



Forest insurance

PRODUCT DESCRIPTION
Valid as of 1 January 2025

 **LOCALTAPIOLA**

LocalTapiola – putting your finances, health and security first

For many of us, a secure life for our loved ones is a priority. Feeling secure gives you the confidence to live more and to the fullest. We are a customer-owned lifelong security company. It means that we put our customers' and their loved ones' security, finances and health first.

Omaetu rewards

We reward you based on how much you concentrate your purchases with LocalTapiola. Enjoy up to a 17% discount on your premiums. lahitapiola.fi/omaetu

Be a LocalTapiola owner-customer – enjoy benefits and contribute

Mutual companies are special, because it's the policyholders who own them. As an owner-customer, you benefit from our results and can contribute to how we do business.

Insurance information in our online service

Find all information on your insurance contract and the related terms and conditions in our online service. The service also allows you to update your policies whenever need be.

Contents

Forest insurance	4
What can I insure under Forest insurance?.....	5
Forest property	5
Forestry inventory and buildings.....	5
Insurance for forestry activities	5
Forest insurance and premiums	6
What affects the level of my premium?	7
Perils insured under Forest insurance.....	8
Fire.....	8
Storm	8
Snow.....	8
Insect.....	9
Flood	9
Fungal	9
Animal.....	9
Theft or vandalism	10
Damage to forestry inventory and buildings.....	10
What losses are not covered?.....	11
Here's how we cover forest losses.....	12
Insurance for forestry activities	14
Insuring a Christmas tree plantation	16
Insuring a curly birch stand	17
Other important points to consider	18

Forest insurance

Your forest is a valuable asset, and that's why it is so important to take great care of it. Good forest management helps maintain healthy forests. Yet even well-kept forests can be affected by many types of natural hazards. The most common ones include losses from storm, snow and insect pests as well as forest fires. Buyers rarely pay a lucrative price for damaged timber, which often ends up being used for energy purposes. Get the right insurance cover for your forest to protect the true value of your precious timber.

This product description tells you more about the key content of, and the essential exclusions to, our Forest insurance. For the detailed insurance information, see your insurance policy and the insurance terms and conditions, under which we cover any losses which occur.

What can I insure under Forest insurance?

Forest property

You can take out our Forest insurance to protect the trees, saplings and seedlings growing on forestry land at a forest holding. Additionally, this insurance covers all timber harvested at a holding, owned by the forest owner or a tenure holder and kept in a harvesting site or stored at a cutblock or roadside. As well as any slash intended for use for bioenergy, this insurance protects the tree seedlings intended for restocking, and the fertilisers intended for fertilising, forest at an insured holding. We cover these items up to €10,000. For the more precise specifications of what this insurance covers, see the Forest insurance terms and conditions.



Forest holding means an independent site that is recorded in the Real Estate Register under the register unit 'estate' and that has a unique reference number and name.

Forestry land encompasses a holding's productive forest land, poorly productive forest land, unproductive forest land, and other forestry land including forest roads, loading places and turning places. The timber growing on forestry land is covered by Forest insurance.

Unproductive forest land refers to forestry land with an annual increment of less than 0.1 cubic metres per hectare.

Poorly productive forest land means forestry land with an annual increment of 0.1 to 0.99 cubic metres per hectare.

Productive forest land encompasses forestry land with an annual increment of at least 1 cubic metre per hectare.

If your forest has a separate stand with a value which is significantly higher than the value of a normal production forest, you can choose to insure it specifically as a Christmas tree plantation or curly birch plantation. In the absence of a separate policy, special plantations are treated as equivalent to a corresponding production forest. That is why a curly birch stand, for example, would be treated similarly to a silver birch stand of an equivalent age.

This insurance does not cover the soil of forest holdings, any forest sites situated at a forest holding and conserved or protected voluntarily or under a law, or timber which has been further processed by sawing, planing or in some other manner, such as firewood and planks.

Forestry inventory and buildings

You can also choose to supplement your Forest insurance policy with cover for forestry inventory and buildings. Forestry inventory comprises all forest management and logging equipment, such as your chainsaws, clearing saws as well as skidding winches attached to the back of a tractor.

Forestry buildings are the buildings standing at a forest holding which are associated with forest management and logging, such as resting huts and storage buildings.

The maximum compensation in respect of any insured forestry inventory is €100,000, and for forestry buildings this is €50,000.

Insurance for forestry activities

Whenever you own any forest, you are automatically treated as a trader, because your income from forestry is capital income subject to tax. You can choose to supplement your Forest insurance policy with liability insurance and legal expenses insurance, which provide protection for professional activity.

