

Apartment Cover

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1 General

This Apartment Cover insurance is an insurance combination designed for landlords covering damage to rented-out apartments and properties.

The insurance combination includes, as stated in your policy schedule, one or several of the following covers:

- Landlord's Premium property cover (section 3.3);
- Landlord's liability cover (section 4);
- Landlord's legal expenses cover (section 5);
- Rental income interruption cover (section 6);
- Property cover for permanent fixtures of your apartment (section 3.4);
- Property cover for damage by tenants (section 3.5).

Your contract (policy) of insurance is made up of the policy schedule, this product-specific policy wording and the General terms and conditions (YS15). If, when taking out your policy or changing it, it is agreed that the cover provided by the policy is more limited or more extensive than what is laid down in this policy wording, the deviations will be stated in your policy schedule.

The subject matters of insurance, their sums insured, the selected insurance cover and the deductible are all shown in the policy schedule.

2 Concepts

Sum insured and insured value

Sum insured is the amount of money for which the subject matter of insurance is insured. In the property cover, the liability cover and the legal expenses cover, the sum insured is based on a pre-agreed maximum indemnity amount.

The insured value of the subject matter of insurance is the value that it has immediately before being damaged. In the event that a peril insured against occurs, the insured value of the damaged asset is determined in accordance with the price level prevailing at the time of damage.

In the rental income interruption cover, the insured value is the 12-month rental income received from the apartment. This income will always be specified as the sum insured.

Underinsurance

If the sum insured for the rental income interruption cover is smaller than the insured value, this results in underinsurance.

Replacement value

The replacement value of your property refers to the acquisition costs of new property of like kind or with the closest equivalent features of usage.

Current value

The current value of your property refers to the amount of money obtained by subtracting from replacement value any diminution in the value of the property resulting from ageing, wear and tear, technological obsolescence, decreased usability or another similar cause.

Fair value

The fair value of your property refers to the amount of money which would generally have been obtainable for that property in the market situation on the day on which the loss or damage occurred. When calculating fair value, a number of factors will be taken into account, including the age, service life, condition and usability of the asset. When determining the fair value of a building, the value of the plot, connections and other buildings will be subtracted from the fair value of the property.

Residual value

The residual value of your property is 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 schedule or the policy wording, for which the policyholder remains liable.

Policyholder

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

Tenant

For the purposes of this insurance, tenant refers to any person who has concluded a lease agreement with the policyholder to rent an apartment. Tenants also include any other persons of the same apartment who are registered in the residence register.

3 Property insurance section

3.1 Insured location and the insured

Cover applies at the address stated in the policy schedule.

The policyholder is the insured.

3.2 Permanent fixtures of the apartment

In this Apartment Cover insurance, the permanent fixtures of the apartment include:

- the property that, under the Limited Liability Housing Companies Act, the apartment owner is responsible for maintaining, including the flooring, wallcoverings and kitchen fixtures;
- the property that, under the Articles of Association, the apartment owner is responsible for maintaining;
- WC fixtures, kitchen stoves, kitchen hoods, refrigerators, sauna heaters and policyholder-owned dishwashers and washing machines.

3.3 Landlord's Premium property cover

3.3.1 Subject matter of insurance

Cover applies to the permanent fixtures of the apartment.

In addition, the sum insured can include up to €2,000 in policyholder-owned movable property kept at the insured location.

3.3.2 Perils insured against

Permanent fixtures of the apartment

Cover applies to sudden and unexpected direct property damage caused to permanent fixtures when that damage is not covered by the tenant's own insurance policy.

Cover also applies to improvements made to the standard of the apartment that are not covered by the building's real estate insurance policy because, due to modifications carried out in the apartment, the standard of quality of the apartment at the time of being damaged was higher than the original standard of the building.

Deviating from exclusion 3.6.1 'Intent,' cover also applies to loss or damage caused intentionally by the tenant or someone who is in the apartment with the tenant's permission, when the act of damage is a single and sudden event which has been reported to the police.

Damage to the building

Cover also includes that portion of the deductible or age reduction which is not covered by the insurance of the building, when the policyholder's tenant is liable for the damage caused and the tenant's own liability insurance cover does not cover that damage. The maximum amount of indemnity will be limited to the property cover sum insured stated in the policy schedule.

3.4 Property cover, permanent fixtures of the apartment

3.4.1 Subject matter of insurance

Cover applies to the permanent fixtures of the apartment.

