



Pohjola Insurance

Farm Production Insurance



PRODUCT GUIDE

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If you have problems with your farm's production building, machine, equipment, product, accessory or animal, you will lose money. The situation is made worse if you cannot continue operations because of the loss or injury.

Fortunately you can insure your property and farm operations against a number of eventualities. Your insurance coverage will be tailored to your needs.

Production building, production equipment or movable property is damaged, stolen or broken.

Production animals die as a result of fire, electric phenomenon or other reason.

Operations are interrupted as a result of property damage and net sales fall.

Farm production causes damage or loss to a third party or their property and you are by law liable to pay compensation, or you are in a legal dispute.

Extended Farm Cover or Farm Cover

Farm Cover for your farm animals and any supplementary insurance you may need.

Business interruption insurance

Business liability insurance and product liability insurance

Legal expenses insurance

Farm Production Insurance policies are granted by Pohjola Insurance Ltd. The exact content of the insurance can be found in Farm Production Insurance terms and conditions YH11. Please read through them as well.



Insuring property used in farm production

We begin insuring your property with production buildings and movable property, that is, machinery and equipment and products and accessories. They can be insured with either Extended Farm Cover or

Farm Cover. These can be supplemented with Business Interruption. Production animals, on the other hand, can be insured with Farm Cover and any supplementary insurance, such as Animal Catastrophe Insurance.

What is insured?	<ul style="list-style-type: none"> • Production buildings and any machinery and equipment used in them. • Machinery and equipment, such as plough, harrow and pressure washer • Products and accessories, such as grain, and equipment and fertilizers kept at the farm • Machine, equipment, products or accessory you have borrowed, for up to EUR 10,000 		
	Production animals: Pigs, sheep, poultry, cattle, fur animals* and other animals		
Which cover?	Extended Farm Cover**	Farm Cover**	Business interruption insurance
What does it cover?	covers sudden and unforeseeable loss or damage. The difference with Farm Cover is that coverage also includes the following, for example <ul style="list-style-type: none"> • a mower conditioner breaks down during fodder harvesting • a trailer falls over when the road collapses • a strong hailstorm damages a tin roof • a storm raises the sea water or other waterway level, causing damage to a building and movable property inside it. 	compensates damage caused: <ul style="list-style-type: none"> • by fire or soot • by electric phenomenon • by an explosion • by leakage or triggering of fire extinguishing equipment • by theft or criminal damage • by breakage of a machine or equipment in the building • by storm or a stroke of lightning • by a wild animal • to movable production property in a road accident. 	When operations are interrupted owing to damage or loss that is coverable under Extended Farm Cover or Farm Cover, the business interruption insurance covers <ul style="list-style-type: none"> • loss of profit margin • extra expenses for measures by which you reduce or prevent net sale losses, such as by hastening rebuilding or by maintaining operations through temporary arrangements.
How much?	Depending on the replacement value or current value, or up to a certain sum insured.	Depending on the replacement value or current value, or up to a certain sum insured.	<ul style="list-style-type: none"> • Loss of net sales for either 12 or 18 months, from which we will subtract the fixed expenses saved as a result of the loss. • Up to the actual budgeted net sales your have reported to us.
Deductible	Basic deductible EUR 600	Basic deductible EUR 600	Basic deductible EUR 600

* See below for more information about insuring a fur farm.

** Extended Farm Cover and Farm Cover always include liability, product liability and legal expenses insurance, explained below.

	Catastrophe cover and catastrophe interruption	Animal Cover for dairy and beef cattle	Extension to business interruption insurance, case by case
What is insured?	Cattle, pigs, sheep and poultry and fur animals *	Fewer than 20 dairy cows, and individual breeding animals.	Production animals
What does it cover?	Compensates <ul style="list-style-type: none"> • losses in which several animals die, are emergency slaughtered or disappear for the same reason within 14 days. • business interruption caused by a catastrophe loss. 	compensates if a bovine dies (or is emergency slaughtered) because of illness or serious injury.	compensates when <ul style="list-style-type: none"> • your operations are interrupted or disturbed if your customer or supplier suffers coverable losses. • you are forced to put down production animals because of an epidemic.
Deductible	Basic deductible EUR 600	Basic deductible EUR 600	Basic deductible EUR 600

* Fur animals can be insured through catastrophe insurance only against epidemic diseases.

