



# Construction and erection all risk insurance

**PRODUCT DESCRIPTION**  
Valid as of 1 June 2023

 **LOCALTAPIOLA**

## **LocalTapiola – putting your finances, health and security first**

We think it is important to help you identify and anticipate business risks. As this is not always enough, we provide insurance solutions for quick and high-quality recovery in the event of a loss. We are a customer-owned lifelong security company. This means that we always put your and your business's security, finances and health first.

### **Manage risks online**

RiskiHelppi is a versatile information package for your company's use. It contains a host of information about risks and risk management as well as many useful policies, instructions, tools and online training events. Activate the service now at [www.riskihelppi.fi](http://www.riskihelppi.fi).

### **Enjoy benefits and influence as a LocalTapiola owner-customer**

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

### **Transact easily in our online service**

The LocalTapiola online service allows you to view the insurances your company has and see what you pay for them. There you can update your insurance cover, report new company details, and much more. The online service provides a secure environment to contact our specialists. The fastest way to make a claim is usually in the online service.

### **Welcome to transact in the LocalTapiola online service**

Learn more about the service and sign an online service agreement at [www.lahitapiola.fi/esittely](http://www.lahitapiola.fi/esittely).

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## **Take out construction and erection all risk insurance to insure construction developments, renovations and erection works.**

Construction and erection all risk insurance is designed for firms that carry on professional construction, erection or renovation activities. It takes account of the requirements for insuring piecemeal contracts laid down in the general conditions of the construction sector.

Construction and erection all risk insurance provides coverage for the work performance set out in the contract documents, whether a building or structure under construction, a renovation project or a machine or equipment that you install or disassemble. Work performances can also mean roads, bridges or other special-purpose structures that you build. In addition to the actual subject matter of work performances, you can also take out this insurance to cover other property and the costs of any possible loss and damage that may be caused during the construction period.

Construction and erection all risk insurance is most frequently provided on a project basis, but it can also be arranged as a continuous policy if every year there are several similar minor construction, erection or renovation works.

The most comprehensive version of this insurance covers sudden and unexpected material damage, but you can also take out insurance cover with a limited scope to protect, for example, only against fire losses. Expand your fixed-term policy with cargo insurance, to cover in-transit damage caused to property that is brought into your worksite.

## Insurance for property

Construction and erection all risk insurance includes the following property insurances:

- Fire insurance
- Insurance against property crime
- Leakage insurance
- Natural phenomenon insurance
- Breakage insurance

In some cases, the scope of cover can also be arranged to be more limited than what is shown above. On the other hand, cover can also be added with cargo insurance.

## What can this insurance cover?

Construction and erection all risk insurance is arranged either on a project basis, that is to say as a fixed-term policy, or as a continuous policy. A continuous policy is well suited for small, stable work performances that you carry out frequently. This insurance can be arranged to cover the following:

- Works (only fixed-term)
- Work performance (only continuous)
- Movable fixed assets purchased separately (only fixed-term)
- Surrounding property
- Tools and weather protection structures
- Site buildings
- Worker property
- Expediting costs
- Demolition and wrecking costs (only fixed-term).

The subject matter of this insurance are always the works set out in the works contract. Other subject matters can be added to coverage where needed. Insurance of insured tools, weather protection structures, site buildings, worker property and surrounding property is secondary. Secondary means that your claim will be covered by this insurance whenever it is not covered from some other insurance, such as from the insurance which the firm that owns a leased work machine has taken out, or from a contractor's own movable property insurance.

For works, the sum insured is equal to the contract price; for all other insured subject matters, the sum insured is equal to the per-claim maximum compensation amount you select. The necessary sum insured is assessed based on the project type and size. In many

renovation and erection projects, for example, it may be necessary to arrange a very high sum insured for surrounding property and for demolition and wrecking costs.

## Works

The term 'works' means the work performances, construction developments, subject matters repaired or erected, raw materials, supplies, and buildings and structures to be constructed, as well as the non-permanent structures, that are included in the works contract and in the contract price. Up to €10,000 in separately purchased movable fixed assets and in surrounding property can be included in the sum insured for the works. Demolition and wrecking costs that are from material damage can be included up to 10% of the sum insured for the works. However, the maximum coverage we can provide for the works is always limited to the sum insured shown in your policy document.

