

Real estate insurance 5600/23

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Real estate insurance

Real estate insurance is an insurance package designed for incorporated residential buildings. It combines Property insurance, Property owner's liability insurance, Property owner's legal expenses insurance, and Directors' and officers' liability insurance.

The insurance can also be added with Rental income interruption insurance.

You can select the scope of property insurance cover from among three cover levels: Limited, Basic, or Premium. You can also tailor the Premium cover level to include an All Risk (AR) extension.

Your contract (policy) of insurance is made up of the policy document, this Real estate insurance policy wording, and the General terms and conditions of contract (YS15). The policy document shows the key policy details, including details for the policyholder, the insured buildings, the cover levels, the sums insured, the deductibles and the premiums. The policy wording contains the regulations applying to the insurance. These regulations deal with, for example, the perils insured, the additional deductibles, the exclusions and the safety regulations. The General terms and conditions of contract contain provisions deriving from the Insurance Contracts Act on issues including the entry into force, validity and termination of the insurance, payment of the premium, and the duty to disclose information.

Property insurance

1 Concepts

Policyholder

Policyholder is the party that has concluded a contract of insurance with the insurer.

Full Value basis and Sum Insured basis

The insured building is insured as stated in the policy document either on a 'Full Value' basis or on a 'Sum Insured' basis. Full Value basis means that the subject matter of insurance is insured without a sum insured, and the premium is based on the volume of the building.

When insuring on a Full Value basis, the value of the property does not need to be determined when the insurance is taken out; it suffices that the details the insurer asks about the property are correct and accurate, and that the insurer is notified of any changes in these details.

Sum insured

Sum insured means the amount of money for which the subject matter of insurance is insured. For the purposes of property insurance, the sum insured can be based on the replacement value, current value or first loss value of the property. Unless otherwise stated in the policy document, the sum insured is on a replacement value basis.

For the purposes of liability insurances and legal expenses insurance, the sum insured is based on a pre-agreed maximum indemnity amount. For the purposes of rental income interruption insurance, the sum insured is the 12-month rental income.

Insured value

The insured value of the subject matter of insurance is the value it has immediately before the loss or damage. In the event of a peril occurring, the insured value of the affected subject matter is determined according to the price level prevailing at the time of the loss or damage.

For the purposes of rental income interruption insurance, the insured value is the 12-month rental income for the dwelling or unit.

Underinsurance

Underinsurance is when the sum insured is smaller than the insured value of the property.

Replacement value

Replacement value means the amount of money needed to construct a new building of the like kind, quality and size and intended for the same purpose of use using conventional working methods and building materials that are generally available for sale in Finland.

The replacement value of the building is also calculated as including the costs arising from demolishing and clearing the damaged building, and the costs for designing the building that will be constructed to replace it.

Current value

Current value of property means the amount of money obtained by subtracting from replacement value any diminution in the property value that results from ageing, wear and tear, technological obsolescence, decreased usability or another similar cause.

When determining current value, account will also be taken of any decreased usability of the property that is due to changed local conditions, such as discontinuance of the business carried on or some other such cause.

Fair value

Fair value of property means the amount of money that would have been generally obtainable for the property in the market situation on the day on which the loss or damage occurred. When calculating fair value, factors such as the item's age, service life, condition and usability will be taken into account. When determining the fair value of the building, the value of the plot, connections and other buildings will be subtracted from the fair value of the premises.

First loss value

First loss value is the sum insured agreed for the insured subject matter and stated in the policy document. If the sum insured is on a first loss basis, the sum insured does not need to be equivalent to the actual insured value of the property.

Residual value

Residual value of property means the value that the property has immediately after the loss or damage. Residual value is assessed under the same criteria as the amount of loss.

Deductible

Deductible is the portion of loss, stated in the policy document or the policy wording, for which the policyholder remains liable.

2 Territorial limits

The cover provided by this insurance applies at the address stated in the policy document.

3 Subject matter of insurance

3.1 Building

The cover provided by this insurance applies to the buildings stated in the policy document. The permanently fixed structures, fixtures and surface coverings, either original or equivalent or retrofitted at the same level, that serve the building are considered part of the building.

3.2 Machinery and equipment serving the building

The cover provided by this insurance applies to any:

- machinery and equipment, heating ducts and oil tanks, and heating mediums,
- electric conductors, electricity meters and main distribution boards situated at the plot, and
- pipes up to the municipal or other public connection point

that are part of and serve the building.

3.3 Exclusions to building services engineering (BSE) breakdown insurance

The cover provided by Building services engineering (BSE) breakdown insurance does not apply to:

- masonry stoves, fireplaces and flues;
- machinery and equipment for which the shareholders are responsible under the Limited Liability Housing Companies Act;
- jacuzzi and swimming pool equipment.

3.4 Other property

The cover provided by this insurance applies to any:

- immovable conventional constructions, structures and equipment situated at the plot, such as waste containers and outdoor playsets, and storage facilities, carports, covered waste collection points and other canopies not exceeding 40 sqm in size,
- conventional tools and work machinery part of maintenance of the premises whose maximum design speed is not higher than 15 km/h, and fuels thereof,
- conventional machinery and equipment intended for communal use by private households

that serve the insured building, provided that the policyholder owns them or otherwise carries the risk of damage in respect of them.

The cover provided by this insurance also applies to the trees, bushes and other plantings at the yard of the site of construction, up to €5,000.

3.5 Exclusions to the subject matter of insurance

This insurance does not cover any of the following:

- structures, piling or drainage pipes located beneath the foundation bases of the building; subsurface wastewater disposal system fields and the pipes thereof;
- structures, machinery, equipment, wires or pipes solely serving the business carried on in the building;
- structures and equipment carried out by or for the user of the building, dwelling or unit that are above the general quality level of the building, not even if they are permanently connected to the building;
- jetties, piers and shoreline constructions;
- electric current, water and gas.

Murals, statues located at the yard, and other art are covered by this insurance only if so specifically stated in the policy document.

4 Perils insured, and exclusions

4.1 Cover levels

The cover level selected for the building, and the insurances included in the chosen cover level, are stated in the policy document. The following table describes the insurances included in the cover levels.

	Limited	Basic	Premium
Fire insurance	x	x	x
Natural phenomenon insurance	x	x	x
Exceptional flood insurance		x	x
Water damage insurance		x	x
Break-in and vandalism insurance		x	x
Building services engineering (BSE) breakdown insurance			x
Can be extended with the AR add-on			x

For pipes and electric conductors situated between buildings, the cover level will be determined according to the level selected for the building that they serve.

4.2 Fire insurance

4.2.1 Perils insured, and exclusions

This insurance covers direct material loss or damage caused by:

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

In addition, fire insurance covers loss or damage caused by sudden and unexpected activation of a fire-extinguishing system or smoke extraction equipment.

4.2.2 Steam boilers and combustion engines

This insurance does not cover loss or damage caused to a combustion engine or a steam boiler by an explosion or rupture that occurs in it.

4.3 Natural phenomenon insurance

4.3.1 Perils insured, and exclusions

This insurance covers loss or damage caused by:

- storm;
- whirlwind or downburst;
- hailstorm;
- entry of a wild animal into the building;
- lightning strike directly to the insured property causing mechanical breakage or breakdown thereof.

A storm is when the mean wind speed exceeds 15 metres per second as measured at the meteorological station nearest to the place where the loss or damage occurs.

4.3.2 Overvoltage from a lightning strike

This insurance does not cover loss or damage caused by overvoltage from a lightning strike.

4.4 Exceptional flood insurance

4.4.1 Perils insured

This insurance covers direct material loss or damage that is due to an exceptional flash flood, freshwater flood or saltwater flood such that water forces its way into the building or into the movable assets in the building directly from the surface of the ground, via soil or through pipes that are permanently fixed to the building. This insurance also covers loss or damage caused by the movement of ice as a result of an exceptional freshwater or saltwater flood.

4.4.2 Concepts

Flash flood is when exceptionally heavy rain causes water to flood on the surface of the ground. Rain is considered exceptional when rainfall at the place where the loss or damage occurs measures at least 30 mm in one hour or 70 mm in a day.

Freshwater flood means any exceptional rise in the water level in a river, a lake or a stream due to exceptional rain, the melting of snow, an ice dam or a slush dam.

Saltwater flood means any exceptional rise in the sea level due to storm wind (mean wind speed over 15m/s), barometric pressure variation, or currents in the Danish straits.

