

Group motor liability insurance, and Comprehensive motor vehicle insurance for car dealerships – for companies engaged in motor vehicle sales

Group motor liability insurance

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1 Insurance eligibility criteria

The companies whose business registered in the Trade Register includes sales of motor vehicles or other sales of vehicles may be eligible for motor liability insurance as defined in the Motor Liability Insurance Act in the form of group insurance, when the proportion of vehicle sales of the turnover indicated by a company's profit and loss account prepared under the Accounting Decree (1339/1997) is greater than 50% and not less than one million euros.

2 Territorial limits and content of insurance

2.1 Territorial limits

Group motor liability insurance is in force in all countries of the European Economic Area (EEA). In the non-EEA countries which have signed the Uniform Agreement on the Green Card, motor liability insurance is in force in the form of liability insurance on the basis of a Green Card issued by an insurance institution, or without a Green Card when one is not necessary. All compensation for any traffic accidents which occur in these countries is determined based on the laws of the country where such accident occurs.

Group motor liability insurance is however not in force in Iran, Russia or Belarus.

With regard to the use of any test plates and transfer permit, the area where group motor liability insurance is in force is defined as only comprising Finland, Sweden, Norway and Denmark.

2.2 Content

Group motor liability insurance covers the bodily injuries and property damage caused in Finland through the use of a motor vehicle in traffic as provided in the Motor Liability Insurance Act.

This insurance also provides the citizens of the European Economic Area cover against traffic accidents which occur in a territory being crossed in a country not part of the Green Card system in the case of a direct journey from one European Economic Area country to another European Economic Area country.

This insurance provides insurance cover under the legislation of the European Economic Area country where an accident occurs, or under the Finnish Motor Liability

Insurance Act if the insurance cover which it provides is better than the insurance cover referred to first above.

If a bodily injury caused through using in traffic a vehicle insured under the Finnish Motor Liability Insurance Act occurs in a European Economic Area country other than Finland, the applicable law is determined under the choice-of-law provisions. However, any injured party residing in Finland may in such a case decide that the bodily injury be covered under the laws of Finland.

3 Object of group motor liability insurance

Group motor liability insurance covers:

- the vehicles which a policyholder owns for sales and demonstration purposes;
- the vehicles transferred to a policyholder's permanent possession for sales and demonstration purposes where the vehicle owner is an importer, a finance company or some other company that has taken out group motor liability insurance;
- any vehicle supplied from saleable stock for continuous use by anyone in the employ of a policyholder whose work duties are directly related to the accumulation of the turnover which serves as a reference for the purposes of determining the insurance premium;
- any vehicle supplied from saleable stock to some other person on a temporary basis for the duration of servicing or repairs or whilst a new vehicle purchased by that person is being delivered;
- the test plates registered in the name of a policyholder and communicated to the insurer used for sales and demonstration purposes and which the insurer has approved for inclusion in group motor liability insurance;
- the vehicles held for sale in Finland which a policyholder uses for demonstration purposes in a manner set out in Section 41 of the Car Tax Act under a transfer permit within the meaning of the Vehicles Act which permit is insured with group motor liability insurance.

Group motor liability insurance does not cover any:

- motor vehicle held by a company as fixed assets for own use, such as driving-school vehicles, tow trucks or breakdown lorries;
- vehicle leased, rented or loaned without a driver;
- vehicle reserved for loan, lease or rental use;
- vehicle which for sales purposes is placed at the disposal of some other company engaged in the sales of motor vehicles, even where the vehicle is not registered in the name of said other company;
- test plates the test plate certificate of which is not in force;
- vehicle held for sale in Finland which is used for demonstration purposes in a manner set out in Section 41 of the Car Tax Act and which has an active registration in a European Economic Area country;
- vehicle used for demonstration purposes as defined in Section 41 of the Car Tax Act whose ownership or possession was transferred from the policyholder to a new owner or holder.

4 Duty of disclosure, and conclusion of insurance contract

4.1 Policyholder's duty of disclosure before signing insurance contract

Before arranging insurance, policyholders must give the true and complete answers to all questions posed by LocalTapiola or its representative which may be relevant for the assessment of LocalTapiola's liability. LocalTapiola has the right to cancel a contract if incorrect information was intentionally submitted to it.

In addition, throughout the period in which a policy is in force policyholders must without undue delay rectify any incorrect or incomplete information which they may discover they have submitted to LocalTapiola.