### Example of fixed-term construction and erection all risk insurance

The renovation works are insured for €800,000. A fire that breaks out during renovation damages a number of customer-purchased restaurant kitchen machines waiting to be fitted. The fire also damages the restaurant's dining facilities, which are not part of the renovation project. Only the actual work performance is covered by insurance. In this claim, coverage is as shown below:

- restaurant kitchen machines, up to €10,000 (movable fixed assets purchased separately);
- dining facility damage, up to €10,000 (surrounding property);
- demolition, wrecking and transport costs and waste disposal charges from the fire, up to €80,000.

The maximum total coverage available for this claim is limited to the sum insured for the works, €800,000.

## Work performance

A continuous policy provides coverage for the work performances that are included in the turnover indicated in the policy document. The sum insured for work performances covers loss and damage that may be caused to the subject matters of the work performance, while also covering any damage that occurs to customer-purchased machines and equipment to be fitted, whenever the policyholder is responsible for insuring them.

In a continuous policy, the sum insured for the subject matter of the work performance is equal to the EUR amount calculated as including an estimate of the biggest single piecework contract that will be carried out during the insurance period, as well as an estimate of the most expensive machines or equipment that are included in the work performance concerned.

### **Movable fixed assets purchased separately (only fixed-term)**

Movable fixed assets purchased separately mean any property that is not included in the contract price yet which the contractor is in any case obligated to insure. These include the machines intended for the worked site, as well as the surface materials, water fittings and kitchen appliances that the developer or the resident obtains personally. For these, a specific sum insured will be recorded in the policy document, taking account of the value of the property insured. In the event of a claim, separately purchased assets are eligible for coverage up to the applicable sum insured, in addition to the sum insured for the works.

### **Surrounding property**



**‘Surrounding property’** means property in the immediate vicinity of or affected by the works that is damaged as a consequence of construction or erection. Examples of surrounding property include:

- the building’s lift, when carrying out a plumbing refurbishment;
- the space on the other side of the wall of the room that is being reconstructed;
- another machine next to a production machine that is being installed.

Surrounding property does not mean the contractor’s own property, any rented or borrowed tools or site buildings, or movable fixed assets that are purchased separately, not even when these are in the immediate vicinity of the works at the time when loss or damage occurs.

When arranging insurance, it is necessary to assess the value of all property situated next to the works as well as the level of damage that may be inflicted on it. Select your desired sum insured according to the risks involved. In the event of a claim, surrounding property that has specific insurance and is damaged is eligible for coverage up to the applicable sum insured, in addition to the sum insured for the works.

### **Tools, weather protection structures, site buildings and worker property**

You can also take out this insurance for the tools, scaffolding, weather protection structures, site buildings and worker property used at the worksite. The sum insured for tools and weather protection structures can include both your own and rented or borrowed property. Correspondingly, the sum insured for site buildings can cover both your own and rented temporary buildings at the worksite, such as storage buildings, site offices or social facilities.

### **Expediting costs**

Expediting costs are costs that arise from expediting the repair of covered material damage. These costs include:

- costs of overtime and weekend work;
- additional labour costs and costs of temporary erections that are due to reasons such as ad hoc arrangements you undertake to further the construction works also during the time when the damage is being repaired;
- costs of speeding up procurement.

### **Demolition and wrecking costs (only fixed-term)**

The works contract requires that the contractor insure the demolition and wrecking costs, including the relevant transport costs and waste disposal charges, that may arise in the event of loss or damage. When arranging insurance, it should be assessed whether the demolition and wrecking costs from a potential fire at the works could be more than the 10 per cent that is included in the sum insured for the works, and whether the sum insured for the works is enough to cover the resulting losses if 10% of it is spent on demolition and wrecking costs. Whenever insuring demolition and wrecking costs separately, the full desired EUR amount is recorded in the policy document.

Subject matter	Is this included in the insurance cover of the works?
Movable fixed assets purchased separately (only fixed-term)	Included up to €10,000, otherwise specific insurance is required
Surrounding property	Included up to €10,000, otherwise specific insurance is required
Demolition and wrecking costs (only fixed-term)	10% of the sum insured for the works is included, otherwise specific insurance is required
Tools and weather protection structures	always requires specific insurance
Site buildings	always requires specific insurance
Worker property	always requires specific insurance
Expediting costs	always requires specific insurance

## Validity of insurance

### Validity of insurance – location

A fixed-term policy is in force at the worksite shown in the policy document. A continuous policy is in force at the worksites included in the reported turnover. If it has been necessary to set up a temporary worksite storage facility outside the worksite, for purposes such as to store raw materials intended for the works, insurance cover is in force also at this temporary storage facility.

