insurance contracts.

31.1 Clause 01/01/2001 CL 354 regarding vessel classification

1 Requirements for eligible cargo vessels

This insurance and the agreed insurance premiums stated in the insurance policy or contract shall apply only to the cargo and/or interests transported by steel-structured vessels powered by a screw propeller and whose classification society is

1.1 a member or associate member of the International Association of Classification Societies (IACS). A list of IACS's members and associate members can be found at www.iacs.org.uk
or

1.2 a national classification society defined in 4 below, but only if the vessel plies solely in the country's coastal area (including inter-insular commerce on a route in the archipelago of which the country in question forms part).

The underwriter must be informed without delay of the cargo and/or interests transported by vessels other than those specified above, so that insurance premiums and the terms and conditions can be agreed upon. If a damage occurs prior to such an agreement, insurance may be issued, but only if the insurance had been available at a reasonable market price on reasonable market terms.

2 Age limitation

The cargo and/or interests transported by eligible vessels (as specified above) exceeding the age limits shown below will be insured against an additional premium agreed under the terms and conditions of the insurance policy or contract:

Bulk or combination vessels of over 10 years old or other vessels of over 15 years old, provided that they

2.1 have not been used for transporting general cargo on a well-established and regular trade route between named ports and are a maximum of 25 years old, or

2.2 have not been built to serve as container ships, vessels for transporting vehicles or open hatch gantry carriers, and continuously used as vessels of these types on established and regular trade routes between designated ports, and are a maximum of 30 years old.

3 Clause regarding goods transfer

Requirements under this clause shall not apply to any vessels that are used for loading or discharging cargo in the dock area.

4 National classification society

A national classification society refers to a classification society domiciled in the same country as the owner of the vessel in question and the vessel must also operate under the same country's flag.

5 Prompt notice

If this insurance stipulates that the policyholder be obliged to give prompt notice of the vessel to the underwriter, the right to insurance cover depends on the observance of this obligation.

6 Applicable law

This clause is subject to English law and practice.

31.2 Special clauses regarding vessels, 1 January 2006

1 Requirements for eligible cargo vessels

1.1 Purpose of special clause

This special clause stipulates hereinafter

- eligible cargo vessels
- how the use of any other vessels must be agreed separately with Pohjola Insurance Ltd
- the consequences of the policyholder's neglect.

This clause shall apply in conjunction with the Institute Classification Clause (1 January 2001) valid from time to time.

1.2 Requirements for eligible cargo vessels

This insurance is valid only if goods are transported by vessels which are

- approved by relevant authorities
- of first class
- of steel construction
- mechanically running, powered by screw propellers and
- a maximum of 30 years old.

A first-class vessel approved by the relevant authority means that the classification society is

- a member or associate member of the International Association of Classification Societies (IACS). A list of IACS's members and associate members can be found at www.iacs.org.uk

or

- a national classification society, but only if the vessel plies solely in the country's coastal area (including inter-insular commerce on a route in the archipelago of which the country in question forms part).

Requirements under this condition shall not apply to any river craft or vessel that is used for loading or discharging cargo in the dock area.

1.3 Agreeing on use of other vessels

Prior to the beginning of transport, Pohjola Insurance Ltd must be informed of the cargo transported by vessels other than those stated in 1.2 above, such as barges, tow-boats or vessels of over 30 years of age, so that insurance premiums and the terms and conditions can be agreed upon. Unless insurance premiums and the terms and conditions have not been separately agreed upon with Pohjola Insurance, the insurance is not valid.

2 Additional premiums due to over-aged vessels

2.1 Purpose of special clause

This special clause stipulates hereinafter

- for what shipments Pohjola Insurance Ltd will collect an overage premium
- what information the policyholder must notify to Pohjola Insurance Ltd
- the consequences of the policyholder's neglect
- the amount of the overage premium
- on what grounds Pohjola Insurance Ltd may reduce or cancel the surcharge.

This clause shall apply in conjunction with the Institute Classification Clause (1 January 2001) valid from time to time.

