



# Farm Production Insurance

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## CONTENTS

Farm Production Insurance.....	1	VA Product liability insurance.....	22
ES Property Insurance .....	1	OI Legal Expenses Insurance .....	25
SV Crop Loss Insurance .....	14	TE Supplementary insurance for production animals .....	28
KE Business interruption insurance .....	16	Fur animals' breeding value insurance .....	34
VA Commercial general liability cover .....	17	General Terms of Contract.....	35

## FARM PRODUCTION INSURANCE

### Structure of insurance

The insurance includes property insurance for production assets (ES), general liability insurance (VA) and legal expenses insurance (OI) and the General Terms of Contract (YL).

If separately agreed and recorded in the insurance policy, the insurance also includes the additional cover referred to below. The prerequisite for the validity of additional cover is that the object of insurance has valid property insurance.

The policyholder may choose the property insurance coverage under either Farm Insurance (clause 4.1) or Extended Farm Insurance (clause 4.2). The extent of the cover is chosen separately for each object of insurance. The insurance coverage is specified in the policy document.

## ES PROPERTY INSURANCE

### ES 1 Purpose of insurance

#### 1.1 Purpose of insurance

On the basis of these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd (hereinafter the insurance company) undertakes to cover direct material damage caused to the object of insurance by a sudden and unforeseeable loss referred to in clause ES 4.1 (Farm Insurance) or ES 4.2 (Extended Farm Insurance), and other expenses mentioned separately in the terms and conditions.

#### 1.2 Insurance options

As shown in the insurance policy, this is either a full value insurance or based on the sum insured. In full value insurance, the object of insurance is insured with no maximum limit for compensation, and the insurance premium is based

on the reported land area, cubic content or amount of items. When the insurance is based on the sum insured, the object of insurance is insured to its value reported in advance, and the insurance premium is based on this value.

In both insurance options, the amount of damage providing the basis for indemnification is assessed in accordance with clause ES 7 of the assessment and indemnification regulations.

### ES 2 Object of insurance

The object of insurance is property specified below that is used by the policyholder for farming and subsidiary occupations governed by agricultural taxation and for other occupations specified in the insurance policy.

#### 2.1 Buildings used for production and storage purposes

The object of insurance includes farm buildings specified in the insurance policy. The building includes structures that are permanently fixed in the building and which serve its purpose. Silage and tower silos as well as grain silos external from the dryer are considered separate buildings, even when connected to the rest of the insured building by a fixed connection.

Under the terms and conditions of our insurance policies, truck dryers and arched shelters are also classified as buildings.

##### 2.1.1 Rental cabins including movable property

Objects of insurance include the rental cabins specified in the insurance policy and their movable property, provided cabin rental is a subsidiary occupation of the insured farm.

The rental cabins' outdoor pools, hot tubs, barbecue hut, summer kitchens, boats and jetties are only covered against fire and direct lightning.

## 2.2 Machinery and equipment serving the building

The following items that are either part of the building or serving its use are considered to be included in the building:

- permanently fixed machines and appliances
- oil tanks and fixed tanks used for production
- milking systems including the pipes and cleaners
- bulk tank, also rented
- heating, air-conditioning and refrigeration equipment. This equipment also includes heat pumps, solar panels and solar collectors installed to the building,
- extinguishing equipment
- stanchion equipment and chicken coops
- feeding and drinking machines
- dung removal equipment
- barnyards and other enclosures in connection with the building
- monitoring and alarm equipment and data transfer equipment
- column transformers, columns, electrical wires and meters, main distribution boards, protective equipment, control centres and equipment owned by the policyholder
- electrical and other cables, conductors and pipes extending as far as the connection with the municipal or other public mains.

Solar panels installed separate from the building should be insured separately.

## 2.3 Movable production assets

The object of insurance is moveable production assets owned by the policyholder that are entered in the insurance policy and third-party movable production assets which are used by the policyholder for farming and which the policyholder is obliged to insure or carry the risk for.

### 2.3.1 Products and accessories (inventories)

The insurance covers the following:

- farm produce, including the farm's own produce and produce kept at the farm under a storage agreement, seed grain and growing crops
- agricultural and forestry equipment for the farm's own use, including fertilisers, plant protection products, purchased fodder and seeds, spare parts, firewood and timber, building materials, and fuels and lubricators including their containers
- beehives including the honey,
- gametes and embryos of the production animals.

Agricultural products include, for example, flour milled at the farm from self-produced grain and the carcasses and cuts of meat of animals bred on the farm. Products that have been processed further are considered processed products that should be insured as the movable property of a subsidiary occupation.

Growing crops are only insured against losses caused by outbreak of fire

### 2.3.2 Machinery and equipment (fixed assets)

The insurance covers the following:

- agricultural and forestry equipment moved by other than its own engine
- tools and equipment used in gainful employment related to farming
- standard working machines and tools used for property maintenance
- fences and fencing material
- spare parts for farming machinery and equipment
- feed silos and farming and skinning equipment for fur farms.
- telephones, computers, off-the-shelf software and other office equipment used for farming purposes
- polytunnels used to grow vegetables and berries,
- nitrogen tanks used to store animal breeding material.

Loader arms, front and wheel weights as well as any dual wheels of tractors and other motorised machinery are only covered as movable property when not coupled to the machine.

If machines are in joint ownership by farms, the object of insurance is the part that corresponds to the policyholder's share of them. If a loss occurs, the deductible subtracted from the compensation is in the same proportion as the ownership share of the machinery and equipment specified in the insurance policy.

### 2.3.3 Production animals

The insurance covers the animals listed by species in the insurance policy.

### 2.3.4 Third-party movable property used for production purposes

Third-party movable property used for production purposes also includes any third-party property which, if owned by the insured, would be considered insurable property under 2.3.1 (Products and accessories), 2.3.2 (Machinery and equipment) or 2.3.3 (Production animals).

Losses to third-party movable property used for production purposes are compensated under Farm Insurance or Extended Farm Insurance for up to 10,000 euros unless compensation is provided by other insurance.

## 2.4 Property not covered by the insurance

The insurance does not cover

- files stored on data media
- other than generally available software stored on data media or intended to be used on such
- the foundation soil of the building under the base floor and foundation slab, its reinforcement
- French drains and other soil drainage systems
- external rainwater systems
- wells located on the grounds except for wastewater system wells
- machines moved by their own engine, except ordinary working machine used for property maintenance

- skins of fur animals, or
- energy and water.

## ES 3 Territorial limits

### 3.1 Place of insurance

The insurance is valid when the property is in the place specified in the insurance policy (place of insurance).

### 3.2 Other places

The following objects are covered by the insurance also when they are stored, temporarily moved, being transported or used for their purpose elsewhere in Finland:

- products and accessories (inventories)
- machinery and equipment (fixed assets)
- production animals
- third-party movable property used for production purposes
- telephones, computers and office machines used in farming.

## ES 4 Coverable losses and related exclusions

### 4.1 Farm Insurance

#### 4.1.1 Coverable losses

The insurance covers direct material damage suffered by the object of insurance, and any other expenses specified elsewhere in these terms and conditions, if the material damage was caused during the validity of the insurance by a sudden and unforeseeable event specified below. Whether or not an event is sudden and unforeseeable is assessed objectively based on the cause of the loss, not its consequences.

#### 4.1.2 Fire or soot

The insurance covers sudden and unforeseeable loss caused by uncontained fire or by soot spreading from a fireplace or a similar heating unit.

The insurance also covers any fire, soot or smoke damage caused to agricultural products in the drying house and its immediate vicinity, even if the products have been exposed to heat to dry them. We also compensate damage to grain caused to it owing to smouldering when it is being dried.

The insurance does not cover damage caused to other property than agricultural products being dried, even if such other property catches fire or is damaged as a result of being subjected to heat.

#### 4.1.3 Lightning

The insurance covers loss caused by direct strike of lightning or by overvoltage resulting from lightning.

#### 4.1.4 Electric phenomenon

The insurance covers loss caused to electrical equipment by an electrical phenomenon in the appliance.

A short circuit, electrical breakdown or other electrical discharge which has permanently damaged the insulation of an electrical appliance constitutes an electrical phenomenon.

The insurance does not cover losses

- caused by interruptions in electricity supply or variations in electricity quality.
- for which the supplier or some other party is responsible on the basis of an agreement, guarantee, servicing contract or similar commitment.

Loss covered otherwise under the insurance is, however, indemnified to the extent that the policyholder shows that the party found to be liable is declared bankrupt or otherwise insolvent.

#### 4.1.5 Explosion

The insurance covers loss or damage caused by an explosion.

The insurance does not cover

- loss caused by internal stress, loosening of a seal, or fluid pressure
- loss caused by professional blasting or quarrying. Loss covered otherwise under the insurance is, however, indemnified to the extent that the policyholder shows that the party found to be liable is unable to meet its liability,
- damage to a combustion engine caused by an explosion in the engine
- damage to a closed, pressure-resistant container, equipment, pipe or tank in which there has been gas or steam, unless the reason for the breakage was exceptional overpressure arising suddenly and unforeseeably
- damage to a tyre as the result of breakdown.

#### 4.1.6 Triggering of fire extinguishing equipment

The insurance covers loss caused when fire extinguishing equipment is triggered suddenly and unforeseeably.

#### 4.1.7 Theft and burglary

The insurance covers damage caused by theft or burglary to movable property and the building when the building

- is broken into by means of damaging structures or otherwise using force, such as damaging the locks
- is entered by means of a key obtained through burglary or robbery.

The insurance covers loss or damage caused by theft

- to movable property used in agriculture, when said property is stored outdoors under supervision within the yard of the farmhouse or in an unlocked building, or temporarily stored elsewhere than in the yard of the farmhouse in connection with performing agricultural work.

The insurance does not cover loss caused by theft if the time, circumstances and place of the theft cannot be determined.

Neither does the insurance cover property that has been lost or left behind.

#### 4.1.8 Criminal damage

The insurance covers loss caused by a wilful act of damage.

The insurance does not cover

- loss caused by scratching or other comparable damage to premises
- damage done by the user of the premises to furnishings and fixtures or surface coverings of the premises
- loss caused by a motor vehicle.

Damage to property in a fur farm is compensated in cases of wilful act of damage, provided the area has been broken into by breaking the fence structures.

#### 4.1.9 Leakage, moisture and condensing water

The insurance covers loss caused by leakage of liquid, vapour or gas.

The precondition is that the said substance has escaped suddenly, unforeseeably and directly from an insured fixed structure installed in the building, such as

- water pipe, sewer or heating system or steam, gas or oil pipe, oil tank or internal rainwater sewer
- jacuzzi or swimming pool pipes, or machine or piece of equipment fitted to these, or
- a container used for storage of a substance.

The insurance also covers sudden leakage of liquid on the structures of the building, caused by an operating device. The precondition is, however, that the operating equipment is connected to the water supply network and sewage network in a fixed manner by an unbroken pressure-proof hose pipe appropriate for the use, by an approved connection and also by a cut-off valve to the water supply network. Another condition is that the leakage was caused by mechanical breakage of the operating equipment or of the connections.

The insurance does not cover loss caused by

- rainwater or melt water from roof gutters, downpipes outside the building, storm drains or from elsewhere
- condensing water
- flooding of manhole or pipe during rain, thaw or flood
- leak in the outlet pipe or valve of a bathtub or pool
- damage or blockage in a municipal or other public water or sewer line
- malfunction of a no-return valve
- moisture, such as rotting, fungal growth, decay or odour
- the flowing of liquid from a fixed network before the pipe network has been approved for use
- liquid leaking through the water insulation in the structures or through the join of pipes and structures such as between a floor gully and a raising piece
- defective design, foundation, installation or construction or any damage caused by these
- liquid leaking through an open tap, cut-off valve or shower which is connected to the water pipe network, unless the damage was caused by mechanical breakage of the tap, cut-off valve or shower
- construction contrary to regulations, nor damage caused to a pipe network, operating equipment or their insulation or liquid, vapour or gas that has been lost.

#### 4.1.10 Breakdown of the building's machinery or equipment

The insurance covers loss caused by a sudden and unforeseeable event to property referred to in clause 2.2 (ES).

The insurance does not cover

- wear and tear, rust, corrosion, deterioration, fungal growth, rotting, material fatigue or any similar gradual damage, or malfunction of the object or any of its parts
- loss caused by wear and tear or accumulation of deposits
- loss caused by flood, rise in the water level, pack ice or landslide
- loss caused by heavy seas or movement of ice
- loss caused by the weight or movement of ice or snow
- loss caused by changes in the groundwater level
- loss caused by snow or water penetrating, during a gale, into structures without breaking them
- damage caused by the forces of nature to movable property outdoors or in an uncovered building, unless the equipment in question is intended for use on such premises
- damage to water pipe fittings
- damage to drain pipe fittings
- expenses caused by adjustments and maintenance, preventive or periodic servicing or the elimination of functional disturbances, or any parts replaced in connection with such work
- damage for which the supplier or some other party is responsible on the basis of an agreement, guarantee, servicing contract or similar commitment. Loss covered otherwise under the insurance is, however, indemnified to the extent that the policyholder shows that the party found to be liable is declared bankrupt or otherwise insolvent.
- damage to a computer, a data transfer, data communications, process control or surveillance device or their data media and data contained therein (files) and software caused by malfunction of hardware, operating system, software or a program, operating error, incorrect labelling, incorrect entry of data, data loss or disappearance of data due to magnetic fields
- loss caused by the discontinuance of performance or non-performance of an individual circuit board, data storage medium or an equivalent component, unless the insured can prove that the cause is a sudden and unforeseeable event outside the component
- expenses caused by the repair of an object or a component that has been made deficiently or from deficient materials, even if the cause of such deficiency is an error in calculations or drawings, or incorrect advice or instructions
- loss caused by professional blasting or quarrying. Loss covered otherwise under the insurance is, however, indemnified to the extent that the policyholder shows that the party found to be liable is unable to meet its liability.

- any reduction in value or any loss that does not affect the usability of property.

#### 4.1.11 Storm

The insurance covers loss caused by storm wind.

The insurance does not cover

- loss caused by snow or water penetrating, during a gale, into structures without breaking them
- loss caused by heavy seas or movement of ice
- loss caused by flood or rising water levels resulting from other than a storm
- loss caused by the weight or movement of ice or snow
- damage to a jetty
- damage to movable property outdoors, nor
- damage to movable property unless the damage is a result of other damage coverable under this clause.

However, the insurance covers damage caused by storm winds to production animals insured under this policy.

#### 4.1.12 Wild animals

The insurance covers damage caused to a building or the movable property or animals within by a wild animal that has entered the building.

The insurance does not cover damage caused by insects, birds, rodents, rabbits and hares and microbes, nor their prevention and removal expenses.

#### 4.1.13 Road accident or running aground by production assets

The insurance covers damage to production assets such as load when the reason for the loss is running aground or a road accident involving a motor vehicle, motorised working machine, or train. The insurance covers the loss inasmuch as compensation is not paid from any other policy.

We also compensate losses to production animals in events where a motor vehicle, motorised working machine or a train has been involved.

#### 4.1.14 Property damage in fur farm

In addition to what is referred to in clauses 4.1.1–4.1.12, the insurance covers sudden and unforeseeable losses caused by heavy rain, melting of snow or the weight of snow and ice to insured shade shelters and any fur farming equipment, cages, and the fur animals within them.

The insurance also covers losses to insured fur animals caused by

- a wild animal, or by the fur animal to itself or its young because of a wild animal. In this context, an escaped fur animal or other escaped farm animal or pet is considered a wild animal
- noise, owing to which the fur animal hurts itself or its young
- heat stroke.

A heat stroke is a sudden and unforeseeable rise in temperature, resulting in the fur animal's death within 7 days during the same heat period.

The insurance does not compensate any losses caused by animals becoming barren or losing any of their young.

#### 4.1.15 Additional losses

The insurance also covers loss caused by

- property being stolen, disappearing or being damaged, as a result of the circumstances of a coverable loss, in connection with a loss otherwise subject to indemnification
- cold or heat, rain or other similar reason, if the loss was a direct consequence of a coverable loss.

### 4.2 Extended Farm Insurance

#### 4.2.1 Coverable losses

The insurance covers direct material damage suffered by the object of insurance, and any other expenses specified elsewhere in these terms and conditions if the damage was caused by a sudden and unforeseeable event during the validity of the insurance. Whether an insurance event is unforeseeable or not is subject to an objective assessment, on the basis of the cause of the loss, not on the basis of the consequence of the loss.

#### Freshwater and saltwater flood

The insurance indemnifies sudden and unforeseeable and exceptional flood losses to buildings and movable property inside it.

The condition for compensation to be paid is that not only has a loss been caused by freshwater or saltwater flooding or a consequent moving of ice but that the rise in water level has been significant.

By freshwater flooding we here refer to an exceptional water level rise in a river, lake, ditch or brook caused by gale-force winds, exceptionally heavy rain, melting snow, or ice and slush dams.

By saltwater flooding, on the other hand, we refer to an exceptionally high rise of the sea level caused by gale-force winds, change in air pressure or flow in the Danish straits.

By an exceptionally high rise of freshwater or saltwater levels we mean such a rise caused by gale-force winds or water level that is likely to occur only once every 50 years or less frequently. A flood caused by a permanent rise in mean water line, normal variation of water level or waves is not considered exceptional.

#### 4.2.2 Losses excluded from cover and other exclusions

##### 4.2.2.1 Wear and tear

The insurance does not cover wear and tear, rust, corrosion, fungal growth, moulding, rotting, material fatigue or any similar gradual damage, or malfunction of the object or any of its parts.

##### 4.2.2.2 Maintenance costs

The insurance does not cover expenses caused by adjustments and maintenance, preventive or periodic servicing or the elimination of functional disturbances, nor does it cover any parts replaced in connection with such work.

##### 4.2.2.3 Fabrication flaws and work errors

The insurance does not cover loss caused by a flaw in design, foundation, installation or construction work, wrongful use, work error, deficiency in equipment or materials, manufacturing flaw, error in calculations or drawings, or

incorrect advice to raw materials, semi-finished or finished products or customer property being repaired, serviced or handled.

The insurance does not cover expenses caused by the repair of a building, an object or a component that has been made deficiently or from deficient materials, even if the cause of such deficiency is an error in calculations or drawings, or incorrect advice or instructions, or damage to the building resulting from these flaws.

However, the insurance covers damage caused, as a consequence of an error, to other insured property.

#### 4.2.2.4 Agreements

The insurance does not cover loss for which the supplier, manufacturer, vendor or some other party is responsible on the basis of an agreement, guarantee, service agreement or similar commitment. Loss covered otherwise under the insurance is, however, indemnified to the extent that the policyholder shows that the party found to be liable is declared bankrupt or otherwise insolvent.

If the policyholder him/herself is the maker or seller of the object, the loss is not covered if the maker/seller is responsible for the loss on the basis of an established guarantee in the business.

#### 4.2.2.5 Financial crime

The insurance does not cover loss caused by fraud, embezzlement or any other similar offence.

#### 4.2.2.6 Disappearance, forgetting and theft

The insurance does not cover loss caused by theft if the time, circumstances and place of the theft cannot be determined.

Neither does the insurance cover property that has been lost or left behind.

**The insurance does not cover the theft of moveable property stored outdoors and used for production purposes.** The insurance does, however, cover the theft of movable property when the property concerned is stored outdoors under supervision within the yard of the farmhouse or in an unlocked building, or temporarily stored elsewhere than in the yard of the farmhouse in connection with performing agricultural work.

#### 4.2.2.7 Blasting

The insurance does not cover loss caused by commercial blasting or quarrying. Loss covered otherwise under the insurance is, however, indemnified to the extent that the policyholder shows that the party found to be liable is unable to meet its liability.

#### 4.2.2.8 Natural conditions and animal

The insurance does not cover losses

- caused by the weight or movement of ice or snow, unless such movement has been caused by saltwater or freshwater flooding
- caused by heavy seas, or flood resulting from a rise in the level of seas, lakes, or other body of water
- caused by changes in the groundwater level

- caused by natural conditions, animals or microbes to horticultural, agricultural or forestry products and accessories or garden plants.
- The insurance does not cover frost heaving, subsidence or land movement.

#### 4.2.2.9 Software and data errors

The insurance does not cover damage to programmable electronic equipment or to its data medium, files or software caused by malfunction of hardware or software, operating error, or by destruction or disappearance of data due to magnetic fields.

#### 4.2.2.10 Compensation from elsewhere

The insurance does not compensate for loss or damage compensated under a specific law, guarantee or other insurance policy.