If property is damaged in the course of moving it between the worksite and a temporary storage facility located outside the worksite, the resulting claim can be covered up to a maximum of €10,000. Where the value of the cargo is more than that, it is a good idea to purchase cargo insurance as an add-on to your fixed-term policy. In the case of continuous policies, we will arrange specific cargo insurance.

### How long is this insurance valid for?

Fixed-term insurance is in force for the insurance period shown in your policy document, with the following elaborations and exceptions. For an individual work performance, a continuous policy is also in force equivalently to fixed-term insurance. In any case, continuous insurance ends in all respects when the duration of the validity of insurance shown in the policy document expires.

### Property kept at a place of performance of work

For property that is kept at a place of performance of work, insurance cover becomes effective when the property arrives at this place of performance of work or at a storage facility set up for it. The moment at which insurance cover takes effect is in this case affected by the scope

of the cargo insurance taken out on the property, that is to say, by the time when the risk for the property transfers from the carrier to the contractor. For example, if cargo insurance also covers unloading of the goods, construction and erection all risk insurance will become effective when the property has been unloaded from the means of transport.

In respect of property to be unloaded that is included in the work performance, insurance cover ends when the property has been loaded onto a means of transport for the purpose of transporting it away.

### Completion of work performance

At a place of performance of work, the validity of insurance cover expires when the work concerned has been completed and handed over to the customer. For example, if an insured plumbing refurbishment project concerns three separate houses, construction and erection all risk insurance ends, in respect of a house, when that house has been handed over to the customer.

However, if it is agreed at the handover inspection in writing that some work is scheduled for performance after the handover inspection, insurance cover is in force in respect of such work also after handover for a period of one month from the inspection.

### Works carried out in the warm season

If the insured work performance includes any building envelope finishing works or yard finishing works that can be carried out only during the warm season, insurance cover is in force when carrying out these works after the expiry of the insurance period indicated in the policy document of a fixed-term policy, in any case for not longer than one year from the end of the insurance period.

## Repairs under warranty, and warranty period

During the warranty period, you are covered for loss and damage caused to a defectless part of the works through a construction or erection fault. However, the maximum period for which these losses are eligible for coverage is three years from the handover of the works, even if the warranty period agreed for the contract in question were longer than this. As far as insurance

taken out on the surrounding property of the works is concerned, insurance cover always remains in force for three years from handover, even where the agreed warranty period were shorter than this.

If the validity period shown in the policy document of a continuous policy expires, insurance cover is also not in force during the warranty period of the work performances concerned.

## Examples of insurance validity

Situation	Is insurance cover in force?
Following a delayed construction launch, the insurance period shown in the policy document expires before the building is completed.	Insurance cover is not in force after insurance period expiry. The insurer should be contacted to specifically agree on continuing the insurance period.
The plastering works on the building exterior walls are postponed till the following summer, because they cannot be carried out at the intended time in the autumn due to an exceptionally early onset of winter.	Insurance cover is in force in the spring when carrying out these plastering works, even though the insurance period of this fixed-term policy has already expired.
During the handover of a renovation project, one water point is found fitted with a tap which deviates from the agreed plan. An entry is recorded in the acceptance protocol to replace the tap a week later.	Insurance cover is in force during the time of completing the work recorded in the acceptance protocol, but for not longer than one month from the handover inspection.
During the warranty period, a number of faults are observed in the building's balcony glazing fittings.	Insurance cover is in force when completing, during the warranty period, repairs that are covered by warranty.

## Property insurances

### Fire insurance

Fire insurance covers losses caused by outbreaks of fire. Additionally, it also protects you against smoke and soot damage from fires breaking out at a place of performance of work or right next to it, as well as against the damage caused by sudden and unexpected activation of the smoke extraction equipment or fire-extinguishing system. You are also covered for explosion damage, that is sudden mechanical damage from an overpressure of gas or steam.

### Insurance against property crime

You are covered by property crime insurance for theft and break-in claims when someone gains access to a locked and closed enclosure or to the space where your property is stored by damaging the structures or locks or using a key that was obtained in a robbery or break-in. Additionally, you are also covered against theft of property committed by breaking a fastening or locking that protects this property, as well as against intentional vandalism and robbery of property.

Even if the property is not locked or not in a locked space, theft claims can be eligible for coverage when the stolen property, owing to its size, weight or large quantity, cannot be moved to a locked space or enclosure at the end of working hours. Also in these cases, the applicable safety regulation requires that you must take steps to prevent theft, for example by blocking vehicle access to the worksite outside working hours, or through enhanced guarding and CCTV. Property that cannot be moved to a locked space or enclosure at the end of working hours includes scaffolding waiting for assembly, as well as cable reels, elements and cast moulds.