In addition, the sum insured can include up to €2,000 in policyholder-owned movable property kept at the insured location.

3.4.2 Perils insured against

Cover applies to sudden and unexpected direct property damage caused to permanent fixtures when that damage is not covered by the tenant's own insurance policy.

In connection with a covered real estate insurance claim, you will be indemnified for that portion of the costs of the apartment's permanent fixtures which is not covered by the building's real estate insurance cover because the pre-damage standard of quality was more expensive than the original standard of the building.

3.5 Property cover, damage by tenants

3.5.1 Subject matter of insurance

Cover applies to the building stated in the policy schedule. The building encompasses the structures, and the permanently fixed structures, fixtures and surface coverings serving the building.

The sum insured can include up to €10,000 in policyholder-owned movable property kept at the insured location.

3.5.2 Perils insured against

Cover applies to suddenly produced direct property damage that the tenant or someone who is in the apartment with the tenant's permission is liable to compensate and that is not covered by the liable party's liability insurance cover or the insurance of the building.

For cover to apply, it must be possible to attribute the damage to a single identifiable event.

3.6 Perils excluded from property covers

3.6.1 Intent

Cover does not apply when the tenant or someone who is in the apartment with the tenant's permission intentionally breaks any of the insured property.

3.6.2 Gradual damage

Cover does not apply to loss or damage caused to the property itself from its normal use or wear and tear.

Cover also does not apply to loss or damage caused to the property itself from its corrosion, rusting, rotting, degradation, frost heaving, ground subsidence, scratching, denting, natural material fatigue or some other gradual phenomenon.

You are not covered for any loss or damage caused by the formation of condensation, other moisture (including underground moisture or water), fungi, mould or smell, unless it is a direct consequence of a covered event.

3.6.3 Weather events and flooding

Cover does not apply to:

- a. loss or damage arising from cold, freezing, heat, drought, ground subsidence or frost heaving, rain or snowfall, the weight or movement of ice or snow, groundwater, surface water or melt water, or water level rise, flood or heavy seas;
- b. loss or damage arising from rainwater or melt water that runs from gutters, the building's external downpipes, storm drains or from elsewhere;
- c. loss or damage caused to the insured property from any flooding or water level rise if the building has been built without the permit laid down in the law or in breach of such a permit;
- d. loss or damage arising from breakage, clogging or inoperability of a municipal or another public water pipe, drainpipe or a similar structure.

3.6.4 Construction fault, manufacturing error or bad workmanship

Cover does not apply to loss or damage arising from:

- construction that breaches the building codes, building instructions or generally accepted construction practice;
- incorrect design, construction, installation, erection or use of the property, or from use that is in breach of the operating manual;
- neglected maintenance or repairs.

3.6.5 Floor drains and wall drains

Cover does not apply to loss or damage arising from the escape of a liquid into the structures via any joint between a floor drain and its elevation ring or between a floor drain or a wall drain and the floor moisture barrier, or via any drain pipe penetrations, elevation ring pipe penetrations, or via any intersection between the pipe system and the structure.

3.6.6 Maintenance actions

Cover does not include costs arising from maintenance, adjustment or upkeep measures or from eliminating malfunctions, or from parts replaced in connection therewith.

3.6.7 Damage under the property owner's maintenance responsibility

There will be no cover if, in connection with damage to structures for the maintenance of which it is responsible, the property owner is also responsible for assuming liability for damage caused to property for the maintenance of which the apartment owner is responsible.

3.6.8 Damage by animals

Cover does not apply to loss or damage caused by pets or domestic animals by biting, scratching, tearing, urinating, defecating, vomiting or staining. There is also no cover for loss or damage caused by insects, birds, lagomorphs or rodents.

3.6.9 Impact of another source of indemnity on cover

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

3.6.10 Perils excluded in exceptional circumstances

Cover does not apply to loss or damage:

- arising from the explosion of explosives of a public institution, or from professional blasting or quarrying work;
- arising from nuclear damage, as defined in the Finnish Nuclear Liability Act, in Finland or abroad;
- arising from 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.

The maximum cover for loss or damage arising from a terrorist act is limited to €3,000,000 per claim and per period of insurance. The maximum indemnity amount of the policy applies jointly to all policyholders in any one claim.

All losses arising from the same event or circumstance are considered to constitute a single loss.