2.2 Shipments subject to overage premium

An overage premium will be charged for a shipment

- whose cargo's combined value amounts to a minimum of 50,000 euros and
- which is carried by an overage vessel, i.e. a tramp vessel aged 16 years or a liner aged 26 years or older.

A tramp vessel refers to a ship that carries cargo between two or more ports on separately agreed terms and conditions without a fixed schedule.

A liner refers to a vessel that carries cargo between named ports according to a fixed schedule. Liners and their type must be able to be specified. If it is not clear how liners should be specified, Pohjola Insurance Ltd must be consulted.

Requirements under this condition shall not apply to any river craft or vessel that is used for loading or discharging cargo in the dock area.

2.3 Information required by Pohjola Insurance Ltd

Before the beginning of any shipment, the policyholder shall inform Pohjola Insurance Ltd of each shipment referred to in 2.2 above.

For the purpose of inspecting the vessel's age and quality and invoicing an overage premium, the policyholder shall notify Pohjola Insurance Ltd of

- name of vessel
- year built (a vessel's age is calculated by omitting the year it was built and deducting the resulting year from the present year).
- IMO ship identification number
- shipment information
- shipment's insurable value
- a route and loading time of an individual transit.

Made in writing, said notification may be emailed, for example, to Pohjola Insurance Ltd's Marine Cargo Insurance: marine.cargoinsurance@op.fi

2.4 Consequences of the policyholder's neglect of disclosure obligation

The policyholder must notify Pohjola Insurance Ltd of all shipments referred to in this clause. Policyholders who willfully or through negligence which cannot be deemed minor either fail to disclose information on the shipment of goods as specified in this clause or provide false, misleading or incomplete information on the vessel or shipment may result in the indemnity being reduced or disallowed.

2.5 Amount of overage premium

The vessel's age is determined by information available in the latest register issued by the relevant classification society. However, the year during which the vessel was built is not included in determining the age.

The overage premium is based on a percentage of the insurable value of the insured shipment, as follows:

Overaged vessel	The overage surcharge,% of insurable value
tramp vessel aged between 16 and 20 yrs	0.20
tramp vessel aged between 21 and 25 yrs	0.40
vessel aged between 26 and 30 yrs	0.60

If the policy is endorsed as Basic Cover (Cargo Clauses C) the premium will be 40% of the premium rate specified in the table above.

Liners of less than 25 years old are not subject to a surcharge.

Vessels aged 31 years or older will be subject to a surcharge determined on a case by case basis.

For cargo transported in the Baltic Sea region, including the Danish straits, the Kattegat and the Kiel Canal, the surcharge accounts for half of the original premium.

A single transit worth more than 2.5 million euros is subject to a surcharge determined on a case by case basis.

2.6 Reducing or cancelling the overage premium

Before the beginning of any shipment, it is possible to agree with Pohjola Insurance Ltd to reduce or cancel the overage premium on the basis of a vessel inspection.

Pohjola Insurance may reduce or cancel said surcharge e.g. on the following grounds:

- the vessel has been subject to a condition survey approved by Pohjola Insurance Ltd and performed within the past six (6) months
- on the basis of official inspections, such as the Port State Control. The related reports are available, for example, at:
<http://www.parismou.org/>
- other reliable reports.

31.3 Clause regarding vessel security requirements 1 July 2002

In case of disputes, the wording of the original English clause shall apply.

Since 1 July 1998, this clause has applied to the shipments of cargo carried by:

- Ro-Ro passenger ships
- passenger ships accommodating more than 12 people and
- oil and chemical tankers, gas and bulk carriers and
- fast cargo vessels of a minimum of 500 gross tonnage.

Since 1 July 2002, this clause has applied to the shipments of cargo carried by all other cargo vessels and mobile drilling rigs of a minimum of 500 gross tonnage.

The insurance will not cover loss, damage or expense where the insured property was carried by a vessel not ISM Code certified or whose owners or operators do not hold an ISM Document of Compliance if the policyholder was aware, or should have been aware at the time of loading the object of insurance into the vessel in ordinary course of business that

- the vessels were not ISM Code certified or
- the owners or operators did not hold a valid ISM Document of Compliance as required under the SOLAS Convention 1974 (as amended).

