

Property insurance ES1

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Property insurance

Property insurance covers, in accordance with the insurance policy concluded between the insurer and the policyholder, direct damage caused to property and the costs specifically listed in the terms and conditions. The insured objects, the sums insured, the deductibles, and the insurance covers selected are described in the insurance schedule.

Property insurance consists of:

- the insurance schedule, and any special conditions shown in the insurance schedule;
- these product-specific terms and conditions (ES1);
- the General terms and conditions (YS15).

1 Property insurance terminology

Replacement value

‘Replacement value’ means the amount of money needed to acquire new property of identical size, with the same purpose of use and having characteristics similar to the original property. Replacement value also includes the reasonable cost of transport, erection and installation generated when using appropriate modes of transport and conventional labour usually employed for erection and installation purposes during normal working hours. The replacement value of a building includes the construction costs incurred by using building materials generally available for sale in Finland and by employing conventional working methods. In addition, replacement value is calculated as comprising the cost of demolition, clearance and disposal of damaged property, including the related cost of transport and processing and any design expenses in respect of a replacement building to be constructed.

Full value insurance

In full value insurance, the value of your property is not determined when taking out the insurance policy; instead it suffices that the information requested by the insurance company and on which your premium is calculated is accurate and that any changes to this information taking place during the insurance period are reported to the insurance company.

Current value

The current value of your property is the monetary value calculated by subtracting from the replacement value any depreciation caused by ageing, use, neglected service and maintenance, decreased usability, outdated technology or other such reason.

When assessing the current value of a building, the clear impact of any changing local conditions, such as the discontinuance of trade activity, the location of the building and other reasons, is considered whenever no new equivalent building is constructed at the same site.

Fair value

The fair value of your property is the monetary value generally obtainable for the property in the market situation on the day when the loss or damage occurred, with due consideration of factors such as the age, service hours, operating mode, service and maintenance history, condition and usability of the object. The fair value of any motorised work machines running on their own engine power is affected by such factors as the make, model and level of equipment. When assessing the fair value of a building, the proportion of the plot, any structures on the plot, connections and other buildings is subtracted from the fair value of the property.

Fair value does not refer to the selling price, asking price, or trade-in value of sales outlets but a price which a number of persons would have been prepared to pay in reality.

Insured value

‘Insured value’ is the value of the property on which insurance is taken out and which value is used as the basis to calculate the amount of loss and the amount of indemnity. The insured value may be the replacement value, the current value or the fair value.

Sum insured

‘Sum insured’ is the basis on which the premium is calculated, and it is the maximum amount of indemnity, but it is not a basis on which any amount of loss is calculated or assessed.

Insured location

‘Insured location’ is the place or area where the insurance is in force. The insured location is shown in the insurance schedule. The insured location is either an addressed location, or unnamed locations.

Insured premises

‘Insured premises’ refers to a building, a part of a building or a space at the address recorded in the insurance schedule where the insured property is located.

Amount of loss and amount of indemnity

‘Amount of loss’ is the imputed monetary value of loss generated as a result of property damage. ‘Amount of indemnity’ is the monetary value payable for any loss based on a claim.

First loss value

‘First loss value’ refers to the basis on which the sum insured is calculated and which is not equal to the actual insured value of the property. Instead it is a monetary value agreed upon with the policyholder when taking out the insurance. With respect to any money and securities, drawings, archives, models, casts, moulds, works of art, and the restoration cost of computer software, data and files, the basis on which the sum insured is calculated is always the first loss value.

Residual value

The residual value of your property is the value of the property immediately after damage. The residual value is assessed by employing the same basis as is applied with the amount of loss.

Under- and overinsurance

Your property is underinsured, if the sum insured is lower than the insured value. Property is overinsured, if the sum insured is greater than the insured value.

Deductible

‘Deductible’ is the proportion shown in the insurance schedule or in the terms and conditions of any loss which remains the liability of the insured.

Surface area

The surface area of a building refers to the surface area determined by the dimensions of the building, totalled for each floor. Surface area includes the surface areas of all cellars, heat-insulated lofts and open canopies and ports connecting to a building. The surface area of a company’s business premises is calculated as comprising the combined surface area of the business and storage facilities in use by the company.

2 Territorial limits

2.1 Addressed location

This insurance is in force at the address shown in the insurance schedule.

However, in respect of all laptops, accessories thereof and telephones part of movable fixed assets, and the containers and the roller cages used to transport a company’s inventories, the insurance is valid worldwide.

Temporary transfer from the addressed location

As concerns movable fixed assets insured at an addressed location, this insurance is also valid outside the boundaries of the insured location throughout Finland whenever property has been or is being temporarily transferred from the addressed location shown in the insurance schedule.

The validity of insurance coverage is conditional on such absence not being related to any actual conduct of business and on the objective being to return the property to the addressed location shown in the insurance schedule once the reason for the transfer ceases to exist. Such property includes movable fixed assets in

seasonal storage and property removed for repairs. Temporary absence is defined as an absence of property not exceeding six months in length from the day when the transfer begins.

With regard to any sample lots of movable fixed assets and of inventories, this insurance is also in force while they are temporarily taken to trade fairs and exhibitions.

For any claims coverable outside the boundaries of the insured location based on a temporary transfer, the insurance coverage is as set out in the insurance schedule and the maximum amount of indemnity is €200,000 for any one claim.

This insurance is not in force outside the addressed location, if the absence is due to any actual conduct of business. Property transferred on account of the conduct of business includes any:

- property used at construction works, erection sites and inspection sites;
- property installed, stored or used in a vehicle;
- property being processed, sold or stored on the premises of a supplier, a subcontractor, a buyer or similar;
- inventories in seasonal storage;
- inventories held for sale at trade fairs and exhibitions.

2.2 Unnamed locations

Whenever an insurance schedule designates the insured location as 'unnamed locations', this insurance is in force within the geographical territory shown in the insurance schedule. If no geographical territory is shown, this insurance is valid worldwide.

However, in respect of any in-transit inventories the insurance is in force only when inventories are being transported as hand luggage, in a mobile shop equipped as a shop or when the goods are spare parts, raw materials or semi-finished products to be handed over to a customer as part of the policyholder's work performance.

3 Objects of insurance

3.1 Policies covering buildings

3.1.1 Building

This insurance covers any building shown in the insurance schedule together with all permanently fixed property intended for the building and located in the building or at the same site with the building, as follows:

- conventional machinery and equipment, such as HPAC, electricity and automation equipment, main distribution boards, heating ducts, oil tanks, solar panels, collectors and antennae;
- power cables, other cables, conductors and piping, up to the municipal or other public connection point;
- foundation bases of a building's foundations;
- fixtures, structures and surface coverings at a level comparable to the original, or ones of uniform level fitted throughout the building at a later time.

3.1.2 Other property related to buildings

This insurance covers the following property owned by the policyholder, or property for which the policyholder has otherwise assumed responsibility, intended for a building and located at the same address with the building:

- fixed conventional constructions, structures and equipment, such as the charging apparatuses for electric vehicles; waste containers; playsets; and uninsulated warehouses, car ports, waste collection points and other canopies not exceeding 40sqm in size;
- conventional tools and work machines used for property maintenance with a maximum design speed of not higher than 15km/h, and any fuels thereof up to €10,000;
- heating mediums for the maintenance of the building and the site.

This insurance also covers any conventional machines related to permanent residence in private households and intended for shared use whenever a building contains at least two dwellings intended for permanent residence. This insurance also covers any trees, bushes and other plantings at a yard up to €5,000.

3.1.3 Property excluded with respect to buildings

This insurance does not cover any:

- structures located beneath the foundation bases of a building;
- piling, drainage piping and subsurface wastewater disposal system fields and their piping;
- boreholes and energy wells;
- murals; statues, works of art and other similar special-purpose constructions located at a yard;
- bodies of water, piers, jetties and shoreline structures;
- electric current, water and gas;
- structures, machines, devices, piping, wires, furniture and surface coverings intended for any business conducted in a building;
- equipment acquired and owned by a shareholder, a tenant or some other user, such as charging stations for electric vehicles, illuminated advertisements and advertising decals, awnings, surveillance and alarm devices, clocks, antennae, balcony glass panes and speciality glass panes;
- electricity production devices mainly intended for some other building than the insured building;
- heat generation devices with a total output of 1MW and greater, refrigerating equipment in deep-freezing and cold-storage facilities even if intended for the entire building.

3.2 Movable property

3.2.1 Movable fixed assets

This insurance covers the following movable fixed assets:

- machines, equipment and tools used for the activity insured, and the HPAC, electricity and automation technology intended for them;
- software included in machines and equipment;
- furniture and utility goods.

This insurance also covers all illuminated advertisements, window decals and charging apparatuses for electric vehicles owned by the policyholder. Movable fixed assets may be owned by, leased to or acquired with financial assets by the policyholder. Leased property is insured in the form of movable fixed assets, if the policyholder has committed to insuring it.

