



# General terms of contract

Insurance terms and conditions  
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## GENERAL TERMS OF CONTRACT

### YL 1 Key concepts

Policyholder is the party who has concluded an insurance contract with Pohjola Insurance Ltd or A-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 applicants 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 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.

### **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 Beginning of insurance company's liability and validity of 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 policyholders 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 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 Payment of insurance premium

#### 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 Delayed insurance premium payment

#### 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 a 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 Premium refunds

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:

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

The insurance company will deduct a handling fee of EUR 50 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 returned premium

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**

### **5.1.2 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.

### **2.2.5 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 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 6 Obligation to prevent and mitigate 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 the 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'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 limit loss or damage (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'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'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. 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 persons 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 9.7.1 and 9.7.2 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 party and uses the insured property jointly with him.

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 (eg 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 Payment 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 Indemnity

## 11.1 Over-insurance and prohibition of 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 Underinsurance

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 underinsurance, 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 investigation 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 Appeal against insurance company's decision

The policyholder or claimant has several ways of appealing against a decision taken by the insurance company. If the matter remains unsettled after he/she has contacted the insurance company, he/she 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 will not process any disputes that are pending or already processed at the Consumer Disputes Board or a court of law.

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 Insurance company's right of recovery**

### **14.1 The insurance company's right of recovery vis-à-vis a third party**

The insured persons 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 his/her obligation to disclose information as referred to in clause 2.2 above; or
- during the insurance period, a change as referred to in clause 5.2 above 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 the contract was concluded.

After being informed of said change, the insurance company will notify the policyholder, in writing and without undue delay, of how and as of 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 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, as an effect on the amount of 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 of 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 insurance during the insurance period**

##### **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 termination 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 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.

##### **2.2.16. 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 have 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 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 of owner**

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 holders 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 holders right to compensation also apply to the mortgage holders 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 person 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.

**Pooling our resources.**