4.2 Changes in circumstances during insurance period

Policyholders must notify LocalTapiola of any changes in the circumstances reported upon concluding an insurance contract, or any changes in the factual context shown in the contract or in the list of insurance policies, which occur during an insurance period. Policyholders must notify LocalTapiola of such changes not later than when paying the premium which next follows any such change.

4.3 Conclusion of insurance contract

An insurance contract enters into force as from the date on which both parties accept it. The commencement of liability may be negotiated separately.

5 Commencement and termination of LocalTapiola's liability

5.1 Commencement of LocalTapiola's liability

LocalTapiola's liability for the use of a motor vehicle in traffic commences:

- not earlier than on the date determined in the insurance contract;
- once a vehicle transfers into a policyholder's ownership or permanent possession whenever the vehicle owner is an importer, a finance company or some other company that has taken out group motor liability insurance;
- once possession of a vehicle is returned to the policyholder. Possession is deemed to return to a policyholder when a vehicle is returned to a location designated by that policyholder or into the possession of the policyholder's representative;
- once a vehicle in use for demonstration purposes in a manner set out in Section 41 of the Car Tax Act in respect of which a notification was submitted into the Vehicular and Driver Data Register upon application of a transfer permit transfers into a policyholder's ownership or permanent possession.

5.2 Termination of LocalTapiola's liability

LocalTapiola's liability terminates once an insured vehicle transfers to a new owner or holder. However, this insurance covers the accidents which occur within seven days from the transfer of ownership, or from the transfer of possession of a vehicle, unless the vehicle's new owner or holder takes out an insurance within this time period. In cases where LocalTapiola's

liability for a traffic accident derives from a policy which has terminated, the time limits act is applied.

LocalTapiola's liability terminates once the ownership or possession of a vehicle used for demonstration purposes in a manner set out in Section 41 of the Car Tax Act transfers to a new owner or holder.

5.3 Impact of notification of change of registration on liability

In the absence of any submission into the Vehicular and Driver Data Register of a notification on the transfer to a policyholder of the ownership or possession of a vehicle registered in the Vehicular and Driver Data Register within seven days of such change, LocalTapiola's liability ends upon the expiry of this time period. If such notification of change into the Vehicular and Driver Data Register is submitted later, liability recommences from the moment at which the notification is submitted.

In the absence of any report on the time of day when a notification of change of ownership or possession was submitted into the Vehicular and Driver Data Register, or on the time of day when the ownership or possession of a vehicle was transferred to a policyholder, this is deemed to have taken place at 24:00.

6 Insurance period

The first insurance period is, except as otherwise specially provided for some group of vehicles, not longer than 13 months. All subsequent insurance periods are one year in length. One insurance year comprises 360 days, dividing into twelve 30-day months.

7 Validity of insurance

Group motor liability insurance enters into force on the insurance commencement date shown in the insurance policy and is in force from one insurance period to another.

8 Insurance premium

8.1 Composition of premium

All premiums are calculated in accordance with the premium criteria applied by LocalTapiola, and policyholders must submit the information needed for this purpose in writing to LocalTapiola on an annual basis.

Customers must submit the information on turnover which serves as a reference for the purposes of determining the premium annually within 4 months from the completion of their financial statements. Where a policyholder fails to submit this information on turnover, LocalTapiola has the right to:

- assess and adjust retroactively the customer's forecast turnover serving as a reference for the purposes of determining the premium to reflect the actual situation on the basis of some other reliable report to which LocalTapiola has access; or
- adjust the forecast turnover to be 20% higher in comparison with the previous insurance period.

The claim surcharge levied by LocalTapiola is a part of the premium.

If a decommissioned vehicle is used in traffic without test plates or a transfer permit, LocalTapiola will collect the premium retroactively. For the period between the decommissioning start date and the use in traffic, the equivalent of not more than three times the basic premium of the specific motor liability insurance policy of the vehicle concerned is collected as an increased premium. However, the penalty fee will be charged in respect of not more than three months.

8.2 Payment of premium

All premiums must be paid within one month of LocalTapiola submitting a request for payment to a policyholder. However, the first premium need not be paid before the commencement of LocalTapiola's liability, and it is not necessary to pay any subsequent premiums before the commencement of an agreed upon insurance period and premium period. Non-payment of a premium may prevent registration in a group motor liability insurance policy.

