

Annual brochure 2016

A safer and healthier life



Business idea and vision

LocalTapiola's mission is to safeguard its owner-customers' lives and success.

Our vision is to offer Finnish people a safer and healthier life. The life-long security concept means comprehensive and proactive services.



LocalTapiola in brief

LocalTapiola Group is a mutual group of companies owned by its customers. It serves private customers, farmers, entrepreneurs, corporate customers and organisations. The number of owner-customers is approximately 1.6 million.

The Group consists of 20 regional mutual

insurance companies, as well as the national companies, LocalTapiola General, LocalTapiola Life, LocalTapiola Asset Management and LocalTapiola Real Estate Asset Management.

The bank for LocalTapiola's customers is S-Bank, of which LocalTapiola owns 23.5 per cent. Our strategic partner for health and

well-being is Pihlajalinna, of which LocalTapiola owns 23.4 per cent. The Group's statutory employee pension insurance partner is Elo.

LocalTapiola employs approximately 3,400 people, half of whom work in the regional companies.



www.lahitapiola.fi/localtapiola

To the reader

The annual brochure describes the progress made by LocalTapiola Group in 2016 in putting its life-long security strategy into practice through actions that aim to make our customers' lives safer, healthier and more financially prosperous. The brochure also describes what we are doing for the environment, our personnel and society.

Welcome to read!

Health p.10

LocalTapiola encourages its customers to take good care of themselves and their families to proactively ensure their well-being.



Personnel p. 34

We train our personnel and ensure continuous competence development so customers always receive the best possible service from LocalTapiola.



Environment p. 32

LocalTapiola integrates the efficient use of natural resources and other environmental matters into its everyday operations and decision-making.



Security p. 18

LocalTapiola promotes everyday safety and simplicity by offering its customers training and services for the digital age.



Lifelong security p. 4

Our customers' lifelong security is at the core of LocalTapiola's business. We want to serve our customers throughout their lives and through changing circumstances.

Economy p. 26

LocalTapiola invests in the financial security of its owner-customers, as well as in the environmental friendliness of its equity and fixed-income investments.

Society p. 36

LocalTapiola actively works with its partners and other stakeholders in its local communities and in society as a whole.



Close to customers' everyday lives

Our operations are centred around safeguarding our customers' everyday lives. We want to serve our customers throughout their lives and through changing circumstances.

Our products and services cover non-life insurance, life insurance, pension insurance, investments and savings. We are also experts on company risk management and employees' occupational well-being.

We are actively involved in customers' everyday lives, providing a range of solutions for forecasting, security and well-being, including TerveysHelppi, Smart Life Insurance and our Emergency Service. Our customers receive financial security from our partnership with S Group.

"New smart insurance focuses on preventing loss or damage rather than paying compensation."

Customers can choose their preferred service channel. In addition to personal office services, customers have access to phone, online, mobile and chat services.

Thanks to our customers

LocalTapiola was the most improved company in a 2016 survey focusing on customer loyalty. In the comparison of the insurance sector, LocalTapiola took first place. This is thanks to you, our customers.

The calculations for the customer experience index take into account the three most important components of the customer experience: how much benefit customers experience, how easy the transaction is, and how pleasant the transaction is. The customer relationship index is Finland's most comprehensive annual study of the customer experience and customer loyalty among Finnish companies. The study was commissioned by the Data & Marketing Association of Finland and Avaus Marketing Innovations Oy. The data was collected by Norstat in June 2016.

More than 2,500 consumers responded to the survey, and approximately 6,800 company-specific responses were received.

LocalTapiola jumped

11 places



The lifelong security office combines health, well-being and security services

Our customers are accustomed to high-quality service and want to try new service formats and channels. The new lifelong security office at the Iso Omena shopping centre in Espoo combines health, well-being and security services, and focuses on developing new channels and services by working with our customers.

Power in partnership

LocalTapiola has an extensive network of partners, both nationally and locally. S Group is a strategically important partner. More than 600,000 households are already receiving S Bonus for their insurance premiums. Most of LocalTapiola's partners are vehicle and medical partners but we also have a wide range of other partners.