3.2.2 Special cases in respect of movable fixed assets

If the insurance schedule does not specifically designate any sums insured to the property presented in Table 1, with respect to movable fixed assets the sum insured may include each type of property up to the EUR amount presented in the table. However, the maximum amount of indemnity is always the sum insured shown for movable fixed assets in the insurance schedule. Whenever insuring property at a value which is greater than this, the full value of the insured property must be recorded in the insurance schedule.

Object of insurance	Maximum amount
Restoration costs of software, operating systems and files generated as a result of property damage	€5,000
Collectibles, antiques, carpets of high value, collections and valuables	€15,000
Fixtures and fittings of the insured premises	€10,000
Doors, windows, break-in protection equipment and structures of the insured premises against property crime losses	€5,000
Cash and securities on the insured premises and in transit in Finland	€3,000
Customers' fixed assets and inventories handled or stored as part of the conduct of business against losses other than breakage. See Section 3.5	€10,000
Employees' personal clothing and use items against losses other than breakage. See Section 3.5.	€1,000/employee, total of up to €10,000.

Table 1.

The fixtures of any insured premises include:

- the machines and furniture under the maintenance responsibility of a shareholder of a building, not part of the conduct of business, and related to the use of the premises;
- the flooring, wallcoverings and ceiling coverings acquired by the policyholder for the leased premises, and partitions;
- the fixtures, the HPAC and electricity equipment, and the mechanical engineering with related main lines intended for the business conducted on the premises.

Where insurance is taken out on valuables and collections exceeding €15,000 in value, a catalogue must be prepared with photographs and the item-specific sums insured, to be submitted to the insurer after any loss or damage.

3.2.3 Property excluded with respect to movable fixed assets

This insurance does not cover any of the following property, unless specifically insured and recorded in the insurance schedule:

- machines, devices and vehicles running on their own engine power or ones with a ride-on operator, or any parts and equipment thereof, excluding electric or gas-powered machines and devices intended for cleaning or moving goods at the policyholder's place of business, such as electric forklifts or floor maintenance machinery;
- immaterial rights;
- jetties, piers and shoreline structures;
- living animals;
- plants outdoors.

3.2.4 Investment cover

This insurance covers any investments in movable fixed assets made over the course of the ongoing insurance period up to 20 per cent of the combined sum insured of the movable fixed assets insured, however not exceeding €200,000 in value. The scope of insurance coverage is the same as that with respect to other equivalent movable fixed assets. However, as concerns machines and equipment this insurance does not cover any breakage suffered during installation work and commissioning.

Property excluded with respect to investment cover

This insurance does not cover any:

- new buildings constructed, or extensions to existing buildings;
- movable property at a new insured location.

3.3 Inventories

This insurance covers the following inventories:

- the inventories relating to the activity insured and owned by the policyholder;
- any inventories held for sale in the activity insured;
- the other inventories on which the policyholder is liable to take out insurance, as shown in the insurance schedule.

Property excluded with respect to inventories

This insurance does not cover any:

- money and securities;
- immaterial rights;
- work machinery subject to registration and vehicles subject to registration;
- aircraft;
- soil and bodies of water;
- completed buildings;
- plants outdoors.

3.4 Money and securities

The money and securities covered by this insurance include the policyholder's money and securities, money stored in electronic purses and on payment cards, any unused stamps and revenue stamps, lottery tickets, luncheon vouchers, coupons, bills of exchange, cheques and other equivalent debt securities. Where insurance is taken out on money other than the policyholder's own money, an entry on this must be specifically made in the insurance schedule.

3.5 Third party property

This insurance covers the following third party property:

- a customer's fixed assets and inventories being handled or stored by the policyholder and for which the policyholder is held legally or contractually liable;
- employees' personal property, excluding any personal property of an entrepreneur or that of anyone living in the same household with the entrepreneur;

The insurance cover which protects employees' property is in force throughout Finland when discharging work duties imposed by the employer.

Property excluded with respect to third party property

This insurance does not cover any:

- property or business premises used by the policyholder for its activities;
- money and securities;
- immaterial rights;
- soil and bodies of water;
- completed buildings;
- plants outdoors.

This insurance covers the damage caused to third party property not covered by any other insurance.

4 Property insurance

4.1 Fire insurance

Perils insured

This insurance covers loss and damage caused by:

- an outbreak of fire;
- soot and smoke which has risen suddenly and unforeseeably whenever the smoke or soot fallout originates from a fire occurring at the policyholder's place of business or in its immediate vicinity;
- an explosion, which means sudden mechanical damage caused by a gas explosion or a dust explosion or by an overpressure of steam;
- sudden and unforeseeable activation of smoke extraction equipment;
- a sudden and unforeseeable leak or activation of a fire-extinguishing system.

Fire insurance, perils excluded

This insurance does not cover any:

- damage caused to an electrical device by an electrical phenomenon;
- explosion damage caused by centrifugal force, internal tension, loosening of a seal, hydraulic pressure or an explosion in a combustion engine to an engine.

4.2 Natural phenomenon insurance

Perils insured

This insurance covers sudden and unforeseeable loss and damage caused by:

- storm;
- whirlwind or downburst;
- hail;
- entry of a wild animal into a building;
- a stroke of lightning directly to insured property and causing mechanical breakage thereof.

Weather conditions whereby the mean wind speed has exceeded 15 metres per second at the meteorological station nearest to the location where the loss or damage occurs are considered a storm.

This insurance also covers loss and damage caused by a rise in the water level of a body of water resulting from storm winds occurring at the scene of the damage.

4.3 Leakage insurance

Perils insured

This insurance covers loss and damage caused by a liquid, steam or gas whenever the substance has flowed suddenly, unforeseeably and directly from:

- water, sewage or heating piping, swimming pool piping or jacuzzi piping permanently fixed to a building;
- any actuator, machine or tank permanently connected to piping;
- a building's interior rainwater piping.

Compensability is conditional on the leak beginning during the period of validity of the insurance policy.

Leakage insurance, perils excluded

This insurance does not cover any loss or damage caused by:

- clogging of a roof outlet;
- meltwater or condensation water of refrigerating equipment or cooling equipment;
- an internal fluid circulation system to a machine or to a device;
- damage suffered by, clogging of or inoperability of a municipal or some other public water pipe or drainpipe.

Leakage insurance does not cover any costs of repair or replacement in respect of a water supply system or an actuator.

4.4 Insurance against property crime

Perils insured

This insurance covers loss and damage caused to property by theft of that property whenever access to insured premises has been gained by:

- destructing structures or locks;
- using a key the possession of which is obtained in a robbery or break-in.

This insurance also covers:

- damage caused through theft of movable property committed by means of interpersonal violence or a threat thereof;
- damage caused through theft of movable property whenever such theft is committed by breaking a fastening or locking of property, such as a steel chain or a lock thereof;
- intentional damage to property. However, damage sustained by property kept outdoors is covered only if the property in question has been designed and manufactured for outdoor storage;
- damage caused by an unidentified vehicle.

Compensation is conditional on it being possible to identify the damage as an individual, sudden event; the incident having been reported to the police; and where required, the policyholder undertaking to confirm the authenticity of the inventory relating to the claim in a court of law.

Insurance against property crime, perils excluded

This insurance does not cover any:

- disappearance of property;
- loss or damage detected only when taking periodic inventory;
- loss or damage caused through kidnapping, shoplifting or petty theft;
- loss or damage caused by fraud, embezzlement or similar activity;
- loss or damage caused by a fire or an explosion.

Neither does this insurance cover any loss or damage caused through theft of a motorised work machine running on its own engine power, if the policyholder, a police authority or a customs authority has become aware of the property having been found within 30 days of such theft being reported to the policyholder and to the police. However, in such cases this insurance covers the reasonable costs of collecting a motorised work machine which has been found and returning it to the place of origin, up to €5,000, and any damage caused to the machine by theft.

Robbery claims in respect of money, securities and valuables

Unless otherwise recorded in the insurance schedule, robbery claims are covered only if the robbery has taken place on the insured premises or in transit from the insured premises to a cash-in-transit collection point, a cash centre or a monetary institution.

4.5 Breakage insurance

4.5.1 Perils insured

This insurance covers breakage of and damage to property caused by a sudden and unforeseeable event not covered by fire insurance, natural phenomenon insurance, insurance against property crime, leakage insurance or frozen food and refrigerated products insurance.

Breakage caused by an external event

Where an insurance schedule features the 'External breakage insurance' exclusion clause, this breakage insurance only covers mechanical breakage or damage caused by any sudden and unforeseeable:

- falling;
- swerving off the road, or collapse of a road;
- external factor independent of the device, however not lightning or some other electrical phenomenon.

Property worked on in the course of a process or a foreign object introduced into a machine with raw material is not herein considered an external factor.

