

# Boat insurance

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## Contents

<b>Boat insurance .....</b>	<b>2</b>	<b>Boat legal expenses insurance .....</b>	<b>12</b>
1 Insurance and compensation terminology .....	2	1 Purpose of insurance .....	12
2 Safety regulations .....	2	2 Insureds .....	12
3 Subject matter of insurance .....	3	3 Courts of law and territorial limits .....	12
4 Validity of insurance .....	4	4 Perils insured .....	12
5 Boats used for rental and gainful purposes .....	4	5 Exclusions to insured events .....	13
6 Insurance covers .....	4	6 What to do after an insured event .....	13
7 General boat insurance exclusions .....	6	7 Indemnification regulations .....	14
8 Compensating for losses .....	7	8 Amount and calculation of compensation .....	14
9 Premium .....	10	9 Expenses not covered by insurance .....	15
<b>Boat liability insurance .....</b>	<b>10</b>	10 Other indemnification regulations .....	15
1 Insureds .....	10		
2 Territorial limits .....	10		
3 Perils insured .....	10		
4 Cover restrictions and exclusions .....	10		
5 Settlement of claims .....	11		
6 Indemnification regulations .....	12		

## Boat insurance

Boat insurance provides coverage against sudden and unforeseeable material damage to property that is insured in accordance with these terms and conditions, and against liability losses and legal expenses that concern boat use. Boat insurance also reimburses the costs specifically listed in the terms and conditions. Coverage is provided in accordance with an insurance contract concluded between the insurer and the policyholder. The insurance contract is composed of the policy document, these insurance terms and conditions and the General terms and conditions. The subject matters of insurance, the sums insured, the insurance covers selected and the deductibles are all shown in the policy document.

### 1 Insurance and compensation terminology

#### Policyholder

'Policyholder' means the party who concludes an insurance contract with the insurer. The policyholder is shown in the policy document.

#### Insured

'Insured' means the party for whose benefit insurance is in force.

#### Subject matter of insurance

The subject matter of insurance is the boat, motor or equipment shown in the policy document.

#### Insured event

'Insured event' means an event, usually chance by nature, that is eligible for insurance coverage, unless coverage is excluded for some reason.

#### Exclusion

'Exclusions' determine the events and losses that are not eligible for coverage.

#### Safety regulation

'Safety regulations' are guidelines which, when followed, can prevent or limit losses. If the policyholder, the insured or anyone likened with the insured fails to comply with the safety regulations, and this contributes to any loss or damage or the scope thereof, compensation can be reduced or it may be refused altogether.

#### Amount of compensation

'Amount of compensation' means the compensation that is payable for loss or damage. The amount of compensation is calculated by deducting from the amount of loss elements such as any possible age reductions and the deductible.

#### Deductible

'Deductible' means the amount of money, shown in the policy document or in the insurance terms and conditions, for which the policyholder has assumed liability. The deductible will be deducted from the amount of loss.

#### Fair value

'Fair value' means the cash price generally obtainable for the boat or boat part in the market situation on the day on which loss or damage occurs. Fair value is defined in more detail in Section 8.2.1.

#### Replacement value

The 'replacement value' of an item means the cash price of new identical property or property with the closest equivalent features of usage at which the insurer could acquire equivalent replacement property.

#### Residual value

'Residual value' means the value of the boat or boat part immediately after loss. Residual value is assessed by applying the same criteria that are applied when assessing the amount of loss.

## 2 Safety regulations

When complying with the regulations below, loss can be avoided or, if loss has already occurred, it can at least be limited. If these regulations are not followed, compensation can be reduced or it may even be refused (General terms and conditions, Section 6). The policyholder, any additional insureds and anyone likened with them under the law must comply with these regulations. These safety regulations apply to all insured events.

### 2.1 Fire safety

- Compliance must be ensured with all fire safety regulations issued by the relevant authorities.
- Appliances that are engine-driven, fuel-operated or liquefied gas-powered, and all electrical and other appliances as well as heaters, must be installed and operated in accordance with the manufacturer's instructions.
- No hot work is allowed inside the boat or in the boat shelter. Hot work means work that produces sparks, or where a flame or other heat is used, and that causes a risk of fire. Hot work includes welding, flame cutting, disk cutting, metal grinding and all work where a gas burner, some other open flame or a hot-air blower is used. Hot work is allowed at temporary hot work sites when the person performing hot work has a valid hot work licence and when compliance is ensured with the safety regulations that govern hot work. Adequate first-aid extinguishing equipment must be provided at all hot work sites. A hot work site must be guarded during work and for at least two hours after the end of work.

### 2.2 Prevention of boating losses

- When in use, boats must be seaworthy and adequately equipped and staffed considering the type, size and navigation area of the boat as well as the anticipated weather conditions.
- An appropriate lookout must be maintained whenever boating.
- Boats must be inspected for leaks upon launching.
- The structure and equipment of boats must meet the regulations laid down in the Water Traffic Act and the Water Traffic Decree, and the operator must have the qualifications set out in these statutes to operate the boat.
- Boats must never be operated by anyone who does not satisfy the requirements to operate the boat due to alcohol, medication, intoxicants, fatigue or some other distracting factor.

### 2.3 Prevention of losses during storage

- Keys providing access to the boat, jet ski or their shelter must never be left in the subject matter of insurance or in their vicinity.

- During storage, boats must be placed in such a way that a rise of the water level or movements of ice cannot damage them.
- Boats must be under the necessary supervision when not in use.
- Rainwater accumulating inside an unused boat must be removed and the operation of the automatic drainage system must be monitored in a timely manner.
- Boats must be moored such that the mooring lines will not unfasten, break or damage the boat.
- The thickness and tensile strength of the boat mooring lines must be proportionate to the size of the boat.
- Boats must receive adequate care, with due consideration of the weather conditions, and boats must be kept empty of any water, snow, ice and other cargo that affect the boat's buoyancy.
- In winter storage, the boat supports and the boat shelter must withstand the loads caused by winter.
- The boat lay-up cradle must be of a design suitable for the boat type in question, and it must be adequate in relation to the boat size and weight. The lay-up cradle must be of such structure and material that it can withstand all ordinary weather conditions.
- The proper working order of the boat lay-up cradle, trailer rollers and keel rollers must be ensured to keep them from damaging the boat. Boats must be fastened to their lay-up cradle such that the boat will not be damaged.
- Never leave any valuable property or other property that is susceptible to theft in a visible place in the boat.

