



Real Estate Insurance 5600

PRODUCT DESCRIPTION
Effective 1 January 2026

 **LOCALTAPIOLA**

LocalTapiola – putting your finances, health and security first

We think it's essential to help our customers identify and anticipate risks. But sometimes this is not enough, and that's why we deliver insurance solutions for quick and high-quality recovery in the event that something happens. We are a customer-owned lifelong security company. That means we always put your security, finances and health first.

Influence and enjoy benefits as a LocalTapiola owner-customer

Mutual companies are special, because they're owned by their policyholders. When a housing company becomes one of our owner-customers, it will benefit from our result, and you can have a say in our activities.

Policy details in our online service

In our online service, you will find your policy details and the related terms and conditions easily in one place. What's more, the online service also allows to make changes to your policy if you need to. Learn more about the service and sign an online service agreement at www.lahitapiola.fi/esittely

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Insurance worthy of your building

For many Finns, a condo is not only a home, but also their biggest investment. That is why we want to make sure that this property, too, gets the insurance cover it deserves against property damage and any possible liability claims or legal expenses resulting from ownership of the building. Furthermore, we think it is important to protect the members of your housing company's Board of Directors while they carry out decision-making for the company.

LocalTapiola Real Estate Insurance provides protection to limited liability housing companies and to limited liability real estate companies whose real estate is in residential use. Cover applies to the housing company's buildings and real estate ownership-related activities. You can also expand your insurance policy with rental income interruption cover if your housing company receives rental income, for example, from a club room, a caretaker's apartment or other premises it owns.

A real estate insurance policy includes:

- property insurance cover, which protects against material damage caused to your building and housing company-owned movables;
- Property owner's liability cover, which protects against compensation claims for bodily injury or property damage brought against your housing company;
- Property owner's legal expenses cover, which will cover legal expenses if your housing company ever ends up in a dispute;
- Directors' and building manager's liability cover, which protects against financial liability attributed personally to a member of your housing company's Board of Directors;
- Rental income interruption cover (extendable), which protects against loss of rental income from housing company-owned premises following property damage.

Protecting your building

When you take out a real estate insurance policy for a residential building, it automatically also insures the housing company-owned movables intended for residents' common use, including the machines in the laundry room and your housing company's lawnmower. Cover also applies to any under-40-sqm storage facilities, carports and covered waste collection points situated at the plot that are in the housing company's use, as well as to any conventional immovable structures on the plot including outdoor playsets fixed to the ground in a play area. These do not therefore need to be specifically listed in the policy schedule. For bushes and plants in the property's yard area, you can be compensated up to €5,000 if they are damaged, such as in a fire that breaks out in the building.



Furthermore, cover applies to housing company-owned electric vehicle charging hardware, as well as to car heating poles. Property jointly owned by several housing companies is insured for the policyholder housing company's ownership.

What is not covered?

You cannot take out this insurance to insure buildings that are under construction or any machines or equipment that solely serve business activities carried on in the building. For example, the grease extractor fan of a pizzeria operating downstairs in a residential apartment block, although permanently fixed to the building, is not covered by a real estate policy. Structures and drainage pipes located beneath the foundation bases of your building are also not covered.

Solar panels that your housing company owns are covered if they mainly generate energy for the housing company's own use. However, if you sell the majority of the panels' capacity, the panels are no longer an ordinary source of energy generation that serves your building, which is why they need to be insured specifically for a separate sum insured.

It is often the case that owners select more high-quality and more expensive surface materials and built-in furniture for their apartments

than what the uniform level in the building was originally. For these apartments, however, a policy will cover only the housing company's original, uniform level, and in the event of a claim, home insurance will cover the difference between the costs of these quality levels.

How to select a sum insured for a building

The most commonly used method to insure a residential building is to base the policy premium on the building volume. This means that, in the insurance phase, you do not need to know the exact sum required to re-build the building that you are insuring (replacement value). This method of insuring is called full-value insurance. The building's volume indicated in the building permit documents will be used as the volume, or if the building has been extended later, the volume inclusive of the extension will be used.

A building can also be insured for a sum insured, in which case the replacement value will be recorded as the sum insured in the policy schedule. For old buildings whose method of use has changed from what it was originally, a sum insured can also be agreed that is smaller than the replacement value, without this leading to underinsurance. An insurance of this kind is called first loss insurance, and the sum insured is called maximum indemnity amount.