8.3 Reimbursement of premium

Where an insurance policy terminates earlier than what was agreed, LocalTapiola is entitled to a group motor liability insurance premium only for the period during which the policy was in force. The remainder of any premium already paid is reimbursed to the policyholder. A reimbursable premium is 1/360 of the annual premium for each day of the period entitling to reimbursement. However, no premium is reimbursed if the reimbursable premium is less than €8.

Under group motor liability insurance, no premium is reimbursed in respect of any period when a vehicle remains decommissioned.

9 Interest for late payment

Interest for late payment under the Interest Act is charged for the period of delay on any premiums not paid within the time limit set. Premiums are recovered with interest through enforcement out of court or without a decision without prejudice to the provisions on the enforcement of taxes and payments.

Before initiating any enforcement actions, the policyholder is notified of the premium recovered, the premium basis and the initiation of the enforcement actions, if the policyholder does not within 14 days of the submission of such notification dispute their liability for payment in writing. Where liability for payment is disputed, enforcement is conditional on a decision by a court.

LocalTapiola is liable to pay interest for late payment under the Interest Act on any overdue amount of reimbursement of a premium. Interest for late payment is paid from the point at which one month (30 days) has elapsed from the day when a report entitling to reimbursement of a premium is received by LocalTapiola.

10 Claim surcharge

As a consequence of any damages paid by LocalTapiola, policyholders are liable to pay a claim surcharge according to the premium criteria applied by LocalTapiola.

The amount of the claim surcharge is shown in the insurance policy.

11 Termination of insurance

11.1 Policyholder's right to cancel insurance

Policyholders have the right to cancel a group motor liability insurance policy to end at any time during an insurance period. A policy will terminate one month from the date of the notice of cancellation. Any termination must be submitted in writing. In conjunction with termination, a certificate must be submitted of taking out a new group motor liability insurance policy or specific policies or of the cessation of the automotive business.

11.2 LocalTapiola's right to cancel insurance

If a policyholder, notwithstanding a written reminder from LocalTapiola, neglects any regulations set out in these insurance terms and conditions, LocalTapiola has the right to cancel insurance. A policy will terminate 14 days from the date of the notice of cancellation.

LocalTapiola has the right to cancel insurance to end on the next due date if, despite having been asked to do so, a policyholder does not submit the information on turnover serving as a reference for the purposes of determining the premium or if the proportion of vehicle sales of turnover has fallen below the eligibility criteria.

LocalTapiola may cancel a policy at any point during an insurance period. A policy will terminate two months from the date of the notice of cancellation.

11.3 Continued liability after cancellation

As for the vehicles, test plates and transfer permits which were covered by group motor liability insurance, LocalTapiola's liability continues after cancellation unless any new motor liability insurance is registered for them. With regard to these, LocalTapiola has the right to register specific motor liability insurance policies for each vehicle, transfer permit and test plate.

11.4 Switching insurance company

The liability of a company that has granted a new group motor liability insurance policy commences in respect of the vehicles which were covered by insurance even if the switching of insurance companies was not communicated to the vehicles register on a vehicle basis.

That new company must report to the vehicles register the information on the motor liability insurance policies of the test plates which the new company has approved for inclusion in group motor liability insurance.

If no notification is submitted, the old company remains liable for the test plates until the registration of changes is completed.

As for any vehicle used for demonstration purposes in a manner set out in Section 41 of the Car Tax Act, the liability of a company which grants a new group motor liability insurance policy commences even if the switching of insurance companies was not communicated to the Vehicular and Driver Data Register.

12 Amending contract terms and conditions

Upon a new insurance period, LocalTapiola has the right to amend the insurance terms and conditions and the other contract terms and conditions and to adjust the insurance premiums. Whenever LocalTapiola amends an insurance contract, in connection with a request for payment LocalTapiola submits to the policyholder a notification of how the premium is adjusted or how the other contract terms and conditions are amended. This notification makes a mention of the policyholder's right to cancel the insurance. Any amendments and adjustments become effective from the start of the insurance period which next follows in one month of submitting the notification.

13 LocalTapiola's right of recovery

An injured party's right to claim from a third person an amount of compensation which the insurance company has paid to that party transfers to the insurance company.

Where the third person is a private individual or an employee, a public official or some other person comparable to them under Section 1 of Chapter 3 of the Tort Liability Act, or if that person is the vehicle's owner, holder, driver or passenger, such right will transfer only if he or she has caused the insured event deliberately or through gross negligence.