#### 4.2.2.11 Reduction in value

The insurance does not cover

- reduction in value
- loss that does not affect the usability of property
- reduction in the quality of milk.

#### 4.2.2.12 Roof leakage

The insurance does not cover loss or damage caused by roof leakage, unless the leakage was caused by breakage of the roofing as a result of a sudden and unforeseeable external event.

#### 4.2.2.13 Flooding

The insurance does not cover

- damage caused to a building or its contents caused by freshwater or saltwater flooding or a consequent moving of ice if the building was constructed without a permission specified by law or contrary to a permission that was issued
- damage that is compensated from public funds
- damage caused by defective design, foundation, installation or construction.

#### 4.2.2.14 Pests

The insurance does not cover damage caused by insects, lagomorphs (mainly rabbits and hares) or rodents nor their prevention and removal expenses.

#### 4.2.2.15 Data system break-ins, malicious software or denial of service attacks

The insurance does not cover equipment malfunction caused by

- data system break-in, referring to illegal entry into information system
- malicious software, interference with telecommunications or other similar criminal damage affecting software, files or equipment.

## ES 5 Special clause concerning the period of construction and renovation

The insurance covers the buildings specified in the insurance policy also when they are under construction or ren-

ovation. The following is applied to policyholders who have insured a building to be built or renovated for themselves

- Building materials which are being transferred to the place of insurance are covered by the insurance during the period of construction from the moment the liability for them under the terms of the sales contract passes to the policyholder. The materials must be transferred to the place of insurance within one week from the transfer of liability.
- Building materials temporarily removed from the place of insurance for a continuous period of no more than six months are objects of insurance without separate agreement.

Should the materials be removed from the place of insurance for longer than six months, insurance cover for those materials must be agreed separately.

- Site equipment, i.e. the clothing and tools of outside workers performing the construction or renovation, any temporary site buildings and hired and borrowed machines and equipment, are included in the insurance up to a total of 4,000 euros. Loss of or damage to site equipment is indemnified only for insurance events described in clauses 4.1.1 (Fire) and 4.1.6 (Theft) of Farm Production Insurance.

## ES 6 Safety regulations

The insured must comply with the safety regulations given in the insurance policy, insurance terms and conditions or other instructions in writing. If the insured fails to comply with safety regulations, either intentionally or through negligence that cannot be considered minor, and the failure to comply with safety regulations has contributed to the damage or the amount of damage, the compensation may be reduced or the claim may be rejected in accordance with the General Terms of Contract.

Buildings and machinery must be kept in a condition that complies with the Building Act, building regulations and occupational safety and health regulations, and their performance must be monitored.

### 6.1 Fire safety

#### 6.1.1 Hot work

The hot work safety regulations S621 must be followed when performing any hot work.

- The worksite and its vicinity must be cleared and protected, and any flammable material removed.
- Any nearby flammable structures must be protected.
- Sufficient fire extinguishing equipment must be at hand, at least two hand-held fire extinguishers of the type 43A 183 BC, one of which can be replaced with two extinguishers of the type 27A 144 BC or a fire hydrant.
- The surrounding area must be watered down if necessary.
- A fire watch must be in place throughout the hot work and also during breaks.
- A fire-watch must be kept for at least one hour after hot work has been completed.

- During the fire-watch, the hot work location and its surroundings must be under continuous supervision.

Before starting any hot work, the safety procedures should be reviewed with each participant. The hot work permit specifies the practices and procedures that must be followed before, during and after hot work. By hot work we mean work in which sparks are created or in which a naked flame or other heat is used, creating a fire hazard. Hot work in connection with roofing and waterproofing includes drying the insulating substrate with a naked flame or hot air, heating bitumen in a bitumen boiler and fixing work on built-up sheet roofing involving the use of heat.

Frozen pipes may not be defrosted using open fire or a hot air gun.

#### 6.1.2 Use and storage of flammable liquids, liquefied gas and fertilisers

Flammable liquids, liquefied gas and fertilisers must be stored in accordance with the laws, regulations and any stipulations issued pursuant to these, as well as the instructions issued by the rescue authorities.

Open fire and smoking is prohibited in the premises where the items listed above are stored or when handling such items.

#### 6.1.3 Sides of buildings and waste bin shelters

Flammable material must not be stored on the outside wall of buildings if there is a danger that a fire may spread from them into the building.

If there is a danger that a fire may spread from the waste into the building, it must be stored in a place where unauthorised access to it is prevented.

#### 6.1.4 Fire extinguishing systems and automatic fire alarm systems

Locations protected by fire extinguishing equipment or automatic fire alarm equipment must have a written maintenance programme drawn up for them in compliance with official regulations for these systems.

The fire extinguishing equipment and fire detection equipment must be functional and properly checked or serviced.

#### 6.1.5 Prevention of electric fires

By electrical work we refer to the installation, repair and maintenance of electrical equipment. Electrical work can be carried out only by persons and companies fulfilling the requirements issued by virtue of the relevant acts, decrees and official regulations.

The owner of electrical equipment must make sure that all electrical installations and equipment in the property have undergone statutory regular inspection. The electrical installations of buildings and outdoor areas must be inspected at the following intervals:

- agricultural and commercial buildings with main fuses higher than 35A every 15 years (electrical inspection category 1)
- conference and accommodation premises and large commercial properties every 10 years (electrical inspection category 2)

- premises featuring risk of explosion where the manufacture, handling or storage of chemicals or explosives requires permission from the authorities every five (5) years (electrical inspection category 3).

In addition, the instructions of safety regulation S331 on the prevention of electric fires must be followed, with the exception of annual thermal imaging of electrical equipment. Thermal imaging of electrical equipment is recommended to be carried out every 3 to 5 years.

#### 6.1.6 Vehicles' main power switches

Motorised vehicles and working machines used in buildings must be equipped with main power switches. Vehicles and machines must always be turned off from the main power switch when left inside the building without supervision.

#### 6.1.7 Heating station using solid fuel

Devices feeding in woodchips or other solid fuel automatically must have at least two safety systems to prevent backfire. The safety system must also be able to work during a power cut. The safety devices, alarms and controls of boilers and fuel-feeding devices must be tested at least twice a year or as instructed by the boiler's fuel-feeding device manufacturer. At least one of the following must be kept in the immediate vicinity of the boiler room: hand-held fire extinguisher of the type 27A 144 BC; a fire hydrant; or a readily available hose that is always connected to the water mains.

The cover of a heating station fuel container for woodchips or other solid fuel may only be opened when more fuel is added or during maintenance.

Soot removed from the heating station must be handled so as to not pose a risk of fire to the heating station or other property. Soot may only be stored in a non-flammable lidded container.

Heating stations using solid fuel may not be used to burn oil or other types of fuel not intended by the manufacturer. In addition to these instructions, safety regulation S925 on heating stations using solid fuel must be followed.

#### 6.1.8 Sweeping of fireplaces and flues

The condition of flues must be inspected already during construction and later always in connection with sweeping. Defective fireplaces, flues or fire walls must not be used before they have been inspected and approved for continued use by the fire or building authorities. If the chimney sweep issues a written notification of flaws or defects that reduce fire safety, these must be corrected before the fireplace can be used. If the fire authorities have placed a prohibition against use on a fireplace, flue or firewall, such prohibition must be followed.

Depending on usage and the fuel used, fireplaces and flues must be swept as follows:

- Solid fuel, light or heavy oil or multi-fuel stoves and flues must be swept once a year.
- fireplaces and flues of holiday homes that are not in use all year round once every three years.

- If the fireplaces and flues of a building have been unused for more than three years or their purpose of use changes, a chimney sweep must carry out an inspection and sweep before they may be used.

The property owner is responsible for arranging sweeping in the property. The chimney sweeper must have a chimney-sweeper's vocational qualification.

#### 6.1.9 Other fire safety issues

Owing to the risk of smouldering, ashes must be handled with special care. In a building and its vicinity, ashes removed from a fireplace must be kept in a non-combustible lidded container until they have fully cooled.

No waste may be burnt nor grass burned over in the yard and especially near the buildings.

No halogen lamps nor other lamps with a surface temperature in excess of 100 degrees Celsius may be used in spaces that are dusty or liable to catch fire. Broken globes and fluorescent lamps must be replaced immediately.

When putting sauna stoves in place, the safety distances specified for sauna stoves in the installation instructions must be observed. Clothes or other combustible material may not be dried above a sauna stove or its immediate vicinity.

Premises used for accommodation must be equipped with fire alarms, the operation of which must be tested regularly.

The farm's fire extinguishing equipment must conform with official regulations.

Temporary heating appliances must be located in such manner that the safety distances required for the individual appliances are taken into account. Heaters with glowing surfaces or unprotected electric heaters with a filament resistor must not be placed in dusty spaces or used contrary to their purpose. Heating devices must not be covered.

The operation of grain dryers must comply with safety regulation S920 on the fire safety of grain dryers.

### 6.2 Protective measures against theft and burglary

Buildings that are not under continuous supervision must be locked to prevent unauthorised access to them. The windows, doors and other openings to storage spaces must be closed in a manner providing protection against theft and burglary.

Motorised vehicles and equipment must be stored in a locked storage facility or equipped with a cab lock, steering lock, chain or wire lock / brake lever lock to prevent unauthorised use.

Equipment that is being transported must be moved from a motor vehicle or other transportation vehicle, and kept in locked facilities overnight.

The fur farm must be protected by a strong fence that slows down breaking an entry effectively. Doors and gates in the fence for light and heavy traffic must be locked when nobody is at the farm.



### 6.3 Protection of property from loss due to leakage

Any items kept in a cellar must be placed at least 10 cm off the floor if the floor is partly or in full at least one metre below ground level.

In order to prevent frost and leakage damage to water pipes and HEPAC equipment, the building must be heated sufficiently. If a building is left without supervision during the cold season for more than a week, the main valve must be closed or the water pump turned off.

If a building is not heated at all during the cold season, all the water must be run out of the pipes and any heating, water supply and air conditioning equipment, in addition to ensuring that the main valve outside the building is closed or the water pump turned off.

The connection of an operating device connected to the pipes must conform to the instructions and regulations issued by the manufacturer or importer and the authorities.

Washing machines must always be connected to the water supply network with its own cut-off valve and pressure-proof filling hose. The outlet hose shall be connected tightly to the waste water system or the operation of the washing machine shall otherwise be supervised. The cut-off valve for a pressurised water feed pipe to a washing machine must be closed when the wash programme has finished. You must see to that the hose connections are in good repair and that the hoses have no kinks.

### 6.4 Protective measures against breakage losses and environmental damage

Insured property must be serviced and used in the manner required or recommended by its importer or manufacturer or their representative. Machinery, equipment or structures may not be overloaded. A service log must be kept. Indicator lights, alarms and other warning systems of equipment must be kept in working order.

The performance of grain dryers and drying silos must be monitored throughout the drying process.

Insured property must be used under conditions specified by the importer or manufacturer.

The property must not be handed over for transportation to a person who is not suitable for the task by reason of age or health, or due to lack of right to drive.

Before embarking on any demolition or excavation work, the location of cables and pipes on the property must be ascertained.

Production buildings' production control equipment, milking robots and wet feeders must be protected against excess voltage and voltage fluctuations.

The operation of mechanised air conditioning and refrigerating machines must be supervised. Temperature control must be implemented with a system that is independent of air conditioning or refrigerating machines, or ensured by other means. If the equipment ceases to function, immediate action must be taken to protect the property.

You may not connect all ventilation fans under the same fuse block.

Fur farms' shade shelters must be built under instructions provided by the authorities. Any excess snow must be shovelled and ice removed.

Oil tanks and related oil pipelines of a building must for the first time be checked in their tenth year of use, and after this steel tanks must be checked every five years and other tanks every ten years. Overground tanks must have an inspection hole. Heating oil must be removed from tanks which are no longer in use, and the equipment must be neutralised and the feed connection removed.

Oil tanks for agricultural use must have a siphon flow prevention system to prevent any oil spilling if the siphon hose falls off. Standard oil tanks and oil tanks for agricultural use must be inspected as specified according to their classification.

Rubber slurry-storage basins must be equipped with French drains or employ some other system to ensure that groundwater is led away from under the basin. Gas pipes must also be installed under the rubber in accordance with the manufacturer's instructions to guide gases rising from the ground to be away from under the basin. At the bottom of the basin where the mixing takes place, there must be an extra piece of rubber, and on top of that a mechanical block to protect the basin rubber. The mixing blade and suction and inlet pipes must also be equipped with a mechanical block to protect the basin rubber. Rubber slurry-storage basins must be installed as instructed by the manufacturer and authorities.

## ES 7 Appraisal and indemnification regulations

The property that is the object of insurance must be insured as indicated in the insurance policy either for its full value, meaning that the object is insured without an agreed sum insured and the premium is determined by the premium basis shown in the insurance policy, or up to an agreed sum insured.

The definition provided in the RT card 120.12 published by the Building Information Foundation is used to calculate the actual cubic content of the target.

### 7.1 Sum insured

Property is insured for the agreed sum insured entered in the insurance policy for each object or property item. This sum, adjusted by the index entered in the insurance policy (see clause 7.9, Index clauses), is the maximum indemnity in the case of loss.

The sum insured is used as the calculation basis for the insurance premium and equals the maximum indemnity but it does not form a basis for the amount of loss or its assessment.

The basis of the sum insured is recorded in the insurance policy. It is one of the following:

#### 7.1.1 Replacement value

The replacement value refers to the amount of money required for acquiring new similar or equivalent property to replace the old one. Unless otherwise agreed with

the insurance company, the sum insured is based on the replacement value of the property.

### 7.1.2 Current value

The current value refers to the amount based on the reduced value of property, as a result of age, use, technological obsolescence, decrease in usability or similar reasons, deducted from the replacement value. When determining the current value for buildings, the fair value of the asset is also taken into account. Fair value refers to the sum that would have been obtained if the asset had been sold before the damage occurred.

Current value must be lower than the asset's replacement value.

If insured for the full current value, any compensation will be based on first loss.

### 7.1.3 Fair value of animals

By fair value we mean the amount of money the policyholder would have received for the sale of an animal immediately before the insurance event.

### 7.1.4 First loss

First loss refers to the sum insured agreed for the object of insurance and recorded in the insurance policy. Provisions governing under-insurance shall not apply to first loss insurance (see clause 7.5.2 Under-insurance).

## 7.2 Deductibles

For each loss, the policyholder has a deductible. The deductible is recorded in the policy document.

### 7.2.1 Deductible of machinery and equipment in losses due to breakage

If machinery and equipment referred to in clause 2.3.2 of property insurance are insured with Extended Farm Insurance, the deductible in breakage losses is at least 900 euros or any higher deductible entered in the insurance policy.

### 7.2.2 Deductible in hot work

If a coverable loss caused by an outbreak of fire (fire loss) arises from hot work (see clauses ES 6.1 and 6.2), the policyholder's deductible shall be ten times that recorded in the insurance policy, a minimum of 2,000 euros and a maximum of 5,000 euros, or a higher deductible recorded in the insurance policy.

### 7.2.3 Fur farm's shade shelters

Deductible in fur farm shade shelter damage caused by snow and ice

Age in years	Deductible, % of loss amount, min. 600 euros
0-10	30
11-15	40
16-	insurance cover ends in terms of snow and ice damage

### 7.2.4 Fur animals' heat stroke

The deductible in cases of heat stroke affecting fur animals is 20% of the loss amount, but always a minimum of 1,500 euros.

### 7.2.5 No deductible will be subtracted

- in loss due to theft if the building has been broken into through a door secured with a safety lock
- if an approved burglary equipment has operated properly and limited the amount of loss
- if the leakage alarm equipment at the place of insurance has, through its operation, restricted the extent of the coverable loss caused by leakage
- if the fire alarm equipment at the place of insurance has limited the loss
- if a fire-safe waste shelter or underground waste container has restricted the extent of the damage.

## 7.3 Other coverable loss expenses

### 7.3.1 Additional expenses resulting from regulation issued by the authorities

In the event of damage to a building, the insurance covers reasonable additional expenses arising from any imperative regulations issued by the authorities concerning repair or constructions, but no more than 20% of the total amount of the direct material damage and related expenses as defined above.

If the insurance is based on an agreed sum insured, the sum insured is the maximum limit for total compensation.

### 7.3.2 Expenses arising from combating impending loss

In addition to direct material damage, the insurance covers, under clause Obligation to prevent and limit loss or damage or salvage obligation respective to the General Terms of Contract, reasonable expenses arising from mitigating or preventing a loss occurred or immediately impending and coverable under the insurance.

### 7.3.3 Expenses arising from damage to soil

As a result of coverable material damage to the object of insurance, the insurance covers the examination, soil remediation or replacement costs as well as waste transportation and treatment costs arising from damage to the soil on property owned or controlled by the policyholder provided that the costs were incurred due to measures taken as a result of an imperative official regulation issued no later than within twelve months of the loss event.

The costs referred to herein are indemnified to a maximum of EUR 200,000 per loss.

### 7.3.4 Interruption of use of production building

The insurance covers additional expenses caused to the policyholder because the farm's production building cannot be used in part or at all, owing to coverable insurance events. The insurance does not cover losses caused by interruption of use of a holiday cottage. The maximum compensation for the expenses of interrupted use is up to 6% of the damaged building's value. Compensation will be paid for a maximum of two months of the occurrence of the loss. A deductible of 15% will be subtracted from the coverable extra costs, in addition to the deductible for material damage.

When calculating the amount of compensation, we take into account the actual costs from which the expenses that were saved have been subtracted. A deduction of 50% of

the cost of centralised drying is made to account for saved expenses in respect of grain and hay dryers. Compensation will be paid even if the sum insured or the replacement value or current value that is the basis for compensation is exceeded.

If a grain dryer is used for any other purpose than drying the farm's own grain, any documented net income loss will also be compensated up to the maximum sum of 3,000 euros per insurance event.

### 7.3.5 Interruption in the use of an agricultural machine (working machines coupled to a tractor)

The insurance indemnifies additional costs arising because the insured agricultural machine cannot be used owing to coverable insurance events.

The insurance covers reasonable and necessary extra costs arising from work done or having done using machinery owned by another party. Machinery owned or controlled by a person living in the same household as the policyholder or that owned by a company or one-man business of a person living in the same household as the policyholder is not regarded as machinery owned by another party. The insurance does not indemnify work subcontracted to a third party nor the loss of income caused by this.

Actual costs less expenses saved due to the loss will be taken into account in calculating the amount of compensation. A deduction of 20% of the cost of leased machinery and 35% of the cost incurred from using a contractor is made to account for saved expenses. Compensation will be paid for a maximum of 30 days of the occurrence of the loss.

A deductible of 15% will be subtracted from the coverable extra costs, in addition to the deductible for material damage. Additional expenses are only covered up to a maximum of EUR 10,000. Compensation for additional costs may only be as high as the net income losses caused by an interruption.

## 7.4 Assessment of property value and loss amount

### 7.4.1 Loss amount based on replacement value

The loss amount based on replacement value is calculated by deducting the value of the remaining property (residual value) from the value of the property immediately before the loss. Both values are calculated in accordance with the replacement value. (The concept of replacement value is defined above in clause 7.1.1 and the residual value of the building below in clause 7.7.)

If the damaged property can be repaired, the resulting repair costs constitute the loss amount. However, the maximum loss amount equals the difference between the replacement value and residual value.

If, however, the value of the property item had by the time of loss decreased to the extent that the current value of the object was less than 50% of the replacement value immediately before the loss, the loss amount is calculated based on the current value (see clause 7.1.2).

Each damaged object is appraised separately.

### 7.4.2 Loss amount based on current value

The loss amount based on current value is obtained by deducting the value of the remaining property (residual value) from the current value. Both values are calculated in accordance with the current value. (The definition of current value is provided in clause 7.1.2 above)

If the damaged property can be repaired, the resulting repair costs constitute the loss amount. However, the maximum loss amount equals the difference between the current value and residual value.

### 7.4.3 Loss amount based on first loss

If the insured and the company have agreed that the sum insured is based on first loss, and the property is repaired, the sum insured is the upper limit of indemnity. If the property is not repaired, the upper limit of the indemnity is that part of the sum insured which corresponds to the degree of the damage.

### 7.4.4 Age reduction in leakage damage

In the event of leakage damage as specified in clause 4.1.8 (ES) and in leakage damage under Extended Farm Insurance, age reductions are made on all repair and replacement costs, based on the age of the cables, pipes or other equipment which caused the damage, as shown below:

Age of cables, pipes or other equipment, years	Age reduction, %
11–20	10
21–30	20
31–40	40
41–50	50
over 50	60

The age reduction shall not, however, exceed 20,000 euros per loss.