Take special care to also read and understand the other regulations for protecting property that are provided in safety regulation B10 'Construction, erection and repair works'.

### Leakage insurance

You are covered by leakage insurance for claims that arise when a liquid, steam or gas leaks from the building's pipes, machines or actuators. A condition for coverage is that the leak must be a sudden and unexpected event and that the leaky pipe or actuator is permanently connected to



the building. However, breakage insurance can also cover other type of leaks that result from a sudden and unexpected event.

In claims for leaks that affect the building, in addition to the cost of repairing the damaged area, you are covered for the costs of opening and closing structures when this is necessary to locate the leak, as well as being covered for any moisture inspections. You are not covered for any leaked substances that are wasted or for increased energy consumption. Breakage of the actual pipes or actuators is also excluded from leakage insurance coverage – for this type of breakage, you are covered by breakage insurance.

### Natural phenomenon insurance

You are covered by natural phenomenon insurance against losses caused by storm (average windspeed over 15m/s), storm-felled trees or other objects dislodged by storm, as well as against losses from a rise in the water level of a body of water that is due to storm winds.

Additionally, natural phenomenon insurance also covers damage caused by hailstorms. You are covered for lightning strike damage when a lightning strikes the property directly, or if the cause of the damage is a tree felled by a lightning strike.

If a wild animal, such as a deer, enters the building and causes damage there, this will be covered by natural phenomenon insurance, whereas all damage caused by vermin and insect pests is excluded from coverage.

### Breakage insurance

You are covered by breakage insurance against losses caused as a result of a sudden and unexpected event that are not eligible for coverage by fire insurance, natural phenomenon insurance, insurance against property crime or leakage insurance.

However, tools, site buildings and worker property are covered by breakage insurance only in claims caused by sudden and unexpected falls, swerving off the road, collapse of the road, or by an external factor that is independent of the equipment in question, however not lightning or any electrical phenomenon.

Claim	What insurance covers this?
The building catches fire due to a faulty site light. This fault had gone previously undetected.	The resulting claim is covered by fire insurance.
A vibratory plate is attached and locked to a building at an unfenced worksite. The locking that secures the vibratory plate is broken overnight and the vibratory plate is stolen.	This claim is covered by property crime insurance. However, the amount of compensation is subject to an additional deductible because the claim concerns property kept outdoors.
A generator unit is left outdoors overnight at an unfenced worksite. In the morning, it is no longer there.	You are not covered for theft of easily movable property when the property is kept outdoors unlocked.
A domestic water pipe connection fails during construction works, causing a leak.	This claim is covered by leakage insurance.
An incorrectly fitted tap in a new building causes a water leak one year after project handover.	This leak claim is covered by leakage insurance. During the warranty period, but in any case for not longer than three years from handover, you are covered for damage that is caused through an incorrect installation to a defectless part of the site. Remedying faulty workmanship is excluded from coverage.
Storm wind breaks some weather protection installations during renovation, exposing the building's structures to rain.	This claim is covered by natural phenomenon insurance.
A ventilation unit that you are about to install falls to the ground during lifting.	This claim is covered by breakage insurance.
A production machine under a ventilation unit that you are about to install gets broken when the unit falls down.	This claim is covered by breakage insurance. However, maximum coverage in this claim is limited to €10,000, unless surrounding property has specific insurance.

# Exclusions, and amount of compensation

## Key exclusions

Below we discuss some key exclusions that apply to Construction and erection all risk insurance. For a complete list of the exclusions, please see the insurance terms and conditions.

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

- theft of small-sized and easily transportable property kept outdoors;
- vandalism or natural phenomena damage to property kept outdoors, unless the property is intended for outdoor storage and use;
- fraud, embezzlement, disappearance of property or theft for which the time, scene and mode cannot be determined;
- loss and damage caused by rain, snowfall, meltwater, moisture, cold, heat, or a rise in the water level of a body of water. However, if the risen water level of a body of water is due to storm wind, the resulting claim will be eligible for coverage;
- loss and damage to property caused by neglected maintenance or repairs, or when the property is used contrary to the purpose for which it is intended (contrary use) or in breach of the relevant operation manual (operation manual breach);
- breakage damage caused to any blades, chains and consumables used in machines and equipment, unless the consumable is damaged in connection with some other covered damage;
- loss and damage caused by faultily designed or manufactured property to that same property. However, damage that results from such fault to some other property is covered;
- loss and damage caused by the movement of the ground that results from quarrying, piling or blasting work;
- claims which a third party is legally or contractually liable to compensate;
- costs from eliminating a malfunction, or from any adjustment and maintenance works.