Notwithstanding the above, the insurance company has a right of recovery against anyone who causes an accident:

1. while driving an insured object in such a condition that their blood alcohol content during or after such driving was equal to or greater than 1.2 g per mille or if their breath alcohol concentration was equal to or greater than 0.53 mg/l; or
2. while driving an insured object in such a condition that their ability to perform as required by the task was considerably hampered by an intoxicant other than alcohol or by a combination of such substances.

14 Measures to be taken in case of accident

Upon becoming aware of a traffic accident, policyholders must without undue delay communicate this to LocalTapiola or its representative. Loss reports may be filed electronically, on the telephone or by post using a loss report form. Policyholders are liable to submit to LocalTapiola all information and documents which are necessary to process a claim.

If compensation is sought from a policyholder or some other party involved in the incident, they must refer the claim to LocalTapiola.

15 Processing of claims data

We disclose data on the claims filed with LocalTapiola to the insurance companies' joint claims register.

In this conjunction we check what claims have been filed to other insurance companies. We use the data only in connection with claims handling to combat crime against insurance companies.

LocalTapiola has the right to record all claims-related telephone calls.

Comprehensive motor vehicle insurance for car dealerships

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1 Insurance eligibility criteria and purpose

The companies whose business registered in the Trade Register includes sales of motor vehicles or other sales of vehicles may be eligible for comprehensive motor vehicle insurance for car dealerships in the form of group insurance, when the proportion of vehicle sales of the turnover indicated by a company's profit and loss account prepared under the Accounting Decree (1339/1997) is greater than 50% and not less than one million euros and if a company also has an active group motor liability insurance policy with LocalTapiola.

The purpose of this insurance is to compensate for damage caused by the insured events determined later in these terms and conditions. The insurance policy and the insurance terms and conditions determine the key contents of an insurance contract.

2 Insurance types

This insurance may contain Extended or Limited comprehensive motor vehicle insurance for car dealerships. The scope of insurance cover is shown in the insurance policy.

Extended comprehensive motor vehicle insurance for car dealerships includes Emergency Road Service Cover for passenger cars, vans, lorries, campervans and motorcycles. It terminates once 15 years have elapsed from the date on which a vehicle was first taken into use.

3 Territorial limits

This insurance is in force in the Nordic countries.

In respect of vehicles purchased second-hand abroad, the insurance is in force for such time as it takes to drive from Europe to Finland, however not longer than for 14 days immediately following the transfer of ownership, even if a vehicle is not in use by a person who is in the permanent employ of a policyholder.

Where a vehicle is in use by a person who is in the permanent employ of a policyholder (Section 4.1), this insurance is also in force in Europe and in the non-European Green Card countries.

The insurance is however not in force in Iran, Russia or Belarus.

With regard to the use of any test plates and transfer permit, the validity of this insurance is limited to Finland, Sweden, Norway and Denmark.

4 Object of insurance

This insurance covers the vehicles owned by or in the permanent possession of a policyholder part of saleable stock or consignment stock.

4.1 Specifications to vehicles insured

The insurance covers any vehicles subject to registration only if a notification of the transfer of a vehicle's ownership or possession was submitted into the vehicle register within 7 days of such change. Where a notification of change is submitted later, insurance for the vehicle is reactivated as of the moment when the notification is sent.

Importer's comprehensive motor vehicle insurance for car dealerships also covers any unregistered new vehicles which have been imported and transferred into the importer's ownership. The above are also covered by this insurance whenever a vehicle is placed under the possession of a dealer and that dealer has not taken out any comprehensive motor vehicle insurance for car dealerships of their own.

All vehicles purchased second-hand and not registered in Finland are covered by this insurance for 4 months from the date on which their ownership transfers to a policyholder.

The insurance covers for up to 30 days the vehicles owned by a policyholder's customer whenever they are in use by, or under the responsibility of, the policyholder for the purposes of sales, servicing or repairs.

This insurance covers:

- any vehicle supplied from saleable stock for continuous use by anyone in the employ of a policyholder whose work duties are directly related to the accumulation of the turnover which serves as a reference for the purposes of determining the insurance premium;
- any vehicle supplied from saleable stock to some other person on a temporary basis for the duration of servicing or repairs or whilst a new vehicle purchased by that person is being delivered;
- the test plates registered in the name of a policyholder and communicated to the insurer used for sales and demonstration purposes and which the insurer has approved for inclusion in comprehensive motor vehicle insurance for car dealerships;
- any vehicle held for sale in Finland which a policyholder uses for demonstration purposes in a manner set out in Section 41 of the Car Tax Act under a transfer permit as defined in the Vehicles Act which permit is insured with comprehensive motor vehicle insurance for car dealerships.