Forest insurance and premiums

For every forest holding you wish to insure, select the perils you would like your policy to cover. When selecting these perils, however, you should remember that a cover against fire is always compulsory and if you would like to expand your policy, you must take out storm insurance before choosing any other covers. After that, you are free to select the perils against which you wish to insure.

Cover	Trees	Seedlings and saplings	Timber	Bioenergy	Unplanted seedlings	Fertilisers
Fire	X	X	X	X	X	X
Storm	X	X	X		X	X
Snow	X	X				
Insect	X	X				
Flood	X	X	X		X	X
Fungal	X	X				
Animal	X	X	X		X	X
Theft	X	X	X	X	X	X
Vandalism	X	X	X	X	X	X

Forestry buildings and inventory are covered for losses caused through fire, storm, theft, vandalism and external breakage.

A Forest insurance policy is unique for a specific forest holding. You can opt to insure all your holdings or just some of them. Separately for each forest holding you wish to insure, choose the perils insured, the deductible and the maximum storm compensation (€15, €26, or €35 per solid cubic metre [m^{3s}]).

Example:

You would like to insure three forest holdings, two of which are continental and one on an island. For the continental holdings, you choose a maximum storm compensation of €15/m^{3s}, and for the island holding this is set at €26/m^{3s}.

We retrieve the data on the holdings you wish to insure on the basis of the holding reference numbers you provide. The necessary data on the boundaries of your holdings are retrieved from the open data maintained by the National Land Survey of Finland and data on your individual forest compartments from the Finnish Forest Centre's open forest resource data. Based on the relevant forest compartment data, we identify the locality of these holdings. The surface areas necessary for determining your policy are calculated from the holding's compartment data. The insured surface area divides into surface area for seedling and sapling stands and surface area for thinning stands.



Forest compartment or forest compartment data mean a section of forest where the growth conditions and tree species composition are homogeneous.

As well as providing information on forest management needs and felling potential, the database of **forest resource data** maintained by the Finnish Forest Centre contains data on the distribution of forestry land, the volume and growth of the standing timber stock, and the distribution of development classes.

The surface area for seedling and sapling stands is calculated as comprising the surface areas of the following stand development classes from all compartments of the relevant holding:

- T1 (young seedling stand)
- T2 (advanced seedling stand)
- Y1 (overstory seedling stand)
- S0 (seed tree stand), and
- O5 (shelter tree stand)

The surface area for thinning stands is calculated as comprising the surface areas of the following stand development classes from all compartments of the relevant holding:

- O2 (young thinning stand)
- O3 (advanced thinning stand)
- O4 (mature stand)
- ER (uneven-aged stand)

Temporarily unstocked regeneration areas (AO) or the surface areas of road areas, poorly productive forest land or unproductive forest land are not included in the insured surface area. However, Forest insurance extends to them even though their surface area is excluded from calculation and, consequently, no premium is charged for them.

Example:

	Property identifier	Surface area, seedling and sapling stands	Surface area, thinning stands	Temporarily unstocked regeneration areas, road areas, poorly productive forest land, unproductive forest land
Holding 1	111-111-1111-1111	4	6	1
Holding 2	222-222-2222-2222	5	34	0.5
Holding 3	333-333-3333-3333	6.4	9.5	0
Total surface area, ha		16.4	49.5	1.5 (no charge)

The data of your Forest insurance policy remain unchanged for three insurance periods. For the fourth insurance period, these data are updated from the forest resource data database, and if there have been any changes in the stand development classes, the data are updated for your policy, which may affect the price of insurance.

By insuring your forest this way, we are able to place the insured holdings into our geographic information system, thereby allowing us to provide you with better service in the future, including by letting you know about potential risks to which your forest may be exposed.

What affects the level of my premium?

Your Forest insurance premium is affected by the following elements:

- surface area of the seedling/sapling stands and thinning stands of the forest holdings insured;
- locality of the forest holdings insured;
- level of the maximum storm insurance compensation;
- level of your deductible.

Forest insurance policies are full value policies where the correct surface areas and the correct locality are the basis on which all premiums are assessed. We retrieve these data from the forest resource data database. If you wish to amend any surface area data, this is possible, but please note that after three insurance periods, the data will nevertheless be updated from the forest resource data database.



In **full value policies**, the subject of insurance is always insured for the actual value it has at the time of loss. Only after a loss occurs will it become necessary to determine the value of the property.

Perils insured under Forest insurance

Please see below for a list of the losses which may entitle you to compensation from your Forest insurance policy, if you have included them in your policy. The related key exclusions are also shown here. Additionally, refer to the table on page 6, which shows the different perils insured.