The age of any cables, pipes or other equipment is calculated as of the beginning of the calendar year following the year they were installed.

### 7.4.5 Age reduction schedule applied to machinery and equipment in buildings

In the case of lightning and electrical phenomenon losses and breakage losses to property specified in clause 2.2 (machinery and equipment serving the building), the following reductions will be applied to all repair and replacement costs, including other costs under property losses specified in clause 7.2.1, as of each beginning year of use from the third year onwards. The counting of the years of use starts as of the beginning of the calendar year following the installation year. The reduction is calculated by multiplying the reduction percentage with the number of years thus obtained from the third year onwards.

In the event of a fire, an age reduction schedule is now also applied to the equipment responsible for the fire.

	Reduction -%
tanks, waste water, rainwater, service and heating pipes of the building, other than those located in the ground slab	3
tanks outside the production building	3
copper and plastic pipes in the ground slab and underground	3
grain drying, transfer and processing equipment	4
pipes in the ground slab and underground made of other than copper or plastic	6
dryer ovens, central-heating equipment, heat exchangers and conveyors, boilers with tanks, tanks underground or in the ground slab, adjustment and control equipment, heating cables, electric radiators, air-conditioning and refrigeration equipment, and electric motors	6
milking machines	6
equipment for the transfer and handling of feed and feeders	6
other permanently fixed machines and appliances	6

The deductible specified in the insurance policy is not subtracted following this reduction. However, the reduction is always at least equal to the deductible.

#### 7.4.6 Age reduction of assets included in movable property

In the case of lightning and electrical phenomenon losses and breakage losses to insured objects considered as fixed assets of movable property and listed in the table, the following reductions will be applied to all repair and replacement costs, as of each beginning year of use from the second year of use onwards. Years of use are counted from the beginning of the calendar year following the year of purchase. The reduction is calculated by multiplying the percentage of depreciation by the number of calendar years that have elapsed since year of purchase.

	Reduction -%
Plastic sheeting of polytunnels used to grow vegetables and berries	50
Movable IT equipment, such as computers and their peripherals and phones	20
Household appliances	10
Motorised working machines and equipment	10

The deductible specified in the insurance policy is not subtracted following this reduction. However, the reduction is always at least equal to the deductible.

The maximum compensation for agricultural machines and equipment other than those listed in the table is the property's current value.

#### 7.4.7 Replacement of agricultural products and equipment

The maximum compensation of agricultural products and equipment that were insured without a sum insured is the amount that it would be possible to obtain for them if

they were sold on normal conditions. When determining the maximum compensation, any unpaid costs, discounts and other similar savings and unpaid profit equivalent to processing work will be subtracted from the sales price.

#### 7.4.8 Indemnity for production animals

In production animal insurance, the maximum amount of compensation is the animal's sum insured entered in the insurance policy, or part of the sum insured calculated from the number of animals insured. When a production animal has been insured without a sum insured, the maximum amount of compensation is the animal's fair value.

The maximum compensation for a fur animal is the percentage – specified in the table in clause 7.6.1 below and determined by the time of the loss – of the animal species' previous sales season's average skin price.

#### 7.4.9 Value added tax

Provisions governing value added tax are taken into account when calculating the amount of loss. Accordingly, the tax will not be paid if it is tax-deductible by the beneficiary. Value added tax will not be paid in case the insured party has the right of refund with respect to value added tax.

### 7.5 Amount of indemnity

#### 7.5.1 Amount of indemnity

The amount of indemnity is the amount of loss less the deductible.

#### 7.5.2 Under-insurance

##### Full value insurance

If the cubic content, area or number indicated in the insurance policy used as premium basis for the property is smaller than what it is in reality, the insurance will only cover losses up to the proportion of the indicated and actual values.

##### Insurance based on the sum insured

If the sum insured is less than the property's value, the property is underinsured. In the case of loss incurred by an underinsured property, the insurance will only cover that part of the loss which corresponds to the ratio of the sum insured to the value of the property.

#### 7.5.3 Overinsurance

On the basis of an insurance event incurred by overinsured property, the insurance will not cover more than is necessary to cover the loss.

##### Full value insurance

If the cubic content of the building indicated in the insurance policy is larger than its actual cubic content, the building is overinsured.

##### Insurance based on the sum insured

If the sum insured is higher than the property's value, the property is overinsured.

### 7.6 Payment of indemnity

Indemnity based on the current value is paid first. The difference between the indemnities based on the replacement value and current value will be paid if, within two years of the loss, the damaged property has been repaired or

replaced with similar property intended for the same use in the same location.

Only the policyholder or a third party in favour of whom insurance has been taken out has the right to the difference between the indemnities based on the replacement value and current value. This right is not transferable.

If construction is delayed due to action by the authorities, the delay period will be added to the two-year time limit.

### 7.6.1 Calculating compensation for fur animals

The compensation for a fur animal is the percentage – specified in the table below and determined by the time

of the loss – of the animal species' previous sales season's average skin price.

The price is the average price obtained by the policyholder. If no price is available per producer, the price is determined by the average skin price of the species sold in Saga Furs Oyj auctions during the previous sales season.

The insurance company's maximum indemnification liability for each animal is the sum insured per animal calculated as explained above.

Compensation table for breeding animals

Month	Mink		European polecat		Blue fox		Silver fox		Raccoon	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Jan	150	120	150	120	150	120	150	120	150	120
Feb	150	150	150	150	150	150	150	150	150	150
Mar	150	180	150	180	150	180	150	180	150	180
Apr	100	210	150	210	150	210	100	210	150	210
May	60	240	100	240	100	240	100	240	60	240
Jun 1-15	60	100	60	270	60	270	60	240	60	240
Jun 16-30	60	100	60	100	60	270	60	100	60	100
Jul	60	60	60	60	60	100	60	60	60	60
Aug	70	70	70	70	70	70	70	70	70	70
Sep	80	80	80	80	80	80	80	80	80	80
Oct	90	90	90	90	90	90	90	90	90	90
Nov	100	100	100	100	100	100	100	100	100	100
Dec	100	100	100	100	100	100	100	100	100	100

Compensation table for young

	Mink	European polecat	Blue fox	Silver fox	Raccoon
Min. 3 weeks <sup>1)</sup>	50	50	50	50	50
mm					
Jul	60	60	60	60	60
Aug	70	70	70	70	70
Sep	80	80	80	80	80
Oct	90	90	90	90	90
Nov	100	100	100	100	100
Dec	100	100	100	100	100

<sup>1)</sup> The young will begin to be covered once they reach the age of three (3) weeks. The table continues beyond July, that is, from July onwards compensation is paid normally on the basis of the time of loss.

## 7.7 Residual value of a building

### 7.6.1 Indemnity for reduction in residual value

If, due to a building prohibition or construction restriction in force under the provisions of the Finnish Building Act or Road Act, the parts of the building remaining after the loss

may not be used for restoring the building, the reduction in residual value will also be indemnified.

### 7.6.2 Special permit

The policyholder shall prove that a building prohibition or construction restriction is in force.

If the insurance company so requests, the policyholder shall apply for a special permit to restore the building to its former condition and, if the permit is rejected, the policyholder shall appeal against the decision. At the insurance company's request, the policyholder shall authorise the insurance company to represent him in applying for the permit.

## 7.7 Other provisions concerning indemnity

### 7.7.1 Alternatives to cash indemnity

The insurance company has the right to have the lost or damaged property built, acquired or repaired in lieu of cash indemnity. The insurance company has the right to decide which builder or repairer is to be used for rebuilding or repairing the property, or to decide from which source of supply similar property is to be acquired.

### 7.7.2 Loss investigation costs

The insurance company is only obliged to compensate loss assessments it has requested itself, or other necessary investigations carried out to settle a claim or evaluate the extent of loss. The insurance company is not obliged to

compensate other assessments or investigations unless they have been agreed upon in advance with the insurance company.

### 7.7.3 Mortgageable property

The policyholder will be indemnified for property for which a mortgage can be secured only if he has ascertained that the property has not been mortgaged in security for debt, or that the mortgagees have agreed that the policyholder should be indemnified (cf. section 13 of the Finnish Business Mortgages Act and chapter 17, section 8 of the Code of Real Estate).

For real estate, no such ascertainment is required,

- provided that the policyholder proves that the damage has been repaired;
- provided that the policyholder shows a guarantee stating that the indemnity will be used to repair the damaged property;
- the amount of indemnity is small compared to the value of the property; or
- it is otherwise obvious that indemnification will not impair a creditor's prospect of payment.

### 7.7.4 Insurance company's right to redeem damaged property

The owner of insured property retains ownership even if the property is damaged. However, the insurance company has the right to redeem the remaining damaged property or part thereof. The redemption will be indemnified on the same grounds as damage to that object or property item (i.e. in accordance with either replacement value or current value).

### 7.7.5 Policyholder's obligation to return recovered property

If the policyholder recovers part of the lost property after payment of indemnity, s/he shall immediately surrender the property concerned to the insurance company, or refund the relevant indemnity.

## 7.8 Index clauses

The insurance is linked to the index indicated in the insurance policy.

The property insurance of buildings and grain dryers and drying machinery is tied to the construction cost index, whilst the policies of other property are tied to the wholesale price index.

### 7.8.1 Index adjustment of the insurance premium or the sum insured per insurance period

#### Full value insurance

The insurance premium is linked to the index indicated in the insurance policy. The insurance premium is adjusted on the first day of each insurance period. The insurance premium is adjusted by as many per cent as the adjustment index deviates from the basic index.

The basic index is the index for August in the year preceding the insurance commencement year.

The adjustment index is the index for August of the calendar year preceding the first month of the insurance period entered in the insurance policy.

## Insurance based on the sum insured

The sum insured entered in the insurance policy is adjusted on the first day of each insurance period. The sum insured is adjusted by as many per cent as the adjustment index deviates from the basic index. At the same time, the amount of investments made and reported during the insurance period is added to the sum insured.

The basic index is the calendar month index five months before the first month of the first insurance period.

The adjustment index is the calendar month index five months before the first month of the insurance period entered in the insurance policy.

The insurance premiums are altered to match the adjusted sum insured.

### 7.8.2 Sum insured at the time of loss (not applicable to full value insurance)

The sum insured at the time of loss is as many per cent of the original sum insured entered in the insurance policy as the calendar month index five months earlier is of the basic index.

The sum insured is also increased during the insurance period by the amount of construction and machinery investments made before a loss. This increase is a maximum of 15% of the sum insured of each asset and the combined total of the amount entered in the insurance policy.

## 7.9 Double insurance

In the case of double insurance, where the same property is insured under several insurance policies for the same loss, indemnity is calculated in accordance with section 59 of the Insurance Contracts Act.

# SV CROP LOSS INSURANCE

## SV 1 Purpose of insurance

Pohjola Insurance undertakes to compensate, according to these terms and conditions and the General Terms of Contract (YL), direct damage to the insured cultivated plant caused by a weather phenomenon specified in clause 4, and the other costs specified in the terms and conditions.

## SV 2 Object of insurance

The object of insurance consists of the crops of cultivated plants produced on the fields controlled by the insured and in the field areas specified in the insurance policy. The insurance must be valid before planting. This insurance covers the following cultivated plants:

Grains: barley, oats, wheat, rye, triticale, spelt and buckwheat.

Oil plants: turnip rape, rape, mustard, camelina, common flax, oil hemp.

Fibre plants: fibre flax and industrial hemp.

Caraway.

Grasses, clovers and other herbage in seed and fodder production. Maize harvested for silage.

Fodder pea, regular pea and broad bean.

Sugar beet, potato, carrot and beetroot, onion and cabbage.

Quinoa.

The insurance does not cover grazing grass, green manure crops, environmental fallow or buffer zone vegetation.

Other plants may only be insured if separately agreed upon with an appropriate entry made in the insurance policy.

## SV 3 Territorial limits

This policy is valid in Finland.

The insurance is valid in the base and agricultural parcels of the insured farm in which plants referred to in clause 2 are cultivated.

The insurance is valid for each plant species and variety in the cropping zone in which the plant variety's breeder or the seller of a certified seed or seedling has intended it to be cultivated.

If no cropping zone has been determined for a plant, it must, according to general understanding, be suitable for the cropping zone where it is to be cultivated.

## SV 4 Coverable losses and related restrictions

The insurance indemnifies crop loss caused by unusual, adverse weather phenomena affecting the objects of insurance specified in clause 2.

By crop loss we mean

- total destruction of the growth
- partial destruction of the growth to such an extent that the harvesting costs would exceed the crop's value
- rendering the crop unfit for sale
- weakening of harvesting conditions so that crops cannot be harvested at all.

By unusual and unfavourable weather phenomena we mean the following:

- hail
- unusually heavy rain (i.e. such rains occur rarely)
- unseasonably severe (rare) frost
- exceptional drought
- wet conditions, caused by exceptional rainfall or flooding, that prevents harvesting
- prolonged, exceptionally high rainfall
- exceptional flooding
- failed overwintering of plants sowed in the autumn or of perennial plants, owing to exceptional winter conditions.

Whether weather phenomena is exceptional or rare is determined on the basis of meteorological definitions.

A weather phenomenon is considered exceptional if its statistical probability is an average of three times per century or less. A phenomenon is considered rare when it occurs less than once per decade on average.

The loss must be based on a generally observable weather phenomenon. The primary source of verifying the phenomenon must be the readings of the closest weather observation station.

If the phenomenon was so local that weather observation station information is not available, it must be verified by some other means that the phenomenon did take place and caused the crop loss.

Restrictions

The insurance does not indemnify altered purpose of use or reduced value of crops because a deterioration of crop quality.

The insurance does not indemnify losses caused by delayed or prevented sowing.

The insurance does not indemnify losses caused by the field crust formation, even if it was the result of heavy rain or some other coverable event.

The insurance does not indemnify indirect expenses, such as disposing of unharvested growth, more difficult tilling or inability to sow winter grain.

## SV 5 Indemnification regulations and deductible

### 5.1 Loss amount assessment

When assessing the loss amount, we take into account the amount of crops lost and their fair value. As fair value we apply as a rule the average prices of the past 12 months prior to the loss. When it comes to seasonal products, we apply a shorter period. The value of grass or grass silage for the farm's own use is its production costs.

If the crop price has been partly or fully predetermined, this is taken into account when calculating the indemnity.

An external evaluator may be applied.

The estimate is based on regional average crops and, if necessary, expert statements and the farm's own crop records.

### 5.2 Calculating the amount of indemnity

The insurance indemnifies the loss of net income lost as a result of the crop loss. The coverable loss amount is calculated by subtracting the harvesting, transportation, drying and other costs that were not needed from the value of the lost crop.

The maximum compensation is 800 euros per hectare insured against crop loss unless otherwise agreed, with an appropriate entry made into the insurance policy.

If the field area specified in the insurance policy used as the premium basis is smaller than the actual field area, the insurance only indemnified losses in the same proportion as the difference is between these two figures.

If growth is destroyed before the final date by which sowing must take place to be entitled for subsidies and another crop plant or some other plant entitling to subsidies can be sown instead, the compensation cannot exceed the lost labour and material expenses.

If winter grain is destroyed during the winter, the compensation cannot exceed the lost labour and material expenses.

### 5.3 Deductible

All losses carry a deductible amounting to 20% of the coverable amount, but no less than the amount entered in the policy document.

## SV 6 Safety regulations

6.1 The insured must strive for a crop that is good in terms of quantity and quality. Any farming activity should result in harvesting.

6.2 The fields' water management must be taken care of with sufficient and properly maintained ditching and, if necessary, landscaping. Compaction of soil in the fields should be avoided.

6.3 Sowing must be postponed if there is an imminent danger of loss through heavy rain or frost etc.

6.4 Harvesting should begin without delay once the crops have been found to be ready in terms of quantity and quality.

6.5 If a coverable event is imminent during the harvesting period or just before it, the insured must take any reasonable measures to harvest the crops before any losses occur.

## SV 7 Other provisions

Any losses must be reported without delay to the insurer to allow an opportunity to inspect the losses. Destroyed growth may not be disposed of until the insurer has given permission for this.

## KE BUSINESS INTERRUPTION INSURANCE

If separately agreed upon and specified in the insurance policy, the insurance contains business interruption insurance.

### KE 1 Purpose of insurance

In accordance with these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd (hereinafter the insurance company) undertakes to cover financial loss caused to the object of insurance by damage referred to in clause KE 4, and other expenses mentioned separately in the terms and conditions.

### KE 2 Object of insurance

The object of the insurance is the sales margin of the policyholder's business operations specified in the insurance policy. By sales margin we refer to net sales from the beginning of the insurance period less variable costs (specified in the Accounting Ordinance).

### KE 3 Extent of coverage

#### Interruption Insurance for Farm Cover

The insurance covers loss due to business interruption which is a direct consequence of coverable material damage to property used in insured farming operations. Coverable property damage has been specified in the terms and

conditions of Farm Production Insurance YH 11, clause 4.1 Farm Insurance.

#### Interruption Insurance for Extended Farm Cover

The insurance covers loss due to business interruption which is a direct consequence of coverable material damage to property used in insured farming operations. Coverable property damage has been specified in the terms and conditions of Farm Production Insurance YH 11, clause 4.2 Extended Farm Insurance.

#### Catastrophe interruption

The insurance covers loss due to business interruption which is a direct consequence of a coverable loss to property used in insured farming operations or to animals insured under animal catastrophe insurance. Coverable losses have been specified in the terms and conditions of Farm Production Insurance YH 11, clauses 4.1 Farm Insurance or 4.2 Extended Farm Insurance and TE 3 Animal Catastrophe Insurance.

## KE 4 2.1 Indemnity period and deductible

### 4.1 Period of liability

The indemnity period recorded in the insurance policy is the continuous period of time that begins at the end of the waiting period. The insurance covers business interruption during the indemnity period.

### 4.2 Deductible

The deductible subtracted from the loss amount has been entered in the insurance policy.

## KE 5 Coverable losses and related restrictions

### 5.1 Coverable losses

The insurance covers financial loss caused by interruption of business operations that is a direct consequence of a coverable loss concerning insured property during the insurance period.

Our insurance policies also cover financial losses incurred from business interruptions as a direct consequence of a fire that occurs and damages assets that a customer or a supplier of goods or services that is in a direct business relationship with the policyholder relies on in their business operations. The loss must have occurred during the insurance period, and the assets in question must have been at a permanent place of business of the customer or supplier at the time of the loss. The indemnity period in business interruption due to dependence is up to 6 months

## KE 6 Indemnification regulations

### 6.1 Loss amount

The amount of loss is the loss in sales margin (see clause KE 2 Object of insurance) and uncovered payroll costs during the indemnity period. The most fundamental division of costs is based on either fixed or variable costs. Costs are considered fixed if they do not change in the short run depending on the production volume.



## 6.2 Expenses paid to reduce business interruption loss

The coverable loss also includes expediting costs and other additional financially justifiable expenses paid by the policyholder, which have reduced the business interruption loss by at least the same amount during the indemnity period.

## 6.3 Other regulations for calculating the loss amount

### 6.3.1 Overinsurance

The object is overinsured if the turnover calculated for the insurance period reported by the policyholder and recorded in the insurance policy is higher than the actual turnover. In such a case, the loss amount is calculated from the actual turnover.

### 6.3.2 Under-insurance

The object is underinsured if the turnover calculated for the insurance period reported by the policyholder and recorded in the insurance policy is lower than the actual turnover. In such a case, a portion is paid of the loss amount that is proportionate to the portion represented by the reported turnover of the actual turnover.

### 6.3.3 Termination of business operations

If business operations are discontinued after a loss, the loss amount is the operating profit lost and the paid expenses included in the sum insured for the period it would have taken to resume business operations up to the indemnity period.

### 6.3.4 Expansion of business operations

Any deductions due to use of part of the indemnity period for development or expansion of business operations, or for other changes, are not taken into account in calculating the reduction in net turnover.

6.3.5 If the reason for the business interruption is damage to property used by the policyholder, business interruption compensation is only paid up to the period which it would take to repair the item using efficient repair methods. This is assessed using the criteria that would be observed if the material damage were to be covered from this insurance.

### 6.3.6 Indemnity amount

The indemnity amount consists of the loss amount calculated in accordance with the above rules, less

- any amount saved during the indemnity period because there has been no need to pay an expense item included in the sales margin (see clause KE 2 Object of insurance) as a result of material damage or because it has been reduced, indemnified from another insurance or otherwise saved
- the amount by which the operating profit of the policyholder, a company in the same Group or someone else acting for the policyholder increased during the indemnity period owing to the loss, and
- any sales margin included in an indemnity received for material damage.