Terrorist act refers to 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.

3.7 Indemnification regulations

3.7.1 Reporting incidents to LocalTapiola

You must report all incidents to LocalTapiola without delay, and you also need to file a written claim form.

LocalTapiola must be afforded an opportunity to assess the loss or damage caused.

3.7.2 Calculating the amount of loss

Determining the insured value

When the current value of the property is more than 50% of its replacement value, the insured value is equal to the replacement value. Otherwise the insured value of the property is equal to its current value.

Where an individual building part, surface coverings, permanent fixtures or a domestic appliance is damaged, an insured value will be determined separately for each of them.

Amount of loss on a replacement value basis

The amount of loss is equal to the repair costs, but in any case it is limited to the replacement value of the property.

If the property cannot be repaired, the amount of loss will be equal to its replacement value.

Amount of loss on a current value basis

The amount of loss is equal to as great a portion of the repair costs as is indicated by the ratio of current value to replacement value. If the property cannot be repaired, the amount of loss will be equal to its current value.

However, when the amount of loss is determined on a current value basis, its maximum is limited to the fair value of the building.

Consequential loss

The amount of loss does not include:

- telephone or travel expenses, loss of earnings or other similar costs incurred from the settlement of the claim;
- diminution in the property's value, or alterations or improvements carried out in connection with repairing the damage;
- costs arising from contrasts in hue in connection with repairing the damage;
- increased energy consumption;
- sentimental or similar values.

Impact of taxation on the amount of loss

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

If, under the Value Added Tax Act, the policyholder is entitled to deduct the tax included in the damage repair costs, the replacement costs of damaged property or any other costs covered by the policy, the indemnity will be paid net of the value added tax included in the costs.

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

3.7.3 Calculating the amount of indemnity

The amount of indemnity is obtained by subtracting the deductible from the amount of loss.

Deductible

In every property damage claim, the policyholder is liable for a separate deductible.

However, no deductible will be charged if the apartment is broken into through a door locked with a safety lock.

Maximum amount of indemnity

LocalTapiola's maximum liability in any one claim and during any one period of insurance is limited to the sum insured stated in the policy schedule.

However, the maximum amount of indemnity is always limited to the insured value of the property.

3.7.4 Indemnification methods

LocalTapiola has the right to indemnify you for the damaged property either by rebuilding, repairing, obtaining new equivalent property or making a cash payment.

Replacement value indemnity requires that, within two years of being damaged, the damaged property is either repaired or new property of the same quality and intended for the same use is built on the same site or acquired to replace the damaged movable property. If construction is delayed on account of any action taken by public authorities, the length of this delay will be added to the two-year time limit.

Replacement value indemnity will be paid as follows:

- first, we will pay the applicable current value indemnity;
- the difference between the replacement value indemnity and the current value indemnity will be paid after LocalTapiola has been provided with a clarification on the above replacement measures.

Only the policyholder or the party for whose benefit the insurance is in force is entitled to replacement value indemnity. This entitlement cannot be transferred.

3.7.5 Recovery of lost property

If lost property is recovered after the payment of indemnity, the policyholder is required without delay to surrender the property to LocalTapiola or to return the indemnity paid for that property.

4 Liability section

4.1 Insureds

The insureds are the owners of the apartment or property that is stated in the policy schedule.

4.2 Territorial limits

Cover applies worldwide.

4.3 Perils insured against

This liability cover will cover bodily injury and property damage falling within the scope of cover and caused to a third party, when the insured, in the capacity as owner of the immovable property or apartment, is held legally liable to compensate for the injury or damage caused and when the injury or damage is discovered during the period of cover. The cover provided is in accordance with this policy wording and the General terms and conditions. On the basis of this liability cover, LocalTapiola will investigate the grounds for and the amount of the compensation claims brought against the insured and will take care of the legal proceedings if the compensation claim is taken to court.

Subject to the foregoing conditions, you will also be covered for 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 total maximum amount of indemnity is limited to €100,000 during any one period of insurance.

4.4 Perils excluded from the liability cover

4.4.1 Harm caused to self or workers

Cover does not apply to harm caused to:

- the insured himself or herself;
- an additional insured;
- a legal person of whose controlling interest the insureds enjoy more than one half in total;
- the insured's workers or any equivalent persons insofar as that person is entitled to be compensated for the loss, damage or injury under a statutory workers' compensation insurance or motor liability insurance policy.