Fire

This insurance covers losses caused through fire to forest trees, saplings and seedlings as well as losses from fire extinguishing measures. In addition, you are covered for the reasonable additional costs of independently preventing and limiting a forest fire as well as for the expenses of fire-watching ordered by the relevant rescue authority. The actual extinguishing or mop up costs are the responsibility of the wellbeing services counties.

Examples of what's covered

- 1) A forest owner thins a section of her forest and piles the logs along a forest track. The logs are still in the forest owner's possession. A fire breaks out in the forest, burning the log pile. This incident is covered by Forest insurance.
- 2) For personal use, a forest owner has some of his logs sawn into boards, which are also stored along a forest track. The pile of boards is destroyed by fire. This incident is not covered by Forest insurance, as the timber had already been processed further.

Storm

Nearly every year in the 2010s, powerful storms destroyed forest somewhere in Finland. The worst storms were the Asta, Veera and Lahja storms of 2010 and the Tapani and Hannu storms in 2011. Most storm damage is caused either by a downburst, felling entire trees in a single line in the same direction, or by whirlwinds that shatter trees in mid-trunk, throwing the rest around.

All reimbursement of storm damage sustained by trees is capped at a set maximum level. Forest insurance policies always cover the actual loss, but not more than the maximum compensation you have chosen. A low maximum compensation of €15 per damaged solid cubic metre is often more than enough to cover any financial losses caused by a storm. You can also set your maximum compensation at €26 or €35 per solid cubic metre. A high maximum compensation is recommended for forests where logging is particularly expensive, such as at archipelagos.



Maximum compensation is the highest limit of the compensation which an insurer is liable to pay for any one insured event or in losses caused at any one time to specific items of property.

Example of what's covered

A forest owner suffers a loss of 330 solid cubic metres in a storm. After harvesting the damaged timber, the felling value lost is estimated at €13/m³. This policy has a maximum compensation of €15/m³ and a deductible of €500. Here, the maximum compensation is not exhausted, and the reimbursement paid to the customer equals the felling value lost (€13/m³ x 330m³) – deductible of €500. The loss is also subject to withholding tax.

Snow

This insurance covers damage caused by snow to trees, saplings and seedlings. Heavy snow, which has usually become damp, breaks trees and branches and bends the trunks of young trees. Apart from areas with heavy snowfall, snow damage is common at high altitude, such as in forests on hill slopes at an altitude of over 200 metres. However, even one extended snowfall can cause snow damage anywhere in Finland.

Example of what's covered

A forest in central Finland sustains snow damage across an area of 40 hectares. The total volume of damaged timber is assessed at 323 solid cubic metres. The pre-damage value of this timber was €10,550. As a result of the damage, the felling value drops to €5,545. Trees are broken and downed all over the damaged area. A population of trees with potential for growth remains standing in the contiguous openings created, which is why this snow damage does not produce any underproductive stands within the meaning of the Finnish forestry management recommendations. No loss of expected value becomes compensable from this policy. The total damage to trees comes to €10,550 less the felling value of the trees, €5,545, and the deductible shown in the insurance policy. Additionally, the loss is subject to withholding tax.



Underproductivity means financial underproductivity in respect of timber production, as defined in the relevant forestry management recommendations, meaning that the basal area or number of trees which are viable from a forestry point of view is less than 50% of the minimum number or basal area of trees set out in the thinning models described in the forestry management recommendations. A seedling/sapling stand is underproductive when the number of viable trees there does not satisfy the regeneration obligation laid down in the Forest Act.

Insect

This insurance covers damage caused by insects to trees, saplings and seedlings. Bark beetles are the most common type of insect pests. Infestations of the larger eight-toothed European spruce bark beetle (*Ips typographus*) have been prevalent after years with heavy storm and snow damage, since a damaged tree is vulnerable to insects. The Forest Damages Prevention Act requires that all damaged coniferous trees be removed whenever the volume in solid cubic metres of these trees exceeds the thresholds laid down in the Act.

Insect damage caused to the same forest compartment is covered a maximum of two times.

This insurance does not cover any losses caused by the pinewood nematode and other nematodes.

Flood

This insurance covers flood damage caused through freshwater floods and ice dams to trees, saplings, seedlings, timber, seedlings kept for planting, or fertilisers. Water that stands in a forest for extended periods of time suffocates growth, eventually causing trees to die. Floods occur mainly because of dams built by beavers.

Losses from normal flooding, such as spring flooding, and from flooding which occurs frequently year after year at a particular area, are not covered by this insurance.