The maximum amount of business interruption compensation for a single insurance period is the total of profits, variable payroll costs and social expenses for 12 months from the beginning of the insurance period, increased by 50%.

## 6.4 Restrictions

### 6.4.1 Crop loss

The insurance does not indemnify losses to growing field and garden plants or any other unharvested crop. However, the insurance indemnifies business interruption that is a direct consequence of fire damage to growing or unharvested crops.

### 6.4.2 Milk containing antibiotics

The insurance does not indemnify business interruptions caused by milk being unusable owing to bovine antibiotic treatment.

## KE 7 Other provisions

In the event of loss, the policyholder must promptly report to the insurance company and take measures to mitigate any resulting business interruption loss. Any expenses incurred by the policyholder owing to such measures will be indemnified in accordance with the principles applicable to business interruption loss.

## VA COMMERCIAL GENERAL LIABILITY COVER

### VA 1 Purpose of insurance

On the basis of these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd (hereinafter referred to as the insurance company) undertakes to

- cover the losses referred to under clause 3.1 and the other expenses referred to separately in these terms and conditions,
- investigate the grounds for and amount of damages,
- negotiate with the claimant, and
- handle court proceedings or pay legal expenses if the indemnity issue is subjected to legal proceedings.

The insurance covers the policyholder's business activities that were reported to the insurance company when the insurance was taken out and which are recorded in the insurance policy (insured activity).

### VA 2 Territorial limits

The insurance is valid in Finland, unless otherwise agreed and recorded in the insurance policy.

The insurance is valid throughout the world with regard to losses occurring during a sales or purchase trip or when taking part in a conference or trade fair.

## VA 3 Coverable losses and related restrictions

### 3.1 Coverable losses

The insurance covers bodily injury and material damage caused to a third party in the insured operations and within the territorial limits of the insurance, provided that

- such injury or damage is discovered during the insurance period, and
- the policyholder is liable for it under legislation in force.

The insurance also covers a purely financial loss, caused to another as specified in the Finnish act on data protection or EU's General Data Protection Regulation, which was the result of illegal processing of personal data in the insured activity during the policy's validity and which the insured person is liable for in the capacity of a controller.

### 3.2 Restrictions

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

The insurance does not cover any loss sustained by the policyholder.

#### 3.2.2 Property at the disposal of the policyholder

The insurance does not cover any damage to property that was in the possession of, at the personal disposal of, or borrowed by the policyholder at the time of the act or omission causing the loss.

#### 3.2.3 Damage caused to property being handled by or in the care of the insured party

The insurance does not cover any loss or damage to property which, at the time of the act or omission causing the loss, was

- being manufactured, installed, repaired, processed or otherwise worked on by the policyholder or a third party on behalf of the policyholder
- stored
- subject to the safety or prevention obligation in view of the nature and immediate sphere of influence of the insured party's operations or of the work causing the loss, or
- otherwise in their care.

#### 3.2.4 Product liability

The insurance does not cover any loss caused by a product delivered to a third party.

#### 3.2.5 Products sold or handed over

The insurance does not cover any damage to

- damage to products handed over when the loss is caused by a characteristic of the products themselves or by errors or deficiencies in the products or in information or instructions given concerning the products, or
- damage to products sold but not yet handed over.

#### 3.2.6 Expenses incurred due to work performed

The insurance does not cover expenses caused by rectifying or redoing work incorrectly performed, not even if this work is performed by a party other than the policyholder.

#### 3.2.7 Contractual liability

The insurance does not cover any loss insofar as the liability is based on a contract, guarantee or other obligation, unless the liability would be incurred even without such an obligation being in force.

#### 3.2.8 Loss caused by plans, advice or instructions

The insurance does not cover any loss caused by errors or shortcomings in plans, research or measurement results, calculations, drawings, work specifications or reports or advice or instructions pertaining to a product and given to a third party.

#### 3.2.9 Environmental damage, various discharges or disturbances

The insurance does not cover any damage to

- pollution of water, air or soil
- smoke, soot, dust, steam, gas
- noise, vibration, radiation, light, heat or smell or
- other similar disturbance.

The insurance does, however, cover sudden loss caused by a random or single error or omission or by a fault or defect in a building, plant or piece of equipment appearing suddenly or unforeseeably as a result of an eventuality constituting liability for the policyholder. An additional condition is that the loss sustained for a reason fulfilling the above conditions took place suddenly, unforeseeably and quickly and is not based on a slow, gradual effect or repeated act or omission or otherwise recurring events.

A further precondition for payment of indemnity is that the policyholder became aware of the pollution, emission/dischARGE or other disturbance no later than fourteen days after its beginning, and filed a written claim with the insurer within sixty days of the date when such pollution, emission or other disturbance began.

For measures to be taken to prevent environmental damage and for indemnification of expenses incurred due to such measures, see clause Prevention costs.

#### 3.2.10 Costs incurred by the authorities in cases of environmental damage

The insurance does not cover costs arising from preventive and rehabilitation measures taken by the authorities under section 6, subsection 1(2) of the Act on Compensation for Environmental Damage (737/1994).

#### 3.2.11 Loss caused by moisture and flooding

The insurance does not cover any damage to

- moisture or
- flooding caused by rainwater or thaw, waste water, rivers, lakes and seas.

The insurance does, however, cover sudden loss caused by a random or single error or omission or by a fault or defect in a building, plant or piece of equipment appearing suddenly or unforeseeably as a result of an eventuality constituting liability for the policyholder. An additional condition is that the loss sustained for a reason fulfilling the above conditions took place suddenly, unforeseeably and quickly and is not based on a slow, gradual effect or repeated act or omission or otherwise recurring events.

However, the insurance does not cover any loss incurred due to flooding caused by a planning, measurement or construction defect in water pipes or sewers.

If the damage was caused by the policyholder's faulty installation, a further precondition for compensation for humidity damage is that the damage is discovered within 12 months of the installation. This extension does not apply to any other damage than that caused by humidity.

### 3.2.12 Groundwater

The insurance does not cover any loss caused by a change in the groundwater level.

### 3.2.13 Ownership and possession of real estate

The insurance does not cover any loss arising from the ownership, possession or maintenance of real estate.

The insurance does, however, cover the loss if

- the greater part of such real estate is used by the policyholder for purposes relating to the insured operations or
- liability insurance concerning the real estate has been agreed separately and this has been entered in the insurance policy.

### 3.2.14 Loss caused by use of watercraft or aircraft

The insurance does not cover any damage to

- use of craft or vessel subject to registration, unless the use is connected with work performed by the policyholder for the policyholder's own benefit or
- use of an aircraft for aviation when the policyholder is held liable in the capacity of owner, possessor or user of the aircraft, in the capacity of someone carrying out a task or duty aboard the aircraft or in the capacity of the employer of the above.

### 3.2.15 Loss caused by quarrying and blasting

The insurance does not cover any loss caused by quarrying or blasting performed using external labour or for a third party, or by any consequential subsidence or landslide.

### 3.2.16 Financial loss

The insurance does not cover any financial loss that is not connected with bodily injury or material damage.

The insurance does, however, cover financial loss referred to in the Personal Data Act (see clause 3.1).

### 3.2.17 Pharmaceutical or patient injury, occupational accident, work-related exposure or occupational disease

The insurance does not cover

- patient injury as referred to in the Patient Injury Act
- personal injury caused by medication
- personal injury inasmuch as it is covered by the insured person's policy referred to in the Workers' Compensation Act, nor
- injury or illness caused by occupational disease or other work-related exposure.

### 3.2.18 Road accident

The insurance does not cover any loss caused by use of a motor vehicle in traffic under the provisions of the Motor Liability Insurance Act or corresponding foreign legislation.

However, the insurance compensates road accidents in Finland that were not compensated by motor liability insurance as specified in section 40(2) of the Motor Liability Insurance Act, causing damage to the owner's or keeper's property that was not in the vehicle.

The insurance also compensates road accidents not covered by motor liability insurance as specified in section 42 of the Motor Liability Insurance Act if the accident was caused during loading, unloading or other work performance

- if the vehicle is stationary, to vehicle's owner, driver or other person performing the specified work.
- with regard to the property subject to the work performance or with regard to another vehicle engaged in the work performance.

The insurance does not, however, cover

- damage to the insured party's property that was being hoisted, towed or transported
- damage to the insured party's property or property specified in clause 3.2.2
- personal injury inasmuch as it is covered by a policy referred to in the Workers' Compensation Act (see clause 3.2.17).

If the country where the loss occurs has no law which corresponds to the Finnish Motor Liability Insurance Act, the insurance does not cover loss caused by use of a motor vehicle in traffic.

### 3.2.19 Chemical products or equivalent

The insurance does not cover any loss or damage caused either directly or indirectly by

- asbestos
- lead or lead paint
- polychlorinated biphenyl (PCB)
- chlorinated hydrocarbons
- ureaformaldehyde
- diethylstilbestrol (DES)
- electromagnetic fields (EMF)
- welding fumes
- silica or silica-related dust
- genetically modified organisms (GMO)
- nanotechnology elements in products
- fungi, mould or bacteria on or within a building or other structure.

### 3.2.20 Loss caused by tobacco

The insurance does not cover any loss caused by tobacco, tobacco products or tobacco smoke.

### 3.2.21 Nuclear accident

The insurance does not cover any loss caused by a nuclear accident referred to in the Nuclear Liability Act or corresponding foreign legislation.

### 3.2.22 Loss caused wilfully or through gross negligence

The insurance does not cover any loss caused wilfully or through gross negligence (see clause 7 of the General Terms of Contract, YL).

A loss can be considered to have been caused wilfully or through gross negligence if, for example, the act, operating method or neglect has involved a considerable risk for the loss to take place.

However, the insurance covers loss caused wilfully or through gross negligence if the policyholder in the capacity as employer is held liable for loss caused by an employee in the course of work and is able to show that the policyholder or its supervisory staff was not, and did not have to be, aware of the employee's action.

### 3.2.23 Loss caused by defamation of character or invasion of privacy

The insurance does not cover any loss caused by attacks on the policyholders' honour or invasion of their privacy.

### 3.2.24 Fines

The insurance does not cover fines or other similar sanctions.

### 3.2.25 Known risk of loss or damage

The insurance does not cover any loss caused by an error, deficiency or other grounds for liability of which the policyholder was or should have been aware at the inception of the insurance cover.

### 3.2.26 Loss caused by costs of repairing and remedying environmental damage as referred to in the EU Environmental Liability Directive

The insurance does not cover costs based on EU directive 2004/35 or corresponding legislation concerning repairing and remediation of environmental damage, nor any other costs or compensation related to such damage.

### 3.2.27 Other liability insurance policies

The insurance does not cover any loss to the extent that the loss is covered by another liability insurance policy taken out by the policyholder.

## VA 4 Safety regulations

The policyholder shall comply with the safety regulations given below, recorded in the insurance policy or otherwise issued in writing (see General Terms of Contract (YL), clause 6.1).

### 4.1 Hot work

This condition concerns such work (hot work) that creates sparks or which uses a flame or other heat causing a fire hazard (with regard to the deductible, see clause 7.7).

Hot work must be performed in a regular or temporary place designated for such work as defined in the safety regulations for hot work included in the insurance policy. A written permit is required to perform hot work in a temporary place.

The policyholder must comply with the provisions of the safety regulations for hot work included in the insurance policy, and the equipment and machinery used for the work must be in accordance with the current regulations.

### 4.2 Waterproofing

This clause refers to construction and renovation work which does not incorporate rainwater or thaw insulation or in which such insulation is being constructed, replaced or repaired (for deductible, see clause 7.7).

The risk of loss caused by rainwater or thaw must be investigated in advance and a protection plan must be drawn up by the contractor.

The work area must be waterproofed. Any valuable or damage-prone property on premises below the work area must be removed or separately protected. The users of such premises must be informed of the work.

## 4.3 Excavation and earthmoving

This clause refers to all excavation and earthmoving work (for deductible, see clause 7.7)

Before the work begins, the policyholder must acquire information on the location of any cables and pipes in the work area from their owner and take this location into account in performing the work.

In the event of loss involving a subterranean cable, the insurance company must be provided with a written certificate from the owner of the cable or pipe proving that a map had been supplied or the cable or pipe locations had been shown on site before the work began.

## VA 5 Claims settlement

### 5.1 Insurance company's obligations

The insurance company shall investigate whether the policyholder is liable to pay damages for the reported loss covered under the insurance, the amount of which exceeds the deductible, and shall negotiate with the claimant.

If the policyholder makes good the loss, agrees thereon or accepts the claim, this will not be binding on the insurance company, unless the amount of and grounds for the damages are manifestly correct.

If the insurance company has reached an indemnification agreement with the party who has suffered the loss, and the policyholder does not agree to this, the insurance company will not be held liable to indemnify for any subsequent expenses or to pay any more than it would have indemnified under the aforementioned agreement. Nor is the insurance company liable to conduct any further investigations into the matter.

### 5.2 Policyholder's obligations

The policyholder shall

- participate in the investigation into the loss at his/her own expense
- provide the insurance company with all information, documents and other material in his/her possession that are relevant to the claim settlement
- obtain or prepare any necessary clarifications and studies available to the policyholder at reasonable expense and
- reserve the insurance company the opportunity to participate in bringing about an amicable settlement.

## VA 6 Legal proceedings

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

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

- the claim notification was submitted before the rejoinder and
- the insurance company has approved the attorney being used.

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

The insurance company always has the right to assume the policyholder's defence at the legal proceedings.

## VA 7 Indemnification regulations

### 7.1 Damages

The insurance covers the damages for which the policyholder is liable. The amount of damages is calculated according to damages regulations and legal practice.

Legal provisions on value added tax will be taken into account when calculating the loss amount. The portion accounted for by the tax will not be paid if it is deductible in the insured party's or beneficiary's taxation.

Value added tax will not be compensated in case the insured party or beneficiary has the right of refund with respect to value added tax.

If several parties are jointly and severally liable for the same loss, the insurance only covers that part of the loss that corresponds to the policyholder's share of the liability. If no other grounds exist, the indemnity is paid per capita.

### 7.2 Loss prevention expenses

#### 7.2.1 Costs incurred due to preventing risk of an impending loss

The insured is under obligation to prevent or limit the loss from an impending or actual insurance event (see General Terms of Contract (YL), clause 6.2). This obligation only concerns measures that eliminate the immediate threat of liability for a loss caused to a third party but not any further measures after the event unless these measures are separately agreed on with the insurance company. Costs arising from such necessary measures are coverable under the insurance.

#### 7.2.2 Supplementary conditions for indemnification of costs incurred due to prevention of environmental damage to property owned by or in the possession of the insured party

If the policyholder causes environmental damage to property owned by or in the possession of the policyholder, such as soil, the following shall apply, in addition to clause 7.2.1 above.

No indemnity is paid for damage caused to property in the ownership or possession of the insured party.

Prevention costs will be covered only if there is imminent risk of damage to the property of a third party, for example when environmental pollutants pass through the groundwater or soil beyond the boundary of the policyholder's land.

Only such measures are coverable that are necessary to eliminate an impending threat of coverable damage to the property of a third party.

After the occurrence of environmental damage, more extensive measures than merely the prevention of imminent danger may be necessary to remedy the situation completely. These may include the transportation of polluted soil and the disposal or neutralisation of the hazardous waste. Costs arising from these measures are not coverable as loss prevention costs under the general liability insurance, not even in case the measures are mandatory under official regulations.

### 7.2.3 Measures in the event of environmental damage

The policyholder must inform the insurance company without delay of any impending or actual occurrence of environmental damage (see clause 3.2.9 above) in order to confirm which prevention measures are coverable under the general liability insurance policy (see clauses 7.2.1 and 7.2.2 above).

### 7.3 Investigation and legal expenses

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

Legal expenses are covered as specified in clause 6 above.

### 7.4 Maximum compensation

The aggregate maximum amount of all indemnities for a single loss, including investigation, negotiation, interest and legal expenses, is the sum insured entered in the insurance policy. Loss prevention costs are coverable in accordance with clause 6.2 of the General Terms of Contract, YL.

The maximum compensation for a single financial loss, as specified in the Finnish act on data protection and EU's General Data Protection Regulation, is 50,000 euros during one insurance period.

The special terms and conditions may specify different sums insured.

### 7.5 Serial loss

Losses caused by the same event or circumstance will be considered a single loss regardless of whether they are discovered during one or more insurance periods. If such losses are discovered during different insurance periods, they will be attributed to the insurance period in which the first loss was discovered.

### 7.6 Deductibles

For each and every loss, the policyholder's deductible specified in the insurance policy will be subtracted from the total amount of indemnity including any expenses incurred due to loss prevention, investigations, negotiations, interest payments and legal proceedings, all calculated in accordance with the insurance terms and conditions.

In case of losses referred to in VA 4, the special deductible under clause 7.7 is applied.

## 7.7 Special deductibles

In cases of loss resulting from hot work, waterproofing, excavation or earthmoving work or the loss of a key, the policyholder's deductible is 10% of the loss amount but not less than 1,500 euros and no more than 20,000 euros or the amount of deductible, if greater, recorded in the insurance policy.

## VA 8 Calculating the insurance premium

If, due to the nature of the policyholder's business, the insurance premium can only be estimated in advance, the final premium will be determined after the expiry of the insurance period, when the difference between the final premium and the advance premium must be paid immediately by or to the policyholder.

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

Measures to be taken after a liability loss

As soon as a loss has become known or a claim has been submitted, the insurance company must be informed of the loss. No special form of notification is required but it is vital to make the notification at the earliest opportunity. Loss report forms are also available from our offices. As the process proceeds, the insurance company must be provided with further information whenever relevant factors emerge.

Information, minutes, reports and any other available documentation must be provided in the greatest possible detail on the cause of the loss and the loss itself. The names and addresses of the person(s) suffering loss must be collected for contact purposes.

In addition to the above guidelines, please see clauses 6.2, 10.2 and 10.3 of the General Terms of Contract, YL.

## VA PRODUCT LIABILITY INSURANCE

### VA 1 Purpose of insurance

On the basis of these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd (hereinafter referred to as the insurance company) undertakes to

- cover the losses referred to under clause 3.1 and the other expenses referred to separately in these terms and conditions,
- investigate the grounds for and amount of damages,
- negotiate with the claimant, and
- handle court proceedings or pay legal expenses if the indemnity issue is subjected to legal proceedings.

The insurance covers the policyholder's business activities that were reported to the insurance company when the insurance was taken out and which are recorded in the insurance policy (insured activity).

### VA 2 Territorial limits

The insurance is valid in Finland, unless otherwise agreed and recorded in the insurance policy.

### VA 3 Coverable losses and related restrictions

#### 3.1 Coverable losses

The insurance covers bodily injury and material damage caused by a product delivered to a third party in the insured operations and within the territorial limits of the insurance, provided that

- such injury or damage is discovered during the insurance period, and
- the policyholder is liable for it under legislation in force.

Another prerequisite is that the claim is presented within the territorial limits of the insurance and is based on the tort law effective therein.

#### 3.2 Restrictions

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

The insurance does not cover any loss sustained by the policyholder.

##### 3.2.2 Products sold or handed over

The insurance does not cover any damage to

- damage to products sold or delivered
- damage to property other than the product itself in cases where the damage may be rectified by repairing or replacing the product delivered.

The insurance does not cover any expenses arising from complaints regarding a product, or from returning, repairing, replacing or withdrawing from sale of a product.

##### 3.2.3 Contractual liability

The insurance does not cover any loss insofar as the liability is based on a contract, guarantee or other obligation, unless the liability would exist even without such an obligation being in force.

The insurance does not cover any loss caused by the failure of a chemical substance or pharmaceutical product to have the promised effect or performance.

The insurance does not cover any loss or part thereof insofar as some other party has agreed to indemnify for it on behalf of the insured party.

##### 3.2.4 Financial loss

The insurance does not cover any financial loss that is not connected with bodily injury or material damage.

##### 3.2.5 Pharmaceutical or patient injury, occupational accident or work-related exposure or occupational disease

The insurance does not cover losses

- which is compensated in Finland as a patient injury as specified in the Patient Injury Act or pursuant to pharmaceutical insurance
- a loss insofar as it is covered by statutory workers' compensation insurance, nor

- in cases of occupational disease or other injury or illness caused by work-related exposure.