Accuracy of policy details

It is essential that the information notified for your policy is correct and accurate. If the notified replacement value is too small, your policy may be underinsured – on the other hand, if any of the other details used for calculating the policy premium are too small, this can lead to reduced indemnity.

How to choose the appropriate insurance cover?

Under a real estate insurance policy, you may select the appropriate insurance cover for every building from amongst three options: Limited, Basic and Premium. For residential buildings, Premium is the most popular cover level, which you can extend further to cover sudden and unexpected incidents not covered, for example, by the water damage cover or the natural phenomenon cover. This extension is called the All Risk add-on, or in short, the AR add-on.

The following table shows the types of cover included in the cover levels.

Cover	Premium cover level	Basic cover level	Limited cover level
Fire	yes	yes	yes
Natural phenomenon	yes	yes	yes
Exceptional flood	yes	yes	no
Water damage	yes	yes	no
Break-in and vandalism	yes	yes	no
Building services engineering (BSE) breakdown	yes	no	no
Can be extended with the All Risk add-on	yes	no	no

The **fire cover** covers loss or damage caused by an outbreak of fire, an explosion, or soot that rises suddenly and unexpectedly from a fireplace. In addition, water damage caused by sudden and unexpected activation of a fire-extinguishing system or smoke extraction equipment is also covered by the fire cover.

The **natural phenomenon cover** covers loss or damage caused:

- from a storm, a whirlwind, a downburst or hail;
- when a wild animal, such as an elk, enters a building (note that here wild animal does not include insects, rodents and the like);
- from a lightning strike if lightning breaks property mechanically.



A storm is when, at a 10-minute observation interval, the mean wind speed exceeds 15 metres per second as measured at the Finnish Meteorological Institute's meteorological station nearest to the place where the loss or damage occurs.

The **exceptional flood cover** covers loss or damage caused when:

- heavy rain causes water to flood on the surface of the ground;
- heavy rain, the melting of snow, or an ice dam causes a river, a lake, a ditch or a stream to flood exceptionally;
- storm wind, barometric pressure variation, or currents in the Danish straits cause exceptional seawater flooding.



A flood is exceptional when the water level reaches a height likely to occur once every 50 years or less frequently. Heavy rain is when rainfall measures 30 mm in one hour or 70 mm in a day (a 24-hour period).

The **water damage cover** covers loss or damage caused when structures or fixtures become wet as a result of a broken:

- water pipe, sewer line or internal storm drain;
- heating pipe system or oil tank;
- jacuzzi or swimming pool piping system; or
- machine or equipment

that is permanently fixed to the building.

In addition, cover includes loss or damage caused by water that rises from the sewer line of your building when this is due to sudden and unexpected clogging in the building's own sewer network.

In all cases, in order for there to be cover for water damage, the leak must have started during the period of cover.

The **break-in and vandalism cover** covers loss or damage caused when someone gains access to a building by:

- damaging the structures or locks;
- using a key stolen during a break-in or robbery; or
- using an identifier for accessing an electronic lock, when this identifier has been obtained without authorisation and the unauthorised access can be proven by logs of the locking system.

Cover also includes intentional vandalism to your building, to machines and equipment kept there and to any immovable conventional structures situated at the plot.

The **building services engineering (BSE) breakdown cover** covers sudden and unexpected breakdown or breakage of machines, equipment, electrical wiring and piping systems serving your building, as well as the costs incurred from the opening and closing of structures necessary to locate and repair the fault.

All Risk add-on

The Premium cover level can be extended with the All Risk add-on, which covers sudden and unexpected loss or damage that is not covered on the basis of the phenomena set out in the terms and conditions, including water damage from a broken aquarium, leakage damage caused due to an obstacle on top of a drain, or when a roof breaks while clearing snow from that roof.