4.4.2 Knowledge of error

This liability cover does not apply to loss, damage, injury or cost that is based on or arises from any circumstance, error or other basis of indemnity of which the insured was or ought to have been aware when the cover commenced.

4.4.3 Contractual liability

Cover does not apply to loss, damage or injury insofar as the liability is based on any contract, warranty or other commitment that the insured has concluded or made if this liability did not exist without the commitment in question.

4.4.4 Property in use

Cover does not apply to loss or damage to 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.

Cover does not apply to loss or damage:

- caused to property that, under the Limited Liability Housing Companies Act, the insured is responsible for maintaining as the owner of the shares conferring possession of the apartment (for example, surface coverings);
- arising from poor maintenance or wear and tear of the apartment, or from some other non-sudden cause;
- to a detached house or another equivalent property that the insured owns.

4.4.5 Property under care, custody or control

Cover does not apply to loss or damage to property that, at the time of the act or omission causing the loss or damage, is or was:

- being manufactured, installed or repaired by or otherwise in the care of,
- when taking into account the nature of and anything directly affected by the insured's activity or the work performance causing the loss or damage, subject to a protection and damage prevention obligation of, or
- otherwise in the custody of

the insured or someone acting on the insured's behalf.

4.4.6 Traffic accidents, watercraft and aircraft

Cover does not apply to loss, damage or injury arising from the use of a motor vehicle in traffic, as defined in the Finnish Motor Liability Insurance Act or a corresponding foreign law in force from time to time.

Cover does not apply to loss, damage or injury arising from ownership, possession or use of any watercraft, vessel or aircraft defined in the Register of Ships Act or the watercraft register act.

4.4.7 Environmental damage

This liability cover does not apply to loss or damage arising:

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

However, covers applies to sudden and unexpected loss or damage when:

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

4.4.8 Environmental damage-related costs of public authorities

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

4.4.9 Moisture and flooding

Cover does not apply to loss or damage by moisture or by flooding that is due to rainwater, melt water, waste water or sewage water.

However, covers applies to 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 any fault or defect arising suddenly and unexpectedly in any building, facility or device due to a cause that justifies the insured's compensation liability; and
- that is discovered within fourteen (14) days and notified to LocalTapiola within sixty (60) days of the day on which the moisture or flooding starts.

The cause of loss or damage is not sudden or unexpected when it is based, for example, on:

- a delayed, gradual impact;
- a continued act or omission; or
- events that are otherwise recurring.

4.4.10 Gainful activity, trade or business

Cover does not apply to loss or damage that:

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

4.4.11 Intent and gross negligence

Cover does not apply to loss, damage or injury that the insured causes intentionally.

Indemnity can be reduced or it may be refused altogether if the insured causes loss, damage or injury:

- grossly negligently;
- while under the influence of alcohol or drugs such that this factor has materially contributed to the occurrence or the amount of loss.

4.4.12 Groundwater, and blasting and piling

- Cover does not apply to loss, damage or injury arising from any change in the level of groundwater.
- Cover does not apply to loss, damage or injury by blasting, quarrying or piling, or by any ground displacement resulting from them.

4.4.13 Fine or punitive damages

Cover does not include fines or other similar sanctions.

4.4.14 Financial loss

Cover does not include financial loss that is not linked to bodily injury or property damage. However, cover includes financial loss incurred under the Personal Data Act, the EU's General Data Protection Regulation or any legislation adopted pursuant to the Regulation (see section 4.3 'Perils insured against').

4.4.15 Hot work

Cover does not apply to property damage arising from fire, soot or explosion as a result of hot work performed by someone who has not completed the hot-work safety training approved by the Finnish National Rescue Association and who does not hold a valid personal hot-work card.

Hot work means any work that produces sparks or where a gas flame, another open flame or a hot-air blower is used.

4.4.16 Asbestos damage

Cover does not apply to loss, damage or injury caused by or related to asbestos.

4.4.17 Violation of dignity or privacy

Cover does not apply to loss or damage caused by violation of dignity or privacy.

4.4.18 Other insurance policies

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

4.4.19 Lost keys

Cover will include the costs of measures to replace or rekey locks and locking systems only when they are immediately necessary to prevent misuse of a key or an instrument, provided that:

- the key or instrument was lost due to an error or omission on the part of someone insured by this cover; and
- 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 might be stolen.