### 3.2.6 Chemical products or equivalent

The insurance does not cover any loss or damage caused either directly or indirectly by

- asbestos
- lead or lead paint
- polychlorinated biphenyl (PCB)
- chlorinated hydrocarbons
- ureaformaldehyde
- diethylstilbestrol (DES)
- electromagnetic fields (EMF)
- welding fumes
- silica or silica-related dust
- genetically modified organisms (GMO)
- nanotechnology elements in products
- fungi, mould or bacteria on or within a building or other structure.

### 3.2.7 Loss caused by tobacco

The insurance does not cover any loss caused by tobacco, tobacco products or tobacco smoke.

### 3.2.8 Nuclear accident

The insurance does not cover any loss caused by a nuclear accident referred to in the Nuclear Liability Act or corresponding foreign legislation.

### 3.2.9 Loss caused wilfully or through gross negligence

The insurance does not cover any loss caused wilfully or through gross negligence (see clause 7 of the General Terms of Contract, YL).

A loss can be considered to have been caused wilfully or through gross negligence if, for example, the act, operating method or neglect has involved a considerable risk for the loss to take place.

However, the insurance covers loss caused wilfully or through gross negligence if the policyholder in the capacity as employer is held liable for loss caused by an employee in the course of work and is able to show that the policyholder or its supervisory staff was not, and did not have to be, aware of the employee's action.

### 3.2.10 Action violating product safety regulations

The insurance does not cover any loss caused by an action in violation of laws, decrees or mandatory official product safety regulations or instructions, if the policyholder was, or should have been, aware of such action.

### 3.2.11 Fines

The insurance does not cover fines or other similar sanctions.

### 3.2.12 Known risk of loss or damage

The insurance does not cover any loss caused by an error, deficiency or other grounds for liability of which the policyholder was or should have been aware at the inception of the insurance cover.

### 3.2.13 Other liability insurance

The insurance does not cover any loss to the extent that the loss is covered by another liability insurance policy taken out by the policyholder.

## VA 4 Safety regulations

The policyholder shall comply with the safety regulations given below, recorded in the insurance policy or otherwise issued in writing (see General Terms of Contract (YL), clause 6.1).

## VA 5 Claims settlement

### 5.1 Insurance company's obligations

The insurance company shall investigate whether the policyholder is liable to pay damages for the reported loss covered under the insurance, the amount of which exceeds the deductible, and shall negotiate with the claimant.

If the policyholder makes good the loss, agrees thereon or accepts the claim, this will not be binding on the insurance company, unless the amount of and grounds for the damages are manifestly correct.

If the insurance company has reached an agreement on compensation with the party who has sustained a loss, and the policyholder does not agree to this, the insurance company will not be held liable for any subsequent expenses or for more than it would have indemnified on the basis of the aforementioned agreement. Nor is the insurance company liable to conduct any further investigations into the matter.

### 5.2 Policyholder's obligations

The policyholder shall

- participate in the investigation into the loss at his/her own expense
- provide the insurance company with all information, documents and other material in his/her possession that are relevant to the claim settlement
- obtain or prepare any necessary clarifications and studies available to the policyholder at reasonable expense and
- reserve the insurance company the opportunity to participate in bringing about an amicable settlement.

## VA 6 Legal proceedings

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

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

- the claim notification was submitted before the rejoinder and
- the insurance company has approved the attorney being used.

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

The insurance company always has the right to assume the policyholder's defence at the legal proceedings.

## VA 7 Indemnification regulations

### 7.1 Damages

The insurance covers the damages for which the policyholder is liable. The amount of damages is calculated according to damages regulations and legal practice. Legal provisions on value added tax will be taken into account when calculating the loss amount. The portion accounted for by the tax will not be paid if it is deductible in the insured party's or beneficiary's taxation.

Value added tax will not be compensated in case the insured party or beneficiary has the right of refund with respect to value added tax.

If several parties are jointly and severally liable for the same loss, the insurance only covers that part of the loss that corresponds to the policyholder's share of the liability. If no other grounds exist, the indemnity is paid per capita.

### 7.2 Expenses incurred from preventing an impending loss

The insured is under obligation to prevent or limit the loss from an impending or actual insurance event (see General Terms of Contract (YL), clause 6.2). This obligation only concerns measures that eliminate the immediate threat of liability for a loss caused to a third party but not any further measures after the event unless these measures are separately agreed on with the insurance company. Costs arising from such necessary measures are coverable under the insurance.

### 7.3 Investigation and legal expenses

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

Legal expenses are covered as specified in clause 6 above.

### 7.4 Maximum compensation

The aggregate maximum amount of all indemnities for a single loss, including investigation, negotiation, interest and legal expenses, is the sum insured entered in the insurance policy. Loss prevention costs are coverable in accordance with clause 6.2 of the General Terms of Contract, YL.

The maximum indemnity paid for losses discovered during a single insurance period equals double the sum insured specified in the insurance policy.

The special terms and conditions may specify different sums insured.

### 7.5 Serial loss

Losses caused by the same event or circumstance will be considered a single loss regardless of whether they are discovered during one or more insurance periods or whether the products are delivered at different times. If such losses are discovered during different insurance periods, they will be attributed to the insurance period in which the first loss was discovered.

### 7.6 Deductibles

For each and every loss, the policyholder's deductible specified in the insurance policy will be subtracted from the total amount of indemnity including any expenses incurred due to loss prevention, investigations, negotiations, interest payments and legal proceedings, all calculated in accordance with the insurance terms and conditions.

In losses that are caused by traces of antibiotics or other drugs, the deductible is 20% of the loss amount, but no less than the amount recorded in the insurance policy.

### 7.7 Special deductibles

The insurance policy or the special terms and conditions may specify deductibles that differ from those stated above.

## VA 8 Calculating the insurance premium

If, due to the nature of the policyholder's business, the insurance premium can only be estimated in advance, the final premium will be determined after the expiry of the insurance period, when the difference between the final premium and the advance premium must be paid immediately by or to the policyholder.

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

### Measures to be taken after a liability loss

As soon as a loss has become known or a claim has been submitted, the insurance company must be informed of the loss. No special form of notification is required but it is vital to make the notification at the earliest opportunity. Loss report forms are also available from our offices. As the process proceeds, the insurance company must be provided with further information whenever relevant factors emerge.

Information, minutes, reports and any other available documentation must be provided in the greatest possible detail on the cause of the loss and the loss itself.

In cases of product liability loss, the product that caused the loss must be carefully retained for investigation purposes.

The names and addresses of the person(s) suffering loss must be collected for contact purposes.

In addition to the above guidelines, please see clauses 6.2, 10.2 and 10.3 of the General Terms of Contract, YL.



## OI LEGAL EXPENSES INSURANCE

### OI 1 Purpose of insurance

The purpose of this insurance is to indemnify for any necessary and reasonable legal expenses incurred by the insured as a result of resorting to legal counsel in a disputed civil or criminal case or non-contentious civil case concerning an insurance event referred to under clause 4.

The insurance covers the business activities recorded in the insurance policy.

### OI 2 Those insured

Those insured are

- the company recorded as the policyholder in the insurance policy
- the policyholder's employees
- persons who receive no remuneration for their work or who work on a temporary basis, provided that the policyholder, under effective legislation, is liable to make good any loss or damage caused by such persons
- independent entrepreneurs comparable to the policyholder's employees, provided that the policyholder, under effective legislation, is liable to make good any loss or damage caused by such entrepreneurs
- a general partner or shareholder of the policyholder company in a case concerning legal action or commitment in the name, on behalf or in favour of the policyholder, or when the general partner or shareholder is faced with a claim jointly and severally with the policyholder.

### OI 3 Courts of law and territorial limits

The insured may use the insurance in cases which have been brought before a district court in Finland or which are subject to arbitration proceedings in Finland. If the case concerns a disputed civil case settled out of court, the insurance can be used if the case could have immediately been brought before a district court in Finland.

The insurance does not cover expenses in cases handled by the administrative authorities or special courts, such as an administrative court, the Insurance Court, the Labour Court, the Market Court or the Supreme Administrative Court. Nor does the insurance cover expenses in cases handled by the European Court of Justice.

### OI 4 Coverable insurance events

#### 4.1 Definition of an insurance event

In disputed and non-contentious civil cases, an insurance event refers to a dispute. A 'dispute' refers to a claim specified as to its grounds and amount and which has been demonstrably and specifically disputed as to its grounds or amount.

In a criminal case, an insurance event refers

- to charges pressed by the insured person as the complainant

- to a complainant's charges against the insured brought and pursued after the public prosecutor has decided to waive or withdraw charges for the same action. The charges are considered to have been brought when the complainant's application for a summons has arrived at the office of a district court. The charges are considered pursued when the complainant has notified the court in writing of pursuing the charges after the public prosecutor has withdrawn the charges.

The insurance indemnifies for insurance events occurring during the validity of the insurance. If, however, this policy has been valid for less than two years at the time of the insurance event, the matters on which the dispute, claim, denial, notice of work relationship termination, charge or suspected crime is based must also have taken place during the validity period of the insurance.

The validity period is defined as the period that this policy alone or consecutively with other terminated legal expenses insurance policies with equivalent content has been continuously valid for the benefit of the insured. However, if, on the occurrence of an insurance event, the insured has several effective legal expenses insurance policies, only this policy will be taken into account when determining the validity period of the insurance.

If the policy's coverage has been extended and the extension had been valid for less than two years when the insurance event occurred, the extension will only be applied if the factors upon which a dispute, demand, denial, notification of termination of employment contract, prosecution or suspected crime is based arose after the extension had entered into force. By extension of the policy's coverage we mean a higher sum insured, larger territorial scope, or the adverse party's expenses being included in the policy.

#### 4.2 Single insurance event

A 'single insurance event' refers to an insurance event where

- two or more people covered by this insurance are on the same side in a disputed civil case, criminal case or non-contentious civil case, or
- the insured has several disputed civil cases, criminal cases or non-contentious civil cases pending which are based on the same event, circumstance, juristic act or legal offence, or which are based on the same or similar claim with different grounds.

### OI 5 Exclusions related to insurance events

The insurance does not cover expenses incurred by the insured in a case

1. where the claim has not been demonstrably disputed
2. which is related to other than the activities recorded in the insurance policy
3. which is related to the transfer of the insured company, shares entitling to the ownership of the company, or partnership interest, or the full or partial transfer of a business
4. of minor importance to the insured

5. in which those insured under this insurance represent opposing parties; the insurance does, however, cover expenses incurred by the policyholder
6. which concerns a claim or receivable transferred to the insured, unless, at the time the dispute arises, two years have elapsed since the transfer
7. in which the insured is being prosecuted by the public prosecutor or in which the complainant has filed a civil claim against the insured while such prosecution is pending
8. which relates to a civil claim against the insured on account of which he/she has been sentenced or, on the basis of the relevant special provisions, the charges or sentence against him/her have been waived; however, the insurance covers the policyholder's expenses if the case, as regards the policyholder, concerns the employer's liability to pay damages
9. in which the insured has submitted a civil claim on account of which the insured has been sentenced or, on the basis of the relevant special provisions, the charges or sentence against the insured have been waived
10. which concerns a legal person's liability to pay fines
11. in which the insured is involved as the owner, possessor or driver of a motor vehicle or watercraft or in which expenses incurred by the insured are covered under liability insurance
12. which concerns a bankruptcy
13. which relates to a distraint, execution dispute or the execution of distraint
14. which relates to proceedings carried out in accordance with the provisions on company restructuring or the debt adjustment of private individuals, or the voluntary debt adjustment of farmers in accordance with the Rural Industries Act
15. which demand clarification of whether the expenses incurred from the insurance event reported by the insured are fully or partly coverable under the legal expenses insurance
16. which is dealt with as a class action and in which the insured is a claimant or a member of the group
17. which concerns a patent or other intellectual property right.

## Ol 6 Measures to be taken on the occurrence of an insurance event

- 6.1** If the insured wishes to use the insurance, he/she must inform the insurance company thereof in advance in writing. The insurance company will then send the insured a written claim settlement decision.
- 6.2** The insured shall use a solicitor or other legal counsel as his/her representative. No indemnity will be paid if the insured decides not to use any representative at all or selects one who is not a Finnish Master of Laws or does not have equivalent foreign qualifications.
- 6.3** In cases that go to the main hearing, the insured must require the opposing party to reimburse his/her

legal expenses in full. However, in matters processed in court according to the procedure prescribed in the Act on Court-annexed Mediation (663/2005), no such demand is required for the mediation expenses.

If the insured has presented to the adverse party a legal expenses demand which has been partly or fully rejected by a court order, an appeal must be lodged against the decision if the insurance company so requires. If the insured fails to lodge such demand, waives the right to do so, or refuses to appeal the court decision, the insurance compensation may be lowered or altogether denied.

**6.4** The insured has no right to approve, in a manner that would be binding on the insurance company, the amount of expenses incurred from handling the case.

Any payment by the insured to his/her representative for legal fees and expenses is not binding on the insurance company in its evaluation of reasonable litigation costs.

## Ol 7 Indemnification regulations

### 7.1 Sum insured

The sum insured recorded in the insurance policy is the upper limit of the insurance company's liability in each insurance event.

**7.1.1** However, the sum the insurer is obliged to pay for expenses prior to a main hearing at a district court or mediation in a court of law, or for expenses in a matter solved without a trial, is only up to 50% of the sum insured specified in the insurance policy.

**7.1.2** If the monetary value of a disputed benefit is assessable, the insurance covers, in a disputed or non-contentious civil case and when the insured party is a complainant in a criminal case, up to double the amount of the disputed benefit. When assessing the amount of benefit, no claims for interest, legal or litigation expenses are taken into account. If a dispute concerns a periodical payment, a maximum of a tenfold amount of the disputed periodical payment is taken into account when assessing the amount of benefit.

**7.1.3** During one insurance period, the maximum amount of indemnity paid for insurance events is double the sum insured.

### 7.2 Deductible

The deductible recorded in the policy is subtracted from the coverable expenses.

### 7.3 Coverable expenses

The insurance covers necessary and reasonable legal expenses incurred by the insured as a result of the insurance event as follows:

#### 7.3.1 Disputed and non-contentious civil cases

Expenses incurred by the insured for use of legal counsel and presentation of evidence.

If bringing the case before a court requires a juristic act or a decision taken by a given body or in connection with any specific proceedings, the expenses are indemnified as of the date when the case can be brought before a district court.

If the matter has been handled as a conciliation case by a court of law, the insurance will also cover the insured person's portion of the fee and expenses for an assistant to the conciliator calculated per capita of the parties to the dispute.

If a dispute between the insured and an entrepreneur or legal person as adverse party has been handled as a voluntary conciliation case other than that by a court of law, the insurance will also cover the insured person's portion of the conciliator's fee calculated per capita of the parties to the dispute. Compensating this fee requires that the conciliator is an attorney or other legal counsel.

### 7.3.2 Criminal cases

#### 7.3.2.1 The insured as the complainant

Legal expenses incurred by the insured for use of legal counsel and presentation of evidence insofar as the court proceedings involved a civil claim made by the insured for other than legal expenses on the basis of a crime.

#### 7.3.2.2 The insured as the defendant

Legal expenses incurred by the insured for use of legal counsel and presentation of evidence if the case involves charges raised by the complainant against the insured when the public prosecutor has waived or withdrawn charges for the same action.

### 7.3.3 Appealing to the Court of Appeal and the Supreme Court

If a permit is required to appeal to the Court of Appeal or the Supreme Court, the costs incurred from the appeal will be indemnified under the insurance only if the permit or leave has been granted.

Costs incurred in the use of extraordinary channels of appeal are indemnified only if the Supreme Court has approved the appeal for nullification, reversed the judgement or reinstated a time limit forfeited.

### 7.3.4 Common interest

If the case involves an interest essentially other than that of the insured or the insured has an interest to safeguard in the insurance event in common with persons not covered by this insurance, the insurance indemnifies only for those costs which are attributable to the insured.

## 7.4 The amount and calculation of indemnity; value added tax

The legal expenses indemnified under the insurance are determined in accordance with the relevant provisions of the Code of Judicial Procedure and the Criminal Procedure Act.

If, owing to the admission by interested parties or some other reason, the court of law has not mentioned legal expenses in its decision, or if the matter has been settled out of court, the coverable expenses are determined also by taking into account the expenses normally paid or ordered by a court to be paid in similar cases. However, the coverable expenses come to a maximum of the amount which the court orders the insured person's adverse party to pay, unless the court has specifically concluded, on the basis of the grounds appearing from its decision, that the insured must personally bear his/her expenses, in part or in full, to his/her detriment.

For the use of a legal counsel, the insurance covers a reasonable fee charged by the counsel for his/her work and necessary expenses. The value of the disputed benefit, the difficulty and extent of the case and the quantity and quality of the work involved are taken into account in the determination of a reasonable sum for the fees and expenses. However, coverable expenses come to a maximum of the amount of the expenses claimed by the insured person's adverse party.

If the insured, under the Value Added Tax Act, has the right to deduct or reclaim the tax included in the legal expenses invoice, the indemnity will be reduced by the value added tax included in the invoice.

## 7.5 Expenses not covered by the insurance

The insurance does not cover

- costs incurred due to measures taken before the insurance event, to the preliminary investigation of a case or to the investigation or handling of such a disputed case as a result of which the insured justifiably waives his/her claims against the adverse party
- any legal expenses of the adverse party which the insured has been ordered or has agreed to pay, unless agreed upon separately and entered in the insurance policy
- expenses arising from the enforcement of a ruling or decision
- the insured person's wasted time, own work, loss of income or earnings, travel or accommodation costs or any additional costs arising from a change of representative or from any conduct on the part of the insured which has increased costs unnecessarily
- the costs of acquiring expert legal opinion
- expenses for acquiring other than expert legal opinion, if such opinion does not support the insured person's claims or denial of the adverse party's claims
- costs incurred from reporting a criminal offence or making a request for investigation, or from pretrial investigation of a criminal case
- costs incurred due to matters and evidence which the court of law will not take into account
- costs caused by the insured or his/her legal counsel by failing to appear in court, by disregarding court orders, or by entering a plea which they knew or should have known to be unfounded, or costs which they have themselves caused by prolonging the litigation wilfully or through negligence
- costs for litigation which the insured or his/her legal counsel initiated without the adverse party giving any cause, or if they have in some other way caused unnecessary litigation wilfully or through negligence
- fees and costs of arbitrators.

## 7.6 Other provisions concerning indemnity

7.6.1 The insurance company indemnifies for the insured's legal expenses after a legal ruling has been issued or a settlement has been reached.

**7.6.2** If, under the Value Added Tax Act, the insured is entitled to deduct the tax included in the invoice for legal expenses, the insurance company pays the indemnity to the insured against the invoice paid by the insured for legal expenses.

**7.6.3** The insurance company's liability to pay indemnity will be reduced by any expenses compensation which the insured's adverse party has been ordered by the court or has undertaken to pay to the insured, provided that it has been possible to collect this sum from the party liable for payment.

**7.6.4** If the opposing party has been ordered by the court or has undertaken to pay expenses compensation to the insured and this remains unpaid at the time the indemnity is paid, the insured is obliged, before the indemnity is paid, to transfer his/her right to the said compensation to the insurance company, up to the sum indemnified under the insurance.

If the insured has had to pay a proportion of the costs him/herself because they exceeded the maximum indemnity under clause 7.1, the insured is obliged to transfer to the insurance company that part of the expenses compensation collected from the adverse party which is in excess of the part paid by the insured him/herself.

**7.6.5** If the expenses compensation that the opposing party has been ordered or has agreed to pay has been paid to the insured or it has otherwise been taken into consideration in the insured person's favour, the insured must return the expenses compensation with interest to the insurance company up to the amount of compensation paid out of the insurance.

## 7.7 Indemnification of adverse party's legal expenses

The insurance indemnifies legal expenses payable by the insured, provided this has been separately agreed upon and entered in the policy.

The compensation for legal expenses payable by the insured can be no more than half of the sum insured, and in the cases referred to in clause 7.1.3, no more than the sum of the insured person's own legal expenses to be indemnified.

The insurance will indemnify the insured person's adverse party's necessary and reasonable legal expenses which the insured is forced to pay in the matter, provided the insured person's own legal expenses are indemnified from this legal expenses insurance.

## 7.8 Expenses not covered by the insurance

The insurance does not cover expenses to the insured person's adverse party

- if the ruling is based on an agreement on the expenses or
- which have been caused to the adverse party as a result of the action of the insured or his/her representative that increased expenses unnecessarily.