However, this exclusion will not apply where the insurance has been assigned to a third party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

31.4 ISPS Code JC 2004/050 of 4 November 2004: International code for the security of ships and port facilities

In case of disputes, the wording of the original English clause shall apply.

The insurance does not cover losses, damage or costs when the object of insurance is carried on a vessel that does not hold the necessary security certificate specified in the ISPS regulations and when the policyholder, when loading the object of insurance, knew or should have known in ordinary course of business that the vessel did not hold an ISPS certificate under the 1974 SOLAS Convention.

This exclusion will not apply where the insurance has been assigned to a third party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

General average costs or salvage costs will not apply to this clause. The clause is valid unless otherwise provided in the other clauses and exclusions of the insurance or the ISPS Code.

31.5 ISPS forwarding charges clause JC2004/050b of 4 November 2004

For use only with ISPS Code for the Security of Ships and Port Facilities.

In case of disputes, the wording of the original English clause shall apply.

This insurance is extended to reimburse the policyholder, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder, following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due to such vessel not being certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

31.6 Institute radioactive contamination, chemical, biological, bio-chemical and electromagnetic weapons exclusion clause CL 370 of 10 November 2003

In case of disputes, the wording of the original English clause shall apply.

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from

1.1 ionising radiation or radioactive contamination originating from nuclear fuel or nuclear waste or the combustion of nuclear fuel

1.2 explosive, radioactive, toxic or other dangerous or contaminating characteristic of a nuclear power plant, reactor or other nuclear equipment or the related component

1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are

being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

31.7 Marine cyber endorsement LMA 5403 of 11 November 2019

In case of disputes, the wording of the original English clause shall apply.

1 Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.

2 Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.

3 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

31.8 Termination of transit clause (terrorism) JC 2009/056 of 1 January 2009

In case of disputes, the wording of the original English clause shall apply.

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. Regardless of any rules and regulations to the contrary included in the insurance contract or terms and conditions that may have been referred to, it has been agreed that if the insurance contract covers losses or damage caused to the object of insurance

- by a terrorist act committed on behalf of or related to such an organisation which aims to use power or violence to overturn or influence a legally or illegally formed government or
- by a person with political, ideological or religious motives,

the insurance cover will remain valid to the object of insurance for the duration of a regular transport and will terminate in any case

either

1.1 according to carriage conditions included in the insurance contract

or

1.2 when discharging goods from the transport vehicle or other means of transport has been completed at the destination referred to in the insurance contract into a final warehouse or other place of storage

1.3 when discharging goods from the transport vehicle or other means of transport has ended either before the destination referred to in the insurance contract or, at the destination, into another warehouse or place of storage the insured or their employees choose to use for storage of goods for other than regular transport storage or sorting or distribution

or

1.4 when the insured and their employees decide to use any transport vehicle or other means of transport or place of storage that is not used during regular transport

or

1.5 in respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the object of insurance from the overseas vessel at the final port of discharge, or

1.6 in respect of air transits, on the expiry of 30 days after unloading the object of insurance from the aircraft at the final place of discharge.

The insurance policy is terminated when any of the above items 1.1–1.6 occur.

2. If the insurance contract or any of the terms and conditions referred to in the insurance contract specifically provide cover for inland or other further transits following on from storage, or termination as provided for above in clauses 1.1–1.6, cover will re-attach and continues during the ordinary course of that transit terminating again in accordance with clause 1.

31.9 Communicable Disease Exclusion (Cargo) JC2020-011 of 17 April 2020

In case of disputes, the wording of the original English clause shall apply.

1. 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.

2. 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:

2.1. 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

2.2. 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

2.3. the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

31.10 Five Powers War Clause JC2023-024 of 6 January 2023

In case of disputes, the wording of the original English clause shall apply.

Where any war risks coverage is provided by underwriters, this insurance excludes loss damage liability or expense arising from the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China.

Pohjola Insurance Ltd, Business ID: 1458359-3

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

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