#### 2.4 Prevention of transport losses

- When transporting the boat using some other transport equipment, compliance must be ensured with all in-force regulations and orders issued by the relevant authorities.
- The characteristics of the trailer must be suitable for the transportation and storage of the boat.
- The technical condition of the transport equipment used must be verified before commencing the transport, and the load straps and fastening lines must be of adequate strength to transport the object.
- For the duration of transport, the boat cover and the other equipment must be either removed from the boat or fastened such that they will not be damaged or damage the boat.
- Whenever transporting the boat on a trailer, it must be ensured that the boat is properly placed and fastened onto the transport trailer such that the trailer structures will not damage the boat.
- Whenever transporting the boat on a trailer, it must be ensured that the outboard motor or sterndrive is locked in the transport position.

### 3 Subject matter of insurance

#### 3.1 Boat and equipment

This insurance provides coverage for the boat and the boat equipment shown in the policy document. Their value is included in the sum insured.

Boat and equipment mean the following parts:

- hull, and steering gear;
- motor(s) and related equipment;
- mast, boom, standing and running rigging, sails;
- electronic devices, and related software, needed in boating and permanently fixed to the boat, such as radars and plotters;
- boating equipment, such as anchors, ropes and fenders;
- rod holders permanently fixed to the boat;
- safety gear, such as life vests, lifebelts, flares and hand flares;
- boat cushions, linen and boat tableware;
- free-standing electronic devices used for boating are covered up to a maximum total of €2,000 when in the boat when the boat is used;
- boating items stored in the boat, such as binoculars, flotation suits and comparable safety articles needed in boating, up to a maximum total of €2,000;
- tools and boat spare parts stored in the boat and intended for use on the boat, up to a maximum total of €2,000;
- boat life rafts and dinghies, up to a maximum of €2,000;
- the boat's auxiliary vessel and the auxiliary vessel motor of up to 5 horsepower (3.7kW), up to a maximum total of €2,500;
- boat storage stands, cover accessories, launching and retrieving equipment and unregistered storage trailers are covered up to a maximum total of €2,000.

Construction materials intended for a boat under construction and stored in a locked space are covered up to a maximum total of €2,000.

*'Permanently fixed' means that the item cannot be detached from where it is fixed without tools.*

#### 3.2 Property excluded from boat insurance

Boat insurance does not provide coverage for any of the following:

- devices installed in breach of or not conforming to the relevant safety regulations or other official regulations;
- special paintwork;
- labels, decals and coatings not original to the boat;
- registered boat transport equipment;
- buoy equipment;
- fuels or lubricants;
- fishing, diving and water sports equipment or accessories (read more about getting supplementary cover in Section 6.8);
- rented or borrowed items;
- food, drink and tobacco products;
- watches, jewellery, sunglasses and spectacles;
- payment instruments;
- art, gems and articles of precious metal;
- animals;
- photographs and video recordings;
- cameras, mobile and smartphones and other devices not directly linked to boating, and software and files not linked to boating.

## 4 Validity of insurance

### 4.1 Insurance validity

Boat insurance is in force round the year regardless of whether the boat is on the water or ashore.

### 4.2 Territorial limits

Boat insurance is in force:

- in the inland waterways and territorial waters of Finland, Sweden, Norway and Denmark excluding Iceland, the Faroe Islands and Greenland;
- in the Baltic Sea and its bays, excluding the territorial waters of Russia;
- in the Saimaa and Kiel canals;
- in Kattegat and Skagerrak east of the Lindesnes–Heligoland–Wilhelmshaven line;
- in storage ashore in Finland, Sweden, Norway and Denmark as well as during transport within and between these countries.

Based on a separate assessment and subject to an additional fee, the territorial limits can be renegotiated, in which case the extended territorial limits will be indicated in the policy document.

### 4.3 Insurance is not in force

This insurance is not in force when:

- the boat is used for gainful purposes or it is in rental or charter use (unless specifically agreed and shown in the policy document);
- participating in a motor boat competition or a jet ski competition;
- the boat has been seized by public authorities or other measures by public authorities are in place against it;
- the boat is used in contravention of the law and regulations.

## 5 Boats used for rental and gainful purposes

This insurance can also be granted for a boat that is used for gainful, rental or charter purposes if this is expressly agreed and shown in the policy document.

Insurance of a boat that is used for gainful, rental or charter purposes is in force only in the inland waterways and territorial waters of Finland. This also applies to boat liability insurance and boat legal expenses insurance. Boat liability insurance of a boat that is used for gainful, rental or charter purposes does not provide coverage against any loss, damage or injury caused to passengers.

## 6 Insurance covers

An insurance policy can contain the insurance covers shown below, depending on the scope of the insurance cover chosen. The insurance covers selected for the boat are shown in the policy document.

### 6.1 Fire

This insurance provides coverage against direct property loss and damage that is caused by:

- an outbreak of fire;
- soot or smoke that rises suddenly and unforeseeably;
- an explosion.

This insurance also provides coverage against loss and damage that is caused when a lightning strikes the boat directly, whenever this leaves a visible mark.

### 6.2 Theft and vandalism

This insurance provides coverage against loss and damage caused to the subject matter of insurance through any of the following:

- theft or attempted theft;
- intentional vandalism;
- unauthorised use or attempted unauthorised use;
- break-in into a locked boat or into a locked space of the boat.

### 6.3 Storm and natural phenomenon

This insurance provides coverage against loss and damage caused by storm, whirlwind or downburst when the weather conditions have a causal link to the loss suffered. Additionally, this insurance also provides coverage against the boat sinking following an exceptional downpour.

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

*Rain is considered exceptional when rainfall at the location where the loss or damage occurs is at least 70mm in one day.*

### 6.4 Boating loss

This insurance provides coverage against sudden and unforeseeable boating losses caused while on the water to the subject matter of insurance by any of the following:

- running aground or ground touching;
- collision while on the water with an immobile or floating object, such as a jetty, sunken log or another vessel.

### 6.5 Storage and transport

This insurance provides coverage against claims caused by a sudden and unforeseeable external event that are due to:

- collisions that occur in connection with launching or lifting, when the subject matter of insurance is attached to a hoist or trailer;
- breakage by collision that occurs in connection with raising or lowering a mast;
- collisions that occur in connection with storage on land, such as when a tree falls on the boat or a vehicle collides with the boat;
- collisions that occur to the boat, motor or boat transport equipment ashore during transport.

In the event of transport damage, the transport company must be notified immediately.

### 6.6 Motor Breakdown Cover

Motor Breakdown Cover provides coverage against sudden and unforeseeable breakdown of the main motor, power transmission, propeller, generator, fore propeller, anchor winch and electrical winch up to 15 years of age that is caused by an internal factor.

