

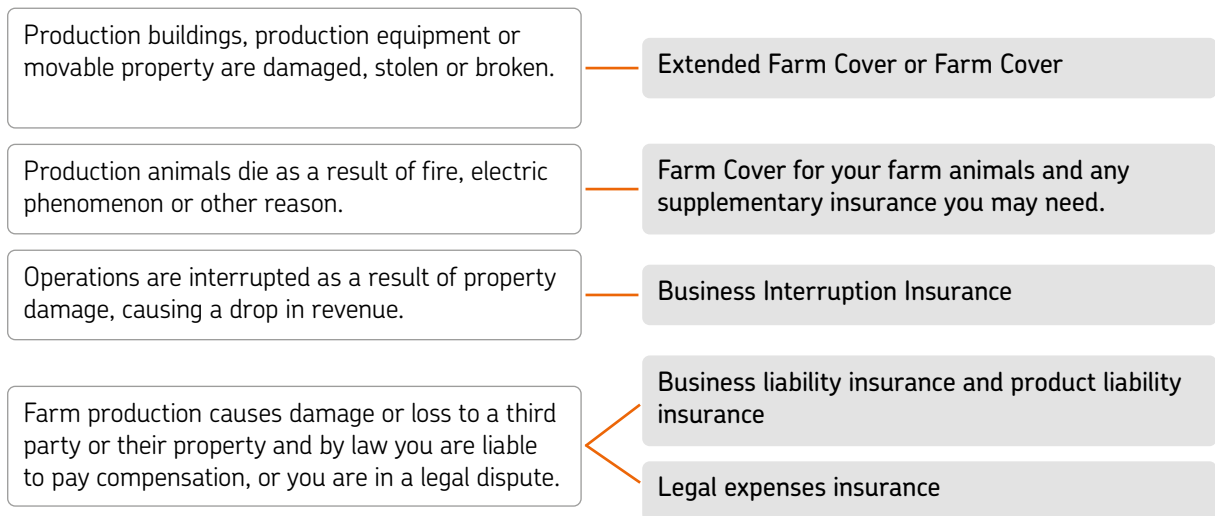
# Farm Production Insurance

Product guide  
Valid as of 1 January 2023



Losses or damage to your farm's production buildings, machinery, equipment, products, supplies or animals can be costly. The situation is made worse if you cannot continue operations because of the loss.

Fortunately, you can insure your property and farm operations against a variety of accidents. Your insurance coverage can be tailored to your needs.



Farm Production Insurance policies are issued 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, including machinery, equipment, products, and supplies. You can insure

these with either Extended Farm Cover or Farm Cover, supplemented with business interruption insurance. 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"> <li>Production buildings and any machinery and equipment used in them</li> <li>Machinery and equipment, such as ploughs, harrows and pressure washers</li> <li>Products and accessories, such as grain, and equipment and fertilizers kept at the farm</li> <li>Machine, equipment, products or accessories you have borrowed, for up to 10,000 euros</li> </ul>		
	Production animals: Pigs, sheep, poultry, cattle and other animals		
Which cover?	Extended Farm Cover*	Farm Cover*	Business interruption insurance
What does it cover?	<p>covers sudden and unforeseeable loss or damage. The difference with Farm Cover is that coverage also includes the following, for example,</p> <ul style="list-style-type: none"> <li>a mower conditioner breaks down during fodder harvesting</li> <li>a trailer falls over when the road collapses</li> <li>a strong hailstorm damages a tin roof</li> <li>a storm raises the sea water or other waterway level, causing damage to a building and movable property inside it.</li> </ul>	<p>compensates damage caused by:</p> <ul style="list-style-type: none"> <li>fire or soot</li> <li>electric phenomenon</li> <li>explosion</li> <li>leakage or triggering of fire extinguishing equipment</li> <li>theft or criminal damage</li> <li>breakage of machinery or equipment in the building</li> <li>storm or lightning</li> <li>wild animals, or</li> <li>to movable production assets in a road accident.</li> </ul>	<p>When operations are interrupted owing to damage or loss that is coverable under Extended Farm Cover or Farm Cover, the business interruption insurance covers</p> <ul style="list-style-type: none"> <li>loss of profit margin</li> <li>extra expenses for measures by which you reduce or prevent net sales losses, such as by hastening rebuilding or by maintaining operations through temporary arrangements.</li> </ul>
How much?	Either based on the replacement value or current value, or up to a specific sum insured, depending on what is agreed in the policy.	Either based on the replacement value or current value, or up to a specific sum insured, depending on what is agreed in the policy.	<ul style="list-style-type: none"> <li>Loss of net sales for a period of 12 to 36 months, from which we will subtract the fixed expenses saved as a result of the loss.</li> <li>Up to the actual budgeted net sales you have reported to us.</li> </ul>
Deductible	Basic deductible 600 euros	Basic deductible 600 euros	Basic deductible 600 euros