A rise in the freshwater or sea level is considered exceptional if it reaches a height likely to occur only once every 50 years or less frequently. A flood is not considered exceptional if caused by a permanent rise in the mean water line, or by heavy seas or normal water-level fluctuation.

4.5 Water damage insurance

4.5.1 Perils insured

This insurance covers loss or damage caused by a liquid, steam or gas when the substance runs unexpectedly and directly from any mechanically broken:

- water or heating pipe, drainpipe, swimming pool pipe or jacuzzi pipe,
- oil tank,
- interior rainwater pipe,
- machine or equipment

that is permanently fixed to the building.

This insurance also covers loss or damage caused by:

- water that rises from the building's own drain network as a result of sudden and unexpected internal clogging of the pipe system;
- sudden and unexpected mechanical breakdown of a washing machine, a dishwasher or other domestic appliance connected to the water supply system and fitted with a stop valve.

For the resulting claim to be covered, the leak must have begun during the period of cover.

4.5.2 Perils excluded from water damage insurance

This insurance does not cover:

- a) loss or damage caused by clogging of a roof outlet;
- b) loss or damage caused when a liquid runs from an open tap, valve or shower device that is part of the water supply system, unless the tap, valve or shower device is mechanically broken;
- c) loss or damage caused when a liquid runs from a pipe system before the pipe system has been accepted into service;
- d) loss or damage caused by a leak in an outlet pipe or a joint thereof of a bathtub or a sink;
- e) costs for repairing or replacing the water supply system or an actuator;
- f) loss or damage caused by gradual loosening or wear and tear of joints or by a disconnected joint, unless the connecting pieces are broken.

4.6 Break-in and vandalism insurance

4.6.1 Break-in, theft and vandalism

This insurance covers loss or damage caused to the building and loss or damage caused by theft of movable property, when the building or a storage facility related to the use of the building is:

- broken into by destroying structures or locks;
- accessed with a key obtained in a robbery or break-in.

This insurance also covers loss or damage caused by intentional vandalism to the building or to immovable conventional structures situated at the plot. In the event that the building is vandalised, the insurance will also cover loss or damage caused to any machinery and equipment serving the building or intended for maintenance of the premises or for common use at the housing company. It must be possible to identify the act of vandalism as an individual, sudden event.

4.6.2 Loss or damage by dwelling user or guest

This insurance does not cover loss or damage that a dwelling user or his or her guest causes to surface materials or fixtures of the dwelling or unit.

4.7 Building services engineering (BSE) breakdown insurance

This insurance covers direct material loss or damage caused by sudden and unexpected breakdown of machinery or equipment insured by Building services engineering (BSE) breakdown insurance to the machinery or equipment itself.

This insurance also covers the costs incurred from the opening and closing of structures that is necessary to locate and repair the fault in the damaged item of machinery or equipment or electric cable. The insurance also covers the soil excavation and filling costs.

4.8 All Risk extension

4.8.1 Sudden and unexpected loss or damage

If it is stated in the policy document that the building has an All Risk (AR) extension, the insured property is insured against sudden and unexpected loss or damage in the event that the loss or damage is not covered under sections 4.1–4.7.

4.8.2 Lost and stolen keys

This insurance covers the costs of rekeying or replacement that, following theft of a master key, is immediately necessary to prevent misuse of the key.

The priority is to replace the tumblers of the locks that need to be rekeyed, or to program an electronic lock in such a way that the stolen or lost key ceases to work. Replacing the lock or an entire series is deemed immediately necessary only when no other measures are possible.

4.8.3 Roof leaks

This insurance does not cover loss or damage caused by a leaky roof, unless the leak is caused by sudden and unexpected mechanical breakage from the outside.

5 Perils excluded from all property insurances

5.1 Construction, design and use errors, and neglected maintenance

This insurance does not cover loss or damage caused to property by any of the following:

- construction that breaches the building codes, building instructions or generally accepted construction practice;
- a design, installation, erection, material, manufacturing or construction error, or by bad workmanship;
- a liquid that escapes into the structures due to insufficient waterproofing;
- a liquid that leaks from a wall drain or a floor drain, or from any connecting parts or junctions thereof;
- incorrect use, or by use that is in breach of the operating manual;
- neglected maintenance or repairs.

5.2 Gradual loss or damage

This insurance does not cover loss or damage caused to property by any of the following:

- fouling or sedimentation;
- moulding, fungi, microbes, smell, moisture or condensation water;
- wear and tear, scratching, corrosion, rusting, rotting, degradation, material fatigue, decay of concrete or other similar gradual phenomenon.

When claiming for loss or damage to pipes or equipment, the exclusion applies to rusting and wear and tear caused by ambient conditions, such as rusting of the exterior pipe surface under constant water stress.

5.3 Weather events and flooding

This insurance does not cover loss or damage caused by any of the following:

- frost, freezing, heat or drought;
- ground subsidence or frost heaving;
- the weight or movement of snow or ice;
- rain, snowfall, groundwater, surface water or melt water, or by flooding of a drain or of a drainpipe system caused by any of these;
- rainwater or melt water that runs from gutters, the building's external downpipes or storm drains or through the roof;
- a rise in the water level, or by a flood or heavy seas;
- breakage, clogging or inoperability of a municipal or another public water pipe, drainpipe, district heating pipe or a similar construction.

However, this insurance covers the loss or damage referred to in section 4.4 caused by an exceptional flash flood, freshwater flood or saltwater flood, provided that the cover level selected for the building is Basic or Premium.

5.4 Property outdoors

This insurance does not cover loss or damage that forces of nature cause to movable assets or constructions located outdoors or in an open building, except in the case of equipment or constructions intended for use and storage under conditions susceptible to varying weather patterns.

This insurance also does not cover theft of any property kept outdoors or in an open building.

5.5 Lost or misplaced property, and unknown time of loss

This insurance does not cover loss or damage:

- caused because of loss or misplacement of property;
- for which the time and place cannot be determined.

5.6 Loss or damage by animals

This insurance does not cover loss or damage caused by insects, birds, lagomorphs or rodents. Nor does the insurance cover any expenses for the control and elimination of these animals.

This exclusion does not apply when any of the animals listed above cause fire damage or break windows, or when they cause a leakage that is covered by water damage insurance.

5.7 Diminution in value

This insurance does not compensate for any diminution in the value of the property.

5.8 Impact of other source of indemnity on cover

This insurance does not cover loss or damage that is covered under a law, a warranty, a commitment or another insurance. However, notwithstanding this exclusion, a loss or damage claim covered by this policy wording will be accepted if the policyholder proves that the party liable for indemnity cannot meet its commitment.

5.9 Files and software, and intrusions and computer viruses

This insurance does not cover loss or damage caused to computers, to automatic control units of building services engineering (BSE) machinery or equipment, or to software, files or data included in them by any of the following:

- defective software or files, or incorrect input of data;
- loss of data; or
- a security breach.

Security breach means any act whereby, by exploiting information networks, the perpetrator gains unauthorised access to electronic data or an electronic computer system. Examples of a security breach include intrusions, malware infections and denial of service attacks.

5.10 Financial loss

This insurance does not indemnify for financial loss or loss or damage caused by fraud, embezzlement or other deception or breach of contract.

5.11 Perils excluded in exceptional circumstances

This insurance does not cover loss or damage:

- caused by the explosion of explosives of a public institution, or by professional blasting or quarrying work;
- caused by nuclear damage, as defined in the Finnish Nuclear Liability Act, in Finland or abroad;
- caused by a strike, a work stoppage or another similar reason;
- occurring during a war, a rebellion, a revolution or another similar event that destabilises social order;
- that is a direct result of a communicable disease as defined in the Finnish Communicable Diseases Act, of a threat or a prevention measure thereof or of any measure taken to mitigate the consequences thereof.

The maximum cover for claims caused by a terrorist act is limited to €3,000,000 per claim and per insurance period. The maximum indemnity amount of the insurance applies jointly to all policyholders in any one claim. All losses caused by the same event or circumstance are considered to constitute one claim.

Terrorist act means an act committed by one person or a group of persons which involves the use of force or violence or a threat thereof, whenever the purpose of the act, by its nature or context, is to promote a political, religious or ideological goal and/or to intimidate or affect a government, a people or a part of a people.

6 Indemnification regulations

6.1 Calculating the amount of loss

6.1.1 Insured value when calculating the amount of loss

When calculating the amount of loss, the insured value of the damaged property will be determined first.