Exceptions with respect to breakage insurance

In respect of the property listed below, this breakage insurance only covers breakage caused by an external event:

- inventories;
- tyres, caterpillar treads and tracks, engines, gearboxes, power transmission equipment and cooling systems, including any connecting equipment, of tools, vehicles and work machines running on their own engine power;
- moulds, casts, models, crushers, chipper-shredders and peat work machines included in the sum insured of movable fixed assets.

4.5.2 Breakage insurance, perils excluded

Malfunctions

This insurance does not cover any fixing of malfunctions, adjustment and maintenance work, preventive and scheduled maintenance or parts replaced in connection with the same.

Tools, casts, moulds, other wearing parts and wearing instruments

This insurance does not cover any damage caused to tools, casts, moulds, nozzles, the blades of production machinery, or equivalent parts in their intended use.

Refrigerating equipment, and refrigerants

This insurance does not cover any damage caused by a leakage of a refrigerant, if the policyholder has neglected a valid legal obligation to inspect refrigerating equipment, has not fitted the equipment with any leak detection system required or has otherwise neglected the operating procedures provided for. Neither does this insurance cover any new refrigerant, or the addition or replacement of a refrigerant, if the leaked refrigerant is to be removed from use at the time of the damage under laws or regulations, or if the substance leaking was not caused by any breakage of refrigerating equipment.

Cracking of structures and building elements

This insurance does not cover any cracking of structures or building elements.

Machines and equipment of premises

This insurance does not cover any damage caused to a dwelling's machines and equipment for the maintenance of which a shareholder is responsible, such as cookers, refrigeration equipment, sauna heaters, furniture permanently installed in toilets and bathrooms, jacuzzi equipment and swimming pool equipment.

Dangerous conditions of use

This insurance does not cover any loss or damage caused by:

- sinking into water, swamp or the ground;
- sinking through the ice at a location other than a winter road which is in public use and which meets the safety requirements set by the road authority;
- a cave-in of a mine or a tunnel;
- use of an item under conditions not suitable for it;
- a machine or a device getting stuck in a pipe, a hole in a rock or a similar place from which it cannot be removed without destruction to the device or to the surrounding structure.

Inventories and customer property

This insurance does not cover any damage caused by incorrect functioning of a production process or a breakage of a process machine or a component thereof to inventories or customer property being worked on or processed at the time of the damage.

Neither does this insurance cover any damage caused to inventories by:

- degradation;
- changes in the storage temperature;
- contamination;
- disorders in growth or in development;
- plant or animal diseases;
- a regulation by an authority to limit infectious diseases;
- insects or pests.

Damage covered by some other property insurance

Breakage insurance does not cover any damage that could be covered by fire insurance, natural phenomenon insurance, leakage insurance, insurance against property crime or frozen food and refrigerated products insurance.

This exclusion applies even where the damaged property is not insured under any of the insurances listed above.

4.6 Frozen food and refrigerated products insurance

Perils insured

This insurance covers the frozen and chilled products shown in the insurance schedule. This insurance covers damage caused to frozen foods and refrigerated products by a sudden and unforeseeable

change in the temperature of their storage facilities whenever the change in temperature has been a direct and unavoidable consequence of:

- a breakage of freezing or refrigerating equipment compensable under the breakage insurance terms and conditions;
- a sudden and unforeseeable leak of a refrigerant;
- a fire of the building's switchboard or electrical device, or a sudden and unforeseeable breakage thereof;
- an unexpected blackout of the grid.

All compensation is conditional on:

- the food, immediately before the damage, having complied with the valid food legislation and having been in a saleable condition;
- the products other than food, immediately before the damage, having complied with the legislation governing the product batch in question and with the requirements of good preparation and storage practice.

Frozen food and refrigerated products insurance, perils excluded

This insurance does not cover any damage caused by:

- an incorrect installation of refrigerating equipment;
- incorrect adjustments, settings or programming of refrigerating equipment;
- incorrect or inadequate service of refrigerating equipment;
- insufficient freezing or refrigeration capacity;
- incorrect handling of products.

5 General cover restrictions and property excluded with respect to all property insurances

5.1 Property kept outdoors

This insurance does not cover any:

- theft, damage or loss and damage caused by the forces of nature whenever the damaged property was, at the time of the damage, kept outdoors, in an enclosure or in an open building, unless the property was manufactured and designed for storage outdoors or in an enclosure and an entry on storage outdoors was made in the insurance schedule;
- theft of small-sized and easily transportable property from an enclosure.

5.2 Neglected maintenance or repairs, and unsuitable manner of use

This insurance does not cover any loss or damage caused to:

- property by neglect of maintenance or repair measures;
- property when used contrary to the purpose for which it is intended or contrary to an operation manual.

5.3 Defects

This insurance does not cover any loss or damage caused to property by:

- errors in design, installation, erection, handling, use or delivery, or by bad workmanship;
- structural, manufacturing or material defects;
- errors, defects or faults in construction, or construction in violation of the building codes, instructions or generally accepted construction practice;
- wall drains or floor drains, or any liquid leaking from a contact element or a junction thereof;
- a liquid entering any structures as a result of insufficient waterproofing.

However, this insurance covers sudden and unforeseeable damage caused as a result of such damage to any other property covered by the insurance. However, no damage resulting from the weight of snow or from any insufficient waterproofing is covered.

5.4 Files, data, software and computers

This insurance does not cover any damage caused to files, data, software and computers by loss of data or settings, changes introduced to data, incorrect data or a security breach. Herein a 'data breach' refers to an act whereby unauthorised access is gained by exploiting data networks to interfere with electronic data or an electronic data system. Data breaches include intrusions, malware infections and denial of service attacks.

5.5 Gradual damage

This insurance does not cover any damage caused to property by:

- fouling or sedimentation;
- moulding, fungi, microbes, smell, moisture or condensation water;
- gradual change in temperature or in moisture;
- wear and tear, scratching, corrosion, rusting, rotting, degradation;
- natural material fatigue, vibration, shrinking, decay of concrete; or
- some other similar gradual phenomenon.

With respect to any leak damage caused by water pipes, heating pipes and drainpipes intended for a building, the exclusion applies to rusting or wear and tear caused by ambient conditions, including rusting of the exterior surface of a pipe under constant water stress.

5.6 Damage caused by animals

Natural phenomenon insurance and breakage insurance do not cover any damage caused by insects, birds, lagomorphs or rodents. Neither do these insurances cover any expenses arising from the control or elimination of such animals. This exclusion does not apply to any fire losses, leakage damage or the breaking of windows caused by the animals listed above.

5.7 Natural phenomena, and flooding

This insurance does not cover any loss or damage caused by:

- frost, freezing, heat or drought;
- ground subsidence or frost heaving, earthquake, landslide or other ground movement;
- the weight or movement of snow or ice;
- rain, snowfall, groundwater, surface water or melt water, or any flooding of a sewer drain or of piping caused by the same;
- rainwater or melt water flowing from gutters, a building's external downpipes, storm drains;
- a rise in the water level, a flood or heavy seas; breakage, clogging or inoperability of a municipal or other public water pipe, drainpipe or a similar structure;
- leakage of a roof.

However, breakage insurance covers leak damage caused by a sudden and unforeseeable mechanical breakage of a roof.

5.8 Impact on compensation of other sources of compensation

This insurance does not cover any loss or damage covered under an act, a warranty, a commitment or some other insurance. However, notwithstanding this exclusion clause any claims covered under these insurance terms and conditions are covered, if the policyholder proves that the liable party cannot meet its commitment.

5.9 Depreciation, and expiration of warranty

This insurance does not cover any expenses or depreciation of property resulting from a manufacturer or an importer notifying of the expiration of a warranty as a consequence of damage which has occurred.

5.10 Financial loss and fraud

This insurance does not cover any financial loss, and neither does it cover any loss caused through fraud, embezzlement or some other deception or breach of contract.

5.11 Perils excluded in emergencies

This insurance does not cover any loss or damage:

- caused by professional quarrying, piling or blasting work, or by any ground depression or ground movement resulting from the same;
- caused by nuclear damage, as defined in the Nuclear Liability Act, in Finland or abroad;
- caused by a strike, a work stoppage or some other similar reason;
- occurring during a war, a rebellion, a revolution or some other similar event destabilising social order;
- which is a direct result of a communicable disease as defined in the Communicable Diseases Act, of a threat or a prevention measure thereof or of any measure taken to mitigate the consequences of a communicable disease.

Loss and damage caused by a terrorist act is covered up to €3,000,000 for any one claim and any one insurance period. The maximum amount of indemnity under this insurance concerns all policyholders jointly in any one claim. Any loss or damage caused by the same event or circumstance is considered to constitute one claim. A terrorist act refers to an act committed by one person or a group of persons which involves the use of force or violence or a threat thereof, whenever the purpose of the act, by its nature or context, is to promote a political, religious or ideological goal and/or to intimidate or affect a government, a people or some part thereof.