Fungal

This insurance covers fungal damage caused to trees, saplings and seedlings. Regionally, fungal diseases can cause severe damage to forests. A fungal disease caused by the fungus *Neonectria fuckeliana* has been prevalent in large areas of the Savo region in recent years, and blister rust has been detected in North Ostrobothnia. The *Brunchorstia* disease and pine needle cast are among the major fungal diseases affecting seedling and sapling stands.

This insurance does not cover any damage caused by wood decaying fungal diseases, such as *Heterobasidion* (root rot) occurring in pine or spruce trees. If trees or saplings are damaged in connection with logging or externally in some other manner and they catch a fungal disease, the associated losses are not covered by this insurance.

Animal

This insurance covers losses caused by animals, such as roe deer, lagomorphs, moles, beavers and birds, to trees, saplings, seedlings, timber, seedlings kept for planting, and fertilisers. The sizes of mole populations follow different cycles in various parts of Finland, but normally mole populations trend upward at intervals of 4–7 years. The losses caused by other animals are minor and remain at the regional level.

Damage which roe deer inflict on the same sapling stand is covered not more than twice.

However, the majority of all damage to sapling stands is caused by elk and other deer. The damage they cause is reimbursed from government funds, not under Forest insurance policies.

Example of what's covered

Moles damage a seedling stand in southern Finland. This stand, dominated by conifers, needs to be restocked since the number of seedlings drops to some 900 per hectare. Before the damage, seedlings numbered 1,600 per hectare. A total of 2.5 hectares are affected, and the policy has a deductible of €500. The value of the stand, determined by applying the auxiliary table of the summation approach published by Tapio, in this locality is €690/ha. The stand value is affected by the dominant height of trees, tree species, and forest type. 1,500 seedlings/ha is the indicative stand density for Southern Finland laid down in the requirements of the law. This damage to seedlings is covered by Forest insurance as follows:

1,600 seedlings/ha – 900 seedlings/ha
Indicative density 1,500 seedlings/ha
x 2.5ha – deductible of €500 = €305.

Additionally, the loss is subject to withholding tax.



Individually for every forest compartment, the **summation approach** determines the value of a forest holding as the sum of the value of the soil, the value of the seedling and sapling stands, the felling value of the growing stock, and any possible expected value.

The soil value, the value of the seedling and sapling stands as well as the coefficients employed to calculate the expected value are derived from tables determined individually for every region. The regional average timber prices covering several years are used to calculate the felling value of the growing stock.

Theft or vandalism

Choose one or both of these covers for your policy.

This insurance covers theft and/or damage caused through vandalism to trees, seedling and sapling stands, timber, slash intended for bioenergy, seedlings kept for planting, and fertilisers. Even though forest property is usually situated in remote locations, some dozens of incidents under this category are covered each year.

All theft and vandalism must be reported to the police.

Damage to forestry inventory and buildings

For this type of property, we always offer a comprehensive package of covers protecting against losses from fire, storm, theft, vandalism and external breakage. This means that you cannot choose just some of these covers – so if you decide to insure your inventory, for example, the protection we provide covers all the perils listed above.

Forestry buildings are not covered for any losses caused by the weight of snow. Inventory, meanwhile, is not covered against losses occurring outside the borders of Finland.

Examples of what's covered

- 1) At a forest logging site, a forest owner fells a tree that hits a nearby resting hut, damaging its roof. This external breakage is reimbursed from the forest owner's forestry buildings insurance policy.
- 2) Forestry inventory is insured for €10,000. The main items of this inventory include a chainsaw, clearing saw, other forestry tools and safety equipment. They are kept in a customer's van. The customer drives the van to Sweden to visit his brother. During that visit, the inventory is stolen from the locked car. These losses are not covered by our Forest insurance, as the theft did not occur in Finland.

What losses are not covered?

Please see below for the most common Forest insurance exclusions. To learn more about all exclusions, read the Forest insurance terms and conditions.

Forest insurance does not cover any of the following losses:

- losses which occur or start before your Forest insurance policy takes effect

Example:

Mid-March, when the snow starts to melt, sees the first news of damage caused over the winter by moles in western Uusimaa. For her forest in Lohja, a customer calling our insurance company at the end of March wants to take out a policy which also covers animal damage. The policy is activated immediately for fire and storm damage, but for animal damage this is possible only from the beginning of May when it will be possible to inspect the condition of the forest on site.

- losses insofar as they are reimbursed out of public funds

Example:

The Finnish Forest Centre grants you a 30% aid for the acquisition costs of fertilisers for use in the remedial fertilisation of your forest. Unfortunately, a forest fire burns the fertilisers before they are applied. Forest insurance reimburses you for that proportion of the acquisition costs of an equivalent amount of fertilisers for which no aid was received under the Temporary Act on the Financing of Sustainable Forestry ('Kamera').