The insured value of the property is:

- the replacement value, if the current value of the property before the loss or damage was at least 50% of the replacement value;
- the current value, if the current value of the property before the loss or damage was less than 50% of the replacement value.

Current value is assessed separately for every building. For buildings that are joined together or that contain several separate functional complexes, the current value and the amount of loss are assessed separately for every building part and functional complex. In the event of damage to an individual machine, building part or building component, or to any surface coverings and fixtures of the building, dwelling or unit, current value will be assessed separately for each machine, building component, surface covering and fixture group.

6.1.2 Amount of loss on a replacement value basis

When calculated on a replacement value basis, the amount of loss will be determined according to the price level prevailing at the time of replacement of the property.

If the damaged property can be repaired, the amount of loss will be the repair costs, but in any case not more than the replacement value of the property. Repair costs mean any costs incurred when the property is restored without delay using appropriate, economical and modern repair or remediation methods and materials.

If the property cannot be repaired, the maximum amount of loss will be limited to the replacement value of the property less the residual value.

If the building is not repaired or rebuilt, the maximum amount of loss will be limited to the fair value that the building had when the loss or damage occurred.

When claiming for leakage, breakage or breakdown, the amount of loss will be calculated on the basis of sections 6.1.4 and 6.1.5.

6.1.3 Amount of loss on a current value basis

If the property can be repaired, the amount of loss will be as great a portion of the repair costs as current value is out of replacement value, but in any case not more than the current value of the damaged property.

If the property cannot be repaired, the amount of loss will be the current value less its residual value, but in any case not more than the current value of the property.

If the building is not repaired or rebuilt, the amount of loss will be its current value less the residual value, but in any case not more than the fair value.

When claiming for leakage, breakage or breakdown, the amount of loss will be calculated on the basis of sections 6.1.4 and 6.1.5.

6.1.4 Amount of loss for leakage

Regardless of the insurance or add-on under which the claim is covered, when claiming for leakage the applicable age reductions will be applied to all repair or replacement costs, and to the costs incurred from locating the fault and from the opening and closing of structures.

The applicable age reduction percentage is obtained by multiplying the age, in years, of the leaky or clogged pipe, machine, equipment or tank by the percentage shown in the table below. This age includes the full calendar years after the first year of use that have ended by the time the loss or damage occurs. The year in which the loss or damage occurs is not included.

Leaky or clogged device, pipe or tank	Reduction percentage
under 15 years	no age reduction
15 years or more	10% + 2% for every year beyond 15 years, up to 60%
Drainpipes repaired from the inside using a pipe with adequate ring stiffness, when employing a certified repair method.	2% / year, up to 60%

In case of a leaky junction, the age reduction will be determined according to the older pipe section.

If the drainpipe has been repaired using a non-certified method or using a coating method that does not create an independent load-bearing pipe inside the old drainpipe, the pipe's age at the time of damage will be the age of the original pipe, and the repair that has been made will be ignored when calculating the age reduction.

If the insured value of the damaged property as determined on the basis of section 6.1.1 is the current value, then the maximum amount of loss for leakage will be limited to as great a portion of the repair costs of the property as current value is out of replacement value.

6.1.5 Claims covered by Building services engineering (BSE) breakdown insurance and the All Risk extension

In claims for loss or damage to machinery, equipment, pipes, tanks and roofs covered by Building services engineering (BSE) breakdown insurance or the All Risk extension, the applicable age reductions will be applied to all repair or replacement costs, and to the costs incurred from locating the fault and from the opening and closing of structures.

The applicable age reduction percentage is obtained by multiplying the age, in years, of the broken property by the percentage shown in the table below. This age includes the full calendar years after the first year of use that have ended by the time the loss or damage

occurs. The year in which the loss or damage occurs is not included.

When claiming for breakage of a water pipe or drain-pipe situated at the plot, or for breakage of a heating duct running between buildings or for breakage of a cable sunk into the ground, the above reductions will also be made from the soil excavation and filling costs and the ground surface restoration costs.

Breakage and breakdown	Reduction percentage
Property maintenance-related computers, mobile devices and their peripherals	20% / year
Regulating and monitoring equipment, and automatic control devices that connect to equipment serving the premises	10% / year
Cooling, air-conditioning and heating devices Boilers and oil tanks Solar power systems Washer dryers, spin dryers and mangles; central vacuum systems for which the housing company is responsible, and the pipes thereof; and other machinery and equipment Antenna equipment, roll-up doors and waste containers Other machinery and equipment belonging to the premises	6% / year
Pipes, electric conductors, distribution boards, electricity meters and lifts serving buildings	3% / year

Claims covered by AR insurance	Reduction percentage
Jacuzzi and swimming pool equipment	6% / year
Lost and misplaced keys • if the costs are covered as loss prevention costs, no age reduction applies	
Sudden and unexpected roof breakage • roof repair and replacement costs • leakage caused by roof breakage	3% / year if the roof is over 15 years old, the age reduction percentage is 10% + 2% for every year beyond 15 years, up to 60%

6.1.6 Other costs included in the amount of property damage loss

Costs for restoring the site ground and yard

The amount of loss will be calculated as including the soil inspection, decontamination or replacement costs, and the waste transport and handling costs, when these costs arise from any oil pollution of the soil of the policyholder-owned or policyholder-managed premises and when the measures are as a result of a mandatory order issued by a public authority.

These costs are covered up to €250,000.

Additional costs from official regulations

If, due to changes in legislation or in the mandatory official regulations, the building or a part thereof cannot be rebuilt to the original design or repaired to the condition in which it was before being damaged, the amount of direct property damage loss will be added with the costs resulting from the changed regulations that apply to the damaged parts of the property. Costs are covered up to 10 per cent of the amount of loss calculated without these costs.

However, this insurance does not cover any costs that are a direct result of repairing an originally flawed or defective structure to comply with the official regulations and guidelines.

Additional costs from official regulations are included in the amount of loss only when the insured value of the property is on a replacement value basis.

Computer software and files

The amount of loss is calculated as including the recovery costs for data, file and software incurred as a result of property damage.

For the purposes herein, recovery costs mean the costs arising from restoring a computer system from backup copies.

6.1.7 Value added tax

The amount of loss will be calculated net of the value added tax whenever the damaged property, at the time of the loss or damage, was in use in economic activities that are subject to the value added tax, or if the policyholder is, under the Value Added Tax Act, entitled to deduct the tax included in the acquisition cost of the destroyed, lost or otherwise damaged property.

6.1.8 Excluded costs

The amount of loss is calculated as not including costs that arise from:

- a leaked liquid or gas that has been wasted;
- claim settlement, or from the loss or damage indirectly, such as telephone expenses, travel expenses, loss of earnings, or similar;
- improvements in the level of quality or the level of equipment of the property.

6.2 Calculating the amount of indemnity

The amount of indemnity is calculated from the amount of loss determined pursuant to section 6.1 by deducting from it the deductibles and the other

reductions and deductions set out in this policy wording and in the General terms and conditions of contract, in the following order:

1. The deductible stated in the policy document (the basic deductible)
2. The additional deductible, if any
3. Any reduction of the indemnity that may be due to underinsurance, failure to comply with the safety regulations, or some other reason.

6.2.1 Deductible

In every insured event, the policyholder is liable for the deductible stated in the policy document (the basic deductible) and in addition to this, in respect of the perils set out in section 6.2.2, for an additional deductible.

The additional deductible is 20% of the amount of loss from which the basic deductible has been deducted first. The maximum deductible for an insured event is limited to €20,000.

If several buildings are simultaneously damaged by the same peril, and if the amounts of the selected subject matter-specific deductibles differ, the highest subject matter-specific deductible will be deducted from the indemnity that becomes payable.

No deductible applies if the alarm equipment (with the exception of fire detectors) installed at the insured site functioned appropriately, materially reducing the amount of loss.

6.2.2 Additional deductibles

The additional deductible will be deducted from the amount of indemnity in the following cases:

- an obstacle over the drain prevents water from running into the drain, resulting in water damage; these claims are not subject to the age reduction set out in section 6.1.4;
- a frozen pipe causes water damage;
- hot work causes loss or damage;
- loss or damage is caused to a building that is being repaired.

When claiming for loss or damage caused by hot work, and when claiming for perils covered by section 4 that occur to a building that is otherwise being repaired, the additional deductible will apply if the repairs have been commissioned by the policyholder and if the repairs or the incompleteness of the building have contributed to the occurrence or the scope of loss or damage.