Motor Breakdown Cover does not provide coverage against any of the following:

- breakdown that is covered by a valid warranty;
- losses caused by failure to comply with the motor operation and maintenance instructions;
- claims caused by a worn, corroded or deteriorated motor seal or by some other gradual damage.

The main motor's age determines the period for which this supplementary cover is in force. Motor Breakdown Cover can be granted for motors that are not more than 10 years old. Motor age is determined by reference to the year of manufacture defined based on the type number or the serial number. Motor Breakdown Cover expires at the end of the insurance period during which the motor reaches the age of 16 years.

The applicable deductible is shown in the policy document. In other respects, Motor Breakdown Cover is subject to the boat insurance terms and conditions, exclusions and safety regulations.

### 6.7 Mast and Rigging Cover

Mast and Rigging Cover provides coverage against loss of and damage to the boat's mast and rigging not more than 25 years old that is caused by a sudden and unforeseeable factor.

Mast and Rigging Cover does not provide coverage against losses caused to any carbon fibre masts or carbon fibre rigging. The boat's age determines the period for which Mast and Rigging Cover is in force.

This cover can be granted for boats that are not more than 20 years old.

Boat age is calculated by reference to the year of manufacture. Mast and Rigging Cover expires at the end of the insurance period during which the boat reaches the age of 26 years.

The applicable deductible is shown in the policy document. In claims arising during a sailing competition, the deductible is 25% of the amount of the covered loss, however not less than €1,000.

In other respects, Mast and Rigging Cover is subject to the boat insurance terms and conditions, exclusions and safety regulations.

### 6.8 Equipment Cover

This insurance provides coverage against loss of and damage to the fishing, water sports and diving accessories and equipment that the policyholder owns which are aboard the insured boat, in private use and related to the use of the insured boat. A condition for coverage is that the loss or damage is caused as a result of an event that, according to these terms and conditions, is covered by Fire Cover, Storm and Natural Phenomenon Cover, Theft and Vandalism Cover or Boating Loss Cover.

Additionally, this supplementary cover also provides coverage against losses caused as a result of an event that is covered by this boat insurance when the insured accessory or equipment suddenly and unforeseeably becomes detached, falls into the water or consequently disappears.

For the duration of storage, equipment that can be detached without tools must be locked inside the boat or in a locked permanently fixed space of the boat.

The maximum compensation amount and the deductible are shown in the policy document. In other respects, Equipment Cover is subject to the boat insurance terms and conditions, exclusions and safety regulations.

### 6.9 Financing Cover

Under Financing Cover, the relevant financial institution or pledgee is covered for loss of and damage caused to the boat in the event that coverage is refused or it is reduced under Sections 6.1, 6.2 or 7.1 of the General terms and conditions, or where the loss is excluded from coverage under the general boat insurance exclusions (Section 7) because:

- the boat or boat part was not locked or was not in a locked boat shelter at the moment of appropriation;
- the loss is due to a pet that was aboard the boat;
- the loss was caused as a result of covered property damage by deficient circulation of oil or coolant to the boat's motor, accessories, transmission assembly or cooling system.

#### 6.9.1 Cover restrictions and exclusions

This insurance does not provide coverage against any loss or damage that is caused by any of the following:

- fraud or embezzlement;
- failure to comply with the terms and conditions of a financing agreement.

#### 6.9.2 Insureds

The following parties are the insureds:

- the boat dealership engaged in the sales of boats that sold the boat subject to a reservation of title provision, or the financial institution to which the boat dealership transferred equivalent rights;
- the pledgee of the boat.

Financing Cover is in force only for the benefit of the pledgee or the financial institution that owns the boat. In accordance with the Insurance Contracts Act, the insurer is entitled to claim recovery of the compensation paid from whoever purchased the boat with financing or from the party responsible for the loss.

#### 6.9.3 Maximum amount of compensation

The maximum compensation is limited to the balance outstanding to the financial institution at the moment of loss, however not more than the amount of the loss caused as determined under the boat insurance terms and conditions.

No compensation will be awarded in respect of any overdue and unpaid instalments. From the compensation awarded can be deducted any overdue and unpaid premiums that relate to this insurance.

#### 6.9.4 Deductible

For every insured event, the insured is liable for the deductible shown in the policy document.

In other respects, Financing Cover is subject to the boat insurance terms and conditions.

## 7 General boat insurance exclusions

The general exclusions described herein, which set out what the insurance does not cover, apply to the insured events of all the above insurance covers. These general exclusions apply to the insured events of all the above insurance covers, regardless of the heading under which they are grouped.

### 7.1 Loss from structural or material defects or bad workmanship

This insurance does not provide coverage against any loss or damage caused:

- a) by faulty planning, design or installation;
- b) by a structural or manufacturing defect, or bad workmanship;
- c) by unsuitable or faulty parts or materials;
- d) to the boat by unseaworthiness that relates to the boat's structure, equipment or crew;
- e) if the maximum power or maximum weight recommended for the motor by the boat manufacturer is exceeded.

### 7.2 Gradual loss

This insurance does not provide coverage against loss or damage caused by any of the following:

- a) normal use;
- b) wear and tear;
- c) chafing;
- d) scratching;
- e) fading;
- f) corrosion;
- g) rusting;
- h) rotting;
- i) moulding;
- j) fungi;
- k) microbes;
- l) smell;
- m) moisture;
- n) condensation water; or
- o) some other gradual phenomenon.

### 7.3 Loss from weather phenomena

This insurance does not provide coverage against loss or damage caused by any of the following:

- a) heat;
- b) drought or drying;
- c) fallen rain, unless the loss is due to an exceptional downpour pursuant to Section 6.3;
- d) snow;
- e) frost;
- f) ice or freezing, or operating the boat in iced waters;
- g) frost heaving or ground subsidence;
- h) when the boat is damaged as a result of damage caused to the boat shelter from the weight of snow, ice or water;
- i) breakage of the subject matter of insurance following driving in heavy seas.

### 7.4 Disappearance and theft

This insurance does not provide coverage against loss or damage caused by any of the following:

- a) theft or attempted theft of an unlocked open boat or jet ski, unless the subject matter of insurance was locked to a pier, jetty or some other fixed object;
- b) theft or attempted theft of an outboard motor, unless the subject matter of insurance was locked with an outboard motor lock or attached by means of through-bolting to the boat's transom;
- c) theft or attempted theft of equipment, unless the subject matter of insurance was in a locked space or permanently fixed such that it cannot be detached without leaving traces of tampering or without tools;
- d) theft of a boat or jet ski on a trailer if the trailer does not have locking to prevent use, or if it is not locked to any immovable property or fixed object by means of appropriate locking. All jet skis on a trailer must be specifically locked to the trailer;
- e) fraud, embezzlement or similar deception or a breach of contract;
- f) disappearance, misplacement or falling into the water (for supplementary cover, see Section 6.8).