The deductible for fur animals is 15% of the loss amount, but no less than EUR 1,000.

Highest possible amount of compensation for property

Brand new or relatively new property should always be insured without a maximum amount of compensation (that is, using full value insurance). This means that the premium is based on, for example, the building's floor area or purpose of use. Premiums for moveable property, with the exception of vehicles and production animal, are based on the farm's field hectares.

If your property is much older, we recommend that we determine together a sum insured in euro terms used as the premium basis and

maximum compensation. The sum insured must correspond to the object's real value in order for the amount of compensation to be correct in case of loss. Read the clauses about over- and underinsurance in the terms and conditions (11.1 and 11.2).

How to determine the value of damaged property?

The value of damaged property is determined on the basis of replacement value or current value. The replacement value refers to the amount of money required for acquiring new similar or equivalent property to replace the old one.

The current value is obtained when the replacement value is subtracted with the part of the value that the property lost as a result of age, use, decrease in usability or similar reasons. We always compensate on the basis of current value when the value of the property immediately before the loss is less than 50% of the replacement value. Machinery and equipment will always be compensated on the basis of current value.

The example below shows how compensation is affected by the manner of insurance and the depreciation of the property's value.

The basis for compensation for buildings is either the current value or the replacement value. A building's value will fall with age, use or lower usability. Renovation, on the other hand, increase a building's value. When a loss has occurred, we will assess what the damaged building's value was, just before the loss, of the replacement value, that is, of a new equivalent one. If the current value thus obtained is at least 50% of the replacement value, we will pay compensation on the basis of replacement value. If the current value is less than 50% of the replacement value, we will pay compensation on the basis of current value. If you do not want to repair the damaged building or build a new one in its place, compensation will be paid on the basis of current value. If a building's value is clearly below the replacement value, we can also determine a sum insured which acts both as the premium basis and the maximum amount of compensation.

Alternative B:

In case of clearly older buildings whose sum insured is well under 50% of the replacement value, it may have been insured for a sum we had agreed on together.

In such a case, losses are covered up to the agreed amount as above in 2 a or b.

Remember to check the sum insured when investing in new production equipment. We will use indexes to review the sum insured, premium and deductible to be in line with the general price development.

Deductible

The basic deductible for Farm Insurance is EUR 150. The deductible can be increased or decreased on the basis of your risk-bearing capacity or willingness. In sudden and unforeseeable losses to machinery and equipment your deductible is at least EUR 900. The terms and conditions specify situations in which the deductible deviates from this basic rule.

Age reduction and leakage age reduction

If a machine or piece of equipment that is an integral part of the building is broken or damaged as a result of lightning or other electric phenomenon, an age reduction will be applied to the replacement value. If the age reduction is at least as large as the deductible, no deductible will be subtracted. The reduction amount for various machinery and equipment is specified in clause 7.4.5 of the terms and conditions. In leakage losses, a leakage age reduction will be applied (clause 7.4.4).

	Business liability insurance	Product liability insurance	Legal expenses insurance
What does it cover?	Compensates loss or damage to third parties and their property for which you are liable by law.	Compensates bodily injuries or material damage for which you are liable by law as a result of products handed over to a third party.	Compensates for costs incurred by the use of legal counsel in disputed civil or criminal cases or non-contentious civil cases relating to farm production and its subsidiary occupation. However, not in disputes related to the leasing of property and flats.
Amount of compensation?	EUR 1,000,000/ insurance period	EUR 1,000,000/ insurance period	EUR 25,000/case, EUR 50,000/insurance period
Deductible	EUR 600/loss	EUR 600/loss	15% of coverable costs, but no less than EUR 600.

What if the loss prevents the building or machinery and equipment from being used?

Both the Extended Farm Cover and Farm Cover will cover extra costs if, owing to a coverable loss, you are unable to use the production assets normally.

- As to production buildings, extra costs are indemnified for up to 6% of the building's current value.
- As to machinery and equipment, extra costs are indemnified for up to EUR 10,000 for a maximum of 1 month.
- A separate deductible will always be applied to the compensation of extra costs.

An actual business interruption insurance included in Farm Production Insurance offers more extensive cover in terms of extra costs and loss of profit margin.

