

# Motor liability insurance

## for corporate customers

### 1 Scope of application of the insurance terms and conditions

These insurance terms and conditions apply to motor liability insurance granted for specific motor vehicles used by companies and organisations in traffic.

“Company” refers to a policyholder that has a business or organisation ID (business ID) as referred to in the Business Information Act.

### 2 Geographical limits

Motor liability insurance granted for a motor vehicle is valid in all states belonging to the European Economic Area (EEA).

In states other than the EEA states participating in the Green Card agreement, motor liability insurance is valid in the form of liability insurance on the basis of a Green Card issued by the insurance institution, or without a Green Card if the card is not essential. Compensation for road accident occurred in these countries is determined in accordance with the legislation in the country of occurrence.

However, the Motor liability insurance is not valid in Iran, Russia or Belarus.

### 3 Insurance content

Motor liability insurance covers bodily injury and property damage caused by using a motor vehicle in traffic in Finland as stipulated in the Motor Liability Insurance Act.

The insurance also compensates citizens of EEA states for traffic accidents that occur in transit through a state that does not participate in the Green Card agreement, providing that the journey is a direct journey from one EEA state to another EEA state.

The insurance provides insurance cover in accordance with legislation in the EEA state in which the damage or injury occurred, or insurance cover in accordance with the Finnish Motor Liability Insurance Act if this cover is superior to the cover referred to in the first instance.

If bodily injury is caused by the use of a vehicle in traffic and the vehicle is insured in accordance with the Finnish Motor Liability Insurance Act and the bodily injury occurs in an EEA state other than Finland, the applicable legislation is determined by virtue of regulations applying to the selection of legislation. However, in such cases, residents of Finland who have suffered an injury may choose to receive compensation for bodily injury in accordance with Finnish law.

### 4 Insurance contract

#### 4.1 Policyholder's duty of disclosure before concluding an insurance contract

Before the insurance is granted, the policyholder must provide accurate and complete answers to the questions that are posed by LocalTapiola or its representative and that may be of importance for assessing LocalTapiola's liability. If the policyholder has wilfully or through gross negligence failed to fulfil his/her duty of disclosure in accordance with the Insurance Contracts Act and if LocalTapiola would only have granted the insurance for a higher premium had it received correct information, LocalTapiola shall be entitled to retroactively charge a higher insurance premium upon receipt of this information.

The policyholder must be the owner or keeper as recorded on the register of vehicles. The actual user of the vehicle must be registered as the keeper of the vehicle. If the policyholder is not the person obliged to insure the vehicle, LocalTapiola shall be entitled to terminate the insurance within 14 days of becoming aware of the circumstances.

The policyholder must also, without undue delay, correct false or inadequate information provided to LocalTapiola during the insurance period.

#### 4.2 Changes in conditions during the insurance period

The policyholder must notify LocalTapiola without delay of any material change that increases the risk of a claim during the insurance period in relation to circumstances reported when the insurance contract was concluded or in any other circumstance stated in the policy document.

The policyholder must notify LocalTapiola of such changes no later than one month after the receipt of the annual notification following the changes. LocalTapiola will remind the policyholder of this obligation in the annual notification.

#### 4.3 Failure to declare increased risk

If the policyholder has wilfully or through negligence that cannot be considered minor failed to fulfil his/her duty of disclosure in accordance with Section 4.2., LocalTapiola shall be entitled to retroactively charge a higher insurance premium upon receipt of this information if LocalTapiola would only have granted the insurance for a higher premium had it received correct information.

### 5 Commencement of LocalTapiola's liability

Unless a separate time of commencement has been agreed upon by the parties, LocalTapiola's liability shall commence when LocalTapiola or the policyholder has sent or otherwise provided an approving reply to the offer made by the other party. No agreement can be made for LocalTapiola's liability to commence before this time.

If the policyholder has sent or otherwise provided a written insurance application to LocalTapiola and if it is evident that LocalTapiola would have approved the application, LocalTapiola shall also be liable for insured events that occur after the application was submitted or sent.

An insurance application or an approving reply sent by the policyholder or otherwise submitted to LocalTapiola's representative shall be deemed to have been submitted or sent to LocalTapiola. In the event that there is no evidence of what time of day the reply or application has been sent or otherwise provided, it shall be deemed to have taken place at 24:00 hours.

However, if there are special reasons, such as the policyholder's previous failure to pay insurance premiums, the insurer's liability shall commence only when the premium for the first insurance period has been paid.