### 7.5 Breakage, failure and damage

This insurance does not provide coverage against any loss or damage that is caused:

- a) to accumulators, electrical apparatuses, wires, wire harnesses or motor electronic control units if the loss is caused when they, or any related wiring or wire harness, overheat, short circuit or sustain an overvoltage or some other internal failure;
- b) by internal breakage of the boat or any boat equipment;
- c) to the motor, devices and power transmission by their technical fault, unless the policy contains Motor Breakdown Cover (for supplementary cover, see Section 6.6);
- d) by an incorrect or missing lubricant or failure of the lubrication system;
- e) by an incorrect or missing coolant or failure of the cooling system;
- f) by any foreign objects, such as rocks, sand, trash or ropes, that enter the water jet propulsion system;
- g) by insects, vermin or the behaviour of a pet;
- h) if the boat sinks at berth, unless the boat sinks or sustains damage of some other type following a covered insured event.

### 7.6 Other exclusions

This insurance does not provide coverage against any of the following:

- a) losses that can be compensated under the law, a warranty or some other commitment or insurance, or from public funds;
- b) financial losses;
- c) events for which the time, scene and events cannot be determined accurately.

### 7.7 Loss from war or nuclear damage

This insurance does not provide coverage against any claims that are due to a war, armed conflict, other similar action destabilising social order, or nuclear damage as defined in the Nuclear Liability Act or a subsequent equivalent act.

## 8 Compensating for losses

### 8.1 Sum insured

‘Sum insured’ means the monetary value indicated in the policy document for the insured boat, motor, equipment or specifically determined items.

### 8.2 Assessing price of property and amount of loss

#### 8.2.1 Fair value

‘Fair value’ means the cash price generally obtainable for the property in the market situation on the day on which loss or damage occurs. When calculating fair value, consideration will be given to factors such as the item’s age, service life, condition and usability, as well as the other aspects affecting the cash sales price. Fair value does mean the selling price, asking price or trade-in value at a boat dealership but a price which a number of persons would have been prepared to pay for it in reality. This definition also applies to accessories. However, the value of items that are subject to an age reduction will be determined in accordance with the age reduction table of Section 8.2.3 on the basis of the item’s age.

Neither the sum insured nor the maximum compensation amount shown in the policy document is proof of the fair value of the property.

### 8.2.2 Maximum compensation liability

The insurer’s maximum compensation liability is limited to the fair value, or the value determined based on the age reduction table in Section 8.2.3, of the boat or boat part. However, it is never more than the sum insured shown for the property in the policy document or the maximum compensation amount laid down in the insurance terms and conditions.

### 8.2.3 Age reductions

The fair value of the items listed in the age reduction table is determined by reference to the item’s age. The applicable age reduction is calculated based on the replacement value of a new equivalent item by applying the percentage reduction indicated by the item’s age shown in the table (for instance, the age reduction for an 8-year-old sterndrive is 20 per cent of replacement value).

The table treats the year in which the manufacture of the item was completed as the first year (1y), and it ends upon a new calendar year, irrespective of the time of year when the item was taken into use. The maximum age reduction is limited to the maximum reduction shown in the table.

Item repair costs can be covered only up to the value calculated based on the age reduction table, even where the repair costs exceed this value.

## Age reduction table

Item / age in years	1 y	2 y	3 y	4 y	5 y	6 y	7 y	8 y	9 y	10 y	11 y	12 y	13 y	14 y	15 y	16 y	17 y	18 y
Motor components; lower gear unit of an outboard motor; sterndrive; and related components and equipment (such as propeller, power trim, and pumps); water jet propulsion system	0	0	0	0	5	10	15	20	25	30	35	40	45	50	55	60	65	70
Reduction and reversing gear; straight shaft and related propeller	0	0	0	0	5	10	15	20	25	30	35	40	45	50	55	60	65	70
Mast and rigging (aluminium and wood)	0	0	0	5	10	15	20	25	30	35	40	45	50	55	60	60	65	70
Mast and rigging (carbon fibre and other materials)	0	0	20	30	40	50	60	70	80	80	80	80	80	80	80	80	80	80
Sails	0	0	10	20	30	35	40	45	50	55	60	65	70	75	80	80	80	80
Electronic devices (including software)	0	0	20	30	40	50	60	70	80	80	80	80	80	80	80	80	80	80
Accumulator	0	0	20	40	60	80	90	90	90	90	90	90	90	90	90	90	90	90
Inflatable boat and related tubes	0	0	10	20	30	40	50	60	70	80	80	80	80	80	80	80	80	80
Refrigeration equipment and heaters	0	0	10	20	30	40	50	60	70	80	80	80	80	80	80	80	80	80
Seats, fabrics, upholstery, mats and other decorative textiles	0	0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80
Boat canopy and other covers	0	0	10	20	30	40	50	60	70	80	80	80	80	80	80	80	80	80
Flotation devices (such as life jackets and flotation suits)	0	0	10	20	30	40	50	60	70	80	80	80	80	80	80	80	80	80
Specifically insured fishing, diving and other water sports equipment and accessories	0	0	10	20	30	40	50	60	70	80	80	80	80	80	80	80	80	80

### 8.3 Indemnification criteria

#### 8.3.1 Direct property loss and damage and other expenses

This insurance provides coverage against sudden and unforeseeable direct loss of and damage to the subject matter of insurance that is caused as a result of an insured event.

Additionally, in respect of losses covered by this insurance, the following reasonable expenses are eligible for insurance coverage:

- expenses arising from preventing and limiting the loss;
- expenses of removing the wreck, when agreed with the insurer in advance and when this is essential to the safety of maritime traffic or environmental safety;
- expenses of the necessary transport of an inoperable boat to a repair shop, and expenses of hauling the boat out of water and from relaunching it, if agreed with the insurer in advance. Expenses for transport, laying-up and similar can be covered up to a maximum total of 5 per cent of the sum insured for the boat;
- boat return costs incurred following theft;

- additional expenses up to €1,000 necessary for the persons aboard the boat to return home, when loss occurs at a distance of more than 50 kilometres from the Finnish home port and the repair costs of the covered loss sustained by the boat are more than the deductible.

### 8.3.2 Compensation for temporary boat repair

Temporary repair of the boat is eligible for coverage only when the repair is carried out for the purpose of:

- rescuing the boat from an emergency following an insured event that is covered by boat insurance; or
- transporting the boat to a repair shop agreed with the insurer.

