

YTK Worklife's Group legal expenses insurance

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1 Purpose of the insurance

The purpose of this insurance is to cover an insured party's necessary and reasonable legal expenses of using legal aid in a dispute or a criminal case whenever an insured party is party to any of the insured events referred to in Section 5 of these insurance terms and conditions.

2 Policyholder and insured parties

The policyholder is YTK Worklife.

The insured parties are the individual association members who have appropriately paid their membership fees set out in YTK Worklife's rules whenever:

- an insured event relates to an insured party's current or terminated employment relationship, public-service employment relationship, some other equivalent service relationship, or service as a Chief Executive Officer;
- membership with YTK Worklife has lasted for a minimum of an uninterrupted period of six months when an insured event occurs.

3 Insurance period

The insurance period equals the calendar year.

4 Courts of law, and territorial limits

An insured party may avail of this insurance in the disputes or criminal cases set out in Section 5 which can be directly referred to a district court in Finland or the other Nordic countries or to a corresponding Nordic court.

This insurance does not cover any expenses in cases which come before the administrative authorities or special courts. However, an insured party may avail of this insurance in any matter:

- which can be referred to the Insurance Court and which concerns a workers' compensation insurance claim processed under the Workers' Compensation Act; or
- in which a matter concerning a public official is processed in administrative proceedings owing to the civil service laws. In such cases the equivalent costs which would be reimbursed to an employed insured party in the general courts will be reimbursed to a public official.

5 Insured events covered

This insurance only covers the insured events which relate to an insured person's current or previous employment relationship or service as a public official or a Chief Executive Officer.

5.1 Insured event in disputes

The insured event compensable under this insurance is the materialisation of a dispute. A dispute materialises when it is established that a claim, the merit or the quantum of which has been set out, is specifically contested in writing with respect to the merit or the quantum.

5.2 Insured event in criminal cases

The insured event compensable under this insurance is criminal prosecution. A criminal prosecution is brought when a summons has arrived at the office of the district court.

5.3 Time of insured event, and validity of insurance

This insurance covers the insured events which occur during the period of validity of this insurance.

If this insurance has been in force in respect of an insured party for less than two years when an insured event occurs, the factors on which any dispute, claim or criminal prosecution is based must have occurred during the period of validity of that insured party's membership with YTK Worklife.

The period of validity of this insurance includes all the time which this insurance alone or consecutively together with any other expired legal expenses insurances with equivalent content has been in force without interruption with respect to an insured party at one or several insurance companies. However, where several legal expenses insurance policies are active when an insured event occurs, the period of validity of this insurance is deemed to include this insurance only.

5.4 Single insured event

Matters are considered to constitute a single insured event whenever:

- two or more insured parties covered by this insurance are on the same side in a dispute or a criminal case; or
- an insured party has pending several disputes or criminal cases which are based on the same event, circumstance, legal act, tort or claim, or on similar claims of differing merits.

6 Exclusions to insured events

This insurance does not cover the insured parties' expenses in cases:

1. which concern the terms of any termination of an employment relationship whenever terminating an employment relationship in the course of the employment relationship;
2. which concern a guarantee, a pledge or some other commitment towards any debt taken or commitment made by a third party for that party's gainful activity, trade or business;
3. which concern any loan granted to a third party's gainful activity, trade or business;
4. which concern a criminal prosecution conducted by the public prosecutor against an insured party on an intentional act, gross negligence or an act which that insured party committed under the influence of alcohol, some other drugs or a pharmaceutical substance abused by the insured party;
5. which concern any claims for damages or any other claims against an insured party which are based on an act in respect of which no defence costs or pre-trial investigation costs are covered by this insurance, even where the prosecutor would not bring any prosecution or discontinues the proceedings;

6. which concern a civil claim or some other claim presented by an insured party which is based on an act referred to above;
7. which concern a restraining order, unless it is the insured party concerned who requests the restraining order;
8. the costs of which are reimbursed to an insured party under liability insurance or some other legal expenses insurance;
9. which concern distraint, contested enforcement referred to in the Enforcement Code, or the enforcement of any distraint;
10. which concern bankruptcy;
11. where it is contested whether or not the expenses arising from an insured event which an insured party has reported are coverable under this legal expenses insurance either in full or in part;
12. which concern an insured party's business activities, partnership in a company or membership in any administrative organs of a company. However, this exclusion does not apply to any non-competition matters;
13. which concern an appeal lodged against any filling of a post;
14. which deal with a patent or some other intangible right;
15. where insured parties are the opposing parties.