6.2.3 Amount of indemnity on a first loss basis

If, when insuring the property, the sum insured is agreed to be on a first loss basis, the maximum amount that this insurance covers for covered loss or damage to the insured property will be limited to the first loss value, disregarding the underinsurance provisions laid down in the General terms and conditions of contract.

6.2.4 Indemnity for residual value

If the damaged building cannot be restored on account of an in-force building ban or building restriction, the residual value of the building, less

any possible sales price obtainable for the building elements, will also be indemnified. The policyholder is required to present proof of the validity of the building ban or building restriction and, should the insurer request it to do so, to apply for derogation to restore the building and, where necessary, to appeal the relevant decision.

Should the insurer request it to do so, the policyholder is required to authorise the insurer to represent the policyholder in any matter pertaining to the application for derogation.

6.3 Payment of compensation

Current value compensation will be paid after the details needed to calculate the amount of indemnity have been submitted to the insurer.

If the policyholder is entitled to replacement value compensation, the difference between the replacement value compensation and the current value compensation will be paid subject to the following conditions:

- The damaged property either must be repaired or new property of the like quality and intended for the same use must be constructed at the same premises or acquired to replace the damaged movable assets.
- The repairs or the construction works must be launched within two years of the peril occurring. If construction is delayed on account of any measure taken by a public authority, the length of this delay will be added to the above time limit.
- LocalTapiola must have been provided with an account of the repairs or replacement to be carried out.
- The current value compensation must have been spent on the repairs or the replacement work.
- The maximum replacement value compensation that becomes payable is limited to the actual costs incurred.
- The policyholder is the only party entitled to replacement value compensation. This entitlement cannot be transferred.

If the first loss compensation is more than the current value compensation, the amount of indemnity in excess of the current value will be paid similarly to the replacement value compensation.

Rather than paying the indemnity in cash, the insurer has a right to have the damaged property repaired, rebuilt or replaced with new property.

Where there is a confirmed mortgage of property on the damaged property to secure a debt, the indemnity will in the first instance be paid to the mortgagee. However, the indemnity can be paid to the policyholder if the mortgagee gives written consent for this or if the policyholder is entitled to this indemnity under the provisions laid down in the Code of Real Estate.

6.4 Salvaging of property

The remaining damaged and undamaged property stays in the policyholder's ownership. However, the insurer is entitled to salvage all or some of the remaining property at residual value.

If the policyholder recovers any of their lost property after the payment of indemnity, the policyholder is required without undue delay to either relinquish the property to the insurer or return the insurance indemnity paid.

7 Effect of indexation and pipe age on the premium

7.1 Indexation

On the start date of every insurance period, the building cost index will be taken into account in the premium and the sum insured as follows:

- For the purposes of full value insurance, the premium will be adjusted by the index of June of the calendar year that precedes the month in which the insurance period starts.
- The sum insured will be adjusted by the index of the calendar month that is four months before the month in which the insurance period starts. In the event of a claim, the sum insured will apply that is valid at the time of the insured event.

The indexed premium for the insurance period is equal to as many percentages of the premium for the previous insurance period as the index effective at the time of adjustment is out of the corresponding index for the previous insurance period.

7.2 Discount on the premium based on building and pipe age

The premium for water damage insurance includes a discount that is based on the age of the building. This discount will decrease annually, terminating completely when the building is 25 years old. If the water and drainage pipe system of a building older than 25 years has been renovated, the premium for water damage insurance includes a discount that is based on the age of the pipe system. The discount will decrease annually, terminating completely when the pipe system is 25 years old. The amount of this discount is stated in the policy document.

8 Safety regulations

8.1 Binding nature of the regulations

Compliance with the safety regulations serves to prevent loss and damage and to reduce the amount of loss caused. The policyholder is required to ensure that those responsible for the premises comply with the safety regulations that are linked to this insurance. The persons responsible for the premises include the caretaker, the building manager, and the members of the Board of Directors of limited liability housing and real estate companies.

A condition for the indemnity laid down in the policy wording is that the policyholder must comply with the safety regulations. In the event of failure to comply with the safety regulations, and when this failure contributes to the occurrence of loss or the amount or the scope of loss, under the Insurance Contracts Act and the General terms and conditions of contract, the indemnity can be reduced or it may be refused.

8.2 Official regulations

- The emergency plan defined in the Rescue Act must have been drawn up, and it must be made available for information to the users of the building.
- The building must be equipped with the appropriate first-aid extinguishing equipment so that those in the building can initiate extinguishing operations in the early phase of a fire.
- Electrical installations, ventilation and smoke flues and oil tanks need to be subjected to the service inspections and periodic inspections, and they are to be cleaned as, required by the official regulations. All inspections and cleaning must be carried out only by qualified inspectors and cleaners. Compliance must be ensured with the instructions given during inspections. Keep the inspection protocol in a safe place.

8.3 Prevention of fires

8.3.1 Measures to prevent arson

- All waste containers, covered waste collection points and other flammable material outside the building must be so arranged that this will not pose a risk of a fire spreading to the building. The spreading of a fire to the building can be prevented by a fireproof structure, or by placing flammable materials at an adequate distance from the wall, taking into account the structures and other circumstances. Wastes can also be stored in a locked waste room in the building.
- Storing flammable material at loading bays is allowed only if arrangements are in place preventing unauthorised access to the loading bays.

8.3.2 Charging of electric vehicles

- If the electrical network of the premises is used for the charging of vehicles, prior to allowing charging the suitability of the existing installations must be checked. Upon request, a written certificate by an electrical installer company must be presented.
- All charging equipment must be serviced on a regular basis.

8.3.3 Hot work

Hot work is any work that causes sparks or uses a flame or some other heat, and that causes a risk of fire. Hot work of this kind includes electric and gas welding, gas soldering, hot air blower work, flame cutting, and metal polishing and cutting with a handheld power cutter.

Roofing and waterproofing hot work includes those types of waterproofing work that use a flame or some other heat, and that cause a risk of fire. These include when you dry the insulation base with a flame or hot air, and when you heat bitumen in a bitumen pot or fix water impermeable products by heating, and any related essential auxiliary work that causes sparks.

If you need to carry out any hot work to do repairs or maintenance, before starting the work you need to draw up the hot work plan laid down in the Local-Tapiola Hot Work D10 safety regulation. While work is ongoing, you are required to ensure compliance with that safety regulation.

8.4 Maintenance

You are required to check the condition of the building on a regular basis, at least once a year. Document all condition inspections and maintenance measures in the maintenance log.

Repair any faults and defects observed during a condition inspection or otherwise within the timeframe required by the repair. All faults, malfunctions and defects found in machines and electrical equipment must be repaired immediately.

Check the roof covering annually. Roof outlets and gutters must be checked and cleaned twice a year.

8.5 Prevention of leaks

If the entire building is left vacant for more than a week, switch off the main shut valve or the service water pump.

The water supply system and all equipment connecting to it must be emptied of water if the base temperature in the building drops below +12 degrees.

8.6 Prevention of criminal offences

The premises must have an appointed person responsible for the control of keys. Keep a record of all keys that are handed over, and ensure that the keys are returned at the end of the keyholder's employment. You must give maintenance personnel only the keys that are essential for maintenance. Always hand over the keys against acknowledgement of receipt.

Keys must never bear any identifiers allowing a third party to associate them with a certain locking system.

Key deposit cylinders sunk into the exterior wall must only store keys to doors leading to technical facilities. Never store a master key in a place like this.

A master key providing access to residential premises may be stored in a dwelling that is in permanent residential use only if the dwelling front door has a safety lock and if the key is stored in a locked place.

Property owner's liability insurance

In accordance with this policy wording and the General terms and conditions of contract, the insurer undertakes to:

- cover the injury and damage mentioned in section 3, and the other costs specifically set out in this wording and the terms and conditions;
- determine the grounds for and the amount of damages;
- negotiate with the claimant; and
- take care, or indemnify the costs, of the legal proceedings if the issue of compensation is taken to court.

1 Insureds

The insureds are:

- the policyholder named in the policy document;
- the General Partner of the general partnership or limited partnership named as policyholder, when a claim for compensation is brought against that General Partner and the policyholder on the basis of the activity stated in the policy document.

2 Territorial limits

The cover provided by this insurance applies in Finland to compensation claims that are recognised in Finland.