6 Basis of indemnity

6.1 Notifying of, inspecting and settling claims

The insurer must be informed of any loss and damage as soon as possible, and the insurer must be given an opportunity to inspect the damaged property before disposing of or starting any repairs on it. If it is essential to start repairs immediately to prevent further loss or damage or interruption to business, repairs may be initiated even if it has been impossible to notify of the loss or damage. The insured is to submit the documents and information required for claim settlement, including an inventory of any property destroyed, all invoices and other information to assess the compensability of the claim and the amount of loss. Whenever property is disposed of or repaired for overriding reasons before an inspection by the insurer, the property must be documented carefully.

6.2 Calculating the amount of loss

6.2.1 Insured value, and calculation of the amount of loss

Whenever calculating any amount of loss, the insured value of the damaged property is determined first.

The insured value is:

- the replacement value, if the current value of the property before the loss was at least 50% of the replacement value;
- the current value, if the current value of the property before the loss was less than 50% of the replacement value.

Insured value is determined separately for each damaged item and building. In the event that an individual part of a machine or of any equipment is damaged, the insured value of the damaged part or of a combination of parts is determined.

Where individual building parts, structures, coatings or fixtures sustain damage, the insured value is assessed according to the building part in question. With respect to any buildings joined together or buildings containing several separate functional complexes, the insured value is assessed separately for each building part and functional complex.

The amount of loss is calculated:

- on the replacement value, whenever the insured value of the property is the replacement value;
- on the current value, whenever the insured value of the property is the current value;
- in respect of any leak damage as set out under Section 6.2.4;
- in respect of any breakage damage as set out under Section 6.2.5.

In addition, what is said under Section 6.2.6 'Special regulations on calculating the amount of loss' is also considered.

6.2.2 Amount of loss when the insured value is the replacement value

When the amount of loss is calculated on the replacement value, it is determined according to the price level prevailing on the date of replacing the property. If damaged property can be repaired, the amount of loss equals the reasonable costs of repair, transport, erection and installation, however not exceeding the replacement value of the property. Costs of repair refer to the costs which arise when property is restored without undue delay by employing appropriate and economical building materials generally available for sale in Finland together with modern repair methods and materials.

Where an item of moveable property cannot be repaired, the amount of loss is not higher than the replacement value of the property less the residual value. If a building is not repaired or rebuilt, the amount of loss is not higher than the fair value of the building at the time when the damage occurred.

The time of replacement refers to the point in time when property is repaired or when damaged property is replaced with new property.

6.2.3 Amount of loss when the insured value is the current value

Where property can be repaired, the amount of loss equals as high a proportion of the repair costs as is indicated by the ratio of the current value to the replacement value. If property cannot be repaired, the amount of loss is the current value less the residual value of the property. However, whenever the amount of loss is calculated on the current value, it is not higher than the fair value of the property.

6.2.4 Amount of loss with respect to leak damage in buildings

With respect to any leak damage in buildings, age reductions are applied to all costs of repair or replacement and to the expenses arising from locating the defect and from any opening and closing of structures.

The age reduction percentage is calculated by multiplying the age in years of the leaked pipe, machine or tank, or that of any clogged pipe, by the percentage shown in the table below. This age includes the full calendar years which follow the year of commissioning and which had ended by the time when the damage occurred. The year in which the damage occurred is not included.

Leaked or clogged	Reduction percentage
Equipment, pipe or tank of under 15 years in age	no age reduction
Equipment, pipe or tank of 15 years in age or more	10% + 2% for each year exceeding 15 years, not over 60%
Drainpipes repaired with a pipe of adequate ring stiffness installed inside an old drainpipe, when employing a certified repair method.	2% per year, not over 60%

Table 2.

In respect of any leaking junctions, the age reduction is calculated on the older pipe section.

For leak damage caused by a clogged drainpipe, the age reduction is calculated on the age of the clogged drainpipe.

Where a drainpipe has been repaired by employing a non-certified method, or by using a coating method whereby no independent load-bearing pipe is created inside an old drainpipe, such repair is ignored when calculating the age reduction. If the insured value of any damaged property assessed as set out under Section 6.2.1 is the current value, the amount of loss in cases of leak damage is not higher than the proportion of the repair costs of the property indicated by the ratio of the current value to the replacement value.

6.2.5 Amount of loss with respect to damage covered under breakage insurance

The amount of loss in respect of any machines, equipment, piping, tanks and roofs includes:

- the repair costs of a damaged part, whenever the part can be repaired;
- the replacement cost less the residual value thereof, if a damaged part cannot be repaired.

The amount of loss is also calculated as comprising the expenses arising from locating the defect and from opening and closing any structures. With respect to any breakage damage caused to water pipes and drainpipes on a plot, to heating channels installed between buildings and to cables sunk into the ground, the amount of loss is also calculated as comprising the expenses of excavation, filling and soil restoration.

An age reduction is made on all expenses included in the amount of loss. The age reduction percentage is established by multiplying the age in years of the broken property by the percentage shown in the table below. This age includes the full calendar years which follow the year of commissioning and which had ended by the time when the damage occurred. The year in which the damage occurred is not included.

With respect to machines and equipment which have been replaced or renovated, the year of commissioning is the year of replacement or the year of renovation. In respect of parts or a combination of parts, the year of commissioning is the year of replacement or the year of renovation of the part or of the combination of parts in question.

In the event that the value of a machine or equipment which has broken down has declined at a rate considerably faster or slower than the age reduction calculated based on the age reduction percentage shown in the table, the amount of loss is calculated on the current value as set out under Section 6.2.3 with due consideration of the fair value of the machine.

Broken machine or equipment	Age reduction
Electronic office machinery and equipment IT and telecommunications equipment Cash registers and scales Audiovisual recording, playback and editing equipment Lighting equipment	20% / year
Measuring, research, control and regulating devices; automatic control devices connecting to equipment intended for a building; electric locks Alarm and surveillance equipment Solar and wind power systems; cooling, air conditioning and heating systems; boilers and oil tanks; freezers, refrigerating machines, and the refrigerants of machines and systems Washing machines and dryers, spin-dryers and mangles, central vacuum systems with related piping Antenna equipment, overhead doors Spindles of machine tools	10% / year
Any machines and equipment not listed in this table	5% / year
Piping, electric wires and lifts intended for buildings Breakage damage of roofs	3% / year
Leak damage caused by sudden and unforeseeable breakage of a roof	if the age of the roof is over 15 years, the age reduction percentage is 10% + 2% for each year exceeding 15 years, not over 60%

Table 3.

6.2.6 Special regulations on calculating the amount of loss

Expenses of rekeying and replacing locks to prevent damage covered by insurance against property crime

Where any keys to doors leading to the insured location have been stolen in a break-in or robbery, the amount of loss is calculated as comprising the necessary expenses of rekeying and replacing locks to prevent imminent damage compensable under this insurance. Replacing the tumblers of the locks rekeyed, or programming an electronic lock in such a way that the stolen key ceases to function, is a priority. Replacing a lock or an entire series is deemed immediately necessary only when no other measures are possible. When calculating the amount of loss, 5% is deducted for mechanical locks and 10% for electronic locks for each year from the expenses of rekeying and replacing locks, excluding the year of commissioning and the two years following it.

Motorised work machines running on their own engine power, related accessories and equipment

With respect to motorised work machines running on their own engine power, related accessories and equipment, the amount of loss equals the cost of repair, however not exceeding the fair value of the machine. Where a motorised work machine running on its own engine power, a related accessory or equipment is not repaired, or if the repair costs exceed the difference of the fair value and the residual value of the motorised work machine, the amount of indemnity equals the difference of the fair value and the residual value.

The amount of loss may be calculated as comprising a total of up to €5,000 in expenses arising from:

- lifting the insured object back onto the road;
- transporting the insured object to the nearest repair shop;
- collecting the insured object and returning it to the place of origin, whenever the insured object has been found before the 30-day deadline has expired.

However, the amount of loss is never higher than the fair value of the insured object.

Amount of loss with respect to models, casts, moulds and archive materials

In respect of any models, casts, moulds, drawings, maps and archives, the amount of loss is calculated as comprising costs of repair and replacement only to the extent that the damaged

property has been repaired or new property has been acquired to replace it within one year of the date when the damage occurred.

Wearing parts

In respect of any wearing parts and supplies and any installation costs thereof, the amount of loss is calculated as only comprising the proportion corresponding to the remaining service life or service hours. The service life or the service hours are determined in accordance with the importer's or the manufacturer's guidelines. Wearing parts include all parts and supplies of a machine or of equipment which, according to the maintenance instructions, must be replaced at regular intervals of time and use.

Amount of loss with respect to works of art and antiques

In the event of any damage to works of art and antiques, the amount of loss equals the repair costs of the item in question, however not exceeding the fair value of the item at the time when the damage occurred. If an item cannot be replaced, the amount of loss equals the fair value of the item. No loss of value in respect of any collections is covered.