Statutory employee pension insurance from Elo

Our statutory pension insurance partner, Elo, manages statutory pension cover for the employees of our customer companies and entrepreneurs. Elo insures over 492,000 employees and entrepreneurs.



Banking services from S-Bank

The banking affairs of LocalTapiola's personal, farm and small company customers are handled at S-Bank. The bank provides a wide range of services for handling everyday financial affairs and financing the purchase of a house or other asset.

S-Bank is jointly owned by LocalTapiola Group and S Group, who work in close-knit strategic collaboration.



Health matters handled at Pihlajalinna

Our strategic partner for health and well-being is Pihlajalinna, of which we own 23.4 per cent. The partnership makes it easier for LocalTapiola's customers to do business with us and provides them with benefits. Our customers have access to Pihlajalinna's services at medical centres and health care centres, dental clinics and hospi-

tals all over Finland. The private medical centres and hospitals provide general practitioner and specialist physician services, diagnostics, a diverse range of surgical procedures, occupational health care and oral health care services.



Ideas from international partners

European Alliance Partners Company AG is an alliance of European insurance companies. Eurapco shares information and good practices between its member companies, provides companies with competitive advantage on their domestic markets and creates opportunities for joint business. Its eight member companies operate in 18 European countries. Eurapco's activities cover every sub-area of the insurance business.

S-Mobile now has LocalTapiola's insurance policies

S-Mobile is a free mobile application for S Group's customer owners and S-Bank's customers. It provides services directly on smartphones to make customers' everyday lives easier. S-Mobile now also provides LocalTapiola's insurance policies.



Health Phone is staffed by health care professionals

Pihlajalinna provides the popular Health Phone service. When customers call Health Phone, they are connected to health care experts who can direct them to the correct form of treatment if necessary and help to submit a claim.



“For the second year, LocalTapiola has reshaped its operations significantly by expanding from being an insurance and finance group to become a lifelong security company. In 2016, we took several important steps towards this ambitious goal.”

Erkki Moisander

The president of LocalTapiola Group and
Chairman of the Board of Directors

Keeping customers secure throughout their lives

LocalTapiola's mission is to offer customers safety and security in their everyday lives. We want to make the everyday lives of Finnish people safer, more healthy and more financially successful. That is why our new direction is known as lifelong security. We believe that a comprehensive approach to customers' concerns will also lead to growth.

Providing lifelong security requires us to be able to support our customers in their everyday lives. This means that we do not just contact them about insurance sales, billing and claims – we also highlight a range of solutions for forecasting, security and well-being. The lifelong security concept we offer to our customers is a comprehensive service package throughout every life phase.

New opportunities to promote lifelong security

Our strategic focus on lifelong security helps us to build better services for our private and corporate customers. We divide lifelong security into three interconnected units: health, finance and safety.

In 2016, we joined forces with Elo to invest in Pihlajalinna, a provider of private social and health care services, as a clear example of our expansion into the area of health. The preventive health and well-being services offered by Pihlajalinna

are highly compatible with LocalTapiola's lifelong security strategy and present an opportunity for development.

Our successful Health Phone service expanded in 2016 to cover the entire country and all statutory accident insurance customers. Smart Life Insurance was also a very popular solution for combining financial security with means for customers to monitor their own lifestyles and well-being. A survey of customers who took out Smart Life Insurance in the pilot phase showed that Smart Life Insurance has helped them to change their lifestyles and live more healthily – for 88 per cent of the respondents, the change has become a permanent part of their everyday lives.

Our customers receive financial security from our partnership with S Group, as well as in the form of smarter, more affordable products. More than 600,000 households are already receiving S Bonus for their insurance premiums.

In the area of traffic safety, we created a new type of motor liability insurance that rewards personal customers for accident-free driving. The new insurance was announced in November. The no-claims bonus is calculated on the basis of the customer's personal insurance history and claims record.

An excellent example of corporate responsibility and our preventive mindset is Hero Training. It has already enabled tens of thousands of Finnish people to gain fire extinguishing skills free of charge. Hero Training received the award for the Security Activity of 2016 in the Finnish Security Awards competition.

A further example of lifelong security is our new network of offices, which was inaugurated last year and combines

health, well-being and security services. The first new service entity is being trialled at the Iso Omena shopping centre in Espoo. In the next few years, we intend to open 40–60 lifelong security offices in Finland.