- costs of forestation carried out after a forest stand has suffered damage;
- damage from drought, frost, ground frost, surface frost, cold spring wind, or nutrient deficiencies;
- damage caused by any contamination of air, soil or water;
- internal breakage of buildings and inventory;
- damage caused through the normal use, wear and tear, scratching, denting, corrosion, rusting, rotting or natural material fatigue of, or some other gradual phenomenon affecting, buildings and inventory.

For all exclusions affecting Forest insurance, see the insurance terms and conditions.

Here's how we cover forest losses

In order for losses to be covered by Forest insurance, a sufficiently large surface area must be affected by damage or an adequate volume of the growing stock or timber destroyed. The amount of loss must not be less than what is shown in the table below.

Damaged property	Maximum amount of loss covered
growing stock, or timber	15 solid cubic metres
seedling and sapling stands	contiguous area to be afforested of 0.5 hectares
slash intended for use for bioenergy	amount collected or intended to be collected from a 0.5-hectare area
seedlings kept for planting	number of seedlings intended for planting in a 0.5-hectare area

You are covered for losses from

- destruction
- unusability, or
- timber grade transition

which affect your standing trees, and timber.



Timber grade transition means that trees which have sustained damage need to be sold under a cheaper timber grade; for example, logs sold as pulpwood because their trunks are so severely shattered.

Additionally, you are covered for young trees losing some of their expected value because they need to be felled prematurely as a result of damage they have sustained.



Expected value means the future return flow from your growing stock calculated in present value.

The amount of the expected value lost in respect of your growing stock is derived using the coefficient, defined by Tapio Oy, employed to calculate the expected value and determined by applying the summation approach. This is subject to the condition that the trees at the forest compartment in question are rendered underproductive as a result of damage. For the definition of 'underproductive', see page 9.

How do we assess/calculate the amount of loss?

The amount of loss sustained by trees is calculated on the harvesting method-specific felling value of timber multiplied by the volume in solid cubic metres of the damaged **trees**. Felling value is determined as the three-month pre-loss average price of timber and as a price obtainable immediately after loss.

Example of what's covered

Snow damages a pine forest to the extent that 55 solid cubic metres is accepted as logs, 25 solid cubic metres need to be sold as pulpwood because of timber grade transition, and 30 solid cubic metres cannot be sold at all due to severe shattering. The three-month average price for timber is €50, and immediately after the loss timber sells for €45 per solid cubic metre and pulpwood for €20 per solid cubic metre.

$$\begin{aligned}
 &\text{The resulting amount of loss equals} \\
 &55\text{m}^{3\text{s}} \times (\text{€}50 - \text{€}45/\text{m}^{3\text{s}}) \\
 &+ 25\text{m}^{3\text{s}} \times (\text{€}50 - \text{€}20/\text{m}^{3\text{s}}) \\
 &+ 30\text{m}^{3\text{s}} \times \text{€}50/\text{m}^{3\text{s}} \\
 &= \text{€}275 + \text{€}750 + \text{€}1,500 \\
 &= \text{€}2,525.
 \end{aligned}$$

Before paying out the final compensation, we deduct from the amount of loss the deductible at the chosen level as well as withholding tax.

In connection with the felling of damaged trees, some undamaged trees are also harvested. The solid cubic metre volume of these trees is not included in the loss and no compensation is paid in respect of them.

For storm losses, the highest possible compensation we pay is the maximum compensation you have chosen, shown in your insurance policy.

As for **timber** losses, the basis for assessing the amount of loss is the sales price which the timber would have achieved immediately before the loss.

If damage is caused to **seedling and sapling stands**, the basis for assessing the amount of loss is the value of the stand, calculated by Tapio Oy, determined by employing the summation approach. This is subject to the condition that the stand is rendered underproductive as a result of damage. For the definition of 'underproductive', see page 9.

If damage is caused to **unplanted seedlings**, the basis for assessing the amount of loss is the replacement value of the seedlings.

If damage is caused to **fertilisers**, the basis for assessing the amount of loss is the replacement value of the fertilisers.

If damage is caused to any **forestry inventory**, the basis for assessing the amount of loss is the replacement value of the inventory less an annual reduction of 6% starting from the second year of use.

If damage is caused to any **forestry buildings**, the basis for assessing the amount of loss is the repair cost of the building whenever the building is repaired.

If a building is beyond repair, the amount of loss is the current value of the building less any possible residual value. The amount of loss cannot, however, be more than the fair value of the building.