7 Measures to be taken in case of insured events

7.1 Where an insured party wishes to avail of this insurance, this must be communicated to the insurer in writing in advance. The insurer will then issue a written claim settlement decision to the insured party concerned.

7.2 Insured parties must appoint as their attorney an attorney-at-law, a public legal aid attorney or some other lawyer who may legally serve as an attorney or legal counsel in the Nordic countries. No compensation is paid under this insurance if the insured party concerned does not appoint an attorney at all or appoints an attorney other than an attorney described above.

7.3 In litigation and in any settlement discussions, insured parties must demand the opposing party to cover their legal expenses in full. Where an insured party fails to submit a cost claim or gratuitously withdraws it in part or in full, the compensation payable under this insurance may be reduced or it may be denied.

7.4 An insured party does not have the right to concede, in a manner that would be binding on the insurer, the amount of the expenses incurred by the settlement of the case. Any reimbursement of an attorney's fees and expenses made by an insured party to the attorney is not binding on the insurer when assessing the reasonableness of the legal expenses.

8 Liability provisions

8.1 Sum insured

The sum insured under the insurance contract, €10,000, is the insurer's maximum liability for compensation with respect to every insured event.

As for any several insured events of an individual insured party which occur during a single insurance period, the insurer's maximum total liability for compensation is €10,000.

As for any several insured events of two or more insured parties which occur during one insurance period, the insurer's joint maximum liability for compensation is not more than €30,000 if:

- one or several industrial actions cause several insured events; or
- the disputes or criminal cases which concern the insured parties of this insurance are based on any layoffs, termination or cancellation of employment relationships, public-service employment relationships or service relationships or breach of the conditions of employment relationships, public-service employment relationships or service relationships by the same employer or employers that are part of the same group. Correspondingly, in the case of public officials the relevant public entities are considered employers. In these scenarios, the costs covered by this insurance are paid to the policyholder or to a party specified by the policyholder.

8.2 Deductible

All expenses covered by this insurance are subject to a 15% deductible, as shown in the insurance contract, for which the relevant insured party is liable, however never less than €250.

8.3 Expenses covered

This insurance covers an insured party's necessary and reasonable legal expenses which arise from an insured event as follows:

8.3.1 In a dispute

The costs of using an attorney and of any presentation of evidence incurred to an insured party and the expenses other than the opposing party's settled legal expenses that the insured party is ordered to pay in a final decision by a court, on the same terms as those applied to the insured party's own legal expenses.

If bringing a dispute before a court is conditional on some legal act, or on a judgment passed by the authorities or a judgment passed in any discharge of duties, any expenses are covered as of the moment when said condition was fulfilled.

8.3.2 As the injured party in a criminal case

The legal expenses of using an attorney and of any presentation of evidence incurred to an insured party insofar as the case at issue concerns the insured party's civil claim which arises from a criminal offence and which does not concern legal expenses.

8.3.3 As the defendant in a criminal case

The legal expenses of using an attorney and of any presentation of evidence incurred to an insured party, excluding all criminal cases where a criminal prosecution is conducted by the public prosecutor against an insured party on an intentional act, gross negligence or an act which that insured party committed under the influence of alcohol, some other drugs or a pharmaceutical substance abused by the insured party.

8.3.4 On appealing to Court of Appeal, Supreme Court or Supreme Administrative Court

This insurance covers an insured party's costs of preparing a leave for continued consideration and an appeal to the Court of Appeal, even where no leave for continued consideration is granted.

If an appeal to the Supreme Court or to the Supreme Administrative Court is subject to leave to appeal, this insurance covers the costs of appeal only if such leave is granted.

The costs of any extraordinary appeals are covered only if the Supreme Court or the Supreme Administrative Court approves the complaint, revises the judgment or restores the status quo ante.

8.3.5 Collective interest

If a case concerns an interest materially other than an insured party's own interest, or if an insured party has in the case an interest to safeguard which that insured party shares with persons not covered by this insurance, the insurance only covers the costs which are deemed to be attributable to the insured party.