### 6 Period of insurance

The first insurance period can be a maximum of 13 months. Subsequent insurance periods last one year. The insurance year is 360 days, divided into twelve 30-day months.

### 7 Period of validity of the insurance contract

The insurance contract is valid, unless otherwise stipulated herein, for one insurance period at a time until the owner or keeper of the vehicle is no longer obliged to insure the vehicle in question, even if the premium has not been paid by the due date.

## 8 Premium

### 8.1 Basis for the insurance premium

The insurance premium is calculated in accordance with the premium grounds applied by LocalTapiola and Article 2 of Section 20 of the Motor Liability Insurance Act.

The minimum insurance premium for each period during which the insurance is valid is EUR 30, unless otherwise stated in the policy document.

### 8.2 Payment of insurance premium

The insurance premium must be paid within one month of LocalTapiola sending an invoice to the policyholder. However, the first payment need not be made before the commencement of cover, and subsequent payments need not be made before the commencement of the agreed insurance period or insurance premium period. The exceptions to this are the circumstances stated in the fourth part of Section 5, under which the payment of the insurance premium for the insurance period is a prerequisite for the commencement of the insurer's liability.

If the policyholder's payment is not enough to cover all of LocalTapiola's insurance premium receivables, the policyholder shall be entitled to determine which insurance receivables his/her payment shall be allocated to.

If the policyholder does not declare how the payment is to be allocated, LocalTapiola shall be entitled to allocate the payment. The interest accrued on outstanding insurance premium receivables shall be paid before principal payments are made.

### 8.3 Delayed payment of insurance premiums

Annual interest for late payment shall be charged in accordance with the Interest Act on insurance premiums that are not paid by the due date. The insurance premium, together with interest for late payment, shall be collected through enforcement measures without a judgement or verdict in compliance with regulations regarding the enforcement of taxes and payments.

Before enforcement measures are carried out, the policyholder shall be notified of the payment being collected and the basis for the payment as well as that enforcement measures shall be carried out if the policyholder does not contest, in writing, his or her payment liability within 14 days from the day the notification was sent. If the payment liability is contested, the enforcement requires a decision of the court.

### 8.4 Insurance premium refund

#### 8.4.1 Decommissioning a vehicle from traffic

Decommissioning must be reported to the vehicle register in advance in accordance with applicable regulations. For cars, the insurance premium shall be refunded as of the day after the car is decommissioned from traffic. The daily refund for decommissioning from traffic is calculated as one 360th of the annual insurance premium.

No refunds for periods of decommissioning shall be granted for vehicles other than cars. No refund shall be paid for insurance premiums paid for "Liikennekasko" (Combined motor liability and comprehensive insurance granted via finance companies) or for vehicles with yellow test registration numbers or transfer permits, or export-registered, unregistered or museum vehicles. For motorcycles, the refund procedure is stated on the quote and in the policy document. No refund shall be paid on base or minimum premiums, if applicable.

#### 8.4.2 Use of a vehicle while decommissioned

If a vehicle is used in traffic while it is decommissioned, LocalTapiola shall charge the insurance premium retroactively. An increased premium of three times the original premium shall be charged for the period between the decommissioning date and the use in traffic.

#### 8.4.3 Refund of premiums after insurance cover has ended

If the insurance cover ends before the agreed date, LocalTapiola shall be entitled to premiums only for the period of its liability. The rest of the insurance premiums that have already been paid shall be returned to the policyholder.

The refunded insurance premium is one 360th of the annual insurance premium for each day. For insurance policies with payment based on seasonal pricing, the amount of the refund depends on the time of year when the insurance cover ends.

However, the insurance premium will not be refunded if the refundable amount is less than EUR 8. The refundable insurance premium can also be allocated to the policyholder's outstanding insurance premiums.

LocalTapiola shall pay annual interest for late payment in accordance with the Interest Act on any delayed amount of the insurance premium refund. Interest for late payment shall be paid for the period beginning one month after the company has received clarification that the policyholder is entitled to a refund.

## 9 LocalTapiola's bonus system

LocalTapiola's bonus system is part of the pricing of motor liability insurance, and it is used to reward customers for not making claims and take into consideration the impact of claims on the policyholder's insurance premiums.

The no-claims bonus increases with every claim-free year and correspondingly decreases if claims are made.

### 9.1 Application of the bonus system

The bonus system applies to motor liability insurance policies for cars and motorcycles belonging to companies, unless an agreement has been made to apply LocalTapiola's special terms and conditions to the insurance, or if the vehicle is a museum vehicle.