Claim examples	Which cover applies
Your building catches fire due to a faulty electrical device.	Fire
Soot from a fire at the adjacent premises damages your building.	Fire
Storm wind tears off the tin roof of your building, and rain soaks the structures.	Natural phenomenon
An intruder breaks locks and door frames of your building while trying to get inside the stair hall.	Break-in and vandalism
The outdoor playsets at the play area are vandalised, and ropes of the climbing frame are cut.	Break-in and vandalism
Lightning strikes your building via a tree growing next to the building, charring the surface boarding over a large area.	Natural phenomenon
Your boiler breaks, and the escaping water damages structures.	Water damage to the structures: Water damage Boiler breakdown: Building services engineering (BSE) breakdown
A resident is seized with a sudden fit of illness, which leaves the sink tap open. This causes water to escape onto the kitchen floor, which damages the structures.	All Risk add-on
During a thunderstorm, overvoltage from a lightning strike breaks the entry-phone system of your building.	Building services engineering (BSE) breakdown

Key restrictions and exclusions

Please see below for the most typical cover restrictions and exclusions. They apply to all covers, unless otherwise shown. For the precise content of the exclusions, refer to the actual policy wording, which you should also read before taking out an insurance policy.



Note! In the policy wording, you can find out more about all the things not covered by a real estate insurance policy.

Cover does not include damage caused to property from:

- a construction, design or material error, including from water that escapes through a defective moisture barrier;

- neglected maintenance and repairs;
- water that flows from a pipe system before it has been accepted into service;
- gradual phenomena, including fouling, moulding, condensation water, corrosion, decay of concrete, or a liquid that leaks as a result of the loosening of joints or connections;
- weather or weather phenomena, including cold, drought, heat, ground subsidence, the weight of snow or ice, rain, snowfall, a rise in the water level, a flood or heavy seas, excluding claims covered by the exceptional flood cover;
- breakage of a municipal or another public water pipe, drainpipe or district heating pipe;
- the activities of pets, insects, birds, lagomorphs or rodents (excluding fire and water damage);
- war, rebellion, strike, nuclear damage or any professional blasting or quarrying; or

- to property kept outdoors, unless the property is intended for outdoor storage and use.

Furthermore, cover does not include or compensate for any:

- costs of the control of insects, birds, lagomorphs or rodents;
- diminution in the value of property;
- financial loss or cost not related to a property damage incident;
- costs incurring to building services engineering (BSE) or related control units and files from a security breach, loss of data or incorrect use;

- cost incurring indirectly from a property damage incident, including claim settlement and supervision costs, unless where agreed in advance with the insurer.

The building services engineering (BSE) breakdown cover will not cover loss of or damage to masonry stoves, fireplaces and flues, jacuzzi and swimming pool equipment or any machinery or equipment for which the owners are responsible under the Limited Liability Housing Companies Act.

Incident	Exclusion
Your water pipes have frozen, and the maintenance company comes to thaw them.	Your insurance policy will not cover the freezing of the pipe, costs incurred from thawing it or any other costs of service and maintenance.
Due to defective moisture barriers, the floor structures in a bathroom have become wet gradually over the years, and the heating water pipe system running in the floor structures has rusted throughout.	Your insurance policy will not cover damage caused by defective moisture barriers. You are also not covered for any gradual damage, including when a pipe develops rust as a result of constant moisture on its exterior surface.
Storm wind smashes your housing company's lawnmower against the building wall.	Your insurance policy will not cover loss or damage caused by theft or the forces of nature to movable property kept outdoors or under a canopy.
A key belonging to your housing company is stolen during a break-in of the maintenance company's premises. The keys do not bear any identifiers.	Costs of rekeying locks will be covered as a loss prevention measure only if stolen keys pose an immediate risk to a housing company's property. As the key did not bear any identifiers, and otherwise there is also no reason to assume that the key could be associated with the locks of this particular housing company, there is no immediate threat to the housing company's property, and the rekeying of locks will not be covered.

Follow the safety regulations to prevent losses

The terms and conditions of real estate insurance also contain safety regulations, which are designed to prevent and mitigate losses. For instance, although a water damage incident damages property only, it causes stress and inconvenience to those living in the affected apartment. What's more, every claim incident also increases our carbon footprint, because repairs require new materials and energy is used in various forms to carry out the repairs.

Failure to comply with the safety regulations may also impact the insurance payout, that is to say, this might reduce the indemnity payable or result in cover being refused entirely. That is why it is important to read and observe those regulations.