8.4 Amount and calculation of indemnity

The legal expenses covered by this insurance are awarded in accordance with the guidance governing legal expenses laid down in the Code of Judicial Procedure or the Criminal Procedure Act. If, following any cognovit by the parties, the court does not rule on any legal expenses in its judgment, or if the case is resolved amicably, the compensable costs are also awarded with reference to the costs awarded or paid in comparable cases.

In respect of the costs of using an attorney, the reasonable fee for the attorney's work and any necessary costs are covered. When determining the reasonableness of the fee and the expenses, the value of the benefit at issue, the complexity and scope of the case, and the volume and quality of the work carried out are considered.

Costs are covered up to the costs which the court orders an insured party's opposing party to pay, unless the court expressly holds, by virtue of the reasons set out in its judgment, that the insured party is to bear the costs in part or in full.

However, the maximum amount of the expenses covered is not higher than the cost claim presented by an insured party to his or her opposing party.

If the monetary value of a benefit in issue can be determined, the compensable expenses may total, within the limits of the sum insured, no more than the benefit in issue multiplied by two or, if the matter in dispute concerns a recurring payment, in assessing the amount of the compensable expenses they are, within the limits of the sum insured, not to exceed the lump-sum benefit in issue multiplied by ten. When assessing the amount of a benefit, any claims for interest expenses and those for legal expenses are ignored.

The compensation for any legal expenses of the opposing party which an insured party is ordered to pay is not higher than one half of the sum insured, and in

the matters referred to in the previous paragraph it is not higher than the amount which the insured party's own compensable legal expenses can be.

8.5 Expenses not covered by insurance

This insurance does not cover:

- any costs incurred by measures taken prior to an insured event or by any preliminary investigation of a case;
- any costs of settling a contested case as a result of which an insured party abandons its claims against the opposing party;
- any costs of acquiring expert legal opinion;
- an insured party's waste of time, own work, loss of income or earnings, travel, subsistence expenses or the additional expenses of replacing an attorney or of any action by the insured party which increases the expenses or incurs unnecessary expenses;
- any expenses arising from the enforcement of a judgment or a decision;
- any fees or expenses of an arbitrator or a mediator;
- any costs of reporting a criminal offence to the police, of requesting an investigation, or of any pre-trial investigation of a criminal case. However, expenses are reimbursed to an insured party who is suspected of being guilty of an offence when-ever a) a pre-trial investigation results in legal proceedings the expenses of which are covered by this insurance, or b) a decision not to prosecute is taken in respect of a case which was subjected to a pre-trial investigation, or where a pre-trial investigation is terminated without bringing any charges.

8.6 Other liability provisions

8.6.1 Timing of payment of compensation

The insurer reimburses for an insured party's legal expenses after a ruling by a court or once the case has been settled amicably.

The final reimbursement is made after an insured party, upon request by the insurer, has proved that he or she has paid the relevant deductible to the attorney.

8.6.2 Insured party's legal expenses and costs of taking evidence which opposing party is ordered to pay

8.6.2.1 The legal expenses and costs of taking evidence which an insured party's opposing party is ordered to or undertakes to pay that insured party are deemed as reducing the insurer's liability for compensation, if these expenses and costs are recovered from the debtor.

8.6.2.2 If the opposing party is ordered to or undertakes to pay an insured party any legal expenses or costs of taking evidence which remain unpaid at the point when paying any compensation under this insurance, the insured party is liable to transfer his or her right to these expenses and costs to the insurer up to the compensation paid by the insurer. For the purpose of paying compensation, the insured party must also submit an enforceable judgment.

8.6.2.3 If it has been necessary for an insured party to pay some of his or her own legal expenses or costs of taking evidence by reason of them exceeding the maximum compensation referred to in Section 8.1, the insured party is liable to transfer to the insurer the proportion of the opposing party's reimbursement of expenses which exceeds the proportion paid by the insured party.

8.6.2.4 If the legal expenses or costs of taking evidence which an insured party's opposing party is ordered to or undertakes to pay is paid to the insured party or if he or she otherwise claims it to his or her benefit, the insured party must return to the insurer the reimbursement of expenses, with interest, up to the amount of the compensation paid under this insurance.

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 **Sydusten** -
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.