Amount of loss with respect to yards

In respect of any yards, the amount of loss is calculated on the cost of restoration by using seedlings generally available for sale in Finland and the planting expenses thereof. However, no cost of restoration is covered in respect of any yard which is in a natural state.

6.2.7 Other costs included in the amount of loss

The costs set out under this section can be included in the amount of loss in respect of any property damage covered by these property insurance terms and conditions.

Restoration costs of site soil and yard

Where the soil of any real estate owned or managed by the policyholder is contaminated as a result of property damage, the amount of loss is calculated as comprising up to €250,000 in costs of soil inspection, decontamination and replacement, and waste transport and handling costs, arising on account of a mandatory regulation by the authorities.

Additional costs arising from official regulations

If, as a result of any changes in legislation or in mandatory official regulations, a building or a part thereof cannot be rebuilt to the same condition it was in before being damaged, the costs arising

from the revised regulations governing the damaged parts of the property are added to the amount of loss of the actual damage suffered by the property. Costs are only covered with respect to the premises, the building elements, and the HPAC, electricity and automation systems and machines intended for the building which have suffered damage. Costs are covered up to 10 per cent of the amount of loss calculated without these costs.

However, this insurance does not cover any costs incurred as a direct consequence of repairing a structure originally constructed in an incorrect or deficient manner to comply with official regulations and guidelines.

Additional costs arising from official regulations are included in the amount of loss only in cases where property is covered based on the replacement value.

Data, files and software

In respect of any property damage, the amount of loss is calculated as comprising the restoration costs of data, files and software arising as a result of such damage. Herein 'restoration costs' refer to the costs of restoring a data system using backup copies.

Cost of transport, erection and installation

The amount of loss is calculated as comprising the costs of transport, erection and installation by employing normal modes of transport, and erection and installation works carried out during normal working hours using conventional labour.

6.2.8 Costs excluded from the amount of loss

The amount of loss is calculated as not comprising any costs arising from:

- leaked liquids or gases which have been wasted;
- the settling of claims, or any indirect costs such as telephone and travel expenses or loss of earnings;
- indoor air measurements; however if any inspection of indoor air quality directly relates to compensable leak damage, the reasonable costs of one measurement are covered;
- improvement of the property's level of quality, equipment or technology, or repairing a structure originally constructed in an incorrect or deficient manner to comply with official regulations and guidelines;
- service and maintenance work;
- temporary repairs or expediting repairs;

- renovation or restoration of buildings, objects or collections, unless the insurance schedule specifically extends coverage to them;
- depreciation;
- loss of usability sustained by a machine or a combination of machines as a result of damage suffered by some part thereof.

6.2.9 Value added tax

The amount of loss is calculated less the amount of the value added tax whenever the damaged property, upon damage occurring, was in use in economic activities subject to the value added tax or whenever the policyholder was entitled, under the Value Added Tax Act, to deduct the tax included in the acquisition cost of the damaged property. The amount of loss is also calculated less the amount of the value added tax whenever the insured is entitled to recover the tax paid.

6.3 Calculating the amount of indemnity

6.3.1 Order of deductibles and other deductions

The amount of indemnity is calculated on the amount of loss determined as set out under Section 6.2 by deducting from it the deductibles and the other deductions discussed in these terms and conditions and in the General terms and conditions in the following order:

1. The deductible shown in the insurance schedule
2. Any additional deductible
3. Any reduction of compensation on account of reasons such as underinsurance or failure to comply with a safety regulation.

6.3.2 Maximum amount of indemnity

The insurer's maximum liability for compensation is the sum insured shown in respect of the property in the insurance schedule and subject to the exceptions listed below.

Investment cover

Whenever damaged property is insured based on the investment cover, the maximum amount of indemnity for any damaged property is 20% of the total of the sum insured of movable fixed assets, up to €200,000.

Robbery claims in respect of money and securities

In robbery claims, money and securities are covered up to the amount shown in the table below depending on the place of storage, the manner of protection and the mode of transport, even where the sum insured shown in the insurance schedule is higher.

Place of storage	Burglar alarm system	Maximum amount of indemnity
Insured premises	–	€3,000
A secure storage unit fixed to the structures of the insured premises (such as a fire safe)	–	€5,000
An SFS-EN 1143-1 approved secure storage unit (safe) fixed to the structures of the insured premises in accordance with the manufacturer's instructions		
Category I	–	€10,000
Category II	level 2	€30,000
Category III	level 3 and target surveillance	€60,000
Category IV	level 3 and target surveillance	€120,000
SFS-EN 1143-1/V – XII	level 3 and target surveillance	€200,000

Table 4.

For any robbery claims in respect of money and securities in transit, this insurance covers up to:

- €10,000, where one person has taken care of the transit;
- €30,000, where two persons have taken care of the transit, or where the transit has been taken care of by one person with a security transit case in use and the transit has taken place during the working hours of the receiving company.

Objects insured at first loss value

If any damaged building or movable property is repaired and it has been insured at first loss value, the amount of loss calculated as set out under Section 6.2 is covered up to the first loss value agreed. No underinsurance is applied in this case.

6.3.3 Deductible

For each case of loss and damage, the policyholder is liable for the deductible shown in the insurance schedule and, with the insured events listed below, for an additional deductible. The additional deductible is calculated on the amount of loss from which the deductible has been deducted.

The maximum total of the deductibles for any one insured event is the higher of €20,000 or the deductible shown in the insurance schedule.

If a single insured event results in any damage exceeding the deductible to several objects insured under the same insurance policy, the deductible is applied once only. If the deductibles are not of equal amount, the additional deductible is applied including the deductible which is the highest.

Hot work

An additional deductible of 10% applies, when any fire loss or damage has been caused by hot work carried out or commissioned by the policyholder or some other party comparable to the policyholder.

Repairs

An additional deductible of 10% applies, when damage has been caused to any building under repair and the incomplete state of the building has contributed to the damage or the scope thereof. With leak damage the additional deductible is applied whenever a leak occurs during repairs before the installed or repaired piping, device, tank or roof covering has been inspected and taken into normal use.

Property crime losses

An additional deductible of 25% applies whenever:

- property has been stolen from a vehicle, boat, trailer or storage container kept outdoors, or from a site where no activities other than construction or erection are engaged in (such as the site storage of a construction, repair or erection site, or a new building under construction at a site);
- property kept outdoors or in a light-build storage space is damaged;
- damage is caused to a work machine running on its own engine power outside the Nordic countries.

Breakage damage

An additional deductible of 25% applies whenever:

- damage is sustained as a result of equipment being used in an operating environment not suitable for it;
- damage is sustained as a result of a programming error or erroneous software;
- damage is sustained as a result of driving cargo, a vehicle or a part of a vehicle against an obstacle above the road;
- damage is caused to a machine by a foreign object amongst the raw material processed by the machine.

Leak damage

An additional deductible of 20% applies whenever leak damage is sustained as a result of the flow of water into a drain being prevented on account of an obstacle located over the drain. The level of the additional deductible is calculated on the amount of loss sustained by the building only. In this case no age reduction is applied when determining the amount of loss. An additional deductible of 20% applies whenever damage is caused by the freezing of a pipe.

Frozen food and refrigerated products insurance

An additional deductible of 25% applies whenever damage or the scope thereof is affected by any of the following:

- the refrigerated storage cabinets are not equipped with an alarm device signalling a rise in temperature as required by the safety regulation;
- the policyholder has neglected any legal obligation to inspect the refrigerating equipment or to equip the refrigerating equipment with a leak detection system; In the event that the storage facilities have not been fitted with an alarm system

required under the law and any inspection obligations provided for have been neglected, the amount of the total deductible is not less than €6,000.

Motorised work machinery

An additional deductible of 25% applies whenever any work machine suffering compensable fire damage has not featured an automatic extinguishing system which is in working order, serviced in accordance with the manufacturer's instructions and inspected annually or more frequently, and the work machine is operated in an environment of high fire risk, or in an environment which is otherwise at risk, specified in the safety regulation. An additional deductible of 25% applies whenever damage is caused by a motorised work machine sinking through the ice on a winter road approved by the road authority.

6.3.4 Under- and overinsurance

If property is underinsured, this insurance only covers as high a proportion of the amount of loss, less the deductible, as is indicated by the ratio of the sum insured to the insured value. In the event of overinsurance, the actual value of the property is covered.

6.3.5 Indemnity for the residual value, and redemption of property

Indemnity for the residual value

If a damaged building cannot be restored on account of a valid ban or restriction on building, the residual value of the building is also covered less any sales price obtainable for the building elements. The policyholder is liable to present proof of any valid building ban or restriction and, should the insurer request it, apply for derogation to restore the building and, where necessary, appeal the decision. Should the insurer request it, the policyholder is liable to authorise the insurer to represent the policyholder in any matter pertaining to the application for derogation.

Redemption of property

Any damaged and undamaged property remaining stays in the policyholder's ownership. However, the insurer is entitled to redeem the damaged property or a part thereof at residual value.