### 8.3.3 Excluded expenses

This insurance does not provide coverage against any of the following:

- depreciation or lost value of property;
- alterations or improvements carried out in connection with repairs;
- expenses incurred from remedying a defective or faulty repair;
- expenses or lost value that may be caused by differences in the shade of a new surface and an old one;
- expenses arising from difficulties with obtaining spare parts, equipment or a material or because their manufacturing has been discontinued;
- expenses arising from transporting or repairing the subject matter of insurance at inflated prices;
- expenses arising from a strike or work stoppage;
- expenses arising because damage is not repaired immediately or because the customer selects a repairer or a method of repair that deviates from the insurer's suggestion;
- expenses arising because, following loss, it has not been possible to use the boat;
- expenses that are indirectly related to claim settlement or the loss. These include telephone and travel expenses, use of own time, and loss of earnings.

### 8.3.4 Indemnification alternatives

The insurer has several alternatives to indemnify for losses, based on the amount of loss suffered and whether the damage can be repaired or not.

- As the primary option, the insurer will cover the repair costs or it pays a pre-agreed amount of the repair costs in cash. The following are treated as repair costs:
  - actual appropriate repair costs;
  - cost of transport to the nearest suitable repair shop or port of refuge;
  - laying-up costs during the repair period;
  - rigging costs;
  - boat storage stand transport costs;
  - return transport costs.
- The insurer can replace the subject matter of insurance or a part of it with an equivalent one or with one of equal value. If the party entitled to indemnity does not wish the damaged property to be replaced with equivalent property, even where it would be possible to obtain it, the amount of cash compensation will be calculated on the price at which the insurer could acquire equivalent replacement property.

- The insurer can pay lump-sum compensation. The maximum lump-sum compensation payable is limited to the fair value of the property before loss less the residual value of the damaged property (and less the deductible). 'Residual value' means the fair value of the property in its non-repaired state after loss. If compensation for damaged property is by way of lump-sum compensation, the property remains in the policyholder's ownership. The value of the property items shown in the age reduction table of Section 8.2.3 is determined according to that table.
- If the repair costs are more than 70% of the fair value of the subject matter of insurance, the insurer has a right to salvage the subject matter at fair value. Where the insurer salvages damaged property, it transfers into the insurer's ownership. The insurer has a right to decide the repair shop, repair location, repair method and transport method, and from where property will be acquired. The repair costs must be agreed with the insurer prior to starting any repairs.

### 8.3.5 Deductible

In every case of loss, the policyholder is liable for the deductible shown in the policy document, to be deducted from the amount of loss calculated in accordance with these insurance terms and conditions, except in the case of the deviating deductible discussed below. Different insurance covers may be subject to differing deductibles.

#### Increased deductibles

In addition to the deductible shown in the policy document, an additional deductible of 25 per cent of the amount of loss will be deducted if:

- loss occurs during a yacht race registered by Suomen Purjehdus ja Veneily ry, during some other organised yacht race, or during any related official training;
- loss is caused to any rigging manufactured of carbon fibre;
- the boat or jet ski is stolen outside the borders of Finland.

### 8.3.6 Impact of individual's conduct on compensation

The insurer can reduce compensation or refuse it altogether if the insured or anyone likened with the insured causes loss:

- while under the influence of alcohol or drugs;
- with intent or through gross negligence (General terms and conditions, Section 7.1);
- while using the boat for a criminal purpose, or to favour a criminal offence or a perpetrator of a criminal offence; or
- by failing to comply with the safety regulations set out in Section 2 of these insurance terms and conditions.

Compensation can also be reduced or it may be refused if the insured or anyone likened with the insured fails to comply with the applicable loss prevention and limitation measures (General terms and conditions, Section 6.2). Section 8 of the General terms and conditions discusses the persons who are likened with the insured.

### 8.3.7 Order of calculation of deductions

The deductibles and the other deductions and reductions set out in these terms and conditions or in the General terms and conditions are calculated on the amount of covered loss as consecutive calculations in the following order:

1. amount of any possible tax
2. age reductions
3. deductible
4. any possible percentage deductible or increased deductible
5. any possible reduction of compensation due to an individual's conduct, such as following failure to comply with the safety regulations.

### 8.3.8 Impact of taxation on amount of loss

Calculation of the amount of loss takes account of the applicable legal provisions on taxation, such as those governing the value added tax.

If, under the Value Added Tax Act, the insured is entitled to deduct the tax included in the damage repair costs, in the replacement costs of damaged property or in any other costs that are covered by insurance, compensation will be awarded net of the value added tax included in the costs.

All repairs, and all property to be acquired, are provided to and the relevant invoice will be addressed to the insured. Compensation will be awarded net of the value added tax whenever the damaged property, at the moment of loss, was in use in economic activities that are subject to the value added tax, or if the insured is, under the Value Added Tax Act, entitled to deduct the tax included in the acquisition cost of destroyed or lost property or in the acquisition cost of property that was damaged in some other manner.

### 8.4 What to do after insured event

All losses must be reported to the insurer without undue delay. The insurer must be afforded an opportunity to assess the loss that has occurred. The fact alone that the insurer inspects and assesses the loss does not directly imply that the loss is eligible for insurance coverage.

The claimant must provide the insurer with all documents and information that are necessary to assess the insurer's liability.

Damaged property must not be disposed of without a special reason.

#### What to do after a criminal offence

All criminal offences must be reported to the police without undue delay. Whenever claiming compensation for theft or vandalism, a copy of the relevant police report must be submitted to the insurer. The police report must indicate the registration number, as well as the production number or serial number of the boat or motor.

If stolen or lost property is recovered after the payment of compensation, the policyholder must without undue delay surrender the property to the insurer or return the compensation paid for that property.

## 9 Premium

Boat insurance premiums are affected by factors such as the characteristics of the policyholder or boat owner, holder or driver (such as age), the principal municipality of use, the boat characteristics, the area of use, the purpose of use, the scope of insurance cover, the deductible and the sum insured. The factors that affect the premium vary from one subject matter of insurance and boat type to another.

The insurer has a right to adjust the premium upon a new insurance period following changes in the policyholder's age and in the age of the subject matter of insurance, to better reflect the statistical risk of damage. For the other situations where the insurer has a right to adjust the premium, see the General terms and conditions.

## Boat liability insurance

### 1 Insureds

The insured persons are the owner and the holder of the private-use insured boat, as well as any person who operates the boat with their permission.

### 2 Territorial limits

The territorial limits of insurance are defined above under Section 4 of the boat insurance terms and conditions.