Where a building that can be repaired is not repaired, the amount of loss equals as high a proportion of the estimated repair costs as is indicated by the ratio of the building's current value to its replacement value. The amount of loss cannot, however, be more than the fair value of the building.



Replacement value is the amount of money needed to obtain new equivalent property or the closest equivalent property to replace that which was damaged.

Fair value is the cash sales price of insured property at the moment of loss, meaning the price this property would achieve were it sold at market price. Account is taken of factors such as the item's age, period of utilisation, and usability when calculating fair value.

Current value is the monetary value calculated by subtracting from replacement value the amount that the property has lost in value through ageing, use, decreased usability or other such reasons.

Deductible

Every insured event is subject to the deductible shown in your insurance policy. This deductible is subtracted from the amount of compensation determined under the insurance terms and conditions. The deductible also applies in cases where the compensation payable equals the maximum compensation shown in your insurance policy.

The minimum Forest insurance deductible is €500. When you choose a higher deductible, this brings down your premium. We also offer the following deductible options: €1,000, €3,000, €5,000, €10,000, or €20,000.

Insurance for forestry activities

Forestry is always treated as a business activity, not covered by any insurance policies which provide protection for the private household. This is why it is essential to consider if you need these policies. You can take out business insurance also without any actual policy that covers forest.

Business insurance policies protect the policyholder and anyone living in the same household with that policyholder. Coverage also extends to tenure holders, even where they do not live in the same household with the policyholder.

The partners in a forestry partnership, beneficiaries to estates in co-ownership and shareholders of corporate enterprises are insured in forestry activities but not in any private activity.

Employees hired for forestry work, and other casual or unpaid work performers, are also covered by Forest insurance.

Forestry liability insurance

Our Forestry liability insurance covers bodily injuries and property damage caused to third parties through forestry management and logging work carried out in your own forest. This is subject to the condition that you as the forest owner are held legally liable for compensation for the loss or damage which occurs.

Liability insurance does not cover any loss or damage caused, for example:

- to the insured himself or herself, or to his or her property;
- to an additional insured;
- to any property in use or handled by, or in the care of, the insured;
- deliberately or through gross negligence.

For all exclusions affecting Forestry liability insurance, please see the insurance terms and conditions.

Examples of what's covered

- 1) The insured is carrying out logging in his own forest. A tree accidentally falls over a power line. The repair costs of the line are covered by Forestry liability insurance.
- 2) The insured borrows his neighbour's chainsaw for use in forest work. During a normal work performance, the saw breaks down beyond repair. As this damage affects property that is owned by another person but is in the care of the insured, the loss is not covered by Forestry liability insurance.

Choose the maximum compensation for your Forestry liability insurance policy from amongst the following options: €250,000, €500,000, or €1,000,000. Forestry liability insurance is subject to a fixed deductible of €200.

Forestry legal expenses insurance

Forestry legal expenses insurance covers expenses of legal aid in forestry-related disputes, criminal cases and non-contentious civil cases. This insurance provides protection against legal expenses such as those arising from timber deal disputes, including against lawyer's fees and costs of taking evidence. This is subject to the condition that you appoint as your attorney an attorney-at-law or a licensed legal counsel.

Legal expenses insurance does not provide cover against any of the following:

- matters which cannot be brought before a district court, such as administrative court matters;
- criminal cases where the public prosecutor brings criminal proceedings against the insured;
- costs of any pre-trial investigation of a criminal case;
- opposing party's legal expenses, or any other reimbursement which the insured is ordered to or undertakes to pay;
- the insured's own costs, such as waste of time, personal work input, or loss of earnings;
- costs associated with implementing a court judgment (such as foreclosure).

For all exclusions affecting Forestry legal expenses insurance, please see the insurance terms and conditions.

If a legal expenses insurance policy has been in force for less than two years when a covered insured event occurs, such as when a dispute materialises or criminal proceedings are initiated, the factors on which any dispute, claim or criminal prosecution is based must also have occurred after the policy was taken out, unless the insured has had a policy with the same content active without interruption with some other company.

Example of what's covered

A forest owner disagrees on the level of forest deduction right (metsävähennysoikeus) determined by the Tax Administration and uses an attorney to prepare a complaint. As this case is decided at an administrative court, Forestry legal expenses insurance does not cover the expenses of using an attorney.

Choose the maximum compensation for your Forestry legal expenses insurance policy from amongst the following options: €10,000, €20,000, or €50,000. All Forestry legal expenses insurance claims are subject to a deductible of 15% of the covered costs.