In addition to general fire safety, they deal with topics including how to prevent arson, water damage and losses caused by criminal offences. Furthermore, the safety regulations contain a list of issues that should be taken into account when planning the acquisition of solar panels or electric vehicle charging hardware, so that the hardware would be safe for residents, hardware maintenance technicians and rescuers in the event of an emergency. The safety regulations also contain instructions for the safe use and upkeep of hardware.

Here are some examples taken from the safety regulations:

- Instruct the residents that vehicles must be charged only from wall sockets declared suitable for charging and that it is prohibited to use an extension cord for charging;
- Roof outlets and gutters must be checked and cleaned twice a year;

- Key deposit cylinders sunk into the exterior wall must store only keys leading to technical facilities;
- Electrical installations as well as ventilation and smoke flues need to be subjected to the service inspections and periodic inspections, and they are to be cleaned as, required by the 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.

Amount of indemnity

Property insurance will cover direct property damage caused to the subject matter insured. Demolition and wrecking costs, for example, and environmental cleaning costs, will also be covered if a property damage incident contaminates the site of construction.

We will not cover any indirect expenses incurred from damage incidents. These include travel expenses, meeting costs, the building manager's increased amount of work and different settlement costs. However, in large claims, it will be agreed in advance whether and how the construction developer's supervisor costs and the like will be reimbursed.

When calculating the **amount of indemnity**, we will first estimate the **amount of loss**. After the amount of loss has been determined, we calculate the indemnity payable for it, by deducting the deductible and any other possible deductions and reductions, which may include reductions resulting from underinsurance or from failure to comply with the safety regulations.

The amount of loss will be affected by the value that the property had immediately before being damaged, that is, by the property's current value immediately before being damaged. In water damage and breakage/breakdown claims, we use age reductions instead of current value to account for the property's wear and tear and ageing.

When calculating **current value**, we take into account the age and wear and tear of the property's parts, as well as any renovation and improvements that have been carried out. Based on this information, we calculate the value of the building compared to its **replacement value**, that is, to the price for which equivalent property

could be obtained new. This yields the **current value percentage**. If the current value, in percentage, is at least 50% of replacement value, the amount of loss will be based on the replacement value of the damaged property. On the other hand, if the current value is less than 50% of replacement value, the amount of loss will be equal to the appropriate share, as indicated by the current value percentage, of replacement value.

Example

A 50-year-old residential apartment block is completely destroyed in a fire. A new one is built to replace it. The current value of the building immediately before the fire was 65% of the value of a new equivalent building. Therefore, the resulting claim is covered on the basis of the building's replacement value.

Repairable property

In most building claims, the building is not destroyed completely, and it can be repaired. When the current value of the damaged property is at least 50% of replacement value, the amount of loss will equal the repair costs. But if the current value is less than 50% of replacement value, we will cover the appropriate share, as indicated by the current value percentage, of the repair costs, but in any case not more than the current value in euros.

Example

Calculating current value, when the common sauna facilities in an apartment block are destroyed in a fire.

The bathroom was fully redone less than a year ago, and its current value is 100% of replacement value, €20,000.

The sauna benches, floor, and wall panels are 30 years old, and their current value is 20% of replacement value, €10,000. This yields a current value of €2,000.

The sauna heater was replaced less than a year ago, and its current value is 100% of replacement value, €1,200.

The sauna facilities have a total current value of €23,000 and a replacement value of €31,200. The current value percentage is 74%. In this case, the amount of loss would be calculated on replacement value basis.

Amount compensated for water damage

When calculating the amount of loss for a water damage claim, we will apply an age reduction when the pipe or actuator causing the damage is more than 15 years old. The amount of this age reduction is 10 per cent, plus 2 per cent for every year exceeding 15 years. The maximum age reduction is limited to 60 per cent.

Example

In a residential building, a water pipe breaks, and the water escaping from the pipe system causes damage worth €30,000 to the building. The building is 50 years old. As the building's pipes had been refurbished nine years ago, no age reduction applies to this water damage claim.

If the plumbing refurbishment had not been done, an age reduction of 60% ($10 + 35 \times 2 = 80\% > 60\%$) would apply, and the amount of indemnity would be €12,000 minus the deductible.

Deviating from the above, an age reduction of 2% per year, calculated beginning in the year that follows the year of renovation, applies for drainpipes repaired from the inside using a pipe having adequate ring stiffness (SN4 or SN8), when employing a certified repair method.