6.4 Payment of compensation

All compensation determined on the current value is paid out once the information necessary to calculate the amount of indemnity has been submitted to the insurer. If the policyholder is entitled to any compensation determined on the replacement value, the difference between the compensation calculated on the replacement value and the compensation calculated on the current value is paid on the following conditions:

- The damaged property is either repaired or new property of the same quality and intended for the same purpose of use is constructed at the same site or such new property is acquired to replace movable property.
- The repairs and construction works are launched within two years of the insured event. If construction is delayed on account of any action taken by the authorities, the duration of such a delay will be added to the time limit above.
- The policyholder has received a report on the repairs or the replacement to be carried out.
- Any compensation determined on the current value has been spent on the repairs or on the replacement.
- Any compensation calculated on the replacement value is paid out up to the actual costs.
- The policyholder is the only party entitled to any compensation determined on the replacement value. That entitlement cannot be transferred.

In accordance with the conditions set out above, for leak damage and breakage damage the current-value proportion of the damaged property is first paid of the amount of loss calculated based on Sections 6.2.4 and 6.2.5, and any amount of loss in excess of the current value is paid once the repairs have been completed.

Rather than paying the compensation in money, the insurer has the right to have the damaged property repaired, rebuilt, or replaced with new property.

Any compensation for property secured by a mortgage guaranteeing a debt is primarily paid to the mortgagee. However, such compensation may be paid to the policyholder, if the mortgagee has given written consent for this or if the policyholder is entitled to such compensation under the provisions laid down in the Code of Real Estate.

6.5 Other liability rules

Recovery of lost goods

If the insured recovers their property after the payment of compensation, they must either hand over the property to the insurer or return all compensation paid under their insurance policy.

Sum insured after loss

During any one insurance period, the premium entitles to compensation not higher than the insured value, or up to the first loss value shown in the insurance schedule. However, the insurance continues as is until the end of the insurance period, if the insurer does not notify of any additional premiums or revisions in conjunction with a claim settlement decision.

The insurer is entitled to a premium calculated on the amount of indemnity for the period from the replacement of the property until the end of the insurance period.

7 Safety regulations

7.1 Binding nature and purpose of safety regulations

By following the safety regulations, loss and damage can be prevented and the scope thereof reduced. The policyholder must ensure that those responsible for the activities and maintenance of a site as well as all persons leasing any premises owned by the policyholder also comply with the safety regulations tied to this insurance. An entry on compliance with the safety regulations must also be included in all repair and maintenance works contracts targeting business premises.

All compensation payable under these insurance terms and conditions is conditional on the policyholder complying with the safety regulations tied to the insurance policy and the other written regulations issued by the insurer. In the case of non-compliance with the safety regulations or the other regulations issued and this contributing to the loss or the amount or scope thereof, compensation may be reduced or altogether denied under the Insurance Contracts Act and the General terms and conditions.

7.2 Compliance with official regulations

Compliance with all official regulations must be ensured. Especially, the following regulations must be considered:

Service inspections and periodic inspections

All machinery, equipment, tanks and installations must be subjected to the service inspections, periodic inspections and cleaning set out in the instructions, acts and regulations issued by the authorities. Any such work must be carried out only by a qualified person. The inspection records must be kept, and any defects and deficiencies detected must be remedied immediately.

Emergency plan and the Rescue Act

An emergency plan as defined in the Rescue Act must be compiled and ready, and it must be made available for information to the users of the building. The building must be equipped with the appropriate first-aid extinguishing equipment in such a way that those in the building can launch extinguishing measures in the early phase of any fire. In addition, it must be ensured that all staff know how to use extinguishers, and the extinguishers must be inspected as required by regulations.

Storage of chemicals, liquids and gases

Any hazardous chemicals, liquids and gases are to be handled and stored in compliance with the acts and regulations issued on them, and the explosion protection documents, the safety data sheets and the other safety studies on them must be kept up to date and readily available. In addition, compliance with all instructions given must be monitored.

Construction and repairs

In all new construction and repair construction projects, compliance with the official regulations governing construction activities must be ensured.

7.3 General order and security

- The exits, emergency exits and passageways of a building must be kept clear;
- The first-aid extinguishing equipment must be readily available;
- The attics, basements and other public spaces in a building must be locked to prevent any unauthorised access;
- All waste containers, waste collection points and flammable material, such as pallets and packing materials, must be located on the premises in such a way that them catching fire does not pose a risk of the fire spreading to the building. This may be achieved by placing them, with consideration of the circumstances, far enough from the wall or by protecting the exterior wall and the eaves structurally with fire-resistant materials. Flammable material may also be placed in storage facilities locked outside working hours and wherein the material cannot be set on fire without destructing the locks or the structures of the storage facilities. In the event that flammable material is stored at a loading bay, any unauthorised access to the loading bay outside working hours must be prevented;
- All vehicles must be kept in places designated for them. Vehicles may be kept indoors only if the facilities have been approved in the building permit for the purpose of keeping vehicles;
- If any vehicles are charged from the electrical network of the building, the existing installations must be inspected for their suitability for the purposes of charging. Where needed a written certificate by an electrical installer must be presented on the suitability of the electrical network for charging purposes. All charging equipment is to undergo maintenance at regular intervals;
- Smoking may only be allowed at designated smoking corners which meet all legal requirements. The smoking corners are equipped with fireproof ashtrays, and guidelines must be in place on their regular emptying and on the place of emptying;
- Special care must be taken whenever using naked flame, such as candles, outdoor candles, gas burners or when flambéing food, and the safety guidelines issued by the product manufacturer and found in the product, on the product packaging or in the operation manual must be complied with.

7.4 Structural fire prevention

All building elements with a fire-separating function must be properly maintained in such a way that they prevent the spread of fire and of combustion gases from one compartment to another for the period of time determined in the building permit. After any repairs or maintenance, it must be ensured that all pipe penetrations and cable lead-throughs have been insulated to meet the fire-separation requirements.

Fire doors must be self-closing and self-latching, and they must be kept closed. If the use of any facility requires that the fire door be constantly kept open, a closing mechanism which will automatically close and latch the door in the event of a fire must be employed. Fire doors equipped with an automatic closing device must close in the event of a power failure or a power source independent of mains current must be used. The condition of the power source and the closing and latching of doors must be verified on a regular basis.

7.5 Use of machinery and equipment

The policyholder must ensure that:

- all instructions given by the manufacturer and the importer are complied with in any erection, installation, use, cleaning, maintenance and repair of heaters, ventilation installations, electrical equipment, actuators, process equipment, machinery, flues, piping, tanks, industrial furnaces and smoke flues;
- a logbook is kept of all repair and maintenance measures;

- any faults and defects detected in buildings, machines and equipment and posing a risk of damage are repaired without undue delay;
- machines and equipment are put to their proper use only;
- machines and equipment are charged at designated charging stations only, the environment of the charging stations is kept clean, and first-aid extinguishing equipment is available in their immediate vicinity;
- any procedures detected in the activities of staff and customers which may endanger safety are remedied without undue delay;
- all cable shelves, areas under machines, the main distribution board, electrical equipment, and the ventilation grates and cooling fins of electric motors are cleaned on a regular basis and protected in such a way that no excessive amounts of dirt may accumulate on the surfaces thereof;
- all machines and equipment the surface of which may get hot are placed in such a way that there is no combustible material too close to a hot surface and that any falling does not cause a risk of ignition.

Water supply system

The water supply system of a building must be carefully maintained and protected against freezing. The water supply system and all equipment connected thereto must be emptied of water whenever, in a cold season, a building is left at a temperature significantly lower than the normal room temperature and without monitoring.

Refrigerating equipment

- Refrigerating equipment may be installed and serviced only by a refrigerating equipment company registered in the certification registry of the refrigeration sector.
- All refrigerating equipment must be inspected and serviced in accordance with the manufacturer's instructions. A logbook must be kept of all service and inspections measures.
- Any equipment and installations containing fluorinated greenhouse gases, and the leak detection system, must be inspected as required by the acts and regulations.
- If the sum insured for a frozen food and refrigerated products policy exceeds €10,000, the refrigerated storage cabinets must be equipped with recording temperature monitoring equipment and a temperature alarm system which, whenever personnel are absent, transmits any alarms to a place which is manned at all times, such as a security company. The operability of the alarm equipment must be tested once every six months or more frequently.

7.6 Motorised work machinery

All motorised work machines weighing over 3,000kg must be equipped with two frostproof hand fire extinguishers of extinguisher class 43A233BC and those weighing 500–3,000kg must be equipped with one frostproof hand fire extinguisher of class 13A 89BC. Any work machine for the purpose of chipping or crushing wood must be equipped with four frostproof class 43A233BC hand fire extinguishers and a fixed automatic extinguishing system.

The hand fire extinguishers of all motorised work machines must be inspected and serviced once every year or more frequently by a maintainer or a service company approved by the Finnish Safety and Chemicals Agency. The extinguishing system must be serviced and maintained in accordance with the manufacturer's instructions. All maintenance measures are to be logged into the maintenance logbook, and an inspection report must be compiled on inspections.