3 Perils insured

This insurance covers bodily injury and property damage caused in the territorial limits to a third party in the capacity of owner of the premises stated in the policy document, when the insured is held liable under Finnish law to compensate for the injury or damage caused and the injury or damage is discovered during the period of cover.

The insurance also covers pure financial loss caused to a natural person on the basis of the Personal Data Act, the EU's General Data Protection Regulation or any legislation adopted pursuant to the Regulation.

The maximum amount of indemnity is limited to €50,000 per insurance period.

This liability insurance does not cover any fines, punitive fees or damages (such as any administrative sanctions laid down in the EU's General Data Protection Regulation), forfeiture or other punitive penalties, regardless of the party to whom the penalty is applied.

4 Perils excluded from liability insurance

4.1 Injury and damage to self

This insurance does not cover injury or damage caused to the policyholder or the insured itself.

4.2 Knowledge of error

This insurance does not cover any claim or expense that is based on or follows from a circumstance, error or other basis of indemnity of which the insured was or should have been aware when the insurance commenced.

4.3 Contractual liability

This insurance does not cover claims insofar as the compensation liability is contractual or is based on a warranty or some other commitment if this compensation liability did not exist without said commitment.

4.4 Property in use

This insurance does not cover loss or damage to any property that, at the time of the act or omission causing the loss or damage, is in the insured's possession, on loan to the insured or otherwise being used by the insured for the insured's benefit.

4.5 Property in custody or control

This insurance does not cover loss or damage to any property that, at the time of the act or omission causing the loss or damage, is:

- being manufactured, installed, repaired or otherwise 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 and a damage prevention obligation of the insured or someone acting on the insured's behalf, when taking account of the nature of and anything directly affected by the policyholder's activity or the work performance causing the loss or damage;
- otherwise in the policyholder's control.

4.6 Traffic accidents, watercraft and aircraft

This insurance does not cover loss, damage or injury resulting from the use of a motor vehicle or a motor-driven device in traffic as defined in the Finnish Motor Liability Insurance Act or a corresponding foreign law in force from time to time.

The insurance does not cover loss, damage or injury resulting from ownership, possession or use of any watercraft, vessel or aircraft as defined in the Register of Ships Act or the watercraft register act.

4.7 Environmental damage

This liability insurance does not cover loss or damage caused:

- by pollution or contamination of water, air, soil, flora or fauna;
- by noise, vibration, radiation, light, heat, smell, smoke, soot, dust, steam, gas or some other equivalent type of interference;
- as a direct or indirect consequence of the above pollution, contamination or interference.

However, the insurance covers sudden and unexpected damage when:

- the damage is caused by a sudden, unexpected and single event;
- the damage is discovered within fourteen (14) days and notified to LocalTapiola within sixty (60) days of the day on which the pollution, emission or interference starts.

4.8 Environmental damage costs of public authorities

This insurance does not cover costs charged by a public authority under the Act on Compensation for Environmental Damage.

4.9 Moisture and flooding

This insurance does not cover loss or damage caused by moisture, or by flooding that is due to rainwater, melt water, waste water or sewage water.

However, the insurance covers sudden and unexpected loss or damage:

- that is due to a random and single error or omission for which the insured is responsible, or that is due to a sudden and unexpected fault or defect arising in a building, a facility or equipment for any reason that is based on the insured's compensation liability; and
- that is discovered within fourteen (14) days and notified to the insurer within sixty (60) days of the day on which the moisture or flooding starts.

4.10 Intent or gross negligence

This insurance does not cover loss or damage that the insured causes intentionally.

Cover can be reduced or it may be refused altogether if the insured causes the loss or damage through gross negligence.

4.11 Groundwater, and blasting and piling

This insurance does not cover loss or damage caused by any change in the level of groundwater.

Nor does the insurance cover loss or damage caused by blasting, quarrying or piling.

4.12 Fine or punitive damages

This insurance does not cover fines or other similar sanctions.

4.13 Financial loss

This insurance does not cover financial loss that is not linked to any bodily injury or property damage. However, the insurance covers financial loss caused under the Personal Data Act, the EU's General Data Protection Regulation or any legislation adopted pursuant to the Regulation (see section Perils insured).

4.14 Hot work

This insurance does not cover material loss or damage resulting from hot work carried out at a temporary hot work site when caused by fire, soot or explosion as a result of hot work performed by someone who does not hold a currently valid personal hot-work card and certificate of completion for the hot-work safety training approved by the Finnish National Rescue Association.

4.15 Asbestos and tobacco

This insurance does not cover loss or damage caused by asbestos or resulting from tobacco, tobacco products or tobacco smoke.

4.16 Violation of dignity or privacy

This insurance does not cover loss or damage caused by violation of dignity or privacy.

4.17 Occupational accident and patient injury

This insurance does not cover:

- loss, damage or injury insofar as it is covered on the basis of the policyholder's workers' compensation insurance policy;
- loss, damage or injury that is covered on the basis of the Patient Injuries Act.

4.18 Other liability insurance

This insurance does not cover loss or damage insofar as it is covered by the policyholder's or the insured's any other or previously valid liability insurance policy.

4.19 Nuclear damage

This insurance does not cover loss or damage caused by nuclear damage as defined in the Finnish Nuclear Liability Act or a corresponding foreign law.

4.20 Lost keys

This insurance does not cover costs for replacing and rekeying locks or systems when a key or some other comparable instrument enabling access to premises held by a third party for own use has been lost.

However, the insurance covers the lock rekeying and replacement costs that are incurred as a result of losing a key to premises held by a third party for own use, when the following cumulative conditions are fulfilled:

- the key has been lost by error or omission on the part of a worker in the employ, or a member of the governing bodies, of the policyholder;
- it is evident that the key is in the possession of an unauthorised person, as a result of which there is an imminent danger that third-party property on the premises will be stolen.

4.21 Mould

This insurance does not cover loss, damage or costs resulting from mould fungus, when the mould is the result of a permanent condition, such as the construction method used, a design or construction error or another structural characteristic.

4.22 Communicable diseases

This insurance does not cover loss, damage or cost that is a direct result of a communicable disease as defined in the Communicable Diseases Act, of a threat or a prevention measure thereof or of any measure taken to mitigate the consequences thereof.

5 Claim settlement

5.1 Policyholder's obligations

The policyholder and the insured are required to give the insurer an opportunity to assess the amount of loss and to contribute to an amicable resolution. The policyholder and the insured are liable:

- at their own cost to contribute towards the settlement of the claim;
- to present to the insurer the information, documents and other material they hold that are relevant for the settlement of the claim;
- to obtain or prepare any necessary information, documents and examinations that are available to the policyholder or the insured at a reasonable cost.

In the event that environmental damage is imminent or has already occurred, the policyholder is required to immediately notify the insurer of the damage to ascertain what damage prevention measures fall within the scope of liability insurance.

5.2 Legal proceedings

If the loss or damage gives rise to legal proceedings, the insured is required to inform the insurer of this without undue delay.

Unless the insured notifies the insurer of the legal proceedings in advance, the insurer will not be liable to cover any costs or expenses arising from the legal proceedings.

The insurer always has a right to take over the legal proceedings.

5.3 Insurer's obligations

If the amount of the notified loss or damage caused is more than the policy deductible and if the claim falls within the scope of the insurance cover, the insurer will determine whether the insured is held liable for damages, and will negotiate with the claimant.

If the insured compensates the claim, settles it or accepts the demand made, this will not be binding on the insurer unless it is apparent that the amount and criteria of compensation are correct.

If the insurer informs the insured that it is, subject to the applicable sum insured, prepared to enter into an agreement with the injured party on indemnifying for the losses that fall within the scope of this insurance, but the insured does not accept this, the insurer will not be liable to pay any higher damages or to cover any costs incurred after this or to investigate the case any further.

6 Calculating the amount of indemnity

This insurance provides indemnity for damages that the insured is held liable to pay.

The amount of damages is calculated in accordance with the legal practice and provisions governing the awarding of damages.

6.1 Liability in solidum

Where several parties are held liable in solidum to compensate the same claim, this insurance will cover only that part of the claim which reflects the insured's contribution and any advantage that the insured may have gained from the event causing the claim. In the absence of any other criterion, indemnity will be paid according to the number of the liable parties.

6.2 Costs for preventing imminent risk of damage

In the event that loss or damage is imminent or has already occurred, the insured is under an obligation to prevent or limit it.