Example

60-year-old drainpipes were repaired 5½ years before damage occurs. The following age reduction applies: $2\% \times 4 \text{ years} = 8\%$.

Amount compensated for breakdown

When a machine or a piece of equipment breaks down, the age reduction made from the repair or replacement costs will be between 3 and 20 per cent per year, depending on the item broken (for the machine-specific percentages, see policy wording section 6.1.5). The first year of use and the year in which the damage occurs are not subject to an age reduction.

Example

Your housing company's shared-use washing machine breaks down. The machine cannot be repaired, and you need to acquire a new replacement one costing €8,000. The machine is eight years old, and an age reduction applies over six years, totalling 12 per cent, or €960. Your policy deductible is €1,000, so we pay the following indemnity: $\text{€}8,000 - (\text{€}960 + \text{€}1,000) = \text{€}6,040$.

Property owner's liability insurance

Did a postman slip in your yard? Is she now claiming compensation from your housing company for her personal injury? Not to worry – you won't be left to deal with this alone. To anticipate situations like this, real estate insurance policies come with Property owner's liability insurance cover that covers claims such as the one above. First, LocalTapiola will help determine whether the housing company is liable, and if it is, what the amount of liability is in euros. Sometimes a case like this may result in a dispute, and in that case your insurance policy will also cover the legal expenses of the dispute.

Housing companies often organise some of their activities together with other housing companies, and that's when we talk about shared-use areas. If liability arises in respect of any such area, then the case will be covered by your policy insofar as the Articles of Association or a shared-use area agreement contains provisions, for example, on the maintenance of that shared-use area. If you wish to extend one housing company's policy to also cover the liability of other housing companies, you need to specifically agree the extension with LocalTapiola.



Property owner's liability cover will cover claims discovered during the period of cover and in which liability is based on the laws in force in Finland.

Example

A home-services worker slips in the yard of a building while on her way to visit a resident. The building owner is held legally liable for compensation. The relevant liability insurance policy covers the resulting claim.

Key restrictions and exclusions

Cover does not apply, for example, to loss or damage:

- caused to the insured itself;
- that is purely financial and not connected to a bodily injury or property damage incident;
- based on any economic or production activity carried on in the insured building;
- in which damage has been caused to the environment, unless the damage is sudden and due to a random error or omission attributable to the insured;
- caused intentionally, grossly negligently or under the influence of alcohol or drugs;
- in consequence of asbestos, tobacco or tobacco smoke.

The maximum cover for loss of or damage to property in the insured's care, custody or control is limited to €10,000.

Example

A snow scoop slips out of your building caretaker's hand, and it slides down along a snow bank and bumps into the housing company's snow blower, which breaks. This claim is not covered because the policyholder owns the snow blower and liability insurance cover does not apply to damage caused to your own property.

Directors' liability insurance

Board members and building managers may be held legally personally liable, for example, under the Limited Liability Housing Companies Act for harm that they cause while serving in their position. That's why a real estate insurance policy comes with Directors' liability insurance cover, which covers legally established personal liability to the policyholder or another housing-company shareholder or person.

After a claim has been served, LocalTapiola will first assist to determine whether there is legal liability and what its amount is. If we determine that liability exists, your policy will cover the claim. Should the merit or quantum of a covered liability claim be disputed, your policy will cover the legal expenses of the dispute.

Cover applies to claims discovered during the period of cover and in which liability is based on the laws in force in Finland.

Insureds

Under the Directors' liability cover, the insureds are the policyholder's lawfully elected board members, alternates, the building manager and the Chair of the General Meeting. However, the Directors' liability cover provided by a real estate insurance policy does not apply to claims caused in the course of professional managing agent activity.

Key restrictions and exclusions

Cover does not apply to:

- loss or damage caused to self;
- bodily injury or property damage;
- claims in which liability is based on any economic or production activity that is carried on;
- tax penalties, fines, fees of a punitive nature or similar consequences;
- claims caused intentionally or grossly negligently;
- claims resulting from failure to take out or keep in force adequate insurance cover;
- claims based on a situation of which the insured was aware before taking out insurance cover.

Example

The board neglects to collect rent due to your housing company. Later the debtor becomes insolvent, and attempts to recover the debts fail. Owing to the board's negligence, your company incurs financial loss. Your policy compensates for the company's loss.