Insuring a Christmas tree plantation

You can choose to take out a Christmas tree plantation policy on sites such as ones growing Christmas trees or firs intended for sale. Usually, these areas form a part of a larger forest compartment, but they can also be insured separately under a specific policy. If you intend to insure the remainder of your forest holding at the same time, your Christmas tree plantation will be treated as a site that is separate from the rest of the holding. The smallest area we insure is 0.1 hectares. If Christmas tree plantations are not insured under a specific policy, they are regarded as normal spruce sapling stands.

This insurance does not extend to any saplings already felled at the compartment or any seedlings other than planted seedlings. Damage to naturally sown seedlings is covered in accordance with the Forest insurance terms and conditions. You cannot take out a Forest insurance policy on any areas growing ornamental conifers.

For the purposes of your policy, you must submit a map of and the relevant data on the forest compartment where the Christmas tree plantation you wish to insure is located.

Christmas tree plantations are covered for the same perils as the areas protected under Forest insurance, with the exception of fungal damage.

The compensation payable in respect of Christmas trees is per damaged seedling or sapling, not per damaged solid cubic metre or surface area.

With regard to seedlings and saplings of a Christmas tree plantation, this insurance pays the following lump-sum compensation:

- €1 per one seedling, if less than 3 years have elapsed from the year in which the damaged seedling was planted;
- €5 per one seedling, if 3 years or more have elapsed from the year in which the damaged seedling was planted;
- €20 per one sapling, if the height of the damaged sapling is more than 120cm or 7 years or more have elapsed from the year in which the sapling was planted.

The right to compensation is subject to the condition that not fewer than 50 seedlings/saplings of over 20 centimetres in height are damaged as a result of the same covered insured event and they are damaged so severely that they die or cannot be cultivated any longer.

The maximum compensation is capped at €45,000 per hectare, and this is subject to the deductible you have chosen for your policy as well as tax withholding.

Insuring a curly birch stand

You can choose to take out a curly birch policy on sites growing curly birch trees intended for sale. Usually, these areas form a part of a larger forest compartment, but they can also be insured separately under a specific policy. If you intend to insure the remainder of your forest holding at the same time, your curly birch stand will be treated as a site that is separate from the rest of the holding. The smallest area we insure is 0.1 hectares. If curly birch stands are not insured under a specific policy, they are regarded as normal silver birch stands.

This insurance does not extend to any trees already felled at the compartment.

For the purposes of your policy, you must submit a map of and the relevant data on the forest compartment where the curly birch stand you wish to insure is located.

Curly birch stands are covered for the same perils as the areas protected under Forest insurance.

The compensation payable in respect of curly birch stands is per damaged curly birch seedling, sapling or tree, not per damaged solid cubic metre or the surface area of the stand.

With regard to seedlings, saplings and trees of a curly birch stand, this insurance pays the following lump-sum compensation:

- €5 per one curly birch seedling grown, if less than 6 years have elapsed from the year in which the damaged seedling was planted;
- €15 per one curly birch sapling grown, if 6–10 years have elapsed from the year in which the damaged sapling was planted;
- €50 per one curly birch tree grown.

The right to compensation is subject to the condition that a seedling, sapling or tree is damaged as a result of a covered event so severely that it dies or cannot be cultivated any longer.

The maximum compensation is capped at €75,000 per hectare, and this is subject to the deductible you have chosen for your policy as well as tax withholding.

Other important points to consider

Updating and terminating an insurance contract

Policies can be updated

If you need to, you can always update your insurance cover. Contact LocalTapiola. Do not forget to let LocalTapiola know if there are any changes in your life situation which may affect your premium. Remember to communicate your new address and to update your policies as needed. With home insurance, you should report any change of address, changes in the surface area, new designated use of your dwelling, or renovation of the dwelling.

LocalTapiola may amend the terms of your insurance policy and the other contract terms and conditions, and adjust your premium, subject to the insurance terms and conditions and the Insurance Contracts Act. If we update your insurance contract, we'll send you information on the updates together with the insurance policy.

Insurance terminates

As the policyholder you have the right to cancel insurance at any time. This right of cancellation does not apply to any fixed-term policies of under 30 days.

Your insurance terminates when you submit a written notice of cancellation to LocalTapiola, unless you specify that your insurance should terminate at a later date.

LocalTapiola may cancel your insurance during an insurance period only in certain cases, which you can find in the Insurance Contracts Act. This may be due to deception by the policyholder or the insured, a change in circumstances which materially intensifies the insurance company's risk, or neglect on the part of the policyholder.

At the end of an insurance period, LocalTapiola may always cancel insurance in line with good insurance practice.

Your premium is collected from the beginning until the termination of your policy. Any returnable premiums will be reimbursed in connection with other premiums or returned to you.