If the ruling is based on an amount accepted to be correct by the insured, the insurance company has the right to assess the adverse party's legal expenses to be indemnified in accordance with the relevant provisions of the Procedural Code and the Act on Criminal Proceedings.

# TE SUPPLEMENTARY INSURANCE FOR PRODUCTION ANIMALS

## TE 1 Purpose of insurance

In accordance with these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd (hereinafter the insurance company) undertakes to cover losses specified in clauses 2.3 (Animal Cover) and 3.3 (Animal Catastrophe Insurance).

## TE 2 Animal Cover

This supplementary insurance is included in the policy if an entry has been made of it in the insurance policy and the object is covered by valid property insurance. Animals can be insured either for their slaughter value or fair value.

### 2.1 Object of insurance

The object of insurance is the group of bovines, with the number of animals indicated in the insurance policy. Bovines can be included in this policy once they are at least one month old.

### 2.2 Territorial limits

The insurance is valid inside the farm specified in the insurance policy and also outside the farm when an animal has been temporarily moved elsewhere in Finland or during such transportation.

### 2.3 Coverable losses

#### 2.3.1 Loss of animal

The insurance covers losses when

- an insured animal dies as a result of illness or injury
- an insured animal must be emergency slaughtered on vet's orders
- an insured animal disappears
- an insured animal's carcass or part of it is rejected in a meat inspection.

An emergency slaughter is one that is carried out on vet's orders on the basis of the Animal Welfare Act and Decree when an animal is in such a condition that keeping it alive would be obvious cruelty.

#### 2.3.2 Other expenses

The insurance indemnifies, against receipts, direct costs of an emergency slaughter at a farm or slaughterhouse that was ordered by a vet, inasmuch as this is a case of a coverable event under this insurance.

The insurance also indemnifies for the costs of statutory collection and disposal of an animal that has died or been emergency slaughtered. The insurance does not indemnify additional charges for carcasses which are of poor quality or which have been spoilt.

The insurance indemnifies, against the bill, the fee charged by a vet for the purposes of investigating the insurance event, and the costs of obtaining the report of an offence.

## 2.4 Exclusions

The insurance does not cover

- loss caused by salmonella
- a carcass or part of it if it has been rejected or if the amount paid for the carcass has been reduced owing to salmonella having been discovered in a meat inspection at the slaughterhouse
- slaughtering of animal because of a personality flaw
- slaughtering of an animal for financial reasons
- slaughtering of an animal because of a sanitation and eradication plan made by the authorities to prevent a contagious disease from spreading
- loss or damage caused by the weight or movement of snow or ice
- loss or damage inasmuch as compensation is received from another policy, pursuant to the Animal Diseases Act or out of public funds for other reasons
- loss or damage if a lethal accident occurred or an illness began before the animal was one month old
- transportation costs except under clause 2.3.2
- loss of subsidies.

## 2.5 Indemnification regulations

### 2.5.1 Loss of animal insured at slaughter value

The principle for indemnity when an animal is lost is its slaughter value less the money obtained from the meat. The slaughter value is calculated on the basis of the slaughter weight and the fair amount paid for the carcass at the time of loss.

The slaughter weight of an animal taken to the slaughterhouse can be obtained from the slaughterhouse's accounts. Otherwise, the animal's slaughter weight is an estimate given by a vet based on the animal's live weight. If the slaughterhouse's accounts or the vet's estimate cannot be obtained, slaughter weight is determined for dairy cows, heifers and female calves from slaughter weight table A and for male calves and beef cattle from table B.

## Bovine slaughter weight tables

Table A: Dairy cows and dairy bulls

By cows we refer to dairy cows, heifers and female calves

Age, mths	Cows, kg	Bulls, kg
1	20	30
2	31	47
3	43	65
4	54	82
5	66	100
6	77	117
7	88	134
8	100	152
9	111	169
10	123	187
11	134	204
12	145	221
13	157	239
14	168	256
15	180	274
16	191	291
17	202	308
18	214	326
19	225	343
20	237	361
21	248	378
22	259	395
23	271	413
24 or more	280	430

Table B: Beef cattle by breed

Breeds in column I: Aberdeen Angus, Hereford and dairy cross-breeds

Breeds in column II: Charolais, Simmental, Limousine and beef cattle cross-breeds

Age, mnths	I		II	
	Bulls, kg	Cows, kg	Bulls, kg	Cows, kg
1	30	30	34	32
2	51	40	57	43
3	72	50	79	54
4	93	61	102	66
5	114	74	124	80
6	135	88	147	93
7	156	101	169	106
8	177	117	192	122
9	198	131	214	138
10	219	147	237	154
11	240	161	259	170
12	261	177	282	186
13	282	191	304	202
14	303	207	327	218
15	324	221	349	233
16	345	236	372	250
17	366	251	394	266
18	387	266	417	283
19	408	281	439	299
20	429	296	462	316
21	450	310	484	332
22	471	323	507	349
23	492	335	529	365
24	513	346	552	382
Over 24	534	356	575	398

### 2.5.2 Loss of animal insured at fair value

The principle for indemnity when an animal is lost is its fair value less the money obtained from the meat. By fair value we mean the amount of money the policyholder would have received for the sale of an animal immediately before the insurance event.

## TE 3 Animal Catastrophe Insurance

### 3.1 Objects of insurance

The objects of insurance are the following animal groups listed in the policy document, specified by species and number of animals:

#### 3.1.1 Pigs

- sows with piglets (piglets that have not yet been weaned)
- sows, boars and young breeding pigs

- all porkers (weaned pigs) weighing at least 25 kg in pig rearing houses and pig houses with integrated farming
- pigs weighing less than 25 kg
- breeding pigs

#### 3.1.2 Poultry

- egg-laying hens
- breeding hens
- broilers
- chicks at least one day old
- turkeys
- ducks and geese
- turkey, duck and goose chicks
- breeding poultry

#### 3.1.3 Sheep and goats

- rams and ewes
- lambs
- billy goats and nanny goats
- kids
- breeding sheep and goats

#### 3.1.4 Bovines

- dairy cattle; at least 22 months
- young stock; 1–21 months
- beef cattle; at least 16 months
- beef cattle; 1–15 months
- breeding cattle

#### 3.1.5 Fur animals, at least three weeks

- blue fox
- silver fox
- mink
- raccoon dog

### 3.2 Territorial limits

The insurance is valid in the place of insurance specified in the insurance policy and temporarily elsewhere in the farm.

### 3.3 Coverable losses

#### 3.3.1 Catastrophe losses

The insurance indemnifies catastrophe losses if, as a result of a single illness, injury or accident, animals are lost within 14 days through death, emergency slaughter, disappearance or because of meat inspection rejection.

An emergency slaughter is slaughter or other means of putting down an animal on vet's orders on the basis of the Animal Welfare Act and Decree when an animal is in such a condition that keeping it alive would be obvious cruelty.

Benefits under our animal catastrophe insurance policies are payable for a maximum period of 12 months from each insured catastrophic event. Losses caused by the same illness are considered a single loss unless, between the cases of illness, a veterinarian has declared the epidemic on the farm to have ended and the farm to be free of disease.

Only events leading to the death of animals or them having had to be put down for animal welfare reasons as a result of contagious diseases will be compensated as fur animals' catastrophe losses.

Within the 14-day period described above, any animals which were either slaughtered to prevent the spread of disease or which died due to an event other than a catastrophe loss will be ignored when assessing the coverable amount.

Catastrophe losses will be indemnified per animal as follows:

#### **Pigs**

Pig catastrophe loss will be indemnified if 3% or more of the group of animals are lost, however a minimum of three animals. One sow, boar and young breeding pig and one porker are considered to correspond to one pig place when assessing the loss. One sow, boar or young breeding pig each correspond to 10 pigs that weigh less than 25 kg. Pigs that are stillborn, under two weeks old or die as the sow tramples them to death will be ignored when assessing the loss. When animals die in more than one animal group, one animal group must lose more than 3% of the animals in order that animals in the other animal groups will be compensated.

#### **Poultry**

A poultry catastrophe will be compensated if at least 10% of the total number of poultry (the number in the building compartment) is lost, however at least

- 100 chickens
- 100 female broiler breeders
- 1,000 broilers
- 50 female turkey breeders or female breeder poults
- 150 turkeys for slaughter.

#### **Sheep and goats**

Sheep and goat catastrophe losses are indemnified if at least 3% of the total number of sheep and goats, however at least three animals, are lost within the animal group. All of the animals must be more than one month old.

#### **Bovines**

Bovine catastrophe losses are indemnified if at least 3% of the total number of the insured group of animals, however at least 2 animals, are lost. All of the animals must be more than one month old.

When animals die in more than one animal group, at least one animal group must lose more than 3% of the animals in order that animals in the other animal groups will be compensated.

#### **Fur animals**

Events leading to the death of animals or them having had to be put down for animal welfare reasons as a result of a contagious disease will be compensated as fur animals' catastrophe losses.

A fur animal catastrophe loss will be indemnified if at least 1% of the total number of insured animals are lost, however at least:

- 10 blue foxes

- 10 silver foxes
- 20 minks
- 10 Finnraccoons.

When animals die in more than one animal group, more than the minimum number of animals must be lost in at least one animal group.

#### **3.3.2 Other expenses**

The insurance indemnifies, against receipts, direct costs of an emergency slaughter at a farm or slaughterhouse that was ordered by a vet, inasmuch as this is a case of a coverable event under this insurance.

The insurance also indemnifies for the costs of statutory collection and disposal of an animal that has died or been emergency slaughtered. The insurance does not indemnify additional charges for carcasses which are of poor quality or which have been spoilt.

The insurance indemnifies, against the bill, the fee charged by a vet for the purposes of investigating the insurance event, and the costs of obtaining the report of an offence.

#### **3.4 Exclusions**

The insurance does not cover

- loss caused by salmonella, a carcass or part of it if it has been rejected or if the amount paid for the carcass has been reduced owing to salmonella having been discovered in a meat inspection at the slaughterhouse
- slaughtering of animal because of a personality flaw
- slaughtering of an animal for financial reasons
- slaughtering of an animal because of a sanitation and eradication plan made by the authorities to prevent a contagious disease from spreading
- loss or damage caused by the weight or movement of snow or ice
- loss or damage inasmuch as compensation is received from another policy, pursuant to the Animal Diseases Act or out of public funds for other reasons
- loss that has been caused by a fodder product to other than fur animals
- production subsidies or production bonuses
- loss taking place during loading, transportation or unloading that is not the responsibility of the policyholder
- loss caused by an animal's death or emergency slaughter if the illness began or accident occurred before the animal arrived at the farm
- transportation costs except under clause 3.3.2
- costs caused by disease elimination
- loss of subsidies
- losses to fur animals caused by plasmacytosis will only be compensated if the animals have been tested for it before the insurance entered into force and the farm has been found free of plasmacytosis
- losses to fur animals caused by distemper will be indemnified no earlier than six weeks after the date when all the animals in the farm have been vaccinated against distemper

- losses to fur animals caused by botulinum bacteria will only be indemnified if the animals have been vaccinated against diseases caused by botulinum bacteria before the illness (botulism) broke out during the insurance period.

### 3.5 Indemnification regulations

#### 3.5.1 Loss of animal

The basis for compensation will be the animal's fair value or slaughter value, depending on what has been agreed upon for each animal group.

The animal's fair value is the sum that would have been obtained from it if sold immediately before the insurance event.

By slaughter value we refer to the amount of money that the carcass would have been worth following a normal slaughter, calculated by the slaughter weight and the fair amount paid for such an animal at the time of loss. The slaughter weight of an animal taken to the slaughterhouse can be obtained from the slaughterhouse's accounts. Otherwise, the slaughter weight is an estimate given by a vet based on the animal's live weight.

#### 3.5.2 Indemnity for pigs

The amount of loss concerning porkers is calculated by subtracting the sum obtained from the meat from the animals' slaughter value. If a porker has not been taken to the slaughterhouse, the slaughter weight is determined by the weight table below. The amount of loss concerning other pigs is calculated by subtracting the sum obtained from the meat from the animals' fair value.

The table is based on the fact that the animal's weight increases by about 900 g per 24 hours and that the slaughter weight is an average of 74% of the live weight. The table has columns for the number of weeks since breeding began and the average slaughter weight in kilogrammes used as basis for compensation.

#### Porkers' weight table

Week(s)	kg
2	23
3	27
4	32
5	37
6	42
7	47
8	53
9	58
10	64
11	69
12	74
13	79
14	83
15	88

#### 3.5.3 Indemnity for poultry

The amount of loss concerning broilers is calculated by subtracting the sum obtained from the meat from the animals' slaughter value.

The amount of loss concerning other poultry is calculated by subtracting the sum obtained from the meat from the animals' fair value.

#### 3.5.4 Indemnity for sheep and goats

The amount of loss concerning sheep and goats is calculated by subtracting the sum obtained from the meat from the animals' fair value.

#### 3.5.5 Indemnity for cattle

The amount of loss concerning cattle is calculated by subtracting the sum obtained from the meat from the animals' fair value.

#### 3.5.6 Indemnity for fur animals

Indemnity for fur animals is calculated by means of the indemnity table, under clause 7.6 in the Property Insurance part of these terms and conditions.

The compensation is reduced by the price of any skins sold.

The maximum compensation per single loss event is 500,000 euros. The maximum compensation is a million euros during one insurance period.

#### 3.5.7 Other expenses

We compensate not only the costs of animal loss but also the other expenses specified in clause 3.3.2.

## TE 4 Other indemnification regulations concerning production animals' supplementary insurance

### 4.1 Deductible

In all insurance events, the policyholder is responsible for a certain amount of the loss, i.e. the deductible, which is specified in the insurance policy. As to fur animals, the policyholder's deductible is 15% of the loss amount, but no less than 1,000 euros or any other sum entered in the insurance policy.

### 4.2 Reduction of indemnity owing to faulty or incomplete information

If the number of insured animals is smaller than the actual number of animals, the amount of loss, less the deductible, will only be indemnified in the same proportion as the difference is between these two figures. As to pig houses, the reduction is made in the proportion of reported and actual pig places.

### 4.3 Documents to be submitted

The loss report must include a vet's statement on the reason for the animal's death or why it was put down, and the reason for having to put it down. The slaughterhouse's accounts, whenever available, must also be submitted.

When compensation is sought for the disappearance of an animal, a copy of the report of an offence provided by the police must be submitted to the company.



## 4.4 Value added tax

Regulations concerning value added tax specified under ES 7.4.10 in the indemnification regulations of property insurance will be applied.

# TE 5 Safety regulations

## 5.1 Significance of safety regulations

The policyholder must comply with the safety regulations specified in the insurance policy and below (see General Terms of Contract, clause 6.1).

## 5.2 Animal protection and care

If an insured animal is injured, falls ill or, without any symptoms of an actual disease, becomes limp and loses weight, the policyholder must contact a vet without delay and if necessary ask the vet to check on the animal.

The treatment of a sick or injured animal must continue uninterrupted until it has recovered.

Instructions given by the vet must be followed.

The animal may not be deprived of the necessary care, food, drink and rest. Any changes in feeding must be made gradually, and the horse may not be overfed.

The air ventilation systems of production buildings must conform with building regulations and instructions issued by the authorities.

You may not connect all ventilation fans under the same fuse block.

The shelter must have sufficient air space and effective and properly proportioned ventilation. The animal shelter must have windows, doors or other hatches that can be opened to provide emergency ventilation.

Electricity supply must be ensured with a sufficiently effective stand-by generator. The stand-by generator must be powerful enough to meet the energy needs of the space.

### Prevention of contagious diseases

Guidelines provided by Animal Health ETT concerning the control of risks for disease must be followed.

### Vaccination of poultry

Poultry must be vaccinated as instructed by the Finnish Food Safety Authority Evira.

### Vet's instructions

Instructions provided by vets and other veterinary authorities on the prevention of contagious animal diseases must be followed.

## 5.3 Protection of poultry rearing facility

### 5.3.1 Standby duty and spare parts

Continuous standby duty must be arranged during the production period so that any rescue operations can be carried out without delay in case of danger. Standard backup equipment, spare parts and a reasonable amount of repair and protective material must be available in the immediate vicinity.

### 5.3.2 Electrical supply supervision

An alarm must be set off if there is a disturbance in the electrical supply. If a three-phase system is in use, the

voltage of each phase must be supervised independently of the other two. Fans must be switched off automatically following a power cut.

### 5.3.3 Temperature measurements

The minimum and maximum temperatures of areas where the animals are kept must be supervised, with the standby duty informed whenever necessary. Temperature control must be implemented with a system that is independent of air conditioning or refrigerating machines, or ensured by other means. The sensors and cables used for temperature measurements must be supervised by a closed-circuit system. The electrical supply must be ensured with sufficiently effective batteries.

### 5.3.4 Ventilation

You may not connect all ventilation fans under the same fuse block.

### 5.3.5 Standby power

Electricity supply must be ensured with a sufficiently effective stand-by generator. The stand-by generator must be powerful enough to meet the energy needs of the space.

### 5.3.6 Single-batch principle

The prerequisite for granting catastrophe insurance for poultry farming is the single-batch principle, meaning that a poultry rearing facility must be disinfected between each batch of rearing according to food-industry or Animal Health ETT instructions.

### 5.3.7 Inspection and testing

The equipment included above must be inspected as specified by the insurance company before insurance can be granted, or whenever new equipment has been purchased or the facility expanded. The insurance company must be informed of any renewal of expansion immediately after completion. The alarm and stand-by generators must be tested at least once a month. Tests must be entered into a log.

## 5.4 Safety regulations for fur animals

### 5.4.1 Disease protection

Instructions given by the vet on vaccinations and treatment must be followed.

Visits to the farm must be limited to ones that are genuinely necessary. Areas where contagious diseases have been discovered should be avoided in particular. Visitors must wear protective clothes and shoe covers.

Any animals bought must be kept in quarantine before bringing them to the farm.

Animals not belonging to the farm and any unauthorised persons must be kept off the farm. Insured animals must be kept in a fur animal shed or protected shade shelter, or the entire fur farm must be equipped with a perimeter fence. Animals should not be moved unless necessary during an epidemic.

If excavation work is done, any exposed surface must be treated with lime to protect the spread of plasmacytosis.

### 5.4.2 Certification

The farm must have valid certification granted by Suomen Turkiseläinten Kasvattajain Liitto ry (Finnish Fur Breeders'

Association). The farm must fulfil the certification criteria at all times.

## 5.5 Other safety regulations

In addition to the above, the safety regulations concerning property insurance in ES 6 apply.

## FUR ANIMALS' BREEDING VALUE INSURANCE

This supplementary insurance is valid if an entry has been made of it in the insurance policy and the fur farm is covered by valid Farm Production Insurance from Pohjola Insurance.

### 1 Purpose of insurance

In accordance with these terms and conditions and the General Terms of Contract (YL), Pohjola Insurance Ltd (hereinafter the insurance company) undertakes to cover both direct damage to fur farm property caused by losses specified in clause 4 below, and other specified expenses.

### 2 Object of insurance

The object of insurance consists of fur animals specified in the insurance policy.

### 3 Territorial limits

This policy is valid in Finland.

### 4 Coverable losses

#### 4.1 Farm Insurance

The insurance indemnifies breeding animal losses specified in Farm Production Insurance terms and condition YH 11 (4.1 Farm Insurance).

#### 4.2 Reduction in breeding value of fur animals through vandalism

The insurance indemnifies fur animal losses through vandalism, as a result of which their breeding value is reduced or completely lost.

By vandalism we here mean

- letting animals out of their cages or
- removal, disposal or destruction of breeding cards.

#### 4.3 Reduction in skin value through vandalism

The insurance covers damage caused by vandalism to change the appearance and quality of the fur on fur animals, as a result of which the value of skins becomes lower or is completely lost. Coverage is also extended to males and young when the breeding animals are insured.

### 5 Assessment and indemnification regulations

#### 5.1 Sum insured

Property is insured for the agreed sum recorded in the insurance policy in respect of each asset. This sum is the maximum indemnity in case of loss.

The sum insured is used as the calculation basis for the insurance premium and equals the maximum indemnity but it does not form a basis for the amount of loss or its assessment.

The sum insured is, unless otherwise specified

##### 5.1.1 Breeding animal value

The sum insured is the animals' breeding value as first loss insurance.

##### 5.1.2 Value of skins

The value of all fur animal skins is included in the sum insured of breeding animals.

### 5.2 Amount of indemnity

#### 5.2.1 Loss of value of breeding animals

The insurance indemnifies the value of lost breeding animals. A breeding animal's value is estimated case by case on the basis of the average price of the current value of breeding animals. The price obtained for the animal's skin is subtracted from the compensation.