Property owner's legal expenses insurance

Housing companies will need Property owner's legal expenses cover in the event that a dispute arises over a matter involving the ownership, control, management or use of a property. In addition, this cover can also be used in non-contentious civil cases and, subject to certain conditions, in criminal cases (for more specific information, see section 2 of the policy wording of Property owner's legal expenses insurance).

Cover applies to matters initiated during the period of cover that are or could be tried before a district court or in arbitration in Finland. However, cover does not apply to matters tried before the administrative authorities, special courts, the European Court of Human Rights or the Court of Justice of the European Union.

If the cover has been in force for less than two years when a peril insured against occurs, the factors on which the dispute, claim or criminal prosecution is based must also have occurred during the period of cover.

Be quick to report disputes

Once a dispute has arisen or a criminal prosecution has been initiated, you need to notify LocalTapiola of this in writing without delay. Already at this stage, we will determine whether the matter is covered by your policy, and you will be given a claim settlement decision together with instructions for selecting an attorney and about the later stages of the procedure.

Key restrictions and exclusions

Legal expenses insurance cover does not apply, for example, to:

- matters that are insignificant to the insured;
- matters relating to the termination of tenancy or the amount or rent;
- matters that derive from construction, repair or demolition work launched, before the cover takes effect, at the premises or at any of the buildings on the premises, or that derive from any related design work, contracts, warranties or securities;
- matters based on any economic or production activity carried on in the property;
- matters that concern enforcement, bankruptcy or debt restructuring;
- disputes related to the use of the legal expenses benefit provided by a real estate insurance policy;
- criminal cases in which the public prosecutor is seeking a penalty against the insured, or to matters that concern any compensation demands against the insured that are based on a criminal offence.

What costs are covered?

Cover includes the reasonable and essential legal fees and courts costs of pursuing the case, including lawyers' fees, court fees and expenses paid to witnesses.

When determining reasonableness, we will look at factors such as the value of the benefit at issue and the complexity of the case. If the monetary value of the benefit at issue can be determined, the maximum reimbursable expenses will be limited to the benefit at issue multiplied by two. And for a recurring payment, the maximum amount we will take into account is limited to the lump-sum benefit at issue multiplied by ten.

When calculating the amount of indemnity, covered costs will be reduced by your deductible. However, the maximum amount of indemnity is always limited to the sum insured, which also represents the highest indemnity amount for expenses we will reimburse during the same period of insurance.

What costs are not covered?

Cover does not include, for example, the following costs:

- costs incurred prior to the peril insured against, unless where incurred from information, documents or obtained evidence that have been used as evidence;
- your own costs for dealing with the case, including travel expenses, your own work, loss of earnings;
- the opposing party's legal expenses, unless the policy has been extended to cover them;
- costs of enforcing a court judgment;
- costs of arbitration with the exception of the insured's own attorney's fee and costs of taking evidence.

Cover does not include any increased costs incurred from the insured's conduct, such as if the insured fails to appear before the courts. Nor does cover include costs arising from any evidence or factor that is submitted late.

Rental income interruption insurance

Your housing company may own business premises, a club room or a caretaker's apartment from which it receives rental income. A fire or water leakage incident will also interrupt rental income from these premises. To protect against a decline in the housing company's finances should rental income be interrupted, you can supplement your real estate insurance policy with Rental income interruption cover.

The Rental income interruption cover will compensate for lost rental income in the event that the interruption is due to a covered property damage incident.

The actual rental income will be recorded as the sum insured for this interruption cover.

Example

A fire on business premises operating downstairs in a residential apartment block causes smoke damage to all the downstairs business premises. It takes six months to repair the damage from the fire and smoke, and during that time the premises are unusable. The Rental income interruption cover compensates for the lost rental income.

Other important points to consider

General considerations regarding insurance contracts, claims, indemnities and LocalTapiola.

How does a building's age impact the insurance premium?

The premium charged for the water damage cover will include a discount based on the building's age if the building is under 25 years old. This discount will be reduced annually as the building gets older and the water damage risk increases. If the water pipe and drainpipe system of an over-25-year-old building has been renovated, the repairs made will be taken into account in the premium charged for the water damage cover. That's why you should let LocalTapiola know about any renovated pipe systems.