4.4.20 Mould

There is no cover for loss, damage or costs arising from mould fungus and resulting from a permanent condition, including the construction method used, a design or construction error or another structural characteristic.

4.5 Claim settlement

4.5.1 Insured's obligations

The insured should aim to afford LocalTapiola an opportunity for assessing the amount of loss and resolving the case amicably. If the insured compensates the claim out of own pocket, settles it on their own or accepts a compensation demand, this will be binding on LocalTapiola only if it is apparent that the amount of and the grounds for indemnity are correct.

The insured is liable:

- at their own cost to contribute towards the settlement of the claim;
- to present to LocalTapiola the information and documents which the insured holds that are relevant for the settlement of the claim;
- to obtain or prepare any necessary documentation and examinations that are available to the insured at a reasonable cost.

4.5.2 Legal proceedings

If the injury or damage gives rise to legal proceedings, the insured is required to inform LocalTapiola of this without delay.

Unless the insured notifies LocalTapiola of the legal proceedings in advance, LocalTapiola will not be liable to cover any costs or expenses arising from the legal proceedings. LocalTapiola will accept the attorney used, and LocalTapiola always has a right to take over the legal proceedings.

4.5.3 Insurer's obligations

After a covered claim exceeding the deductible has been reported to LocalTapiola, it will determine whether the insured has liability, and will negotiate with the claimant.

When LocalTapiola is prepared to enter into an agreement with the injured party on indemnifying claims under this insurance within the limits of the maximum indemnity amount, it will notify the insured of this. If the insured does not consent to the agreement, the insurer will not be liable to pay any more indemnity. Nor is LocalTapiola under an obligation to cover any costs incurred after this notice or to investigate the case any further.

4.6 Calculation of the amount of indemnity

Subject to the limitations laid down in the policy schedule and in the special conditions, the cover includes damages that the policyholder is liable to pay. The amount of damages is calculated in accordance with the legal practice and provisions governing damages.

4.6.1 Liability in solidum

Where several persons are held liable in solidum to compensate the same claim, cover includes only that part of the claim which reflects the insured's contribution and the advantage that the insured has gained from the insured event. The maximum cover provided in respect of the total loss is in proportion to the number of the liable parties, unless the above reasons justify higher indemnity.

4.6.2 Expenses from preventing imminent risk of damage

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

This obligation concerns only 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 LocalTapiola. The costs for these essential measures are included in cover.

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 include only the essential measures by which an immediate danger of covered damage to someone else's property has been eliminated.

- After 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 this liability cover as prevention costs, not even in the event that they are taken as a result of mandatory official regulations.

4.6.3 Settlement expenses and legal expenses

Covered expenses include expenses necessarily and reasonably incurred as a result of claim settlement.

However, cover does not include any settlement expenses incurring to the insured which, under the conditions of cover, the insured is liable to pay out of pocket or which have not been specifically agreed with LocalTapiola.

If an issue of damages is taken to court and it is evident that the demand and the basis of the demand concern a covered incident, LocalTapiola will take care of the legal proceedings on the insured's behalf and will pay for the legal expenses necessarily and reasonably incurred as a result of this.

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

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 cover.

Legal fees and courts costs are covered in accordance with the guidance governing legal expenses laid down in the Code of Judicial Procedure and in the Criminal Procedure Act. When assessing the reasonableness of a fee 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.

4.6.4 Maximum amount of indemnity

The maximum total amount of indemnity payable on the basis of any one claim, including settlement expenses and legal expenses, is limited to the sum insured stated in the policy schedule.

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

All losses arising from the same event or circumstance are considered to constitute one insured event, regardless of whether the losses are discovered in the course of one or several periods of insurance. In the event that such losses are discovered in the course of different periods of insurance, they will be deemed to be attributed to the period of insurance in which the first instance of loss was discovered.

4.6.5 Deductible and value added tax

In every insured event, the insured is liable for the deductible stated in the policy schedule. The deductible will be deducted from the amount of loss.

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

5 Legal expenses section

This buy-to-let legal expenses cover is designed to indemnify the insured's legal fees and courts costs necessarily and reasonably incurred as a result of using legal aid in disputes, criminal cases and non-contentious civil cases referred to in section 5.3 that concern the ownership, possession or management of the apartment or property stated in the policy schedule.

5.1 Insureds

The insureds of this legal expenses cover are the owners of the apartment or property that is stated in the policy schedule.