#### 5.2.2 Value of skins

The insurance indemnifies the reduction in the value of the skins. The amount of compensation for the skins is calculated by subtracting the price fetched by the skins from the comparison price.

The comparison price is the average sales price per animal species in the current season (obtained after the May and June fur auctions).

If no price is available per producer, the price is determined by the average skin price of the species sold in Saga Furs Oyj auctions during the current growth season.

Compensation is paid in two instalments. The first instalment is 60% of the comparison price less the skins' estimated average sales price. Once the season is over, the season's average sales price actuals per species are compared with the compensation paid, followed by the second instalment.

#### 5.2.3 Extra fodder costs

If skinning is postponed until the following growth season, the extra fodder costs will also be compensated. Compensation for any extra fodder costs is made after the growth season after the skinning.

### 5.3 Deductible

For each and every loss, the policyholder has a deductible specified in the insurance policy.

### 5.4 Value added tax

Regulations concerning value added tax specified under ES 7.4.10 in the indemnification regulations of property insurance will be applied.

## 6 Safety regulations

The policyholder shall comply with the safety regulations indicated in the insurance policy and below:

### 6.1 Fence around the fur farm

Fur animals must be prevented from escaping by keeping them in a fur animal shed or protected shade shelter, or by having a perimeter fence to keep the animals inside.

## 6.2 Burglary protection of fur farm

Fur farms must be protected against burglary and theft as specified in Safety regulations for break-in protection S850.

## 7 Compensation from elsewhere

Compensation is not paid under the policies insofar as the insurance event is indemnified under some other insurance, from public funds, or from the funds of a company or organisation.

## GENERAL TERMS OF CONTRACT

### YL 1 Key concepts

Policyholder is the party who has concluded an insurance contract with Pohjola Insurance Ltd (hereafter the insurance company).

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

The insured is the party for whose benefit a non-life insurance is valid.

Consumer is a person who acquires consumer goods mainly for a purpose other than his/her business activity.

A policyholder comparable to a consumer is a natural or legal person who, considering the nature and extent of his/her business or other activity as well as other circumstances, is comparable to a consumer as a contracting party of the insurer.

The insurance period is the agreed period recorded in the policy during which the insurance is valid. A continuous insurance contract continues for one agreed insurance period at a time, unless either contracting party gives notice of termination.

Safety regulation is the obligation to observe given regulations recorded in the insurance policy or insurance terms and conditions, or otherwise in written form, aimed at preventing or restricting the occurrence of a loss, or a regulation to the effect that the person using or looking after the object of insurance has the required qualification.

Exclusion clause is a condition or regulation in the insurance policy or insurance terms and conditions or other written agreement specifying losses that are not coverable or restricting the insurance cover.

### YL 2 Disclosure of information prior to concluding an insurance contract

#### 2.1 Insurance company's obligation to disclose information

Prior to concluding an insurance contract, the insurance company will provide the insurance applicant with essential information on such matters as the insurance company's own types of insurance, premiums and insurance terms and conditions, so that the applicant can evaluate his/her insurance needs and choose the most suitable insurance cover. The insurance company will also bring to the applicant's attention the most important restrictions on the insurance cover.

In distance selling of insurance products, the insurance company must also provide consumers with the advance information referred to in Chapter 6 a of the Consumer Protection Act. Distance selling refers to selling insurance policies for example over the telephone or on the internet.

#### 2.1.1 Insurance company's failure to disclose information

##### 2.1.1.1 Corporate and institutional insurance

If the insurance company or its representative has given the policyholder incomplete, incorrect or misleading information when marketing the insurance, the insurance company will correct the incorrect information promptly as soon as the error is detected. The insurance contract is considered valid in the corrected form as of the time when the policyholder is informed of the correction.

##### 2.1.1.2 Insurance policies of consumers and policyholders comparable to consumers

If the insurance company or its representative has failed to provide the policyholder with any necessary information on the insurance when marketing it or has provided incorrect or misleading information, the insurance contract will be considered valid in the form that the policyholder has had reason to understand it in the light of the information given.

#### 2.2 Policyholder's and insured person's obligation to disclose information

##### 2.2.1 Corporate and institutional insurance

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

Prior to the insurance being granted, the policyholder must provide full and correct answers to all questions presented by the insurance company which may be relevant to the assessment of the insurance company's liability. During the insurance period, the policyholder and the insured must also correct without undue delay any information provided to the insurance company by him/her which he/she has found to be incorrect or insufficient.

##### 2.2.2 Insurance policies of consumers and policyholders comparable to consumers

Prior to the insurance being granted, the policyholder and the insured must provide full and correct answers to all questions presented by the insurance company which may affect the assessment of the insurance company's liability. During the validity of the insurance period, the policyholder and the insured must also correct without undue delay any information provided to the insurance company by him/her which he/she has found to be incorrect or insufficient.

#### 2.3 Failure to disclose information

##### 2.3.1 Corporate and institutional insurance

In this clause, the policyholder also means the insured and a representative of the policyholder or the insured.

If the policyholder or the insured person has acted fraudulently with regard to the above-mentioned obligation, the insurance contract is not binding on the insurance company. The insurance company has the right to withhold all premiums paid, even if the insurance is annulled.

If the policyholder or the insured has wilfully or through negligence which cannot be deemed minor failed in his/her obligation to disclose information, the indemnity can be reduced or disallowed. The effect of the erroneous or deficient information given by the policyholder or the insured on bringing about the loss or damage will be taken into account when reduction or disallowance is being considered. In addition, the policyholder's and the insured person's intent or the type of negligence and other circumstances will be taken into account.

If, due to incorrect or insufficient information provided by the policyholder or the insured person, the agreed premium is smaller than it would have been had the insurance company been given the correct and full information, the insurance company, when reducing the amount of compensation, takes account of the ratio of the agreed premium to the premium that would have been charged had the information provided been correct and full. If, however, the information provided differs only slightly from the correct and full information, the insurance company is not entitled to reduce the compensation.

### 2.3.2 Insurance policies of consumers and policyholders comparable to consumers

If the policyholder or the insured person has acted fraudulently with regard to the abovementioned obligation, the insurance contract is not binding on the insurance company. The insurance company has the right to withhold all premiums paid, even if the insurance is annulled.

If the policyholder or the insured has wilfully or through negligence which cannot be deemed minor failed in his/her obligation to disclose information, the indemnity can be reduced or disallowed. The effect of the erroneous or deficient information given by the policyholder or the insured on bringing about the loss or damage will be taken into account when reduction or disallowance is being considered. In addition, the policyholder's and the insured person's intent or the type of negligence and other circumstances will be taken into account.

If, due to incorrect or insufficient information provided by the policyholder or the insured person, the agreed premium is smaller than it would have been had the insurance company been given the correct and full information, the insurance company, when reducing the amount of compensation, takes account of the ratio of the agreed premium to the premium that would have been charged had the information provided been correct and full. If, however, the information provided differs only slightly from the correct and full information, the insurance company is not entitled to reduce the compensation.

## YL 3 Commencement of the insurance company's liability and validity of the insurance contract

### 3.1 Commencement of the insurance company's liability

The insurance company's liability commences on the date agreed by the parties. If no other date has been agreed on individually with the policyholder, the insurance company's

liability will commence from the time when the insurance company or the policyholder has submitted or sent an affirmative reply to the offer/bid of the other contracting party.

If there are special reasons, for instance, the policyholder's earlier default of payment of the premium, type or duration of insurance, the insurance company's liability starts only when the premium for the insurance period has been paid. The invoice for the premium will contain a mention to this effect.

If the policyholder has submitted or sent a written insurance application to the insurance company and if it is apparent that the insurance company would have approved the application, the insurance company will also assume liability for an insurance event occurring after the application was submitted or sent.

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 there is no indication of the time of day when the reply or application was submitted or sent, it is considered to have taken place at 12.00 midnight.

### 3.2 Validity of the insurance contract

An insurance contract is either continuous or for a fixed period.

After the first insurance period, a continuous insurance contract is valid for one agreed insurance period at a time, unless the policyholder or the insurance company terminates the contract. The insurance contract may also be terminated without notice on grounds specified under clause 16.4 (change of owner).

A fixed-period insurance contract is valid for the agreed insurance period unless the policyholder or the insurance company terminates the contract or the contract is terminated on grounds specified under clause 16.4 (change of owner).

The insurance contract can also be terminated on other grounds, as specified below under clauses 4.2.1 and 16.

## YL 4 Insurance premium

### 4.1 Premium payment

#### 4.1.1 Corporate and institutional insurance

Premiums must be paid by their due date indicated on the invoice sent by the insurance company. However, the initial premium need not be paid before the commencement of the insurance company liability, unless, under the insurance terms and conditions, payment of the premium is a precondition for the commencement of the insurance company's liability, nor will subsequent premiums have to be paid before the commencement of the agreed premium period or insurance period.

If payment made by the policyholder is not sufficient to cover all the insurance company's insurance premium receivables, the insurance company has the right to decide for which of the outstanding premiums his/her payments are to be used.

#### 4.1.2 Insurance policies of consumers and policyholders comparable to consumers

Premiums must be paid by their due date indicated on the invoice sent by the insurance company. Even if the due date on the invoice were to be an earlier date, the insurance premium may be paid within one month of the date on which the invoice for the premium was sent by the insurance company to the policyholder. However, the initial premium need not be paid before the commencement of the insurance company liability, unless, under the insurance terms and conditions, payment of the premium is a precondition for the commencement of the insurance company's liability, nor will subsequent premiums have to be paid before the commencement of the agreed premium period or insurance period. If part of the insurance company's liability commences at a later date, the related premium need not be paid before said liability commences.

If payment made by the policyholder is not sufficient to cover all the insurance company's insurance premium receivables, the policyholder has the right to decide for which of the outstanding premiums his/her payments are to be used.

However, the policyholder's payment will primarily apply to the insurance contract in accordance with the reference data based on the paid bill unless the policyholder has specifically ordered otherwise in writing in connection with the payment.

#### 4.2 Delays in payment of premium

##### 4.2.1 Right of termination due to delay

If the policyholder has neglected to pay the premium by the due date, the insurance company has the right to terminate a voluntary insurance policy 14 days after sending a notice of termination.

However, if the policyholder pays the outstanding premium in full before the end of the notice period, the insurance will not cease to be effective at the end of the notice period. The insurance company will state this option in its notice of termination.

If the policyholder is a consumer or comparable to a consumer and the delay of payment is caused by the policyholder's insolvency resulting from illness, unemployment or other special reason primarily beyond the policyholder's control, then despite the notice given, the insurance will not expire until 14 days after the obstacle in question has ceased to exist. The contract will, however, expire three months from the end of the notice period, at the latest. The policyholder must notify the insurance company in writing of the financial difficulties referred to here during the notice period at the latest.

##### 4.2.2 Penalty interest and collection and legal expenses

If the premium is not paid by the due date, penalty interest shall be paid for the period of delay in accordance with the Finnish Interest Act.

The insurance company is entitled, under the Act on the collection of receivables (513/1999), to compensation for expenses arising from the collection of insurance premiums. If the insurance company has to collect an unpaid

insurance premium through legal action, it is also entitled to being recompensed for the statutory fees and charges incurred due to legal proceedings. The insurance company may also transfer outstanding amounts for collection by a third party.

#### 4.3 Payment of delayed insurance premium

If the policyholder pays an overdue premium in full after the insurance has expired, the insurance company's liability commences on the day following such payment. In such a case, the insurance is valid from the date of its reinstatement until the end of the insurance period originally agreed.

However, if the insurance company does not wish to see the validity of the insurance policy renewed, it will, within 14 days of payment of the premium, notify the policyholder that it will not accept the payment.

#### 4.4 Insurance premium refund

If the insurance terminates before the date agreed, the insurance company is entitled only to the premium for the period during which it was liable. The rest of the premium paid is returned to the policyholder. The premium is not returned, however, if the policyholder or the insured has acted fraudulently with regard to the obligation to disclose information as specified in clause 2.2.

The amount of premium refund is calculated by subtracting from the total premium for the insurance period in question that part which corresponds to the actual period of validity, as shown in the formula below:

$$\text{Insurance period premium} - \left( \frac{\text{validity in days}}{\text{insurance period in days}} \times \frac{\text{insurance period}}{\text{premium}} \right) = \text{refunded premium}$$

The insurance company will deduct a handling fee of 50 euros from the premium to be refunded, or a minimum payment as defined in the insurance policy, the insurance terms and conditions or some other agreement between the insurance company and the policyholder is charged on the insurance.

The premium is not returned separately if the returnable sum is smaller than the sum in euros specified in the Insurance Contracts Act.

#### 4.5 Setoff against premiums to be returned

The insurance company may deduct any outstanding premiums overdue and other outstanding amounts from the premium to be returned. If the amount to be refunded is not sufficient to cover all overdue receivables, it is used for payment of outstanding amounts as specified in clause 4.1 in accordance with general setoff regulations.

## YL 5 Disclosure of information during validity of contract

### 5.1 Insurance company's obligation to disclose information

#### 5.1.1 Corporate and institutional insurance

On conclusion of an insurance contract, the insurance company issues the policyholder with an insurance policy,

any other agreement made concerning the content of the insurance and the insurance terms and conditions, unless they have already been given previously, or unless otherwise agreed.

During the validity of the insurance, the insurance company will notify the policyholder annually in writing of the sum insured and any other insurance-related matters with obvious relevance to the policyholder.

If, during the validity of the insurance, the insurance company or its representative has provided incomplete, incorrect or misleading information on the insurance, the insurance company will correct the incorrect information without delay as soon as the error is detected. The insurance contract is considered valid in the corrected form as of the time when the policyholder is informed of the correction.

The provisions of section 9, subsection 2 of the Insurance Contracts Act apply to provision of information after the occurrence of an insurance event.

### **5.1.2 Insurance policies of consumers and policyholders comparable to consumers**

On conclusion of an insurance contract, the insurance company issues the policyholder with an insurance policy and the insurance terms and conditions, if these terms and conditions have not already been given to the policyholder.

During the validity of the insurance, the insurance company will annually notify the policyholder of the sum insured and any other insurance-related matters of obvious relevance to the policyholder (annual bulletin).

If, during the validity period of the insurance, the insurance company or its representative has provided incomplete, incorrect or misleading information on the insurance, the insurance contract will be considered valid in the form that the policyholder has had reason to understand it in the light of the information he/she was given, provided that such incomplete, incorrect or misleading information can be regarded as having influenced the policyholder's conduct. However, this does not apply to information provided by the insurance company or its representative on future compensation payable after a loss has occurred.

## **5.2 Policyholder's obligation to disclose information about any increase in risk**

### **5.2.1 Corporate and institutional insurance**

In this clause, the policyholder also means the insured and a representative of the policyholder or the insured.

The policyholder must notify the insurance company without delay, within 14 days at the latest, of any essential change in the information provided at the time of concluding the insurance contract or in the information entered in the insurance policy which increases the risk of loss and which the insurance company cannot be deemed to have taken into account when concluding the contract.

Essential changes increasing the risk may, for instance, include a change in the use of the insured object, repair, conversion or extension work, altered transport conditions or changes in the insured activity.

If such notification is neglected, the insurance company has the right to reduce any compensation payable under the insurance or to disallow the compensation altogether.

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. The policyholder's intent or the nature of negligence and other circumstances will also be taken into account.

If the policyholder neglects his/her obligation to notify the insurance company of any essential risk-increasing change that has taken place during the insurance period, the insurance company has the right to terminate the insurance on the basis of clause 16.2.1.7.

If, due to incorrect or insufficient information provided by the policyholder or the insured person, the agreed premium is smaller than it would have been had the insurance company been given the correct and full information, the insurance company, when reducing the amount of compensation, takes account of the ratio of the agreed premium to the premium that would have been charged had the information provided been correct and full. If, however, the information provided differs only slightly from the correct and full information, the insurance company is not entitled to reduce the compensation.

### **5.2.2 Insurance policies of consumers and policyholders comparable to consumers**

The policyholder must notify the insurance company without delay, no later than one month of receipt of the annual bulletin following such change, of any essential change in the information provided at the time of concluding the insurance contract or in the information entered in the insurance policy which increases the risk of loss and which the insurance company cannot be deemed to have taken into account when concluding the contract. The insurance company will remind the policyholder of this obligation in the annual bulletin.

Essential changes increasing the risk may, for instance, include a change in the use of the insured object, repair, conversion or extension work, altered transport conditions or changes in the insured activity.

If such notification is neglected, the insurance company has the right to reduce the compensation or disallow it altogether, if the policyholder has neglected his/her notification obligation wilfully or through negligence which cannot be deemed minor.

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. The policyholder's intent or the nature of negligence and other circumstances will also be taken into account.

If, due to incorrect or insufficient information provided by the policyholder or the insured person, the agreed premium is smaller than it would have been had the insurance company been given the correct and full information, the insurance company, when reducing the amount of compensation, takes account of the ratio of the agreed premi-

um to the premium that would have been charged had the information provided been correct and full. If, however, the information provided differs only slightly from the correct and full information, the insurance company is not entitled to reduce the compensation.

## YL 6 Obligation to prevent and limit loss or damage

### 6.1 Obligation to follow safety regulations

The insured must observe the safety regulations recorded in the policy, in the insurance terms and conditions or otherwise provided in writing. If the insured has wilfully or through negligence which cannot be deemed minor failed to observe the safety regulations, the insurance company may reduce or disallow any compensation payable to him/her. The effect of the failure to observe the safety regulations on the occurrence of the loss or damage is taken into account when considering whether to reduce or disallow compensation. The insured person's intent or the nature of negligence and other circumstances will also be taken into account.

If the policyholder is a consumer or comparable to a consumer, the compensation may, in general liability insurance, be reduced or disallowed due to the negligence of the insured only if the insured has failed to observe the safety regulations wilfully or through gross negligence, or if the insured person's use of alcohol or drugs has contributed to the negligence.

The insurance company will nevertheless, regardless of the insured person's conduct, pay under general liability insurance, to a natural person, that part of the compensation which the party who has suffered the loss has been unable to collect from the insured. The indemnity is not, however, paid if the insured has wilfully failed to observe the safety regulations.

### 6.2 Obligation to prevent and mitigate loss or damage, i.e. duty of salvage

In the case of a loss or the immediate threat of one, the insured or a person identifiable with him/her must, to the best of his/her ability, take the necessary action to prevent or mitigate the loss or damage. If the loss or damage is caused by a third party, the insured must take the necessary action to uphold the insurance company's right vis-à-vis the liable party. The insured must, for instance, attempt to establish the identity of the tort-feasor. If the loss or damage resulted from a punishable act, the insured must without delay report it to the police and demand punishment for the offender if the insurance company's interest so requires. The insured person must, in other respects, too, observe all instructions given by the insurance company aimed at preventing and mitigating loss or damage.

The insurance company will nevertheless compensate any reasonable and necessary expenses incurred in the process of preventing and mitigating any loss or damage, even if the sum insured will thus be exceeded.

If the insured has wilfully or through negligence which cannot be deemed minor failed to observe the duty of salvage referred to above, the insurance company may reduce or disallow the compensation payable to him/her. The effect

of the insured person's failure to observe this duty on the occurrence of a loss or damage, or on mitigating the loss or damage, is taken into account in considering whether to reduce or disallow compensation. The insured's intent or the nature of negligence and other circumstances will also be taken into account.

If the policyholder is a consumer or comparable to a consumer, the compensation may, in general liability insurance, be reduced or disallowed due to the negligence of the insured only if the insured has neglected his/her duty wilfully or through gross negligence, or if the insured person's use of alcohol or drugs has contributed to the negligence.

The insurance company will nevertheless, regardless of the insured person's conduct, pay under general liability insurance, to a natural person, that part of the compensation which the party who has suffered the loss has been unable to collect from the insured. The compensation is not, however, paid if the insured has wilfully neglected his/her duty.

## YL 7 Causing an insurance event

### 7.1 Causing an insurance event intentionally

The insurance company is released from liability to the insured if the insured has wilfully caused the insurance event.

### 7.2 Gross negligence and use of alcohol or intoxicant

If the insured has caused an insurance event through gross negligence or if the insured person's use of alcohol or some other intoxicant has contributed to the insurance event, the compensation payable to the insured may be reduced or disallowed.

The effect of the insured person's action on the occurrence of the loss or damage is also taken into account in considering whether the compensation is to be reduced or disallowed in the above-mentioned cases. The insured persons intent or the nature of negligence and other circumstances will also be taken into account.