Building renovations

When a building is undergoing major repairs, such as a plumbing refurbishment, the entire building will be exposed to an increased risk of fire and water leakage. You should let LocalTapiola know about repairs in advance, in order to keep the building's insurance cover at the agreed level.

Policy deductibles

Your policy will not cover a claim if its amount is smaller than the deductible stated in the policy schedule. In claims that are more than the deductible, the amount of indemnity will be reduced by the deductible stated in the policy schedule.

The following types of claims are subject to a higher deductible than what is shown in the policy schedule:

- water damage caused when the flow of water into a drain is prevented due to an obstacle on top of the drain (covered by the AR add-on);
- water damage caused from freezing;
- damage caused from hot work or repairs if any hot work, repairs or the incompleteness of the building have contributed to the occurrence or the scope of damage.

In these cases, we apply an additional deductible of 20% of the amount of loss from which the basic deductible has been deducted first. However, the total deductible cannot be more than €20,000.

Value added tax

Compensation for a claim will be paid exclusive of value added tax when, under the Value Added Tax Act, the insured is entitled to deduct the tax included in the damage repair costs, the property replacement costs, the advocacy invoice or the legal expenses.

Ensure that policy schedule details are accurate

Your policy of insurance is based on the information we obtain when arranging the insurance. The policy schedule shows the details about the covers included in your policy, and about the subject matters, sums insured, premium bases and deductibles of your property insurance cover. Furthermore, your policy schedule also indicates information about the policy terms and conditions and about any possible separate safety regulations. Most safety regulations can be found in the policy wording.

Let LocalTapiola know swiftly if there are any changes to the information stated in the policy schedule. You need to let us know, for example, if your building is put to a different use, if it is extended or if any major repairs or extensions are carried out on the building.

Read the terms and conditions of cover

The LocalTapiola Real estate insurance policy wording (5600) includes detailed information on all aspects of insurance policies, including the perils insured against and related restrictions and exclusions, as well as the applicable safety regulations. The General terms and conditions of contract, which form a part of your insurance contract, set out the rights and obligations connected to your insurance policy. Whenever concluding an insurance policy, please familiarise yourself carefully with the terms and conditions of cover stated in your policy schedule, including any possible separate safety regulations.

Changing and termination of your policy

Change your cover if you need to

Contact LocalTapiola if you want to make changes to your cover.

At the start of a new period of insurance, LocalTapiola may vary the terms of cover, the premium or other contractual terms as specified in the General terms and conditions of contract, which form a part of your policy, and in the Insurance Contracts Act. If we decide to make changes to your policy, we'll send you information about these updates with your policy schedule.

Cover terminates

Your housing company can cancel the cover by written notice to LocalTapiola. The cover will terminate after LocalTapiola receives a notice of cancellation, unless a later date of termination has been notified.

LocalTapiola may cancel a real estate insurance policy during the period of insurance due to the following reasons: deception on the part of either the policyholder or a party acting on its

behalf; any change in the circumstances which materially increases the insurer's risk; or if the policyholder causes a claim incident intentionally or grossly negligently or fails to follow the safety regulations.

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

Pay your insurance on time

Insurance invoices will be sent in good time, at least 30 days before the due date. If you do not pay an invoice by the due date, we will send you a number of payment reminders. We'll charge a reminder surcharge for any payment reminders we send. If you also fail to pay the second reminder, we will cancel your insurance to end in two weeks.

How to make a claim

In the event that your building or other insured property is damaged, our Claims Service is there to help you. Contact us online on our website at lahitapiola.fi, or call us or visit one of our offices. Claimants need to make a claim with LocalTapiola within one year of becoming aware of:

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

In any case, a claim needs to be filed within ten years of the occurrence of the loss, damage or injury or its consequences. If no claim is presented within this time period, the claimant will forfeit their entitlement to compensation. Where the claimant in bad faith gives any incorrect or incomplete information, the claimant may forfeit their entitlement to compensation or the compensation payable may be reduced. LocalTapiola will issue a claim settlement decision within one month of receipt of the necessary documents and information. If the payment of compensation is delayed, we will pay the penalty interest laid down in the Interest Act.

Appeal

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

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

Read more at our website lahitapiola.fi/muutoksenhaku.

