



# Liability Insurance for Financial Loss

VA 03, general insurance terms and conditions 1 April 2020

## 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 the losses referred to in clause 3.1 below and other expenses specified separately in these terms and conditions;
- investigate the grounds for and amount of indemnity;
- negotiate with the claimant; and
- appear in court or pay legal expenses if a claim for damages is subjected to legal proceedings.

The insurance covers the policyholder's business (insured operations) reported by the policyholder to the Insurance Company upon conclusion of the insurance contract and recorded in the insurance policy.

## 2 Territorial scope

The insurance is valid in Finland and covers the insured operations within the territorial limits and claims handled in accordance with the law in force within the territorial limits.

## 3 Coverable losses and related exclusions

### 3.1 Coverable losses

The insurance covers financial loss caused to a third party by the policyholder, which is not connected to bodily injury or material damage.

Another prerequisite is that the policyholder is held, under the legislation in force, liable for the loss resulting from action or negligence during the insurance period either

- to the client on the basis of a contract made with the latter or
- to a party other than the client on the basis of valid legislation.

### 3.2 Exclusions

#### 3.2.1 Loss incurred by the policyholder

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

#### 3.2.2 Loss related to work performed under contract

The insurance does not cover expenses arising from work performed in order to rectify the result of work based on a commission agreement or work redone, not even in the case the work is performed by a party other than the policyholder.

#### 3.2.3 Loss caused to an employee or partner

The insurance does not cover any loss caused to an employee of the policyholder or to a comparable person, or to a partner.

#### 3.2.4 Bodily injury and material damage

The insurance does not cover bodily injury or material damage or any related financial loss.

Material damage is also deemed to include the destruction of, damage to or loss of cash, securities, unused postage stamps, coupons, bills of exchange, cheques and other similar certificates of claim.

#### 3.2.5 Loss related to payment in or acceptance of cash

The insurance does not cover any loss caused by miscalculations in accepting cash or making payments in cash.

#### 3.2.6 Expenses for rekeying or renewing locks

The insurance does not cover any loss caused by rekeying or renewing locks.

#### 3.2.7 Loss caused by contractual liability

The insurance does not cover any loss insofar as the liability is based on a provision of a commission agreement under which the policyholder has assumed greater responsibility than would apply to the policyholder under current legislation in the same contractual relationship in the absence of such contractual provision.

### 3.2.8 Loss related to liability to a company under the same ownership

The insurance does not cover any loss incurred by

- a company within the same group of companies as the policyholder or
- a company under the same control as the policyholder on the basis of majority interest or otherwise.

### 3.2.9 Loss caused wilfully or through gross negligence

The insurance does not cover any loss caused wilfully or through gross negligence by the policyholder or a third party on whom behalf the policyholder is liable (see clause 7 of the General Terms of Contract, YL).

A loss can be deemed to have been caused wilfully or through gross negligence, for instance, if the act, operating method or omission causing the loss involved a major risk of such a loss in view of the circumstances.

### 3.2.10 Loss caused by fines

The insurance does not cover fines or other similar sanctions.

### 3.2.11 Other liability insurance

The insurance does not cover any loss coverable under some other liability insurance held by the policyholder.

### 3.2.12 Loss related to intellectual property rights

The insurance does not cover any loss or costs caused by or in a way resulting from violation of intellectual property rights.

### 3.2.13 Data security breach

The insurance does not cover any loss caused by a data security breach. A data security breach refers to the illegitimate or unlawful processing of personal or confidential data or the unauthorised disclosure, distribution, destruction, loss or alteration of such data. Neither does the insurance cover any expenses incurred by the insured party due to measures taken to mitigate the potential adverse effects of a data security breach or as the result of communicating the data security breach to data subjects or notifying the supervisory authority of the data security breach.

## 4 Safety regulations

4.1 The policyholder must apply the regular commission agreement terms and conditions commonly used in the sector (see clause 6.1 of the General Terms of Contract, YL).

4.2 When using external service providers to execute its orders, the policyholder must obligate them to take out financial loss liability insurance and keep the insurance valid.

4.3 In addition, the policyholder must comply with the safety regulations specified in the insurance policy or otherwise issued in written form.

## 5 Claims settlement

### 5.1 Insurance Company's obligations

The Insurance Company must investigate whether the policyholder is liable to pay damages for any reported loss covered under the insurance, for the part exceeding the deductible, and must 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 will the Insurance Company be under any obligation to conduct further investigations into the matter.

## 5.2 Policyholder's obligations

The policyholder shall

- participate in the investigation into the loss at the policyholder's own expense;
- provide the Insurance Company with all information, documents and other material in the policyholder's possession relevant to the claims settlement;
- obtain or prepare any necessary reports and analyses available to the policyholder at reasonable expenses; and
- allow the Insurance Company the opportunity to contribute to reaching an amicable settlement.

## 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 such legal proceedings have been brought to the policyholder's attention.

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

- the loss report has been submitted before the statement of defence is given, and
- the attorney is approved by the Insurance Company.

If the legal proceedings also concern other issues, the insurance will cover only the portion of the expenses incurred due to the claim covered by the insurance.

The Insurance Company always has the right to assume the policyholder's defence at the legal proceedings.

## 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.

The provisions of the Value Added Tax Act will be taken into account when calculating the loss amount. 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 will cover only the part of the loss that corresponds to the policyholder's share of the liability. If no other grounds exist, the indemnity will be paid on a per capita basis.

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

The insured party is under an obligation to prevent or mitigate the loss from an impending or actual insurance event (see clause 6.2 of the General Terms of Contract, YL). This obligation concerns only measures that eliminate the immediate threat of a liability loss being caused to a third party and 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 incurred in investigating the loss, but not the investigation expenses for which the policyholder is liable under the insurance terms and conditions or on which have not been specifically agreed with the Insurance Company.

Legal expenses are covered as specified in clause 6 above.

### 7.4 Maximum indemnity

The aggregate maximum of indemnities paid on the basis of a single loss, including expenses incurred due to investigations, negotiations, interest payments and legal proceedings, is the sum insured stated in the insurance policy. Loss prevention costs are coverable in accordance with clause 6.2 of the General Terms of Contract, YL.

The maximum amount of indemnity paid for losses caused during a single insurance period equals double the sum insured recorded in the insurance policy.

### 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 caused.

### 7.6 Deductible

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.

## 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 occurrence of liability loss

As soon as a loss has become known or a claim has been filed, the loss must be notified to the Insurance Company. 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 name(s) and address(es) of the person(s)/party/parties suffering loss are required to enable contacts with them.

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

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

Regulatory authority: Financial Supervisory Authority, [finanssivalvonta.fi/en](https://finanssivalvonta.fi/en)