### 3 Perils insured

Boat liability insurance provides coverage against sudden and unforeseeable bodily injuries and property damage caused to third parties through the use of the insured boat which are discovered during the validity of insurance and for which the insured is held legally liable for compensation. In order to be covered by insurance, the claim must relate to circumstances where the boat is on the water, laid up or under transport. Based on boat liability insurance the insurer will also investigate the criteria and amount of the compensation demands presented to the insured, and will take care of litigation if legal proceedings are initiated to settle the claim.

### 4 Cover restrictions and exclusions

#### 4.1 Loss inflicted on self or on employee

This insurance does not provide coverage against losses that are caused to any of the following:

- the insured himself or herself, or another insured;
- anyone living in the same household with the insured;
- a legal person of whose controlling interest the insureds enjoy more than one half in total;
- the insured's employee or an equivalent person insofar as that person is entitled to indemnity for the loss suffered from statutory workers' compensation insurance or motor liability insurance.

## 4.2 Contractual liability

This insurance does not provide coverage against any losses insofar as the compensation liability is contractual or based on a warranty or some other commitment if this compensation liability did not exist without such a commitment.

## 4.3 Known risk of damage

This insurance does not provide any coverage if the insured, when insurance cover became effective, was or should have been aware of the error, defectiveness or other factor that gives rise to the compensation liability.

## 4.4 Property in use by, handled by or in care of insured

This insurance does not provide coverage against any losses which are in respect of property that is in the possession of, on loan to or otherwise in use by the insured when the act or negligence that causes loss occurs.

This insurance does not provide coverage against any losses inflicted on property that, when the act or negligence that causes loss occurs, is:

- under manufacture, installation, repair, transport or otherwise being handled by the insured or someone acting on the insured's behalf;
- being stored by the insured or someone acting on the insured's behalf;
- subject to a protection obligation or a damage prevention obligation of the insured or someone acting on the insured's behalf, considering the nature of and anything directly affected by the insured activity or the act that causes the loss;
- otherwise in the care of the insured or someone acting on the insured's behalf.

## 4.5 Motor liability loss

This insurance does not provide coverage against any losses that are caused through the use of a motor vehicle or a motor-driven device in traffic. The concept of 'use in traffic' is defined in the Motor Liability Insurance Act or in a corresponding foreign act.

## 4.6 Gainful activity, trade or business

This insurance does not provide coverage against losses:

- which the insured causes in employed work, in any independent, self-employed profession, trade, business or gainful activity, or in on-the-job training;
- caused to property that is related to the insured's gainful activity or on-the-job training;
- caused in the course of any rental use of the boat.

Insurance can also be granted for boats that are used for gainful or rental purposes if this is expressly agreed and shown in the policy document.

Boat liability insurance of a boat that is used for gainful or rental purposes does not provide coverage against any loss, damage or injury caused to passengers.

## 4.7 Intent or gross negligence

This insurance does not provide coverage against any losses that the insured causes with intent. However, losses caused with intent by an insured who is under the age of 12 years can be eligible for coverage.

Compensation can be reduced or it may be refused altogether if the insured causes loss:

- through gross negligence;
- while under the influence of alcohol or drugs such that this factor materially contributes to the loss or to the amount of loss.

## 4.8 Fine

This insurance does not provide coverage against any fines or other similar sanctions.

## 4.9 Pulling with boat

This insurance does not provide coverage against losses caused to any person or equipment that the insured boat or jet ski pulls.

## 4.10 Motor boat competitions

This insurance does not provide coverage against any losses caused while participating, with a motor boat or jet ski, in a competition or any training for a competition.

## 4.11 Other liability insurance

This insurance does not provide coverage against losses insofar as they are covered by the insured's any other liability insurance policy.

# 5 Settlement of claims

## 5.1 Insurer's obligations

Once a claim covered by this insurance which exceeds the applicable deductible is reported to the insurer, it will determine whether the insured is liable for compensation, while also negotiating with the claimant.

When the insurer is prepared to enter into an agreement with the injured party on the payment of compensation from this insurance, subject to the applicable maximum compensation amounts, it will notify the insured of this. If the insured will not accept the agreement, the insurer is not liable to pay any more compensation. The insurer is also not under an obligation to cover any costs that are incurred after this notification, or to investigate the case any further.

## 5.2 Insured's obligations

The insured must strive to ensure that the insurer is afforded an opportunity to assess the amount of loss and to settle the case amicably. If the insured covers the losses personally, settles a claim personally or accepts a compensation claim, this will be binding on the insurer only if it is apparent that the compensation amount and criteria are correct.

The insured is liable:

- at their own cost to contribute towards the settlement of their claim (see General terms and conditions, Section 10.1);
- to present to the insurer the information and documents in their possession which have a bearing on the settlement of their claim;
- to obtain or prepare the necessary reports and examinations that are available to them at a reasonable cost.

## 6 Indemnification regulations

### 6.1 Damages

Subject to the exclusions laid down in the policy document and in any special conditions, this insurance provides coverage for the damages that the insured is held liable to pay. The amount of damages will be calculated in accordance with the legal practice and provisions governing the awarding of damages.

### 6.2 Expenses from preventing imminent risk of damage

In case of an imminent risk of damage, or if damage has already occurred, the insured is under an obligation to prevent or limit the damage (see General terms and conditions, Section 6.2). This obligation only concerns the measures that are necessary to eliminate an immediate risk of third-party liability damage, but it does not apply to any damage after-care measures that are more far-reaching than this, unless otherwise agreed on these measures with the insurer. The expenses arising from these necessary measures will be covered by insurance.

### 6.3 Settlement expenses and legal expenses

This insurance provides coverage for the reasonable and necessary expenses arising from claim settlement. However, this insurance does not provide coverage of any settlement expenses incurred to the insured that, under the insurance terms and conditions, the insured is liable to pay out of pocket, or that have not been specifically agreed with the insurer.

If an issue of damages is taken to court and the claim and the merit of the claim concern any loss that is covered by this insurance, the insurer will take care of the legal proceedings on the insured's behalf, as well as covering the necessary and reasonable legal expenses arising from this.

Unless the insured notifies the insurer of the legal proceedings in advance, the insurer is under no obligation to cover any costs or expenses arising from such legal proceedings. If the legal proceedings also concern other matters, this insurance will only cover the proportion of the expenses of the relevant claim which falls within the scope of the insurance.

Reimbursement for legal expenses will be provided in accordance with what is laid down in the Code of Judicial Procedure and in the guidelines on legal expenses set out in the Criminal Procedure Act. When assessing the reasonableness of fees and expenses, account will be taken of the value of the benefit at issue, the complexity and scope of the case, and the volume and quality of the work carried out.