You are also not covered for claims that occur from any exceptional circumstances, such as from a war, strike or nuclear damage. The coverage provided against terrorist acts is limited: the maximum per-claim coverage available in respect of the property of all policyholders who are injured in an act is limited to €3,000,000.



'Contrary use' means situations such as when a drill is used as a hammer. 'Operation manual breach' means situations such as when the affected equipment is used in an environment for which it is not suitable, or when the equipment is lubricated with different lubricants than what is set out in the operation manual.

## Amount of loss, and amount of compensation

The amount of loss is based on the current value of the property and on its ratio to replacement value. If the current value of the property at the moment when damage occurs is less than 50% of its replacement value, the amount of loss is calculated to be equal to the current value. However, if the current value at the moment when damage occurs is equal to or greater than 50% of replacement value, the amount of loss is based on replacement value.

In the case of broken tools, current value is not used, and the costs of repairing and replacing the affected property are instead subject to the applicable reduction percentages, which are tied to the age of the damaged property. The applicable reduction percentage is calculated by multiplying the age, in years, of the broken property by the percentage set out in the terms and conditions, which, for information technology equipment, is 20; for electronic measuring, examination, control and regulating devices it is 10; and, for other machines and equipment, it is 5.

The amount of compensation that becomes payable to the policyholder is obtained by subtracting from the amount of loss the deductible and any possible additional deductible. In the event that the insured property is underinsured, or if we need to reduce coverage due to failure to comply with the safety regulations, these reductions will be effected after deducting the deductible.

### Example:

A five-year-old plate compactor breaks down. The machine has a replacement value of €7,000. This replacement value is subject to a 5 per cent annual age reduction for three years, because the year of purchase and the year in which the claim arises are excluded from consideration. The policy has a deductible of €2,000, resulting in a compensable amount of  $7,000 - (7,000 \times 0.15) - 2,000 = €3,950$ .

## Other costs included in the amount of property damage

When calculating the amount of property damage for claims covered under construction and erection all risk insurance, the following costs can also be considered:

- Coverage of additional works and modifications that are due to official regulations can be up to 10 per cent of the amount of loss calculated without these works and modifications. An example of a modification of this type is when it is necessary, after a fire that breaks out at the worksite, to modify a toilet facility to be accessible in compliance with official regulations;

## When am I covered by liability insurance? When am I covered by Construction and erection all risk insurance?

Construction and erection all risk insurance covers sudden and unexpected losses. The contractor needs not be at fault for the loss, or have any resulting legal compensation liability. For example, damage caused by a fire that originates from a faulty pressure washer that is

- A fixed-term policy can provide coverage, up to €250,000, for the costs of inspecting, decontaminating and handling the soil of the scene of the accident that are due to official regulations, and with continuous policies the maximum is €50,000.

being charged is covered by construction and erection all risk insurance. On the other hand, this insurance does also cover claims in which a contractor or a subcontractor is at fault.

Contractors can also cause damage to third-party property that is not in any way connected with the insured work performance, or to persons who do not work at the worksite. For example, if a pedestrian walking by the worksite is injured or a car passing by gets damaged, the resulting claim can be covered by the liability insurance policy of the firm responsible for this injury or damage.tuksesta.

Claim examples	What insurance covers this?
Damage to a machine you are about to install	Construction and erection all risk insurance; either the actual subject matter of the work performance, or separately purchased movable fixed assets
Damage to hall paintings in a stair hall of a building under plumbing refurbishment	Construction and erection all risk insurance; the stair hall is covered as part of Surrounding property, because it is considered property affected by the works, as you use it to pass through to carry out your work performances
Damage that a contractor, whilst unloading cargo, causes at the worksite to a vehicle bringing in goods	General third party liability insurance
Injury to someone walking by the worksite	General third party liability insurance

## Deductible

The deductible is the EUR amount of the claim for which the policyholder remains liable in each claim. Policyholders can select the desired amount of their deductible to reflect the firm's own capacity to bear risk. A higher deductible reduces the insurance premiums that become payable.