If the insured person has caused loss or damage through gross negligence or if his/her use of alcohol or other intoxicant has contributed to the insurance event, the insurance company will nevertheless pay under the liability insurance that part of the compensation which the natural person who has suffered the loss or damage has been unable to collect because of the insured person's state of insolvency as authenticated by distraint or bankruptcy.

### 7.3 The effect of alcohol and other intoxicants on loss or damage in motor vehicle insurance

In addition to what is stated in clauses 7.1 and 7.2 above, the following also applies in considering payment of compensation under motor vehicle insurance policies.

If the insured has caused an insurance event while driving a motor vehicle at the time of loss with at least 1.2 per mille of alcohol in his/her blood, or a minimum of 0.53 mg of alcohol per litre of exhaled air at the time of the insurance event or immediately after it, compensation is paid only for special reasons. The same applies if the insured

has caused an insurance event while driving a motor vehicle otherwise under the influence of alcohol or an intoxicant other than alcohol, or under the influence of both alcohol and some other intoxicant, in such a way that his/her ability to perform faultlessly was considerably diminished.

If the insured has caused an insurance event while driving a motor vehicle under the influence of alcohol or an intoxicant or under the influence of both alcohol and some other intoxicant otherwise than in the cases mentioned above, the compensation may be reduced in proportion to the extent of the loss attributable to him/her.

## YL 8 Identification

What is stated above concerning the insured with regard to causing a loss, observing the safety regulations or the duty of salvage also applies to a person

- who, with the consent of the insured, is responsible for a motor-driven or towed vehicle, vessel or aircraft covered by the insurance
- who, jointly with the insured, owns the insured property and uses it jointly with him/her, or
- who co-habits with the insured and uses the insured property jointly with him/her.

What is stated above concerning the insured party with regard to observing the safety regulations also applies to a person who, on the basis of his/her employment or official post with the policyholder, is responsible for supervising compliance with such regulations.

## YL 9 Irresponsibility and emergency

The insurance company will not invoke clauses 6 and 7 to release itself from or restrict its liability if the insured was under 12 years of age at the time he/she caused the loss or failed to observe the safety regulations or the obligation to prevent or mitigate the loss, or was in such a state of mind that he/she could not have been sentenced for a crime.

The insurance company will not invoke clauses 5, 6 and 7 to release itself from or restrict its liability if the insured was seeking to prevent injury to a person or damage to property in circumstances in which his/her negligence or action was justifiable at the time he/she increased the risk or caused the loss or failed to observe the safety regulations or the obligation to prevent and mitigate loss.

What is stated in this clause concerning the insured also applies to a person identifiable with the insured in clause 8.

## YL 10 Claims settlement procedure

### 10.1 Claimant's obligations

The claimant must immediately notify the insurance company of an insurance event. The insurance company must also be given the opportunity to assess the loss or damage. All crimes must be reported to the local police without delay.

The claimant must provide the insurance company with documents and information necessary for the assessment

of the insurance company's liability. These include documents and information which confirm that a loss occurred, the extent of the loss or damage and the recipient of the compensation (e.g. a police investigation report or report of an offence, abstract of title and account of mortgage holders). The claimant is required to obtain the documentation which he/she is best able to obtain.

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

If the claimant has, after the loss, fraudulently provided the insurance company with incorrect or incomplete information which is of importance in investigating the loss and assessing the insurance company's liability, the compensation can be reduced or disallowed, depending on what is reasonable in the circumstances.

### 10.2 Time limitation on claims

A claim for compensation must be presented to the insurance company within 12 months of the date when the claimant became aware of the insurance and was informed of the insurance event and the damaging consequences of that event. A claim for compensation must in any case be presented within 10 years of the date when the insurance event occurred or, in the case of insurance taken out against liability for damages, the damaging consequences were caused. Reporting an insurance event is comparable to presenting a claim. If the claim is not presented within the said period, the claimant loses his/her right to obtain compensation.

### 10.3 Insurance company's obligations

After the occurrence of a loss, the insurance company is under obligation to provide the claimant with information on the contents of the insurance and the claim procedure. No advance information given to the claimant on the compensation, its amount or method of payment will affect the payment obligation stated in the insurance contract.

The insurance company will pay the compensation resulting from the loss in accordance with the insurance contract or notify the claimant of non-payment of compensation without delay and, at the latest, in one month's time of the date on which it received the documentation and information necessary for the assessment of its liability. If the amount of compensation is disputed, the insurance company will nonetheless pay any undisputed part of the compensation within the above-mentioned period.

In the case of a claim settlement decision under liability insurance, the insurance company will also inform the person who has suffered the loss or damage.

If the total amount of compensation payable to a legally incompetent person for losses other than expenses or loss of property exceeds 1,000 euros, the insurance company will notify the guardianship authority in the home municipality of the legally incompetent person of such compensation.

The insurance company will pay penalty interest on any delayed payment of compensation in accordance with the Interest Act.



## 10.4 Setoff against compensation

The insurance company may deduct any outstanding premiums overdue and other overdue amounts from the compensation. If the compensation payable cannot be used to set off all overdue receivables, it will be used as payment for outstanding amounts as specified in clause 4.1 in accordance with general setoff regulations.

## YL 11 Compensation

### 11.1 Overinsurance and principle of non-enrichment

The property or benefit is overinsured if the sum insured entered in the insurance contract is considerably higher than the real value of the insured property or the benefit.

In the case of a loss incurred by an overinsured property or benefit, the insurance company will not indemnify for more than is necessary to cover the loss. If, however, the sum insured is essentially based on an estimate given by the insurance company or its representative, the compensation equals the sum insured, except when the estimate was affected by incorrect or incomplete information submitted intentionally by the policyholder.

### 11.2 Under-insurance

The property or benefit is underinsured if the sum insured entered in the insurance contract is considerably lower than the real value of the insured property or benefit.

In the case of loss incurred by an underinsured property, the insurance company will only indemnify for that part of the loss which corresponds to the ratio of the sum insured to the value of the property or benefit. When assessing under-insurance, the sum insured is compared, when the indemnity based on replacement value is calculated, with the replacement value of the property and, when the indemnity based on current value is calculated, with the current value of the property.

If, however, the sum insured is essentially based on an estimate given by the insurance company or its representative, the indemnity equals the amount of loss, but will not exceed the sum insured.

## YL 12 War, nuclear accident and sanctions

### 12.1 War and nuclear accident

The insurance does not cover any loss incurred by

- war, rebellion, revolution, terrorism or other comparable reason
- nuclear accident as described in the Nuclear Liability Act, or by damage caused by material, equipment or weapons based on nuclear reaction or ionising radiation, regardless of where the nuclear accident occurred.

### 12.2 Effect of sanctions on compensation

An insurance company, its subsidiary or a partner in a network underwriting insurance locally is under no obligation to pay compensation, damages, prevention costs or in-

vestigation and legal expenses if paying them is contrary to UN Security Council decisions, EU sanctions or regulations or United States sanctions or legislation.

## YL 13 Lodging an appeal against decision taken by insurance company

The policyholder or claimant has several ways of appealing against a decision taken by the insurance company. If the matter remains unsettled after they have contacted the insurance company, they can ask for advice and counselling from the Finnish Financial Ombudsman Bureau (FINE) or request a decision recommendation from the relevant board. A policyholder or claimant who is dissatisfied with the insurance company's decision may also bring action against the insurance company in court.

### 13.1 Right to correct

If a policyholder or claimant suspects that the insurance company has made a mistake in its claim settlement decision, he/she has the right to obtain more information about matters which have led to the decision. The insurance company will revise the decision if the new investigations give cause to do so.

### 13.2 FINE and the Consumer Disputes Board

The Finnish Financial Ombudsman Bureau ([www.fine.fi](http://www.fine.fi)) offers free and independent advice and assistance. The Finnish Financial Ombudsman Bureau and the Finnish Insurance Complaints Board also give settlement recommendations in civil action cases. FINE does not handle a dispute pending in the Consumer Disputes Board or a court of justice or processed by the Consumer Disputes Board or a court of justice.

The insurance company's decision can also be submitted to the Consumer Disputes Board ([www.kuluttajariita.fi](http://www.kuluttajariita.fi)), which provides recommendations for decisions on the basis of consumer protection legislation. The Consumer Disputes Board will not process any disputes that are pending or already processed at the Finnish Insurance Complaints Board or a court of law.

### 13.3 District court

If the policyholder or claimant is dissatisfied with the insurance company's decision, he/she may bring action against the insurance company in the district court of his/her domicile in Finland, of the insurance company's domicile or of the place of loss in Finland, unless otherwise provided by Finland's international agreements.

Action against the insurance company's decision must be brought within three years of the policyholder or claimant being informed in writing about the insurance company's decision and the time limit. The right to bring action ceases once the time limit has expired.

Handling of a case by a board will interrupt the limitation period for the right to bring action.

## YL 14 The insurance company's right of recovery

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

The insured person's right to claim damages from a third party which is held liable transfers to the insurance company up to the amount of compensation paid by the insurance company.

If the loss or damage was caused by a third party as a private person or as an employee, a civil servant or any other person comparable to these as referred to in chapter 3, section 1 of the Tort Liability Act, the right of recovery will be transferred to the insurance company only if the person in question caused the insurance event wilfully or through gross negligence or is held liable regardless of the nature of his/her negligence.

### 14.2 Other cases of right of recovery

If the loss was caused while a motor vehicle was being driven, the insurance company is entitled, in addition to what was stated in clause 14.1, to reclaim the indemnity it has paid owing to the loss

- from the owner, driver, passenger or keeper of the motor vehicle, if he/she caused the loss wilfully or through gross negligence
- from the person who through carelessness caused the loss while a vehicle that was used without permission was being driven
- from the driver of the motor vehicle causing the loss while driving the vehicle at the time of loss with at least 1.2 per mille of alcohol in his/her blood, or a minimum of 0.53 mg of alcohol per litre of exhaled air at the time of the accident or immediately after it
- from the driver of the motor vehicle causing the loss if he/she, at the time of loss, was driving the vehicle otherwise under the influence of alcohol or an intoxicant other than alcohol, or under the joint influence of both alcohol and some other intoxicant, in such a way that his/her ability to perform faultlessly was considerably diminished.

The insurance company's right of recovery against the policyholder, the insured or a party identifiable with the insured is defined according to section 75, subsection 4 of the Insurance Contracts Act.

## YL 15 Altering an insurance contract

### 15.1 Altering the terms of contract during the insurance period

The insurance company has the right to alter the insurance premiums or other terms of contract during the insurance period to correspond to the changed circumstances if

- the policyholder or the insured person has neglected their obligation to disclose information as referred to under clause 2.2; or

- during the insurance period, a change as referred to under clause 5.2 has occurred in the circumstances recorded in the insurance policy or reported by the policyholder or the insured to the insurance company at the time the contract was concluded.

After being informed of said change, the insurance company will notify the policyholder without undue delay of how and from what date the premium or other terms of contract will be altered. The notification shall state that the policyholder has the right to cancel the insurance.

### 15.2 Altering the terms of contract at the end of an insurance period

#### 15.2.1 Corporate and institutional insurance

This clause will be applied in policies taken out since 1 January 2014.

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 continues in its new form unless the policyholder terminates it in writing before the beginning of the new insurance period.

If the policy's inception date is prior to 1 January 2014, clause 15.2.2 is applied.

#### 15.2.2 Insurance policies of consumers and policyholders comparable to consumers

##### A. Notification procedure

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 on the basis of

- new or amended legislation or a regulation issue by the authorities
- change in legal practice
- an unforeseen change in circumstances (e.g. an international crisis, exceptional natural event, catastrophe)
- a change in an index mentioned in the insurance policy which affects the insurance
- change in claims expenditure and cost levels
- change in a factor or circumstance which, in the view of the insurance company, has an effect on the amount of insurance premium. Such may include changes in the company's net sales, age, line of business, risk category, payroll bill or other details; and changes in the object of insurance, the age of the object of insurance or part of it, or its location and properties; or the changes in the place of insurance.

The insurance company also has the right to change the insurance terms and conditions and premiums of motor vehicle insurance policies and other terms and conditions provided it concerns a factor or condition which, according to the insurance company has an effect on the amount of premium of such policies. These may include changes in the vehicle's data or category or its use.

The insurance company also has the right to change the premium by determining various premium bases according to risk of loss or damage.

The insurance company also has the right to make minor changes to the insurance terms and conditions and other terms of contract provided that the changes do not affect the primary content of the insurance contract.

If the insurance company alters the insurance contract as outlined above, it will, when sending the invoice for the premium, notify the policyholder of how and as of when the premium or other terms of contract will be altered. The notification shall state that the policyholder has the right to cancel the insurance.

In addition to the above, the insurance company has the right to make changes as a result of bonus and customer loyalty and other similar reasons. The amount of the insurance premium is also affected by any customer bonuses or discounts, the amounts of which, the grounds for granting them, and durations and periods of validity may vary.

#### **B. Changes requiring termination of insurance**

If the insurance company alters the insurance terms and conditions, premiums or other terms of contract in cases other than those listed in clause A above or discontinues an actively marketed benefit, the insurance company must give written notice of termination of the insurance as of the end of the insurance period. Notice shall be given in writing one month before the end of the insurance period at the latest.

## **YL 16 Termination of insurance contract**

### **16.1 Policyholder's right to terminate the insurance**

#### **16.1.1 Corporate and institutional insurance**

The policyholder has the right to terminate a continuous insurance policy by giving a notice of termination in writing

- one month before the end of the insurance period,
- within 30 days of the date when an alteration of the terms and conditions or of a premium increase was sent, or
- when the insured property changes owners and the policyholder's need for insurance thus ceases. (In such a case the insurance may be terminated on the date the ownership is transferred.)

If the notice of termination is not given in writing, the termination is invalid.

A fixed-period insurance is terminated without notice at the end of the period in question. The policyholder has no right to terminate the insurance before that unless otherwise agreed.

#### **16.1.2 Insurance policies of consumers and policyholders comparable to consumers**

The policyholder has the right, at any time, to terminate the insurance contract during the insurance period. Notice of termination must be given in writing. Notice of termina-

tion given in any other manner shall be null and void. If the policyholder has not specified a later termination date for the insurance, the insurance will terminate on the date the notice was submitted or sent to the insurance company.

However, the right of termination does not exist if the agreed period of validity of the insurance contract is shorter than 30 days.

### **16.2 Insurance company's right to terminate an insurance during the insurance period**

#### **16.2.1 Corporate and institutional insurance**

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

**16.2.1.1** the policyholder or the insured has, before the insurance was granted, provided incorrect or insufficient information and the insurance company, had it known the correct circumstances, would have refused to grant the insurance,

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

**16.2.1.3** the policyholder or the insured has wilfully or through gross negligence failed to observe the safety regulations,

**16.2.1.4** the policyholder or the insured has wilfully or through gross negligence caused the loss,

**16.2.1.5** the policyholder or the insured has, after the loss fraudulently submitted to the insurance company incorrect or incomplete information which is of relevance in assessing the insurance company's liability

**16.2.1.6** a loss occurs which is coverable under the terms and conditions applicable to the insurance,

**16.2.1.7** the policyholder has failed to submit the notification referred to in clause 5.2 (reporting increased risk), or

**16.2.1.8** the policyholder has been declared bankrupt.

In clauses 16.2.1.1–16.2.1.7, the policyholder also means the insured and a representative of the policyholder or the insured.

If the insurance company has the right, as specified in clauses 16.2.1.1–16.2.1.8, to terminate a single insurance policy and the insurance company avails itself of this right, it may also at the same time terminate any other policies that the policyholder may have.

Having been informed of the grounds for permitting termination, the insurance company will give written notice of termination without undue delay. The insurance contract will terminate one month from the time the notice was sent.

The insurance company's right to give notice of termination of an insurance owing to an outstanding insurance premium is defined in clause 4.2.1.

### 16.2.2 Insurance policies of consumers and policyholders comparable to consumers

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

**16.2.2.1** the policyholder or the insured has, before the insurance was granted, provided incorrect or insufficient information and the insurance company, had it known the correct circumstances, would have refused to grant the insurance,

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

**16.2.2.3** the policyholder or the insured has wilfully or through gross negligence failed to observe the safety regulations,

**16.2.2.4** the policyholder or the insured has wilfully or through gross negligence caused the insurance event, or

**16.2.2.5** the policyholder or the insured has, after the loss fraudulently submitted to the insurance company incorrect or incomplete information which is of relevance in assessing the insurance company's liability.

Having been informed of the grounds for permitting termination, the insurance company will give written notice of termination without undue delay. The notice of termination will contain a mention of the grounds for termination. The insurance contract will terminate one month from the time the notice was sent.

The insurance company's right to give notice of termination of an insurance owing to an outstanding insurance premium is defined in clause 4.2.1.

### 16.3 Insurance company's right to terminate an insurance at the end of the insurance period

The insurance company has the right to give notice of termination of an insurance effective as of the end of the insurance period. The notice of termination will have a mention of the grounds for termination. The notice of termination will be sent one month before the end of the insurance period at the latest.

### 16.4 Change in ownership

The insurance contract will terminate, if the insured property is transferred to a new owner other than the policyholder him/herself or his/her estate. If a loss takes place within 14 days of the transfer of ownership, the new owner will, however, be entitled to compensation provided that he has not already taken out insurance on the property.

If insurance on property includes other policies, such as liability, legal expenses or business interruption insurance policies, such insurance will terminate immediately upon transfer of the property to the new owner.

### 16.5 Change of insurer

Voluntary motor insurance policies taken out on a motor vehicle will terminate without notice on the date when an entry is made in the Vehicular and Driver Data Register recording that the motor liability insurance for the motor vehicle has been transferred to another insurance company.

## YL 17 Rights of third party

### 17.1 Other persons covered by property insurance

In addition to what is otherwise prescribed concerning the insured in the terms and conditions of the insurance in question, a property insurance policy (concerning direct material damage) is, unless otherwise agreed, valid for the benefit of the owner, any party that has purchased the property with reservation of title, any pledgee or holder of a lien on the property, or any other party exposed to the risk that the property is lost or damaged.

### 17.2 Position of the insured after the occurrence of a loss

Against the insured as referred to in clause 17.1, the insurance company will, for reduction or disallowance of compensation, refer to failure of the policyholder or other insured person to disclose information (clause 2.2) or to notify of an increase in risk (clause 5.2) only if the insured knew or should have known, prior to the loss, of the conduct of the policyholder or another insured person.

Every insured person is entitled to compensation on the occurrence of loss or damage. However, the policyholder may negotiate with the insurance company in a manner binding on the insured person, and collect compensation, unless the name of the insured person has been recorded in the contract or he/she has declared that he/she will assert his/her rights, or the case concerns a mortgage holder's right to be paid from the compensation.

### 17.3 Priority to payment from compensation

If property insurance is valid in favour of a natural or legal person who has right of lien over the property as security for a receivable, he/she is entitled, even if the receivable is not overdue, to payment from the compensation before the owner, provided that the owner has not rectified the loss or placed collateral for its rectification. The above also applies in favour of a natural or legal person who is entitled to retain the property as security for an overdue receivable.

In receiving payment from the compensation, the owner has priority over a person who has bought the property on a provision regarding reservation of title.

The provisions governing a mortgage holder's right to compensation also apply to the mortgage holder's right to be paid from the compensation.

#### 17.4 Right to compensation under liability insurance of a person who has suffered injury, loss or damage

A person who has suffered injury, loss or damage has the right, under general liability insurance, to claim compensation as per the insurance contract directly from the insurance company if the insured person has been declared bankrupt or is otherwise insolvent. If the insurance company is presented with a claim, it will notify the insured person thereof without undue delay and reserve him/her an opportunity to explain the insurance event. The insured will also be notified of the subsequent processing of the matter. If the insurance company accepts the claim of the person who has suffered the injury, loss or damage, this acceptance is not binding on the insured.

#### 17.5 Right of appeal under liability insurance of a person who has suffered injury, loss or damage

A person who has suffered injury, loss or damage has the right to bring action against the insurance company regarding a claim settlement decision taken by the insurance company or to submit the matter to the Finnish Insurance Complaints Board or the Consumer Disputes Board as provided in clause 13 above.

### YL 18 Applicable law

The insurance is subject to Finnish law.

Pohjola Insurance Ltd, Business ID: 1458359-3

Helsinki, Gebhardinaukio 1, 00013 OP, Finland

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

Regulatory authority: Financial Supervisory Authority, [finanssivalvonta.fi/en](https://finanssivalvonta.fi/en)