This obligation only concerns measures to eliminate an immediate danger of liability damage to third parties, but it does not apply to any damage aftercare measures that are more far-reaching than this, unless otherwise agreed on these measures with the insurer. The costs for these essential measures will be indemnified by the insurance.

If the insured causes environmental damage to the insured's own property, such as soil, in addition to the above the following must be complied with:

- Loss or damage caused to your own soil, water or other property is not covered.
- Prevention costs will be covered only in situations where an imminent danger threatens third-party property, such as when polluting substances migrate via groundwater or soil from your own land to elsewhere.
- Covered measures only include the measures that are essential to eliminate an immediate danger of covered damage to third-party property.

- In case environmental damage occurs, it may be necessary to take measures that are more far-reaching than preventing an immediate danger in order to bring the situation that has arisen to a conclusion. These may include transportation of contaminated masses of land and disposal or neutralisation of hazardous wastes that have been generated. Costs arising from these will not be indemnified by liability insurance as prevention costs, not even in the event that they are taken as a result of mandatory official regulations.

6.3 Settlement expenses and legal expenses

This insurance covers the reasonable and necessary expenses of claim settlement, but not any settlement expenses incurring to the insured that under the policy wording 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, the insurer will cover the insured's legal expenses, subject to the sum insured and the following conditions:

- It is evident that the demand and the basis of the demand concern a claim that is covered by this insurance.
- The claim for which compensation is sought is more than the deductible.
- The insurer is notified of the legal proceedings in advance.
- The insurer accepts the attorney used.

In arbitration, the arbitrator fee is excluded from the cover provided by this insurance.

If the legal proceedings also concern other matters, expenses will be covered only in respect of the compensation claim that falls within the scope of the insurance.

6.4 Deductible and value added tax

In every claim, the policyholder is liable for the deductible stated in the policy document. The deductible is deducted from the total amount of the damages, prevention costs, settlement expenses and legal expenses calculated under the policy wording.

When calculating the amount of loss, account is taken of the applicable legal provisions governing value added tax.

6.5 Maximum amount of indemnity

Including all settlement, negotiation, interest and legal expenses, the maximum total amount of indemnity payable on the basis of one claim is limited to the sum insured stated in the policy document.

Prevention costs are covered as laid down in the General terms and conditions of contract.

All losses caused by the same event or circumstance are considered to constitute one claim, 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 instance of loss was discovered.

Directors' liability insurance

In accordance with this policy wording and the General terms and conditions of contract, the insurer undertakes to:

- cover the injury and damage mentioned in section 3, and the other costs specifically set out in this wording and the terms and conditions;
- determine the grounds for and the amount of damages;
- negotiate with the claimant;
- take care, or indemnify the costs, of the legal proceedings if the issue of compensation is taken to court.

1 Insureds

The insureds are the lawfully elected Board members, alternates, Managing Director (the building manager) and Chair of the General Meeting of the limited liability housing company, real estate company or housing cooperative named as policyholder.

2 Territorial limits

The cover provided by this insurance applies in Finland to compensation claims that are recognised in Finland.

3 Perils insured

This insurance covers financial loss caused to the policyholder, a shareholder or another person in the course of administering the premises named in the policy document if the following preconditions are satisfied: the loss must not be connected to any bodily injury or property damage; the insured must be held legally liable to compensate for the loss under the valid Limited Liability Companies Act, Limited Liability Housing Companies Act or Cooperatives Act in the capacity of member of the policyholder's governing body; and the loss must be discovered during the period of cover.

4 Perils excluded from directors' liability insurance

4.1 This insurance does not cover loss that the insured causes to himself or herself.

If the insured owns more than 20% of the policyholder company's shares, any loss caused to the policyholder company is deemed as having been caused by the insured to himself or herself in the same proportion as the insured's ownership of the company shares.

The insurance does not cover loss to any company that, on the basis of majority ownership or otherwise, is subject to the insured's control.

4.2 Furthermore, the insurance does not cover:

- a) bodily injury or property damage, or any financial loss that is associated with bodily injury or property damage. Property damage is deemed to include destruction, loss or damage to cash, securities, unused stamps and revenue stamps, coupons, bills of exchange, cheques and other equivalent debt securities;

- b) loss caused due to a calculation error or some other reason when accepting or paying cash;
- c) loss caused as a result of a decision that concerns any wage, salary, fee or other benefit or compensation payable to the insured;
- d) fines, tax increases, tax penalties, penalty interest, fees of a punitive nature or other similar sanctions;
- e) loss caused because the insured directly or indirectly acquires, on behalf of the policyholder, shares in the policyholder company, its parent company or its subsidiary;
- f) loss where the compensation liability is based on breach of an employment contract, a collective agreement, the Employment Contracts Act or the Act on Equality between Women and Men;
- g) work carried out to remedy a work performance for which the insured is responsible, or re-performance of the work, not even where the work is carried out by a party other than the policyholder;
- h) loss or expense that is based on or follows from a circumstance, error or other basis of indemnity of which the insured was or should have been aware when the insurance commenced;
- i) intentional loss. Cover can be reduced or it may be refused altogether if the loss is caused through gross negligence;
- j) loss insofar as the compensation liability is contractual or is based on a warranty or some other commitment if this compensation liability did not exist without said commitment;
- k) legal expenses if they concern a summary penal order;
- l) loss caused from rekeying or replacing locks;
- m) environmental damage, or loss or damage that results from damage caused to the environment;
- n) loss caused in the course of professional managing agent activity, or loss for which the compensation liability is based on any economic or production activity carried on in the insured building;
- o) loss caused by the insured's error or omission to take out or maintain in force the necessary or adequate insurance on behalf of the policyholder;
- p) loss caused by violation of dignity or privacy;
- q) loss covered by the policyholder's or the insured's any other or previously valid liability insurance policy;
- r) loss or cost that is a direct result of a communicable disease as defined in the Communicable Diseases Act, of a threat or a prevention measure thereof or of any measure taken to mitigate the consequences thereof.

5 Claim settlement

5.1 Policyholder's and the insured's obligations

The policyholder and the insured are required:

- to immediately inform the insurer after becoming aware of a compensation claim or an event or a circumstance that may result in compensation claims;
- at their own cost to contribute towards the settlement of the claim;

- to present to the insurer the information, documents and other material they hold that are relevant for the settlement of the claim;
- to obtain or prepare any necessary information, documents and examinations that are available to the policyholder or the insured at a reasonable cost;
- to give the insurer an opportunity to assess the amount of loss and to contribute to an amicable resolution.

5.2 Legal proceedings

If the loss gives rise to legal proceedings, the policyholder and the insured are required to inform the insurer of this without undue delay. Unless the insured notifies the insurer of the legal proceedings in advance, the insurer will not be liable to cover any costs or expenses arising from the legal proceedings. The insurer will accept the attorney used, and the insurer always has a right to take over the legal proceedings.

5.3 Insurer's obligations

If the amount of the notified loss or damage caused is more than the policy deductible and if the claim falls within the scope of the insurance cover, the insurer will determine whether the insured is held liable for damages, and will negotiate with the claimant.

If the insured compensates the claim, settles it or accepts the demand made, this will not be binding on the insurer unless it is apparent that the amount and criteria of compensation are correct.

If the insurer informs the insured that it is, subject to the applicable sum insured, prepared to enter into an agreement with the injured party on indemnifying for the losses that fall within the scope of this insurance, but the insured does not accept this, the insurer will not be liable to pay any higher damages or to cover any costs incurred after this or to investigate the case any further.

6 Calculating the amount of indemnity

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

6.1 Liability in solidum

Where several parties are held liable in solidum to compensate the same claim, this insurance will cover only that part of the claim which reflects the insured's contribution and any advantage that the insured may have gained from the event causing the claim. In the absence of any other criterion, indemnity will be paid according to the number of the liable parties.

6.2 Costs for preventing imminent risk of damage

In the event that a peril is imminent or has already occurred, the insured is under an obligation to prevent or limit the loss or damage (see the General terms and conditions of contract). This obligation only concerns

measures to eliminate an immediate danger of liability damage to third parties, but it does not apply to any damage aftercare measures that are more far-reaching than this, unless otherwise agreed on these measures with the insurer. The costs for these essential measures will be indemnified by the insurance.