### 9.2 Taking the claims record into consideration

"Claims record" refers to information applying to the period of validity of the policyholder's insurance policies and claims. The policyholder's insurance-specific bonus is determined on the basis of the claims record, payment record data and register of credit-related information.

The smallest bonus is 0 per cent and the maximum bonus is 75 per cent.

The bonus cannot be transferred to or from another policyholder, such as from a private person to a company. The bonus or claims record cannot be transferred from one vehicle to another.

### No-claims bonus table

No-claims bonus (%)	Bonus class	Claims for which compensation has been paid during the insurance period, with an impact on the bonus class				
		0	1	2	3	4
0 %	M	K	M	M	M	M
0 %	K	O	M	M	M	M
0 %	U	1	M	M	M	M
5 %	O	1	M	M	M	M
10 %	1	2	K	M	M	M
15 %	2	3	K	M	M	M
20 %	3	4	O	M	M	M
25 %	4	5	1	M	M	M
30 %	5	6	2	M	M	M
35 %	6	7	2	M	M	M
40 %	7	8	3	K	M	M
45 %	8	9	4	O	M	M
50 %	9	10	5	1	M	M
55 %	10	11	6	1	M	M
60 %	11	12	7	2	M	M
65 %	12	S	8	3	K	M
70 %	S	S	9	4	O	M
75 %	XA	XA	9	4	O	M

### 9.3 Increase of no-claims bonus

The insurance is transferred to a higher bonus class on the basis of each insurance period during which the policyholder has not paid compensation for a claim that affects the bonus class.

A further prerequisite for an increase in the bonus class is that the vehicle has been used in traffic during the insurance period: for cars, the minimum usage is 120 days.

For motorcycles, a prerequisite for an increase in the bonus class for motor liability insurance with a defined period of non-use and motor liability insurance with seasonal pricing and no period of non-use is that the motorcycle has been used in traffic for at least 90 days.

For motorcycle insurance without a defined period of non-use and no seasonal pricing, the insurance can transition to a bonus class 3 percentage points higher following an insurance period with no claims on the condition that the vehicle has been used in traffic for 90–119 days during the insurance period. If the vehicle was used in traffic for 120–139 days during an insurance period with no claims, the bonus will increase by 5 percentage points. If the vehicle was used in traffic for at least 140 days during an insurance period with no claims, the bonus will increase by 10 percentage points.

During a single one-year period, the insurance cannot be transferred to a higher bonus class more than once. The no-claims bonus increases by five percentage points after an insurance period with no claims.

### 9.4 Decrease of no-claims bonus

After each insurance period, the insurance is transferred from one no-claims bonus rate to another based on the number of claims paid during the insurance period. The no-claims bonus rate decreases at the beginning of the insurance period following the payment of compensation.

Claims that affect the premium are considered to be incidents of damage or injury that are the fault of the vehicle's owner, keeper or driver, or that are due to the inadequate condition of the vehicle if the insurer has been compelled to pay compensation for the claim.

Claims are not considered to affect the insurance premium if compensation has been paid for them and

- compensation has been paid for damage or injury arising from unauthorised use of a vehicle that was locked or in protected storage premises that were locked or guarded.
- compensation has been paid for damage or injury arising within seven days of the change of ownership of an insured vehicle and the damage or injury was not caused by the policyholder or a family member living in the same household as the policyholder.
- the policyholder has paid the insurer a sum of money equivalent to the compensation by the end of the insurance period following the period in which compensation was originally paid.

Under motor liability insurance for cars, motor liability insurance for motorcycles with a defined period of non-use, and motor liability insurance for motorcycles without a defined period of non-use but with seasonal pricing, the bonus decreases in accordance with the bonus table. Under motorcycle insurance without a defined period of non-use and without seasonal pricing, the bonus will decrease by 20 percentage points for one compensated claim during an insurance period, by 40 percentage points for two claims, by 60 percentage points for three claims, and by 70 percentage points for four claims.

### 9.5 Retaining and transferring data to a different insurance company

LocalTapiola retains data related to the period of validity of insurance and claims history for at least five years following the final year of the insurance in such a way that this claims record data can be provided to the policyholder if required and, with the policyholder's consent, can be transferred to another insurance company unless otherwise agreed by the policyholder and the insurer. When LocalTapiola issues a certificate of claims record, it hands over to the policyholder the claims record relating to the policyholder's insurance.