5.2 Courts of law and validity

5.2.1 Courts of law

The insured may take advantage of this cover in matters that can be directly referred to a district court in Finland.

Cover does not include expenses in cases that come before the administrative authorities or special courts, including the Administrative Court, the Insurance Court, an Environmental Permit Authority or the Supreme Administrative Court. Nor does cover include expenses in cases that come before the European Court of Human Rights or the Court of Justice of the European Union.

5.2.2 Period of cover

Cover includes perils insured against occurring during the period of cover. If, in respect of the apartment stated in the policy schedule, 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. The period of cover includes the time period for which this cover, alone or consecutively with any terminated legal expenses covers of equivalent content, has been in force uninterruptedly in respect of the insured apartment with one or several insurers. However, if several legal expenses policies are in force when a peril insured against occurs, the period of cover includes only this cover.

However, the above will not apply to insured events related to the sale of any apartment or property stated in the policy schedule, provided that the factors on which the insured event is based have occurred during the period of cover of this cover and this cover has been in force uninterruptedly for six months before the sale of the apartment. In addition, it is required that the insured must not have another insurance policy with equivalent content in force at the time when the peril insured against occurs.

5.3 Perils insured against

The peril insured against (insured event) under this cover

in disputes and non-contentious civil cases is:

- the materialisation of a 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:

- the opening of the judicial investigation, when the insured is the injured party in the case;
- the institution or continuation of prosecution against the insured, when the public prosecutor has decided to not institute a prosecution or has withdrawn it. A prosecution is considered instituted when the injured party's summons arrives at the office of the district court. A prosecution is considered continued when the injured party notifies the court in writing of conducting a prosecution after the public prosecutor has withdrawn the prosecution.

One insured event

Matters will be considered to constitute one insured event when:

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

5.4 Related exclusions

Cover does not include expenses incurring to the insured in cases:

1. where the contestation of the claim cannot be proved;
2. that concern the insured in the capacity of owner, possessor or manager of any other apartment or property than one stated in the policy schedule;
3. that relate to a guarantee, a pledge or another commitment towards any debt taken or commitment made by a third party for that party's gainful activity, trade or business;
4. that relate to any loan granted in respect of a third party's gainful activity, trade or business;
5. in which the real interest of the case without the legal expenses claim is less than five hundred (500) euros, or which are otherwise insignificant to the insured;
6. that are between any of the insureds of this insurance;
7. that relate to a receivable or claim that has been transferred to the insured, unless the dispute arises more than two years after the transfer;
8. that relate to co-ownership or the dissolution of co-ownership;
9. that relate to bankruptcy;
10. that relate to distraint, the contested enforcement referred to in the Enforcement Code, or the enforcement of distraint;

11. 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;
12. that concern a criminal prosecution or civil claim conducted by the public prosecutor against the insured which the injured party brings against the accused insured in the course of such a criminal prosecution. Where the public prosecutor has decided to not institute a prosecution against the insured under specific rules governing it, the insured's legal fees and courts costs will also not be covered in the event that the injured party brings criminal proceedings against the insured;
13. 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;
14. that concern a civil claim presented by 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;
15. that concern a restraining order;
16. in which it is contested whether or not the expenses arising from a peril insured against that the insured has reported are recoverable under this legal expenses cover either wholly or in part.

5.5 Measures after a peril occurs

5.5.1 Claim form

If the insured wishes to take advantage of this insurance, the insured must inform LocalTapiola of this in advance before any legal fees or courts costs are incurred. After making the report, the insured will receive a claim settlement decision from LocalTapiola.

5.5.2 Appointing 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 in the country belonging to the territorial limits in which the legal proceedings are intended to be instituted.

There will be no cover if the insured does not appoint an attorney at all or appoints an attorney other than an attorney described above.

5.5.3 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 reimburse the insured's full legal expenses. If the insured, without a valid reason, fails to submit a cost claim or gratuitously withdraws it or will not appeal against the court's ruling on legal expenses, cover can be reduced or it may be refused altogether under the Insurance Contracts Act.

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

5.5.4 Approval of expenses

The insured does not have the right to approve, in a manner that would be binding on LocalTapiola, the amount of the expenses of pursuing the case. If the insured pays any of the insured's legal fees or courts costs out of pocket, the amount paid will not be binding on LocalTapiola when assessing the reasonableness of legal expenses.