Special care must be taken to keep the motorised work machinery clean, and where necessary the machine parts with a high fire risk must be cleaned several times a day, if the work machine is operated in an environment of high fire risk or in an environment which is otherwise at risk or if the work machine is used to handle materials of high fire risk. Environments at risk include forests, sawmills, timber mills, peat bogs, peat or energy fraction treatment

areas, paints stores, petrochemical or chemical industrial plants, power plants, quarries, blind shafts, and mines. Materials of high fire risk include woodchips, peat, energy fraction and paper and oil products.

Whenever operated or stored indoors or under conditions of high fire risk, motorised work machines must feature a master switch. As concerns motorised work machines fitted with a master switch, power must be switched off using the master switch whenever the machine is not operated.

A motorised work machine may be stored indoors only if the storage facility is a separate vehicle shelter or repair shop or an area in a production or storage building specifically fire-separated from the other areas. Whenever storing a motorised work machine outdoors, the distance to any building must be at least 8 metres or the exterior wall and the eaves must be fire-separated at the place where the motorised work machine is stored and up to 4 metres laterally in both directions. Motorised work machines with a lockable cab must be kept locked outside working hours, and the key must not be left in the vehicle.

7.7 Hot work

Hot work refers to work which produces sparks or where a flame or some other heat is used and which causes a risk of fire. Such hot work includes electric and gas welding, gas soldering, hot air blower work, flame cutting, and metal polishing and cutting with a handheld power cutter.

Roof and waterproofing hot work includes waterproofing work wherein a flame or some other heat is used and which causes a risk of fire. This includes drying an insulation base with a flame or hot air, heating bitumen in a bitumen pot, fixing water impermeable products by means of heating, and any related essential auxiliary work which produces sparks. Before commencing any hot work, a hot work plan set out in LocalTapiola's safety regulation Hot Work D10 must be compiled, and safety regulation Hot Work D10 must be complied with when carrying out the work.

7.8 Construction, repair, erection and installation work

Compliance with LocalTapiola's safety regulation Construction, Erection, Installation and Repair Work B10 must be ensured at all construction, repair, erection and installation sites.

7.9 Storage of property

Property must be stored with care and theft should be avoided by means of an adequate level of locking and structural protection. Requirements vary according to where property is stored. The categories of locks and their striker plates given in the following sections refer to the categories laid down in the SFS 7020 standard. Where a door lock with no category is required, this denotes a category 1 or 2 approved lock under the standard; a safety lock refers to a category 3 or 4 approved lock. Padlocks are classified into categories 1–4.

For more detailed information on how to implement the requirements given in the safety regulation, see technical guideline Break-in Protection G45. The guideline is available (in Finnish) at LocalTapiola's website at lahitapiola.fi/yrittajasiakkaat.

7.9.1 Property on the insured premises

The structural protection and locking of the policyholder's insured premises must meet the requirements shown in table 5. If no requirements for the level of break-in protection are given in the insurance schedule, the level 1 requirements apply. The locking requirements determined in the table must be implemented in such a way that they do not endanger safe exiting. Departure from the guideline is possible on a case-by-case basis where an assembly facility, accommodation facility or an equivalent facility of high risk to life and health is concerned, at which the requirement for mechanical safety locking cannot be implemented without endangering personal security. In such cases locking may be implemented by combining mechanical locking and automated safety technology in a manner to be agreed with the insurer.

Structural break-in protection requirements / protection level	1	2	3
Structures (walls, floor, ceiling)			
The strength and design of the structures must be such that access to the space is not possible without destruction of structures by means of tools. The separating wall structure must extend from floor to roof. If the separating wall structure does not extend all the way up to the roof, the top side of the suspended ceiling may be protected with a grating. Where the break-in protection level is one, the top side of the suspended ceiling may also be protected with mesh.	x	x	x
Light structures, such as plasterboard and breeze-block partitions, must be reinforced with 12mm plywood or a 1.0mm metal sheet up to the height of 4 metres from the level of the floor or some other level of standing. Where the break-in protection level is two, the storage side must be reinforced Where the break-in protection level is three, both sides must be reinforced.		x	x
Windows, glass structures, and openings			
The glass panes of windows must be fixed and windows closed in such a way that they cannot be removed or opened from the outside without breaking them. Openable grilles and roller shutters must be locked by means of two padlocks. Other openings, such as smoke extraction and air intake openings, must be protected by means of a fixed or locked steel grille.	x	x	x
Apart from the façade windows in the exterior wall of a building, all other windows, glass walls, movable glass walls and skylights must be made of shock-resistant glass or they must be protected. This protection requirement does not apply to windows or openings located at least 4 metres above the ground or some other level of standing.		x	
All windows, glass walls, movable glass walls and skylights must be made of shock-resistant glass or they must be protected as set out in LocalTapiola's technical guideline G45. This protection requirement does not apply to windows or openings located at least 4 metres above the ground or some other level of standing. The protection used for any display windows must cover the entire width of the window and it must extend at least 2 metres above the ground or some other level of standing. If a glass is structurally protected, the mesh size of the protective structure must be dimensioned in such a way that no items can be moved through the protective structure without destroying it.			x
Doors, hinges and frames			
All frames must be wedged into the structures and door glass panes fastened in such a way that they cannot be removed from the outside without breaking them. Non-rebated metal doors and all wooden doors must have a lock guard installed at the level of the door lock. The doors must be equipped with hinge bolts, if the hinge can be disassembled from the outside.	x	x	x
The glass panes of doors must be made of shock-resistant glass or they must be protected as set out in LocalTapiola's technical guideline G45.		x	
The glass panes of doors must be made of high-impact glass or they must be protected as set out in LocalTapiola's technical guideline G45.			x

Structural break-in protection requirements / protection level	1	2	3
Locking on doors leading to the insured location			
All doors leading to the insured location must be locked by means of non-removable locks fixed to the door. The minimum locking requirement is dependent on the type of door as shown in this table. Whenever the premises are vacant, all doors must be double-locked and the panic bolt of double doors must be locked. A door is considered double-locked when the lock's bolt in the locking position will not slide. Glass-paned doors must be locked with a door lock and a safety lock, and the distance between the locks must be at least 40cm. The active leaf of double doors must be locked in the same manner as single-leaf doors. The inactive leaf must be closed with a panic bolt, which is to be locked by means of a padlock of category 1 or higher or with some other equivalent means which prevents the use of the panic bolt. Double doors may also be locked by means of a door lock and a steel bar locked with a padlock, or with a padlock and bolts on the inside. Openable grilles and roller shutters must be locked by means of two padlocks. Swing doors must be locked in the same manner as double doors or <ul style="list-style-type: none"> • both leaves by means of a safety lock at the top or bottom; • one leaf locked by means of a safety lock at the top and bottom, and the other leaf locked to it as single-leaf doors. 	x	x	x
If, instead of a door lock, a door is locked by means of a padlock, the padlock and its fixings must be in category 2 or higher on the outside and in category 1 or higher on the inside. Movable glass walls and sliding glass doors must be locked by means of at least one safety lock.	x		
If, instead of a door lock, a door is locked by means of a padlock, the padlock and its fixings must be in category 3 or higher on the outside and in category 2 or higher on the inside. Flush doors must be locked by means of a door lock and a safety lock, and the distance between the locks must be at least 40cm. Movable glass walls and sliding glass doors must be locked by means of two locks.		x	x
Overhead doors, folding doors and sliding doors must primarily be locked by means of a bolt and a padlock on the inside of the door, alternatively by means of two padlocks on the outside. The bolt and the padlock must be located on the opposite edges of the door.	x	x	
Overhead doors, folding doors and sliding doors must primarily be locked by means of two padlocks on the inside of the door.			x

Table 5.

If the level of the break-in protection requirement shown in the insurance schedule is 1 and the façade windows and door glass panes and the window openings of the overhead doors and folding doors are monitored by means of an approved burglar alarm system, it is not necessary to structurally protect the façade door glass panes and the window openings of the overhead doors and folding doors.

Whenever property is stored on premises other than the policyholder's own business premises, such as on those of a subcontractor, property may be stored in a locked room of a building which is in use as normal, including industrial halls, commercial buildings, office buildings and residential buildings. In these cases the break-in protection must also meet the level shown in the insurance schedule.

'In use as normal' refers to a building which is complete and the level of break-in protection of which meets the requirements set for it.

In cases of leak damage, property that is easily damaged must be placed at a height of 10 centimetres from floor level or higher. Property that is easily damaged includes electrical appliances and related cabling, and inventories.

7.9.2 Property in warehousing containers and site buildings

Whenever property is stored in a warehousing container or site buildings located outdoors, the ceiling, door and wall structures must be made of steel plate or they must be of such a structure that no access can be gained into the space without destructing structures by means of tools. The storage side of structurally light walls, such as plasterboard walls and profiled metal sheeting walls, must be reinforced with either 12mm plywood or a 1.0mm metal sheet.