6.3 Settlement expenses and legal expenses

This insurance covers the reasonable and necessary expenses of claim settlement, but not any settlement expenses incurring to the policyholder or the insured that under the policy wording the policyholder or the insured are 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, the insurer will cover the insured's legal expenses, subject to the sum insured and the following conditions:

- It is evident that the demand and the basis of the demand concern a claim that is covered by this insurance.
- The claim for which compensation is sought is more than the deductible.
- The insurer is notified of the legal proceedings in advance.
- The insurer accepts the attorney used.

In arbitration, the arbitrator fee is excluded from the cover provided by this insurance.

If the legal proceedings also concern other matters, expenses will be covered only in respect of the compensation claim that falls within the scope of the insurance.

6.4 Deductible and value added tax

In every claim, the insured is liable for the deductible stated in the policy document. The deductible is deducted from the total amount of the damages, prevention costs, settlement expenses and legal expenses calculated under the policy wording.

When calculating the amount of loss, account is taken of the applicable legal provisions governing value added tax.

6.5 Maximum amount of indemnity

Including all settlement, negotiation, interest and legal expenses, the maximum total amount of indemnity payable on the basis of one claim is limited to the sum insured stated in the policy document.

Prevention costs are covered as laid down in the General terms and conditions of contract.

The insurer's maximum liability in claims discovered during a single insurance period is limited to the sum insured stated in the policy document.

All losses caused by the same event or circumstance are considered to constitute one claim, 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 instance of loss was discovered.

Property owner's legal expenses insurance

This insurance is designed to indemnify the insured's essential and reasonable legal expenses of legal aid in disputes, criminal cases and non-contentious civil cases in respect of the perils referred to in section 3 concerning ownership, possession or management of the premises and buildings stated in the policy document.

1 Insureds

The insureds are:

- the policyholder;
- the persons in the policyholder's employ.

2 Courts of law and territorial limits

The insured may take advantage of the insurance in matters that can be directly referred to a district court or arbitration in Finland.

The insurance does not cover expenses in cases that come before the administrative authorities or special courts, such as a county administrative board, the Administrative Court, the Insurance Court, the Labour Court of Finland, the Market Court or the Supreme Administrative Court. The insurance also does not cover expenses in cases that come before the European Court of Human Rights, the Court of Justice of the European Union or the Court of First Instance of the European Communities.

3 Perils insured

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

- the materialisation of the dispute. A dispute materialises when a claim, the grounds for and the amount of which have been set out, has been demonstrably contested as regards the grounds for or the amount of that claim.

in criminal cases is:

- the opening of the judicial investigation, when the insured is the injured party in the case.
- the instituting or continuing of the criminal prosecution against the insured, when the public prosecutor has decided to discontinue or terminate the criminal prosecution. A criminal prosecution is considered instituted 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.

This insurance covers the perils (insured events) that occur during the period of cover. However, if this insurance has been in force for less than two years when the peril occurs, the factors on which the dispute, claim or criminal prosecution is based must also have occurred during the period of cover.

Subject to any limitations that may be set out in the policy document, the period of cover includes the time for which the cover provided by this insurance, alone or consecutively with any terminated legal expenses insurance covers of equivalent content, has been uninterrupted in force in respect of the insured. However, if several legal expenses insurance policies are in force when a peril occurs, the period of cover only includes the cover provided by this insurance.

If the extensions of cover have been in force for less than two years when a peril occurs, the extensions of cover are in force only in respect of perils occurring after the date on which the relevant change took effect, on the condition that the cause of the peril has also occurred after the extension was made to the policy.

'Extension of cover' means an increase of the sum insured, or if a special condition concerning the coverage of the opposing party's expenses or some other special condition is added to the policy.

One insured event

Matters will be considered to constitute one 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.

4 Perils excluded from legal expenses insurance

This insurance does not cover any expenses that the insured incurs in cases:

1. where the contestation of the claim cannot be proved;
2. that concern the insured in the capacity of owner, possessor, manager or user of other premises or buildings than those stated in the policy document;
3. that derive from construction, repair or demolition work launched at the premises or at any of the buildings on the premises before the insurance takes effect, or that derive from any related design work, contracts, warranties or securities;
4. that relate to tenancy for the insured residential or commercial unit, whenever the case concerns termination of tenancy, eviction of a tenant or the amount or payment of rent and the insured is the injured party in the capacity of lessor;
5. that relate to economic or production activity carried on at the premises or in the building. However, costs will be covered in matters in which the policyholder is the injured party in the capacity of owner or possessor of the premises;
6. in which the real interest of the case without the legal expenses claim is less than one thousand (1,000) euro, or which are otherwise insignificant to the insured;

7. that are between any of the insureds of this insurance. However, the policyholder's costs will be covered when the opposing party is a natural person;
8. that relate to a receivable or a claim that was transferred to the insured, unless the dispute arises more than two years after the transfer;
9. in which the public prosecutor conducts a criminal prosecution against the insured, or in which the injured party brings a civil claim against the accused insured in the course of such prosecution;
10. that concern a civil claim brought against the insured where the claim is based on an act which has led to the insured's conviction, or for which the insured was not prosecuted or was exempted from penalties under specific rules governing it; or that concern a claim which the injured party brings against the accused insured in the course of a criminal prosecution conducted by the public prosecutor. However, the insured entity's costs will be covered if the matter in its case concerns the employer's compensation liability;
11. the costs of which are reimbursed to the insured under liability insurance, or under legal expenses insurance cover that is linked to a motor vehicle insurance or a boat insurance policy;
12. that concern or are related to bankruptcy or enforcement, such as a recovery action within the meaning of the Act on the Recovery of Assets to Bankruptcy Estates, the contested enforcement referred to in the Enforcement Code, or the enforcement of distraint;
13. that concern a proceeding pursuant to the laws adopted on the restructuring of undertakings or on a private individual's debt adjustment, or that concern a farmer's voluntary debt adjustment under the Rural Business Act;
14. where it is contested whether the expenses arising from the insured event that the insured has reported are eligible for reimbursement under this legal expenses insurance either wholly or in part;
15. that are tried as a collective action and in which the insured is a party in the capacity of applicant or group member;
16. that deal with a patent or some other intangible right.

5 What to do after an insured event occurs

5.1 Reporting the claim

If the insured wishes to take advantage of this insurance, the insurer must be notified of this in writing in advance. The insurer will then issue to the insured a written claim settlement decision.

5.2 Selecting an attorney

The insured is required to appoint as their attorney an attorney-at-law or a lawyer who is legally authorised to serve as an attorney or legal counsel. No expenses will be covered if the insured does not appoint an attorney at all or appoints an attorney other than an attorney described above.

5.3 Cost claim to the opposing party

In cases that have progressed to the main hearing at a district court, and in arbitration, the insured is required to demand the opposing party to cover the insured's full legal expenses. If the insured fails to submit a cost claim or gratuitously withdraws it, the insurance indemnity can be reduced or it may be refused under the Insurance Contracts Act. However, in cases that are referred to the mediation proceedings (judicial mediation) as defined in the Act on mediation in civil matters and confirmation of settlements in general courts, it is not necessary to submit a cost claim in respect of the costs incurred from the mediation proceedings.

5.4 Accepting expenses

The insured does not have a right to acknowledge, in a manner that would be binding on the insurer, the amount of the expenses of pursuing the case. Any indemnity that the insured pays to the insured's attorney for the attorney's fees and costs will not be binding on the insurer when assessing the reasonableness of the legal expenses.

6 Covered expenses, and exclusions

6.1 Covered expenses

The legal expenses recoverable under this insurance are 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 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.

With regard to the attorney's expenses, the reasonable fee for the attorney's work as well as the essential expenses will be reimbursed. When determining the reasonableness of fees and expenses, account will be taken of the value of the benefit at issue, the complexity and the scope of the case, and the volume and the quality of the work carried out.

Expenses can 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 personally to bear all or some of the insured's own costs.

However, the maximum amount of covered expenses is limited to the cost claim that the insured presents to the opposing party.

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

6.2 Covered legal expenses

This insurance covers the insured's essential and reasonable legal expenses arising from the insured event, as follows:

6.2.1 In disputes and non-contentious civil cases

The insured's expenses from using an attorney and from the presentation of evidence.

If bringing the case before the court is conditional on some legal act or on a decision passed in a body or in a proceeding, expenses will be covered from the moment when the case can be brought before the district court.

If the case is subject to judicial mediation, cover also includes the insured's portion of the fee and expenses paid to the mediator's assistant, calculated in relation to the number of the disputing parties.