## 10 Amending the terms and conditions of the contract at the end of the insurance period

At the end of the insurance period, LocalTapiola is entitled to amend the terms and conditions of insurance and the insurance premiums, as well as the other terms and conditions of contract.

### 10.1 Terms, conditions and premiums

LocalTapiola is entitled to amend the terms and conditions of insurance and the insurance premiums, as well as other terms and conditions of contract, on grounds of

- new or amended legislation or instruction by a competent authority.
- unexpected change of circumstances, such as international crisis, extraordinary natural phenomenon, or catastrophe.

### 10.2 Premium

LocalTapiola has the right to adjust insurance premiums and the bases for determining insurance premiums on the basis of statistical data concerning insurance and losses in accordance with Article 2 of Section 20 of the Motor Liability Insurance Act.

Furthermore, insurance premiums can be adjusted in accordance with the change in claims expenditure or cost level.

If LocalTapiola amends the insurance contract as described above, LocalTapiola shall send notification to the policyholder of how the insurance premium or other terms and conditions of contract will change. This notification will be sent along with LocalTapiola's invoice. The notification shall contain a mention of the policyholder's right to terminate the insurance in accordance with Section 11.1. The change shall take effect as of the start of the insurance period that follows once one month has elapsed from the sending of the notification.

## 11 Expiry of the insurance contract

### 11.1 Policyholder's right to terminate insurance

The policyholder may terminate the motor liability insurance in writing when a vehicle

1. that does not need to be listed on the register is destroyed, is decommissioned from traffic in accordance with the Motor Liability Insurance Act or insurance is taken out with a different insurance company.
2. is decommissioned, this information has been entered into the vehicle register and the vehicle is not used in traffic.
3. has been stolen and the theft has been reported to the police and the insurance company, and it has been decommissioned and this information has been entered into the vehicle register.

### 11.2 Cessation of insurance without notice of termination

The insurance will cease without notice of termination when

1. an insured vehicle is transferred to a new owner or keeper other than to the policyholder himself/herself or the policyholder's estate in the event of death or bankruptcy.
2. the vehicle is permanently decommissioned and this information is entered into the vehicle register.
3. insurance for a registered vehicle is taken out with a different insurance company.

When the motor liability insurance ceases due to the insured vehicle being transferred to a new owner other than to the policyholder himself/herself or, if the keeper as listed on the register is the policyholder, the possession of the vehicle changes or is returned to the owner, the insurance policy that has ceased will still cover injury or damage arising within seven days of the transfer of ownership or change of possession or return of possession to the owner unless the vehicle's new owner or keeper has taken out insurance within the stated period. When the insurance company's liability for injury or damage occurring in traffic is based on an insurance contract that has ended, the Act on Calculating Deadlines as Regulated shall apply.

## 12 LocalTapiola's right of recourse

The right of a party who has suffered injury or damage to demand a sum of compensation from a third party after having received this sum in compensation from the insurance company shall be subrogated to the insurance company.

If the third party is a private person or employee, civil servant or equivalent other person in accordance with Chapter 3, Section 1 of the Tort Liability Act, or the owner, keeper, driver or passenger of the vehicle, this right shall only be subrogated if the person has caused the insured event wilfully or through gross negligence.

Notwithstanding the aforementioned, the insurance company shall also have a right of subrogation against a person who caused damage or injury

1. when driving the insured object in such a state that the alcohol content of his/her blood during the driving or after it was at least 120 mg of alcohol per 100 mg of blood or he/she had at least 0.53 mg of alcohol per litre of air exhaled, or
2. when driving the insured object in such a state that his/her capacity to perform the task was substantially impaired due to the effect of an intoxicating substance other than alcohol or the combined effect of such substances.

## 13 Action in the event of injury or damage

When the policyholder becomes aware that a traffic accident has occurred, he/she must inform LocalTapiola or its representative without delay. Notification of claim can be submitted electronically, by phone or by completing and posting a claim form.

If compensation is claimed from the policyholder or another party to injury or damage, the policyholder or the other party shall forward the claim to LocalTapiola.

## 14 Processing of loss-related data

Information on claims filed to LocalTapiola is saved in the insurance companies' mutual claims register. At the same time, we shall examine the losses reported to other insurance companies. We shall use the information only in connection with claims handling to prevent crimes against insurance companies.

LocalTapiola is entitled to record all telephone calls relating to claims.

*In case of any dispute under these terms and conditions the original Finnish wording shall prevail.*

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

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

The companies' contact details are available at [www.lahitapiola.fi](http://www.lahitapiola.fi).