In addition, Fire Cover, Theft Cover and Vandalism Cover provide indemnity to the boats, including their motors and equipment, owned by a policyholder when stored ashore in a location shown in the insurance policy.

4.2 Vehicles excluded from insurance

This insurance does not cover any:

- vehicle owned by a policyholder for purposes other than sales, such as driving-school vehicles, tow trucks or breakdown lorries, or any other vehicle held by a company as fixed assets;
- vehicle leased, rented or loaned without a driver;
- vehicle reserved for loan, lease or rental use;
- vehicle which for sales purposes is placed at the disposal of some other company engaged in the sales of motor vehicles, even where the vehicle is not registered in the name of said other company;
- vehicle or device exempt from the obligation to register and to take out motor liability insurance, unless otherwise agreed in the insurance policy;
- test plates the test plate certificate of which is not in force;
- vehicle supplied to customers or a policyholder's personnel after the conclusion of a contract of order, contract of sales or contract of leasing;

- parts and equipment separated from vehicles and boats;
- tyres separated from vehicles;
- fuel;
- vehicles held for sale in Finland which are used for demonstration purposes in a manner set out in Section 41 of the Car Tax Act and which have an active registration in a European Economic Area country;
- vehicles used for demonstration purposes in a manner set out in Section 41 of the Car Tax Act the ownership or possession of which was transferred from a policyholder to a new owner or holder.

5 Validity of insurance

A vehicle will become covered by comprehensive motor vehicle insurance for car dealerships once it transfers into a dealership's saleable stock or consignment stock.

The insurance covers any vehicles subject to registration only if a notification of the transfer of a vehicle's ownership or possession was submitted into the vehicle register within 7 days of such change. Where a notification of change is submitted later, insurance for the vehicle is reactivated as of the moment when the notification is sent. In the absence of any report on the time of day when registration was made, this is deemed to have taken place at 24:00.

5.1 All vehicles

This insurance is in force whenever the object of insurance is:

- kept stored at the indicated place of insurance;
- kept stored or in transit at a place other than the place of insurance for repair or servicing purposes;
- kept stored, in transit or being moved for sales and demonstration purposes at a location other than the place of insurance for up to 14 days, if less than one year has elapsed from the date on which a vehicle was first taken into use;
- kept stored, in transit or being moved in a test drive at a location other than the place of insurance for up to 7 days.

Place of insurance means a policyholder's place of business shown in the insurance policy.

5.2 Passenger cars, vans, campervans and caravans

With regard to passenger cars, vans, campervans and caravans, this insurance is in force whenever a vehicle is supplied to a policyholder's customer whilst that customer's own vehicle is being repaired or a vehicle purchased from a policyholder is being delivered.

5.3 Vehicles made available for test driving under temporary licence

No losses are covered in respect of any vehicle made available to a customer for test driving or otherwise for temporary use, unless before making a vehicle available in this manner:

- the customer's personal data and right to operate a vehicle were verified;

- a copy was made of the driver's licence;
- it was verified that the customer has a permanent residence or a known residence address in Finland;
- information was entered into an authorisation of use which also indicates the start and end time of the right of use, and the document in question was submitted to LocalTapiola.

As for any vehicle used for demonstration purposes in a manner set out in Section 41 of the Car Tax Act, comprehensive motor vehicle insurance for car dealerships is in force during test drives not longer than 3 days.

5.4 Vehicles made available under hire-purchase and leasing contracts

This insurance covers any vehicle made available to a customer under a hire-purchase or leasing contract if a vehicle based insurance policy was sought for that vehicle from the date of the transfer of possession but such policy was denied. The insurance remains active until the policyholder becomes aware of such vehicle based policy being denied.

5.5 Change of ownership

When the ownership of an insured object transfers to another, this insurance is in force to the benefit of the new owner in accordance with the Insurance Contracts Act.

As for any vehicle used for demonstration purposes in a manner set out in Section 41 of the Car Tax Act, the insurance terminates once the ownership or possession of a vehicle transfers from the policyholder.

6 Insured events covered

6.1 Collision Cover

This Cover compensates for direct property damage in accordance with Section 3.1 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers.