If a dispute between the insured and a trader or a legal person that is the opposing party in the case has been subject to other voluntary mediation proceedings, the insured's portion of the mediator's fee, calculated in relation to the number of the disputing parties, will also be reimbursed. A condition for indemnifying the mediator's fee is that the mediator must be an attorney-at-law or other lawyer.

6.2.2 In criminal cases

Insured as the injured party

The insured's legal expenses from using an attorney and from the presentation of evidence, insofar as the litigation concerns the insured's other civil claim arising from a criminal offence than legal expenses.

Insured as the defendant

The insured's legal expenses from using an attorney and from the 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.

6.2.3 On appeals to the Supreme Court

If appealing to the Supreme Court is subject to leave to appeal, the costs of appeal will be covered only if such leave is granted. The costs of extraordinary appeals will be covered only if the Supreme Court accepts the complaint or annulment of the judgment, or provides restitutio in integrum.

6.2.4 Shared interest

Where the 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 the insured shares with persons not covered by this insurance, this insurance will cover only that portion of the costs which is deemed to be attributable to the insured.

6.3 Excluded expenses

This insurance does not cover:

1. expenses incurred from measures taken prior to the insured event or from any preliminary investigation of the case. However, the expenses of investigations conducted and evidence gathered prior to the insured event will be covered if the investigation is used as evidence;

2. the opposing party's legal expenses that the insured is ordered or agrees to pay, unless this is expressly agreed and stated in the policy document;
3. expenses arising from the enforcement of a judgment or a decision;
4. 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;
5. expenses of acquiring expert legal opinion;
6. expenses of reporting a criminal offence to the police, of requesting an investigation, or of any pre-trial investigation of a criminal case;
7. expenses arising from factors or evidence which the court dismisses on the ground of delay;
8. expenses which the insured or the insured's attorney incurs by not appearing before the court, by failing to comply with orders given by the court or by 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;
9. expenses of litigation which the insured or the insured's 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;
10. the arbitrator's fees and costs;
11. expenses of seeking public legal aid.

7 Calculating the amount of indemnity

The legal expenses recoverable under this insurance are 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 or for some other reason, the court does not rule on legal expenses in its judgment, or if the case is resolved amicably or in accordance with the admission, the covered expenses will also be determined with reference to the expenses usually awarded or paid in comparable cases. However, the maximum amount of covered expenses is limited 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 personally to bear all or some of the insured's own costs.

With regard to the attorney's expenses, the reasonable fee for the attorney's work as well as the essential expenses will be indemnified. When determining the reasonableness of fees and expenses, account will be taken of the value of the benefit at issue, the complexity and the scope of the case, and the volume and the quality of the work carried out. However, the maximum amount of covered expenses is limited to the cost claim that the insured presents to the opposing party.

7.1 Deductible

Covered expenses are subject to the deductible stated in the policy document.

7.2 Value added tax

If, under the Value Added Tax Act, the insured is entitled to deduct or claim the tax included in the legal expenses invoice or in the legal expenses, the value added tax included in the expenses will be deducted from the indemnity that becomes payable.

7.3 Maximum amount of indemnity

In every insured event, the insurer's maximum liability is limited to the sum insured stated in the policy document. The maximum amount indemnified during a single insurance period is limited to the sum insured multiplied by two.

8 Other indemnification regulations

8.1 Time of payment of indemnity

The insurer will indemnify the insured's legal expenses after the court's legally valid judgement or the board's ruling, or once the case has been settled amicably. The final indemnity will be paid after the insured, having been requested by the insurer to do so, has shown that it has paid the insured's deductible for the costs, as well as any amount that may be in excess of the sum insured, to the attorney's same bank account to which the insurance indemnity will be paid.

If, under the Value Added Tax Act, the insured is entitled to deduct the tax included in the legal expenses invoice, the insurer will indemnify the insured for the insured's legal expenses on presentation of the invoice that the insured has paid.

8.2 Opposing party's reimbursement of expenses

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, provided that it is successfully collected from the party liable to pay it.

If the opposing party is ordered or undertakes to pay the insured reimbursement of expenses which remains unpaid upon payment of the insurance indemnity, the insured is liable, before payment of the indemnity, to transfer to the insurer the insured's right to the reimbursement of expenses up to the amount of the insurance indemnity.

If the insured has had to pay some of the insured's expenses out of pocket by reason of the expenses exceeding the maximum indemnity shown in section 7.3, the insured is liable to transfer to the insurer that portion of the opposing party's reimbursement of expenses which exceeds the out-of-pocket element paid by the insured.

In order for the indemnity to be paid, the insured is also required to submit an enforceable judgment.

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 the insured's benefit, the insured is required to return this reimbursement of expenses, with interest, to the insurer up to the amount of the insurance indemnity paid.

9 Opposing party's legal expenses cover

If expressly agreed and stated in the policy document, deviating from section 6.3 / 2. of the legal expenses insurance policy wording, this insurance will also indemnify, on the same terms as those applied to the insured's own legal expenses, the opposing party's legal expenses, other than settled legal expenses, that the insured is ordered to pay in a final decision issued by the court. The maximum total indemnity for the insured's own and the opposing party's expenses is limited to the sum insured stated in the policy document.

Rental income interruption insurance

Rental return interruption insurance covers loss caused by interruption of the insured rental operations. It also reimburses the expenses paid to mitigate the loss. A condition for cover is that the interruption must result from loss or damage that is caused to a building and that is covered by property insurance.

1 Subject matter of insurance

The subject matter of this insurance is the rental income of the building stated in the policy document.

2 Business interruption loss and the liability period

Business interruption loss means any reduction or interruption of the rental income stipulated in the lease due to an incident of property damage.

Liability period is the longest uninterrupted period of time over which the insurer will cover business interruption loss. The liability period begins from the day of the property damage causing interruption of the rental operations. The length of the liability period is one year.

3 Perils insured

This insurance covers business interruption loss when a policyholder-owned dwelling or unit situated in the building stated in the policy document is unusable due to an incident of property damage to the dwelling, unit or another part of the building, provided that the damage that has occurred is covered by the property insurance policy wording of this Real estate insurance.

The insurance also covers business interruption loss when, due to an incident of property damage, the normal use of the dwelling or unit is disturbed and the full rent cannot be charged for it.

4 Indemnification regulations

4.1 Calculation of the amount of loss

The amount of business interruption loss includes the rental income lost over the period that starts when the property damage occurs until the property damage causing the interruption has been repaired or remedied. If the repairs or remediation or their start are delayed, the business interruption loss will only be covered over the time period that it would have taken to repair or remedy the property damage using efficient methods of repair or remediation.

4.1.1 Expenses from temporary arrangements

The amount of loss is also calculated as including the expenses from the temporary arrangements that enable use of the dwelling or unit while the property damage is being repaired. The maximum amount of covered expenses is limited to the amount by which the temporary arrangements reduce the amount of business interruption loss.

4.1.2 Claim settlement costs

The amount of loss excludes claim settlement costs, such as telephone and travel expenses, loss of earnings, costs of preparing and obtaining loss amount calculations, or other similar costs.

4.2 Calculation of the amount of indemnity

The amount of indemnity is calculated from the amount of loss by deducting from it the deductibles and the other reductions and deductions stated in this policy wording and in the General terms and conditions of contract, in the following order:

1. Saved expenses, and any compensation obtained from elsewhere
2. The deductible stated in the policy document
3. Any reduction of the indemnity that may be due to underinsurance, failure to comply with the safety regulations, or some other reason.

4.2.1 Saved expenses

From the amount of loss are deducted any rental operating expenses saved over the liability period that did not have to be paid as a consequence of the property damage.

4.2.2 Indemnity obtained from elsewhere

When calculating the amount of indemnity, any rental income indemnified under some other insurance or obtained from the party causing the loss will be deducted from the amount of loss.

4.2.3 Deductible

If the property damage has been indemnified by the property insurance of Real estate insurance, the amount of business interruption loss will not be subject to a specific deductible.

4.2.4 Impact of reduced property damage indemnity

If the amount of property damage indemnity has been reduced due to the policyholder's own conduct, the insurer has a right to proportionately reduce the amount of indemnity payable for the business interruption loss.

4.2.5 Maximum indemnity amount

The maximum indemnity amount payable under this insurance per insurance period is limited to the sum insured stated in the policy document.

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.