### 6.4 Sum insured, deductible and value added tax

Including all settlement expenses and legal expenses, the maximum total of all reimbursements and compensation payable based on a single case of loss is limited to the sum insured shown in the policy document. Multiple losses caused by the same event or circumstance will be treated as one insured event, regardless of whether the losses are discovered in the course of one or several insurance periods. In the event that such losses are discovered in the course of different insurance periods, they will be deemed to be attributed to the insurance period in which the first case of loss was discovered.

For every insured event, in respect of the amount of loss, the insured is liable for the deductible shown in their policy document.

The legal provisions governing value added tax will be taken into consideration when calculating the amount of loss.

### 6.5 Liability in solidum

Where several persons are held liable in solidum to compensate for the same loss, this insurance will only cover that part of the loss which reflects the insured's contribution and any advantage which he or she may have gained through the insured event. The maximum compensation that this insurance will provide is in proportion to the number of the liable parties, unless the reasons shown above give rise to a higher level of compensation.

## Boat legal expenses insurance

### 1 Purpose of insurance

The purpose of this insurance is to provide reimbursement for the insured's necessary and reasonable legal expenses of legal aid in disputes, criminal cases and non-contentious civil cases in respect of the insured events referred to in Section 4 that concern ownership, operation and possession of the boat shown in the policy document.

### 2 Insureds

The insureds are the owner and the holder of the private-use boat shown in the policy document, as well as anyone who operates the boat with the owner's or the holder's permission, each in this capacity.

### 3 Courts of law and territorial limits

The insured can take advantage of this insurance in insured events which can be directly referred to a district court in Finland or to a corresponding Nordic court.

This insurance does not provide coverage of any expenses in cases that come before the administrative authorities or special courts, such as the Administrative Court, the Insurance Court, an Environmental Permit Authority or the Supreme Administrative Court. This insurance also does not provide coverage of any expenses in cases which come before the European Court of Human Rights, the Court of Justice of the European Union or the European General Court.

### 4 Perils insured

#### 4.1 Definition of insured event

The peril insured (insured event) under this insurance in disputes and non-contentious civil cases is:

- the materialisation of a dispute. A dispute materialises when it has been established that a claim, the merit and the quantum of which have been set out, is contested as regards the merit or the quantum of that claim.

in criminal cases is:

- contestation of the merit or the quantum of a civil claim presented by the insured;

- criminal prosecution, when the public prosecutor conducts against the insured a criminal prosecution that results from using the insured boat in waterborne traffic;
- criminal prosecution or continuing a criminal prosecution against the insured, when the public prosecutor has decided to discontinue or terminate the criminal prosecution.

A criminal prosecution is considered brought when the injured party's summons arrives at the office of the district court. A criminal prosecution is considered continued when the injured party notifies the court in writing of conducting a criminal prosecution after the public prosecutor has terminated the criminal prosecution.

The contested claim or criminal case to which the relevant insured event refers must be based on an event, circumstance, legal act or tort that has occurred during the validity of insurance.

#### 4.2 Single insured event

Matters will be considered to constitute a single insured event whenever:

- two or more insureds of this insurance are on the same side in a dispute, a criminal case or a non-contentious civil case; or
- the insured has pending several disputes, criminal cases or non-contentious civil cases which are based on the same event, circumstance, legal act, or tort.

## 5 Exclusions to insured events

### 5.1 Earning of income, and ownership

This insurance does not provide coverage for any expenses that the insured incurs in cases:

- a) that concern the insured's self-employed profession, trade, business or gainful activity or some other paid or unpaid professional activity or earning of income;
- b) that concern any operating licence required for the licensed carriage of people or goods, or any carriage without authorisation;
- c) that concern any matter other than the ownership, possession or operation of a private-use boat;
- d) that concern co-ownership or the dissolution of co-ownership.

### 5.2 Criminal cases

This insurance does not provide coverage for any expenses that the insured incurs in cases:

- a) where the criminal prosecution conducted by the public prosecutor against the insured concerns:
  1. boating while under the influence of alcohol;
  2. permitting a person who is under the influence of alcohol to operate a vehicle;
  3. aggravated endangerment of traffic safety;
  4. an intentional act; or
  5. gross negligence;
- b) that concern a claim for damages or some other claim presented against the insured that is based on any of the acts referred to in Section 5.2. a) above;
- c) that concern unauthorised operation of a boat;
- d) that concern a civil claim presented by the insured

where the claim is based on an act that has given rise to his or her criminal conviction, or for which criminal proceedings against him or her were discontinued or for which he or she was exempted from penalties under specific rules governing it. However, if the claim is based on an act for which the insured is found guilty on the grounds of endangerment of traffic safety or on the grounds of any of the infringements laid down in the Water Traffic Act, the costs arising from bringing a damages claim will be eligible for coverage.

### 5.3 Financial matters

This insurance does not provide coverage for any expenses that the insured incurs in cases:

- a) that concern bankruptcy;
- b) that concern distraint, the contested enforcement referred to in the Enforcement Code, or the enforcement of any distraint.

### 5.4 Other exclusions

This insurance does not provide coverage for any expenses that the insured incurs in cases:

- a) where the contestation of the claim cannot be proved;
- b) that are between any of the insureds of this insurance. However, this insurance provides coverage for the policyholder's expenses and the expenses of the boat driver's legal defence in cases that concern endangerment of traffic safety;
- c) where it is contested whether the expenses arising from the insured event which the insured reports are eligible for reimbursement under this legal expenses insurance either wholly or in part;
- d) that are tried as a collective action or as a collective complaint.

## 6 What to do after an insured event

### 6.1 Loss report

If the insured wishes to take advantage of this insurance, they must inform the insurer of this in advance before any legal expenses are incurred. After being informed of this, the insurer will send the insured a claim settlement decision.

### 6.2 Appointing an attorney

The insured must appoint as their attorney an attorney-at-law or a lawyer who may legally serve as an attorney or legal counsel in the country of the trial to be held within the territorial limits of insurance.

No insurance reimbursement will be payable if the insured does not appoint an attorney at all or appoints an attorney other than an attorney described above.

### 6.3 Cost claim to opposing party

In cases that have progressed to a main hearing at a district court, and in any arbitration, the insured must demand the opposing party to cover the insured's legal expenses in full. If the insured, without a valid reason, fails to submit a cost claim or gratuitously withdraws it or will not appeal a ruling on legal expenses issued by the court, reimbursement can be reduced or it may be refused altogether under the Insurance Contracts Act.