5.6 Covered expenses

Cover includes the insured's legal fees and courts costs necessarily and reasonably incurred as a result of a peril insured against, as follows:

5.6.1 In disputes and non-contentious civil cases

- Expenses arising from using an attorney and from the presentation of evidence.
- If the case has been subject to judicial mediation, cover also includes the insured's portion, calculated in relation to the number of the disputing parties, of the fee and expenses paid to any mediator's assistant.
- If bringing the dispute 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 said condition is fulfilled.
- The attorney's fees and expenses if the dispute referred to above in this paragraph has been examined in the Consumer Disputes Board, the Insurance Complaints Board or other such body instead of court proceedings.

5.6.2 In criminal cases

Insured as the injured party

The legal expenses arising 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 legal expenses arising 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 not institute a prosecution or has withdrawn it.

5.6.3 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 can be covered only if the Supreme Court has accepted the complaint, annulled the judgment or granted a new time limit.

5.6.4 Collective 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 any persons not covered by this insurance, cover will include only that portion of the expenses which is deemed to be attributable to the insured.

5.6.5 Covering the opposing party's legal expenses

Cover includes any legal expenses, other than the opposing party's settled legal expenses, that the insured is ordered to pay in a final judgment by the court. This cover is on the same terms as those applying to the insured's own legal expenses.

5.6.6 Excluded expenses

Cover does not include:

1. expenses arising from measures taken prior to the peril insured against or from any preliminary investigation of the case. However, expenses arising from materials drawn up and evidence gathered prior to the peril insured against will be covered if the material has been used as evidence.
2. expenses arising from the enforcement of a judgment or a decision;
3. the insured's waste of time, own work, loss of income or earnings, travel, or subsistence expenses, or the additional expense arising from replacing the attorney or from any action that increases the insured's own expenses or incurs other unnecessary expenses;
4. expenses of acquiring expert legal opinion;
5. expenses of reporting a criminal offence to the police, of requesting an investigation or of any pre-trial investigation of a criminal case;
6. expenses arising from factors or evidence which the court dismisses on the ground of delay;
7. expenses which the insured or the insured's attorney has incurred by not appearing before the court, failing to comply with orders given by the court, presenting a submission which they have known or ought to have known to be groundless, or otherwise by prolonging the criminal proceedings intentionally or negligently;
8. expenses of litigation which the insured or the insured's attorney has initiated without the opposing party having given any reason for this, or has otherwise caused an unnecessary trial intentionally or negligently;
9. the arbitrator's fees and costs;
10. expenses of seeking public legal aid;
11. fees or expenses of a guardian, a trustee, an executor or an administrator.

5.7 Calculating the amount of indemnity

The legal fees and courts costs recoverable under this insurance will be awarded in accordance with the guidance governing legal expenses laid down in the Code of Judicial Procedure and in the Criminal Procedure Act. If, because of the parties' acknowledgement, the court has not ruled on legal fees and courts costs in its judgment, or if the case has been resolved amicably, the recoverable costs will also be determined with reference to the expenses usually awarded or paid in comparable cases.

For using an attorney, cover includes the reasonable fee for the attorney's work and necessary costs. 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.

The maximum recoverable costs will be limited to the expenditure which the court orders the insured's opposing party to pay, unless the court, by virtue of the reasons set out in its judgment, has expressly held that the insured is to bear the insured's own costs wholly or in part. However, the maximum amount of recoverable expenses is limited to the cost claim presented by the insured to the insured's opposing party.

Deductible

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

Value added tax

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

Maximum amount of indemnity

The sum insured stated in the policy schedule is the maximum limit of LocalTapiola's liability in respect of each insured occurrence.

The maximum total cover provided per insured occurrence and for several occurrences allocated to one period of insurance is limited to one sum insured.

5.8 Other indemnification regulations

5.8.1 Time of payment of indemnity

LocalTapiola will pay indemnity for the insured's legal fees and courts costs after the court's final judgement or the board's ruling, or once the case has been settled amicably. In the absence of specific reasons to the contrary, LocalTapiola will also pay indemnity after each level of court. In addition, LocalTapiola may at its discretion exceptionally pay advance indemnity if the legal proceedings become considerably prolonged.

5.8.2 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 LocalTapiola's liability, provided that it has been successfully collected from the party liable to pay it.