A pig farm is insured with Farm Insurance and a 12-month business interruption insurance policy. The pig farm's net sales are EUR 100,000. The pig farm and the animals are killed in a fire and operations are interrupted. Farm Insurance will compensate the destroyed building and the value of the animals. Business interruption insurance will compensate the loss of profit margin up to the period entered in the policy.

Insuring a fur farm

Fur farms are insured with Farm Cover. In terms of fur farm losses, we also compensate sudden and unforeseeable losses caused by the following:

- heavy rain, melting of snow (shade shelters)
- weight of snow and ice (shade shelters)
- noise (fur animals)
- heat stroke (fur animals).

Fur farms have their own special deductibles.

As additional cover, you can include breeding value insurance, providing compensation when the breeding value or the value of the skins is reduced as a result of vandalism.

You can also insure fur animals with Animal Catastrophe Insurance against communicable diseases.

Business liability insurance, product liability insurance and legal expenses insurance

These are always included in both the extended and basic Farm Cover. Coverage extends under Extended Farm Cover and Farm Cover to insured operations and any subsidiary occupation entered in the policy that is pursuant to agricultural taxation.

Where are Farm Production Insurance policies valid?

The policies are valid when the insured property is in the place of insurance specified in the insurance policy.

The following objects are insured in Finland also when they have been temporarily moved elsewhere or are used for their purpose:

- Products and accessories
- Machinery and equipment
- Production animals
- Third-party movable property used for production purposes
- Fur farm's farming and skinning equipment.

What cannot you insure with Farm Production Insurance policies?

- Property in your private household (this is insured with Extrasure home insurance)
- Subsidiary occupation taxable under the Business Tax Act (corporate insurance products)
- Market garden operations (corporate insurance products)
- Operations related to industrial, commercial or repair operations (corporate insurance products)
- Passenger cars (Vehicle Cover)
- Dog, cat, hobby animal or pet (Extrasure)
- Forest (Extrasure)
- Tractors, combine harvesters and other self-propelled working machines (Working Machine Insurance).

Factors affecting the premium

Factors such as the following will affect the insurance premium

- What do you produce in your farm and what is considered subsidiary occupation subject to agricultural taxation?
- What kind of insurance contract will you choose?
- Annual budgeted net sales excluding tax but including EU subsidies for any animals.
- The fire safety of buildings, affected by the building category and technical solutions.
- Indemnity period you have chosen for business interruption insurance.
- Any optional deductible you have chosen.
- Loyalty benefits for using OP's banking and insurance services.
- Points awarded from the farm's cover analysis, describing the risk exposure of your farm operations and buildings and equipment.
- You can affect the points obtained from the cover analysis. Investments you make in safety will be taken into account in level of insurance premiums.

Safety regulations

Safety regulations are appended to the insurance contract, providing information on how to prevent losses. Failure to follow the safety regulations or negligence on a larger scale may lead to a reduction or denial of indemnity.

If, despite precautions, you suffer loss or damage, we will help you and pay compensation.

Accident took place – what do you do?

File a loss report at your earliest convenience. You can fill in a loss report online at op.fi/verkkopalvelut. The loss surveyor will help you to assess the extent of damage or loss, and refer you to our partner you can turn to in order to fix the damage. Loss surveyors do not make any claim settlement decisions.

A claim for compensation must be made within 12 months from the date when you became aware of the loss or damage and its consequences. Any damaged property must be fixed within two years.

If you consider our decision to be deficient or faulty, please contact the employee in charge of your claim. You can also request a decision to be corrected by sending an email to asiakasiamies@op.fi.

Filing a complaint or appeal

You can also submit insurance and indemnity appeals to various boards or courts. More information about these options is attached to your claim settlement decision.

Handling of personal data

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

Insurance sales commissions

The insurance company will pay a commission that is either a percentage of the insurance premium or a fixed fee based on the number of policies sold. The commission and its amount is affected by the insurance product and sales channel. The commission is paid to the agent or insurance company employee.

Contact us

eServices at

- op.fi
- Insurance service numbers +358 (0)10 253 1333

Calls from a landline network and mobile phones in Finland cost EURO.0835 per call plus EUR 0.12 per minute. The prices are inclusive of VAT 24%. We record customer calls to assure the quality of customer service, among other things. Read more about the subject at op.fi/dataprotection.