Processing of personal data

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

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

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

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

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

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

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

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

Credit file

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

Information on LocalTapiola

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

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

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

A small insurance glossary

Age reduction is a reduction made from the replacement value of property based on the service life of that property.

Contract of insurance (policy of insurance) is a contract concluded between the insurer and the policyholder under which the insurer will indemnify for losses caused to the policyholder or another insured by any of the perils insured against determined in the policy wording.

Cover level is the scope of cover that the policyholder can select which tells what claims are covered.

Current value is the amount of money obtained by subtracting from replacement value what the property has lost in value due to age, use, decreased usability or other comparable reason.

Deductible is that part of loss which the policyholder is contractually liable to bear.

Exclusion describes what types of loss are not covered by an insurance policy.

Fair value is the cash sales price of the insured property at the time of loss, that is the price which could be obtained for it were it sold at market price. When calculating fair value, factors such as the item's age, service life and usability will be taken into account.

Indemnity amount is that portion of loss which the insurer will cover on the basis of an insurance policy.

Insured is the party for whose benefit a non-life insurance policy is in force. In a real estate insurance policy, the insured is usually the policyholder, but under Directors' liability cover, the insured is any person who serves as a lawfully elected board member.

Insurer: LocalTapiola General Mutual Insurance Company or a LocalTapiola regional company that has concluded a contract (policy) of insurance with the policyholder.

Maximum indemnity amount is the highest indemnity amount that the insurer is liable to pay per one insured peril or per incident of damage caused at any one time to a specific item or group of property.

Non-life insurance is a type of insurance taken out to cover property damage, liability or other financial loss.

Overinsurance is when the sum insured stated for the property in the policy schedule is significantly higher than the real value of the property or benefit.

Peril insured against is an event, usually chance by nature, on the basis of which an insurance policy will pay indemnity, unless cover is excluded for some reason.

Period of insurance is the agreed length of time stated in the policy schedule for which the cover is effective. A contract (policy) of insurance continues from one agreed period of insurance to another, unless cancelled by one of the parties.

Policyholder: In a real estate insurance policy, the policyholder is the entity that has concluded a contract (policy) of insurance with the insurer.

Policy schedule is a document laying down the unique content of a contract (policy) of insurance.

Policy wording is that part of a contract (policy) of insurance which determines the cover content that is common to all policyholders of a specific type of insurance.

Replacement value is the amount of money needed to obtain new property of like kind or with the closest equivalent features of usage to replace property that has been damaged.

Safety regulations are guidelines that, when followed, may prevent or mitigate loss or damage.

Sum insured is the value, in euros, for which the property is insured.

Underinsurance is when the sum insured stated for the property in the policy schedule is significantly smaller than the real value of the property or benefit. The insurance policy will then cover only as great a portion of the amount of loss as the sum insured is out of the fair value of the property.

Safeguarding our customers' life

Insurance is granted by the following mutual insurance companies in LocalTapiola Group (business ID):
LähiTapiola **Etelä** (0139557-7) | LähiTapiola **Etelä-Pohjanmaa** (0178281-7) | LokalTapiola **Sydusten** -
LähiTapiola **Etelärannikko** (0135987-5) | LähiTapiola **Itä** (2246442-0) | LähiTapiola **Kaakkois-Suomi**
(0225907-5) | LähiTapiola **Kainuu-Koillismaa** (0210339-6) | LähiTapiola **Keski-Suomi** (0208463-1) |
LähiTapiola **Lappi** (0277001-7) | LähiTapiola **Loimi-Häme** (0134859-4) | LähiTapiola **Länsi-Suomi** (0134099-8) |
LähiTapiola **Pirkanmaa** (0205843-3) | LokalTapiola **Österbotten** - LähiTapiola **Pohjanmaa** (0180953-0) |
LähiTapiola **Pohjoinen** (2235550-7) | LähiTapiola **Pääkaupunkiseutu** (2647339-1) | LähiTapiola **Savo**
(1759597-9) | LähiTapiola **Savo-Karjala** (0218612-8) | LähiTapiola **Uusimaa** (0224469-0) |
LähiTapiola **Varsinais-Suomi** (0204067-1) | LähiTapiola **Vellamo** (0282283-3) |
LocalTapiola General Mutual Insurance Company (0211034-2)

The companies' contact details are available at www.lahitapiola.fi.



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