Insurance must be paid in due time

You will receive all insurance invoices in good time, not later than 30 days before the due date. If you fail to pay an invoice by the due date, we'll send you a number of payment reminders. We'll be collecting a reminder surcharge for any payment reminders sent. If you fail to pay the second reminder, we will cancel your insurance to end in two weeks.

Remember to follow the safety regulations

The purpose of the safety regulations is to prevent damage and to mitigate the damage already caused. Failure to comply with the safety regulations may result in reduced or the denial of compensation. The safety regulations in Forest insurance concern e.g. making an open fire, removing unbarked softwood timber out of the forest, forestry, and maintenance and locking buildings and movable property.

All safety regulations can be read in the insurance terms and conditions.

On filing and settling claims

Report loss or damage to LocalTapiola at the earliest opportunity. You can submit a claim online at www.lahitapiola.fi. You can also call us or visit one of our offices.

Compensation must be sought from LocalTapiola within one year of the claimant becoming aware of:

- the valid insurance policy;
- the loss or damage and the resulting consequence.

In any case claims must be filed within ten years of loss or damage and the consequences thereof. If no claim is presented within this time period, the claimant will forfeit their entitlement to compensation.

Where claimants in bad faith provide incorrect or incomplete information, they may forfeit their entitlement to any compensation or the compensation payable may be reduced.

LocalTapiola issues a claim settlement decision within one month of reception of the necessary documents and information. If the payment of compensation is delayed, we undertake to pay the penalty interest laid down in the Interest Act.

Appeal

If you are dissatisfied with a decision you have received or if anything is unclear with your insurance contract, first contact us.

The appeal instructions are enclosed to all decisions, and they tell you in greater detail how you can appeal the decision in question. The appeal process varies depending on the type of insurance.

Read more at our website lahitapiola.fi/muutoksenhaku.

Processing of personal data

LocalTapiola ensures the protection of our customers' privacy, and we process all personal data, in line with data protection legislation, insurance legislation, and good data management and data processing practice.

Personal data are processed in order to offer LocalTapiola's products and services and to take care of customer relationships. Data may also be used for purposes such as marketing to customers.

LocalTapiola utilises automated decision-making and profiling in tasks including the making of insurance decisions and claim settlement decisions and the targeting of marketing efforts. Every service making use of automated decision-making notifies of this in connection with that service.

Personal data are mainly obtained directly from customers, parties authorised by customers, public registers maintained by the authorities, and the credit register. Personal data are disclosed to third parties only with the customer's consent or under a legislative provision.

Into the insurance companies' common claims register, LocalTapiola registers data on the claims filed with us and in this connection checks what claims have been submitted to other insurance companies. The data in the claims register are used in claims handling to combat abuses targeting insurance companies. Into the insurance companies' common fraudulent claims register, LocalTapiola registers data on the criminal offences and the suspected criminal offences targeting the insurance activities in which LocalTapiola engages and checks the customer data available in the register. Data in the fraudulent claims register are used in claims handling and in the processing of insurance matters to combat crime targeting insurance companies.

Know Your Customer data and other personal data may be used in investigating, exposing and preventing money laundering and terrorist financing. In addition, data may be disclosed to the authorities to initiate investigations of money laundering and terrorist financing and of criminal offences committed to obtain any property or proceeds of crime subject to money laundering or terrorist financing.

LocalTapiola saves telephone calls and chat sessions with customers to verify that a call or a chat session has taken place and to ensure service quality.

Privacy statements have been compiled with respect to LocalTapiola's personal data files, providing information on the personal data processed in the data files, on the processing of these personal data, and on the data subject's rights. To read more about the privacy statements and how personal data are processed, visit LocalTapiola's website lahitapiola.fi/henkilotietojenkasittely. Privacy statements are also available upon request by mail or via an email to tietosuoja@lahitapiola.fi.

Credit file

In connection with processing insurance applications, we'll check the insurance applicant's credit file in the register maintained by Suomen Asiakastieto Oy. If you are flagged in that register, we may not be able to grant you an insurance policy.

Information on LocalTapiola

The issuers of insurance policies are listed on the back cover. For your own insurer, see the offer and the insurance policy you have received.

The insurer's employee or intermediary may be paid compensation for selling products and services. This compensation may be based on the annual premium of the insurance in question or the number of products purchased.

An insurance company acting as the insurer may provide its customers personal recommendations on the insurances which it offers, if this is specifically agreed with the customer.

The distance-selling advance information is disclosed on the basis of Finnish legislation.

Safeguarding our customers' life

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.



LOCALTAPIOLA