However, in the mediation proceedings (judicial mediation) referred to in the Act on mediation in civil matters and confirmation of settlements in general courts, it is not necessary to demand reimbursement in respect of the expenses incurred to the insured by the mediation proceedings.

#### **6.4 Approval of expenses**

The insured does not have the right to approve, in a manner that would be binding on the insurer, the amount of the expenses of pursuing their case. If the insured pays any of his or her legal expenses out of pocket, the sum paid will not be binding on the insurer when assessing whether the expenses are reasonable.

## **7 Indemnification regulations**

#### **7.1 Sum insured**

The sum insured shown in the policy document is the maximum limit of the insurer's liability in respect of every insured event.

If the monetary value of the benefit at issue can be determined, the maximum reimbursable expenses will be limited to the benefit at issue multiplied by two, subject to the limits of the sum insured shown in the policy document, or if the matter in dispute concerns a recurring payment, in assessing the amount of reimbursable expenses they are not to exceed the lump-sum benefit at issue multiplied by ten. When assessing the amount of a benefit, any claims for interest expenses and those for legal expenses will be ignored.

#### **7.2 Deductible**

All reimbursable expenses are subject to the deductible shown in the policy document.

#### **7.3 Covered expenses**

This insurance covers the insured's necessary and reasonable legal expenses arising from insured events as follows:

#### **7.4 In disputes and non-contentious civil cases**

The expenses of an attorney and of any presentation of evidence. Where a case is subject to judicial mediation, this insurance will also provide coverage of the insured's portion of the fee and expenses paid to any mediator's assistant calculated in relation to the number of the disputing parties.

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

The attorney's fees and expenses, if a dispute referred to under this paragraph is brought before the Consumer Disputes Board, the Insurance Complaints Board or other such body instead of the courts.

#### **7.5 In criminal cases**

##### **Insured as injured party**

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

##### **Insured as defendant**

The legal expenses of an attorney and of any presentation of evidence if the case concerns a criminal prosecution which the injured party conducts against the insured when the public prosecutor has decided to discontinue or terminate the criminal prosecution.

In cases of aggravated endangerment of traffic safety, a condition for coverage is that the criminal charge is finally dismissed in full or at least insofar as the defendant is accused of being guilty of an aggravated charge.

#### **7.6 On appeals to the Supreme Court**

If an appeal to the Supreme Court is subject to leave to appeal, this insurance will provide coverage for the costs of appeal only if such leave is granted. The costs of any extraordinary appeals will be covered only if the Supreme Court accepts the complaint, annuls the judgment or provides restitutio in integrum.

#### **7.7 Collective interest**

Where a case concerns an interest materially other than the insured's own interest, or if the insured has in the case an interest to safeguard which he or she shares with any persons not covered by this insurance, this insurance will only cover the expenses which are deemed to be attributable to the insured.

## **8 Amount and calculation of compensation**

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

In respect of the expenses of an attorney, this insurance will cover the reasonable fee for the attorney's work as well as the necessary expenses. When determining the reasonableness of fees and expenses, account will be taken of the value of the benefit at issue, the complexity and scope of the case, and the volume and quality of the work carried out.

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

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

## 9 Expenses not covered by insurance

This insurance does not provide coverage against any of the following:

- a) the opposing party's legal expenses that the insured is ordered or agrees to pay. However, the opposing party's legal expenses that the insured is ordered to pay will be reimbursed on the same terms as the insured's own legal expenses:
  - when the insured is assisted in litigation by the Consumer Ombudsman or his or her employee, and the insured's case is important in view of the implementation of the law and the general interest of consumers;
  - when the insured's opposing party, in the main, fails to comply with a decision issued by the Consumer Disputes Board, the Insurance Complaints Board or some other equivalent body that essentially favours the insured;
- b) any expenses arising from the enforcement of a judgment or a decision;
- c) the insured'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 taken by the insured that increases the expenses or incurs unnecessary expenses;
- d) costs of acquiring expert legal opinion;
- e) costs of reporting a criminal offence to the police, of requesting an investigation, or of any pre-trial investigation of a criminal case;
- f) costs arising from factors or evidence which the court dismisses on the ground of delay;
- g) costs incurred from any measures taken prior to the insured event in question or from any preliminary investigation of the case. However, the cost of investigations conducted and evidence gathered prior to the insured event will be covered by insurance if the investigation is used as evidence.
- h) costs which the insured or his or her attorney incurs through not appearing before the court, through failing to comply with orders given by the court or through presenting a submission which they have known or which they should have known to be groundless, or which they otherwise incur by prolonging the criminal proceedings intentionally or through negligence;
- i) costs of litigation or appeals which the insured or his or her attorney initiates without the opposing party having given any reason for this, or if they have otherwise caused an unnecessary trial intentionally or through negligence;
- j) fee or expenses of an arbitrator or a mediator.

## 10 Other indemnification regulations

### 10.1 Time of payment of compensation

The insurer will reimburse the insured's legal expenses after a final ruling by the court, on settlement of the case by a board or once the case has been settled amicably. In the absence of specific reasons to the contrary, the insurer also pays reimbursement after each level of court. In addition, the insurer may at its discretion exceptionally pay reimbursement in advance upon considerable prolongation of legal action.

The insurer has a right to make the reimbursement after the insured, having been requested by the insurer to do so, has shown that it has paid the attorney the insured's deductible for the costs as well as any amount that may be in excess of the sum insured.

### 10.2 On opposing party's reimbursement of expenses

**10.2.1** Any reimbursement of expenses that the insured's opposing party is ordered or undertakes to pay the insured is to be treated as reducing the insurer's liability if the reimbursement is successfully collected from the party liable to make the payment.

**10.2.2** If the opposing party is ordered or undertakes to pay the insured any reimbursement of expenses which remains unpaid upon the payment of insurance reimbursement, the insured is liable, before payment of any reimbursement, to transfer his or her right to this reimbursement of expenses to the insurer up to the amount of the insurance reimbursement. For reimbursement payment purposes, the insured must also submit an enforceable judgment.

If it has been necessary for the insured to pay some of his or her expenses out of pocket by reason of the expenses exceeding the maximum compensation shown in Section 7.1, the insured is liable to transfer to the insurer the portion of the opposing party's reimbursement of expenses which exceeds the out-of-pocket element paid by the insured.

**10.2.3** If the reimbursement of expenses that the insured's opposing party is ordered or undertakes to pay is paid to the insured, or if the insured otherwise claims it to his or her benefit, the insured is required to return to the insurer this reimbursement of expenses, with interest, up to the amount of the insurance reimbursement paid.

*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](http://www.lahitapiola.fi).