In addition to the deductible that is selected for the policyholder, the following types of claim are subject to an additional deductible, calculated as a percentage of the amount of loss after deducting from it the actual deductible:

- claims caused by hot work, 10%;
- theft of property stored outdoors or property stored in a vehicle or trailer kept outdoors, 25%;
- breakage due to dust, moisture, temperature or vibration occurring in the conditions of use if the equipment is not intended for use in these conditions, 25%;
- breakage that occurs when lifting in breach of the relevant instructions and safety regulations, 25%;
- breakage as a result of a programming error or erroneous software, 25%;
- leakage that occurs before pressure testing or is due to freezing, 20%.

### Example:

Tools and site lights worth €7,000 are stolen overnight from a vehicle kept at the worksite. The selected policy deductible is €1,000.

The applicable additional deductible is calculated on the amount of loss from which the policy deductible has first been deducted, and in this case it is  $0.25 \times 6,000$ . The total deductible comes to €1,000 + €1,500, or €2,500.

## Cargo insurance

You can supplement your fixed-term construction and erection all risk insurance with Cargo insurance, which covers you for the works-related cargo for which the contractor is responsible. Works-related cargo includes the building materials and work machinery that are transported to the place of performance of work, or from the place of performance of work to the next worksite.

# Other important points to consider

## Safety regulations

The safety regulations are an integral part of insurance contracts. Compliance with these regulations reduces the possibility of loss and damage. If something happens anyway, the resulting losses can be limited. It is vital for business continuity that nothing happens, but avoiding losses is also beneficial for the environment, because it always takes new raw materials to repair damage that has occurred, as well as fuel to transport these materials to the worksite.

Additionally, the safety regulations are binding on all policyholders, and failure to comply with them may lead to reduced insurance compensation. The safety regulations B10 'Construction, erection and repair works' and D10 'Hot work' are always integral to construction and erection all risk insurance. The construction and erection safety regulations contain regulations governing topics such as the leak testing of water equipment, as well as how to protect property against rain, dirt and theft and how to use machines and construction site cables safely.

## Check your policy document and read the insurance terms and conditions

Your insurance contract is based on the information we obtain from you, the policyholder, when arranging insurance. The policy document shows the details of the insurances included in your insurance contract, as well as indicating the subject matters, sums insured and deductibles of your property insurance cover.

The terms and conditions that form part of your insurance contract can be found at the LocalTapiola website at [www.lahitapiola.fi/vakuutusehdotyrityksille](http://www.lahitapiola.fi/vakuutusehdotyrityksille). They comprise the General terms and conditions for companies (YS15) and the Construction and erection all risk insurance terms and conditions (904). If you add cargo insurance to your insurance cover, the terms and conditions for Cargo insurance (T03) and the General terms and conditions for cargo insurance Finland (S03) also apply.

The product description is not a full description of the insurance. Always take care to also read and understand the insurance terms and conditions.

## Insurance contract updates and expiry

### Update your insurance

If you ever need to, you can always update your insurance cover. Contact LocalTapiola.

Let LocalTapiola know if your insured construction contract is affected by changes that might influence your premium, such as if the contract period is extended or if there is an increased need to insure any separately purchased assets.

If you have a continuous policy, always remember to notify any relevant business changes at the latest when your new insurance period begins. For continuous construction and erection all risk insurance, this means the turnover of the insured business, the work performance type, the value of the biggest piecework contract, and the value of the subject matters to be erected and installed.

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

### Insurance terminates

As the policyholder, you have a right at all times to cancel insurance to end at the end of your insurance period. In certain situations, insurance can be terminated also during the period, for example if the insured property transfers to a new owner or after 30 days of being informed of an increase of the premium. Traders operating on the same footing as consumers can cancel insurance during the period with immediate effect.

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.

## On filing and settling claims

Remember to report all losses to LocalTapiola as soon as possible. File a loss report quickly and easily in our online service at [www.lahitapiola.fi](http://www.lahitapiola.fi). Or call us, or visit one of our offices.

Provide LocalTapiola an opportunity to inspect the damage before initiating any repairs. Please do not dispose of any damaged items or tamper with the traces of an incident. Take photographs of the damage suffered.

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.

## Intentional loss, damage or injury

We will not accept any claims for losses that you cause with intent. If you cause a claim through gross negligence, cover can be reduced or it may be refused altogether. Similarly, if consumption of alcohol or drugs contributes to a claim, cover can be reduced or it may be refused altogether.

## 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](http://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](https://lahitapiola.fi/henkilotietojenkasittely). Privacy statements are also available upon request by mail or via an email to [tietosuoja@lahitapiola.fi](mailto: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 **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).



**LOCALTAPIOLA**