Doors must be locked by means of:

- a category 2 door lock and a category 4 safety lock, with the distance between them at 40cm or more;
- two category 3 padlocks approved together with their fixings, with the distance between them at 40cm or more;
- a steel bar locked with a category 4 padlock approved together with its fixings.

In addition, all windows and openings of the storage facility must be protected by means of a steel grille or steel mesh, or in some other manner providing an equivalent level of break-in protection.

Where the break-in protection of a site under construction is equivalent to the break-in protection of the completed in-use building, property may also be stored in the locked rooms of such a building.

7.9.3 Premises with no weekly activity

Where premises are with no weekly activity, as may be the case with a separate warehouse or a building where activities have ceased or interrupted for a period longer than a normal maintenance shutdown, compliance with the requirements laid down in the safety regulation must be maintained, and it must also be ensured that:

- the condition of the site's yard, building and any property located in the building is inspected on a weekly basis or more frequently;
- any faults and breakages observed are repaired and any signs of vandalism removed as quickly as possible;
- the automatic fire alarm system, the automatic fire-extinguishing system, the burglar alarm system and any other equivalent security and surveillance systems are in operation;

- all system testing and maintenance measures have been performed in accordance with the servicing and maintenance programmes governing such systems;
- power supply to the facilities has been cut off from the switchboard, apart from the power supply required for the maintenance of the building and for any outdoor lighting;
- the service water and heating pipes, including the equipment connected to them, must be protected against freezing and the supply of water to the property's water outlets has been cut off, with the exception of the water outlets required by the heating system;
- the gas pipes are not pressurised, all pipes intended for flammable liquids have been emptied and the check valves have been closed.

7.9.4 Property in a vehicle or trailer

Any property in a vehicle or in a trailer must be covered or placed in such a way that the nature of the property is not visible from the outside.

Whenever property is stored in a vehicle or in a trailer outside working hours, the vehicle or the trailer must be stored inside a locked building. If this is not possible, compliance with the following instructions must be ensured:

Property in a vehicle

- the vehicle must be equipped with an anti-theft device and the device must be switched on;
- the doors to the cab and to the load compartments must be kept locked.

Property in a trailer or on a cargo bed

- any hardtop which covers a trailer or the cargo bed of a vehicle must be of metal or some other structure which cannot be broken without tools.
- the hardtop structure must be locked to the vehicle or to the trailer by means of category 3 padlocks or other equivalent locking devices.
- In the absence of a hardtop structure and locking described above, property must be fastened to the trailer or to the cargo bed structures by means of a surface-tempered steel chain or cable having a diameter of at least 10mm together with an approved category 3 padlock.
- trailers must feature a device which prevents the unhooking of the trailer from the vehicle or, if not connected to any vehicle, prevents the hooking up of the trailer to a vehicle.

7.9.5 Property outdoors or in an enclosure

Whenever storing property in an enclosure:

- the fencing material must be of chain-link fence with a mesh size of maximum 50mm or some other fence which provides equivalent protection, and the height thereof must not be less than 2 metres;
- the bottom edge of the fence must not be over 10cm above the ground;
- the fence must be undamaged and it must not contain any openings;
- the fence must span the entire circumference of the area protected;
- the gate must be locked with a safety lock or a category 4 padlock;
- the fenced area must be illuminated in such a way that any intrusion into the area can be detected.

Property kept elsewhere than in a locked space or enclosure must be fastened to a strong fixed structure:

- by means of a surface-tempered steel chain or steel cable with a thickness of at least 10mm locked with an approved category 3 padlock;
- at a height of at least 3 metres above the ground or some other level of standing in such a way that the property cannot be removed without a scaffold and a tool;
- in some another manner agreed with the insurer in writing.

7.9.6 Use of cash registers, safes and fire safes

All cash registers and cash boxes must be kept open whenever the insured premises are closed. The doors of safes, fire safes and strongrooms are to be kept locked whenever the insured premises are closed, and the key thereto or the combination for the lock must not be kept on the same insured premises.

The key or the combination may only be given to dedicated persons against a receipt.

Any safe or fire safe approved for the purpose of storing money must be fixed to the structures of the building according to the manufacturer's instructions.

7.9.7 Protecting valuables in transit

Those transporting any valuables must be

- adults
- trained for this duty
- employed by the policyholder or a company providing professional cash-in-transit services.

In all transports, a car suitable for the task must be used whenever possible and appropriate considering the circumstances. Where money from several places of business is transported in a single transport and the money is left inside the vehicle for the duration of any stops:

- a vehicle equipped with an immobiliser system must be used;
- the money must be stored in a locked storage unit fixed to the vehicle;
- the vehicle must be locked for the duration of stops or transports must be taken care of by two drivers, one of whom is to guard the money during stops.

7.9.8 Storage of keys

Keys and any other identifiers authorising to open doors must be stored with care in accordance with LocalTapiola's valid technical guideline G47. Keys must not be marked in any way which would connect them with the target. Key boxes embedded in the exterior wall may only store keys to doors leading to separate technical facilities, such as the electric or telephone equipment room. The master key must never be stored in any key box like this. If a key is lost or is passed to a third party without permission, it must be immediately established whether there is any possibility of the key being misused. In the face of imminent danger, measures must be initiated to prevent any further losses.

7.9.9 Burglar alarm systems

Where the level of the break-in protection requirement shown in the insurance schedule is 2 or 3, the insured location must have a burglar alarm system in operation. In the design and installation of burglar alarm systems, a company supplying burglar alarm devices and approved by Finance Finland must be employed and compliance with the guideline 'Burglar alarm systems and services' by Finance Finland must be ensured.

All burglar alarm systems must be kept operational and they must be kept switched on outside working hours. In addition to the system's technical maintenance and trials, 'must be kept operational' refers to such measures as ensuring that all areas agreed for inclusion in surveillance remain under surveillance even after the layout of the premises is altered, for instance.

7.10 Safety of lifting work and transfers

In any lifting work and transfers, Section 5 of the Government Decree on the Safety of Construction Work (205/2009) should be specifically taken into account:

- When placing any lifting equipment, the carrying capacity of the ground must be ensured.
- All lifting equipment and lifting accessories must have the markings necessary for safe use. If such markings are missing, they must not be used. Lifting equipment or lifting accessories must not be overloaded.

- The weight and the centre of gravity of a load must be checked before lifting or transfer, and the load must be carefully and appropriately fastened using the attachment points (such as lifting lugs and lifting brackets) available in the load.
- A written plan for demanding lifting operations must be drawn up. Difficult lifting operations include the lifting of particularly heavy or large loads under difficult conditions, other lifting operations requiring special planning, and lifting operations involving the simultaneous use of more than one crane.

7.11 Backup and storage of files

File backups must be taken on a weekly basis or more frequently and the backups stored separate from the original locations where the files are kept saved in a manner that protects them from suffering damage simultaneously with the original files.

7.12 Other mandatory safety regulations and technical guidelines

Safety regulations

- Hot Work Safety Regulation D10
- Construction, Erection and Installation Safety Regulation B10

Guidelines for the technical implementation of break-in protection

- G45
- Key Safety G47
- Storage of Valuables

All safety regulations and technical guidelines can be found at lahitapiola.fi (in Finnish) and they are also available at LocalTapiola offices. For information on the security devices approved by Finance Finland, visit vahingontorjunta.fi, a Finance Finland website.

Insurance is granted by the following mutual insurance companies in LocalTapiola Group (business ID):

LähiTapiola **Etelä** (0139557-7) | LähiTapiola **Etelä-Pohjanmaa** (0178281-7) | LokalTapiola Sydskusten - LähiTapiola **Etelärannikko** (0135987-5) | LähiTapiola **Itä** (2246442-0) | LähiTapiola **Kaakkois-Suomi** (0225907-5) | LähiTapiola **Kainuu-Koillismaa** (0210339-6) | LähiTapiola **Keski-Suomi** (0208463-1) | LähiTapiola **Lappi** (0277001-7) | LähiTapiola **Loimi-Häme** (0134859-4) | LähiTapiola **Länsi-Suomi** (0134099-8) | LähiTapiola **Pirkanmaa** (0205843-3) | LokalTapiola Österbotten - LähiTapiola **Pohjanmaa** (0180953-0) | LähiTapiola **Pohjoinen** (2235550-7) | LähiTapiola **Pääkaupunkiseutu** (2647339-1) | LähiTapiola **Savo** (1759597-9) | LähiTapiola **Savo-Karjala** (0218612-8) | LähiTapiola **Uusimaa** (0224469-0) | LähiTapiola **Varsinais-Suomi** (0204067-1) | LähiTapiola **Vellamo** (0282283-3) | LocalTapiola General Mutual Insurance Company (0211034-2)

The companies' contact details are available at www.lahitapiola.fi.