If the opposing party has been ordered or has undertaken to pay the insured reimbursement of expenses which remains unpaid at the time of paying the insurance indemnity, the insured will be liable, before the indemnity is paid, to transfer to LocalTapiola the insured's right to the reimbursement of expenses, up to the amount of the insurance indemnity. In order for indemnity to be paid, the insured is also required to submit an enforceable judgment.

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 'Maximum amount of indemnity,' the insured is liable to transfer to LocalTapiola the portion of the opposing party's reimbursement of expenses which exceeds the out-of-pocket element paid by the insured.

If the reimbursement of expenses that the insured's opposing party has been ordered or has undertaken to pay has been paid to the insured, or if the insured

has otherwise claimed it to the insured's benefit, the insured will be required to return this reimbursement of expenses, with interest, to LocalTapiola, up to the amount of the insurance indemnity paid.

6 Rental income interruption section

The policyholder will be covered by this rental income interruption cover for loss of rental income from any apartment stated in the policy schedule, in the event that a property damage incident makes the apartment uninhabitable.

6.1 Subject matter of the interruption cover

The subject matter of this cover is the rental income from any apartment stated in the policy schedule.

6.2 Interruption loss

Interruption loss refers to any reduction or interruption, following a property damage incident, of the rental income set out in a valid lease agreement.

6.3 Liability period

Liability period is the longest uninterrupted period of time over which LocalTapiola will cover interruption loss. The liability period begins from the day on which the property damage incident occurs that causes an interruption of the letting activity. The length of the liability period is one year, unless otherwise indicated in the policy schedule.

6.4 Perils insured against

This cover will cover interruption loss when any apartment stated in the policy schedule is uninhabitable due to an insured property insurance occurrence to that apartment.

This cover will also cover interruption loss when, because property damage is being repaired, full rent cannot be charged for the apartment but the apartment is nevertheless habitable.

Whether a property damage incident is covered will be assessed on the basis of the property insurance cover included in Apartment Cover insurance, even if the damage were covered by another insurance cover.

6.5 Calculating the amount of interruption loss

The amount of interruption loss includes the rental income lost over the period that starts when the property damage incident occurs until the property damage causing the interruption has been repaired or remedied.

If the repairs or remediation or the start thereof are delayed, the interruption loss will be covered only over the time period that it would have taken to repair or remedy the property damage using efficient methods of repair or remediation.

The amount of loss may include the rental income for the month that follows the completion of repairs or remediation, if it has been lost because:

- the lease agreement in force at the time of damage has terminated;
- the return of the tenant who was living elsewhere due to the interruption loss is delayed for a justified reason.

6.5.1 Expenses from temporary arrangements

The amount of loss also includes the expenses arising from temporary arrangements by which residence is enabled while the property damage is being repaired or remedied. Expenses will be covered up to the amount by which the temporary arrangements have reduced the amount of interruption loss.

6.5.2 Claim settlement costs

The amount of loss excludes costs arising from claim settlement, including telephone and travel expenses, loss of earnings, costs of preparing and obtaining loss amount calculations, and other similar costs.

6.5.3 Post-loss changes in the letting activity

If the letting activity ceases in the damaged apartment, interruption loss will be covered over the time it would have taken to repair or remedy the property damage using efficient methods of repair or remediation, but not for longer than three months.

6.6 Calculation of the amount of indemnity

The amount of indemnity will be calculated from the amount of interruption loss by taking into account the following factors.

6.6.1 Underinsurance

In the event that the insured rental income is underinsured, then the amount of loss will include as great a portion of the amount of loss from which the applicable deductible has been deducted as is indicated by the ratio of the sum insured to the insured value.

6.6.2 Saved expenses

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

6.6.3 Indemnity received from another insurance policy

When calculating the amount of indemnity, the amount of loss will be reduced by the amount of any rental income indemnified by other insurance policies or received from the party causing the loss.

6.6.4 Deductible

If the property damage has been indemnified under the property insurance cover of Apartment Cover insurance, the amount of interruption loss will not be subject to a specific deductible. If the deductibles are different, the higher deductible will apply.

6.6.5 Impact of a reduced property damage indemnity amount on the interruption indemnity

If the amount of property damage indemnity has been reduced on the basis of the policyholder's own conduct, LocalTapiola will have a right to proportionately reduce the amount of indemnity payable for the interruption loss.

6.6.6 Maximum indemnity amount

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

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.