6.2 Deer Cover

This Cover compensates for direct property damage in accordance with Section 3.2 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers.

6.3 Fire Cover

This Cover compensates for direct property damage in accordance with Section 3.4 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers.

6.4 Theft Cover

This Cover compensates for direct property damage in accordance with Section 3.5 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers.

6.5 Vandalism Cover

This Cover compensates for direct property damage in accordance with Section 3.6 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers.

6.6 Emergency Road Service Cover

This Cover compensates for financial losses arising from interrupted travel in accordance with Section 4.1 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers. The object and validity of Emergency Road Service Cover are defined under Section 2 'Insurance types'.

6.7 Fraud and Return Cover

This Cover compensates for direct property damage caused by loss of an object whenever any vehicle made available to a customer for test driving or for some other temporary purpose was not returned within a time period agreed in writing and such loss of a vehicle is a result of deception by a customer which was reported to the police authorities and if the car dealership, a police authority or a customs authority does not become aware of the vehicle having been found within 30 days of the date on which LocalTapiola received information on the incident.

6.8 Financing Cover

6.8.1 Cover object

Financing Cover provides indemnity to any vehicle which does not have an active vehicle based insurance policy and which was assigned to a policyholder's saleable stock under a hire-purchase or leasing contract.

6.8.2 Insured event

This Cover provides indemnity against losses caused through damage to or loss of a vehicle made available to a customer under a temporary licence if such losses are not covered in full under the Covers set out in Sections 3.1–3.6 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers:

1. under Theft Cover, Vandalism Cover, Fire Cover or Collision Cover on the grounds that a vehicle was not locked;
2. under Collision Cover, Wild Animal Collision Cover, Deer Cover and Natural Phenomenon Cover as a result of a clause restricting the scope of cover, including:
 - losses caused by deficient circulation of oil, coolant or a cooling agent;
 - operating a vehicle on a road or some other area fully or in part covered by water;
 - losses caused by water to the control units of the functions of a vehicle (such as engine management control, transmission, traction control, air conditioning);
 - losses caused by a vehicle sinking through the ice;
 - losses caused by an animal aboard a vehicle.
3. under Collision Cover on the grounds that a vehicle remained decommissioned when an insured event occurred.

6.8.3 Amount of loss

LocalTapiola's maximum liability for compensation is the fair value of a vehicle. Fair value is defined in Section 5.5.3 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for

corporate customers. The amount of loss equals the repair costs of a vehicle, if repairing a vehicle under these insurance terms and conditions is feasible. Repairing is not feasible where the repair costs of a vehicle exceed the difference in the pre-incident and post-incident fair value of that vehicle.

Whenever calculating any amount of loss, no impact of any equipment and gear not part of an insured object and not owned by the insured is included in the fair value and amount of repair costs of a vehicle.

6.8.4 Other provisions

In other respects the provisions of Section 4.2 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers apply to this Cover.

6.9 Legal Expenses Cover

The purpose of Legal Expenses Cover of comprehensive motor vehicle insurance for car dealerships is to compensate for the necessary and reasonable legal expenses of legal aid in criminal cases concerning the operation of a motor vehicle. This Cover is in force to the benefit of the driver of a vehicle.

In other respects the provisions of Section 4.3 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers apply.

7 Losing motor liability insurance bonus benefit

Comprehensive motor vehicle insurance for car dealerships compensates for the estimated financial loss caused to a policyholder's customer through loss of the motor liability insurance bonus benefit, however not more than the amount of the compensation paid under motor liability insurance. Compensation is conditional on loss being caused through negligence of a person in a policyholder's employ and the vehicle being in that policyholder's use for the purposes of sales, servicing or repairs.

8 Scope of compensation

Property insurance covers direct damage to property caused by an insured event. Damage to property means that an item is damaged, destroyed or it disappears.

If a vehicle is damaged beyond roadworthiness on account of an insured event covered by this insurance, property insurance also compensates for the transport of that vehicle to the nearest repair shop where the vehicle can be repaired in an appropriate manner. In addition, the insurance covers the reasonable expenses of preventing or limiting an imminent risk of damage or damage which has occurred.