\* Extended Farm Cover and Farm Cover always include liability, product liability and legal expenses insurance, as 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	Stocks of fewer than 20 dairy cows and individual breeding animals.	Production animals
What does it cover?	<p>the insurance covers</p> <ul style="list-style-type: none"> <li>Covers losses in which multiple animals die, disappear or are emergency slaughtered within a period of 14 days due to the same illness or accident.</li> <li>business interruption caused by a catastrophe loss.</li> </ul>	<p>when a cow dies (or is emergency slaughtered) because of illness or serious injury.</p>	<p>the insurance covers when</p> <ul style="list-style-type: none"> <li>your operations are interrupted or disturbed if your customer or supplier suffers coverable losses.</li> <li>you are forced to euthanise production animals because of an epidemic.</li> </ul>
Deductible	Basic deductible 600 euros	Basic deductible 600 euros	Basic deductible 600 euros

## Maximum amount of compensation for property

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. See the clauses about over-insurance and under-insurance 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 the 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 by deducing from the replacement value the part of the value that the property lost as a result of age, use, decrease in usability or similar reasons. 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 loss occurred. We always compensate on the basis of the current value when the value of the property immediately before the loss is less than 50% of the replacement value. Machinery and equipment are always 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 decrease 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 before the loss in relation to the replacement value. 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, the loss amount based on the current value cannot exceed the fair value of the property. 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.

#### Option B:

In case of clearly older buildings whose sum insured is well under 50% of the replacement value, the building may have been insured for a mutually agreed sum.

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 600 euros. 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 900 euros. 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 the terms and conditions (clause 7.4.5). In leakage losses, a leakage age reduction will be applied (clause 7.4.4). In addition, in the case of certain groups of movable property, an age reduction is applied to the property's value (7.4.6) in addition to the deductible.

## What if a 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 10,000 euros for a maximum of one month.
- A separate deductible will always be applied to the compensation of extra costs.

An actual business interruption insurance included in Farm Production Insurance provides 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 100,000 euros. The farm and animals are destroyed 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 for 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 for 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.

## 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.

	Business liability insurance	Product liability insurance	Legal expenses insurance
<b>What does it cover?</b>	compensates for loss or damage to third parties and their property for which you are liable by law.	compensates for 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.
<b>What is the amount of compensation?</b>	1,000,000 euros per insurance period	1,000,000 euros per insurance period	25,000 euros per case, 50,000 euros per insurance period
<b>Deductible</b>	600 euros per each loss	600 euros per each loss	15% of coverable costs, but no less than 600 euros.

## 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 be insured with Farm Production Insurance?

- Property in your private household (this is insured with Extrasure home insurance)
- Secondary occupation taxable under the Business Income Tax Act (Corporate insurance products)
- Commercial 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).
- Growing crops, except in the case of fire damage.

## 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 should 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 in security 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.

We will assist you if you suffer loss or damage despite precautions.

## An 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](http://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 the customer ombudsman at [asiakasiamies@op.fi](mailto:asiakasiamies@op.fi).

## Filing a complaint or appeal

Appeals concerning insurance policies and claims can also be submitted to various boards or courts of law. Further information about these options is enclosed with your claim settlement decision.

## Personal data processing

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 Notice. The customer is advised to read the indicated privacy information. The Privacy Statement and the Privacy Notice are available at [op.fi](http://op.fi) and at Pohjola Insurance Customer Service outlets.

## Insurance sales commissions

The insurance company pays 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 are affected by the insurance product and sales channel. The commission is paid to the agent or insurance company employee.

## Contact us

Insurance and Claims Settlement 0303 0303

Calls to the Telephone Service from landline phones and Finnish mobile subscriptions cost 0.0835 euros per call plus 0.12 euros per minute (incl. 24% VAT). We record customer calls to ensure the quality of customer service, among other things. Read more at [op.fi/dataprotection](http://op.fi/dataprotection).



## Our services

### Manage your insurance policies at op.fi

Log into op.fi using the user identifiers for your own bank.

Once logged in, you can

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

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

Pohjola Claim Help gives you clear instructions for all types of losses and damages. In case of loss or damage, Claim Help has the contact details of doctors, repair shops and our other partners.

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

## Our Telephone Service

A-Insurance services for commercial transport

- Insurance and Claims Settlement 0304 0506\*

Pohjola Insurance

- Insurance and Claims Settlement 0303 0303\*

Service numbers for statutory insurance

- Motor liability insurance and claims, Workers' compensation insurance and claims 0100 5335\*\*

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

Prices are inclusive of VAT.

\*\* Call rate: local/mobile network rate.

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

## Advice on claims and insurance policies

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

For independent advice, contact the Finnish Financial Ombudsman Bureau (FINE), tel. 09 685 0120, [www.fine.fi/en](http://www.fine.fi/en).

Pohjola Insurance Ltd, Business ID: 1458359-3

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Domicile: Helsinki, main line of business: insurance

Regulatory authority: Financial Supervisory Authority, [www.fiva.fi](http://www.fiva.fi)