8.1 Cover restrictions and exclusions

Property insurance does not cover any:

- decrease in the value of a vehicle;
- improvements carried out in connection with repairing a vehicle;

- expenses of renewing or improving an insufficient or failed repair of a vehicle;
- loss of use of a vehicle (compensation for the loss of use of a vehicle) or any rental costs of a replacement car;
- normal wear and tear resulting from use, or any decrease in value caused through the additional kilometres driven with a vehicle during that vehicle's unauthorised use or alleged unauthorised use;
- loss of fuel;
- claim settlement costs, such as telephone or travel expenses;
- loss of earnings.

8.2 Deductibles

For every insured event, the insured is liable to pay a vehicle based deductible depending on the type of loss. The deductible is shown in the insurance policy. However, vehicle based deductibles are charged in respect of not more than five vehicles per any insured event.

8.2.1 Deviating deductibles

For loss and damage caused through theft and vandalism at any one time, only one (the highest) deductible under these terms and conditions is deducted, if the loss or damage is caused to the same vehicle.

In losses caused through theft where a vehicle is taken using the vehicle's own keys, the deductible is 50% of the amount of loss. However, the deductible is never less than the equivalent of five times the Theft Cover deductible in EUR shown in the insurance policy.

In respect of loss and damage caused through theft and vandalism, the deductible is doubled if an outdoor area of a property under the control of a policyholder where a vehicle is kept is not fenced and not equipped with the locks and types of surveillance which are appropriate and sufficiently efficient for protection purposes.

Any loss or damage caused through theft outside the Nordic countries has a deductible equivalent to 30% of the amount of loss. However, the deductible is never less than the equivalent of three times the Theft Cover deductible in EUR shown in the insurance policy.

8.2.2 Order in which deductibles and other deductions are deducted

All deductibles and the other deductions referred to in these terms and conditions are calculated on the amount of loss in the following order:

1. VAT element
2. other deductible tax
3. basic deductible
4. any reduction of compensation
5. percentage deductible.

8.3 Other provisions

In other respects the provisions of Section 5 of the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers apply.

9 Safety regulations

The purpose of the safety regulations is to prevent the risk of damage and to mitigate any damage caused. The insured and anyone likened with the insured must comply with the safety regulations. Compensation is reduced or it may be denied if non-compliance with a safety regulation contributes to an insured event.

The safety regulations set out in the terms and conditions of LocalTapiola's Comprehensive motor vehicle insurance for corporate customers apply to comprehensive motor vehicle insurance for car dealerships, together with the following special safety regulations:

- If not all the keys belonging to a vehicle are supplied with that vehicle, the policyholder must take the necessary steps to prevent any unauthorised use of the vehicle, for instance by rekeying the locks and/or reprogramming the devices which prevent unauthorised use of the vehicle.
- The condition and equipment of all vehicles returned after a test drive must be inspected immediately after test driving.
- The keys to all vehicles, vehicle shelters and vehicle equipment must be kept inside a building in a locked cabinet or similar.
- No vehicle, boat or any motor thereof must be kept inside another unlocked vehicle, combination of vehicles or trailer not equipped with a device to prevent unauthorised use.
- To prevent losses caused through theft, all doors leading to buildings must be equipped with locks approved by insurance companies.
- Anyone repairing a vehicle must be in possession of a valid hot work licence.

10 Limitations of liability

This insurance does not cover any loss or damage caused to a vehicle which is under repair or being serviced, or on which some other work is being performed, directly by that performance. However, this insurance covers loss and damage caused by an outbreak of fire.

11 Termination of insurance

11.1 Policyholder's right to cancel insurance

Policyholders may cancel comprehensive motor vehicle insurance for car dealerships at any time during an insurance period.

A policy will terminate one month from the date of the notice of cancellation. Any cancellation must be made in writing.

11.2 LocalTapiola's right to cancel insurance

If a policyholder, notwithstanding a written reminder from LocalTapiola, neglects any regulations and safety regulations set out in the insurance terms and conditions, LocalTapiola will cancel the insurance. A policy will terminate 14 days from the date of the notice of cancellation.

LocalTapiola may cancel a policy at any point during an insurance period. A policy will terminate two months from the date of the notice of cancellation.

12 Applicable insurance terms and conditions

In addition to these terms and conditions, the terms and conditions of Comprehensive motor vehicle insurance for corporate customers and the General terms and conditions for corporate customers apply, together with any written special conditions that may have been agreed upon on an individual company basis.

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):

LähiTapiola **Etelä** (0139557-7) | LähiTapiola **Etelä-Pohjanmaa** (0178281-7) | LokalTapiola **Sydkusten** -
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.