Thousands of experts serving customers

We are a mutual company, so it is natural for us to be a part of customers' everyday lives and offer personal, local service. In addition to the new lifelong security offices, one of LocalTapiola's greatest strengths is its network of hundreds of other offices all over Finland and thousands of people serving customers.

We aim to turn the formal customer experience into a more personal, insightful one. This will require new technology and new channels, but – above all – more personal interaction. We build and nurture emotional bonds between customers and LocalTapiola.

We were very successful in this work in 2016, both financially and in terms of satisfaction. We were the most improved company overall and the best insurance company in a 2016 survey focusing on customer loyalty. The result demonstrates that a mutual company, is able to offer its customers the best advantages and benefits.

Because every one of our customers is also one of our owners, it is no exaggeration to say that customers' voices guide LocalTapiola's governance, strategy and everyday operations.

Lifelong security actions to benefit local communities

As a lifelong security company, LocalTapiola services its customers in changing circumstances throughout their lives, offering personal, local service at 250 offices belonging to 20 regional companies all over Finland.

LocalTapiola is a strong, influential regional operator. The regional companies have a significant impact on regional economies in various parts of Finland as em-

ployers and tax-payers, as well as by generating financial security and well-being for their customers. In addition, the regional companies play an important role in promoting local security and well-being, and in supporting culture and sport. LocalTapiola primarily allocates grants to activities that benefit local communities. Here are a few examples:

Children learn to love the water



LocalTapiola works with the Finnish Swimming Teaching and Lifesaving Federation to promote safety on the water. In 2016, practical material was jointly produced under the theme, "Children learn to love the water", with the aim of making babies and small children safer around water, as well as offering a new way of encouraging and supporting parents to safely accustom their children to water from an early age. A natural relationship with water, learnt early in a child's life, boosts swimming skills and is effective in preventing water-related accidents.

www.lapsestavedenystävä.fi



School volleyball and Power Cup spreading the joy of volleyball

The Power Cup event brings together Finland's young volleyball players, coaches, instructors, club officials and families every year. Approximately 200 sport clubs are involved, along with almost 10,000 volleyball players. In 2016, the tournament was played from 9 to 12 June in Hämeenlinna, and LocalTapiola's regional company participated in the partnership market organised at the event. In addition, LocalTapiola is the principal partner of the national men's, women's and junior teams, as well as the Beach Volley tour.

Every year, the Finnish Volleyball Association arranges a school volleyball campaign as part of the Finnish Schools on the Move project financed by the Ministry of Education and Culture. The project aims to inspire pupils

to take up volleyball and generates fun lesson plans to help teachers. In 2016, the school volleyball campaign reached more than 100,000 pupils in 377 schools around Finland. LocalTapiola is the campaign's principal partner, and it donated volleyballs for schools to use.

A safe route to school

A large number of hazardous situations on the roads are caused by drivers speeding and using their phones behind the wheel. LocalTapiola wanted to be involved in drawing drivers' attention to pedestrian crossings near primary schools on the first few school days of term. Measures were taken to make school routes safe in 14 localities.

Well-being from nature

The fourth national Finnish Nature Day was celebrated on 27 August. The purpose of the day is to celebrate the joy of our nature and recognise its contribution to promoting well-being. LocalTapiola partnered the Finnish Association for Nature Conservation for several years at events held all over Finland.

The Rastunsuo bird habitat in Rautalampi is a popular birdwatching location. The area is being developed into a protected area for birds, as well as a destination for bird-watchers and nature hobbyists. The community work involved clearing beaches to improve the view onto the lake from the birdwatching towers in the area.

The community-driven overhaul of the Karhusuonpuro stream in Gumböle, Espoo continued, with the aim of providing a breeding ground for sea trout. Community work was undertaken in Janakkala to build bird boxes.



A more independent life thanks to assistance dogs

Assistance dogs help with everyday issues and enable a more independent life for people with reduced physical capacity. LocalTapiola is providing support to train new assistance dogs, turning them from puppies into professionals. In comparison with guide dog activities, work with assistance dogs is much less well known, even though there is a significant need for these dogs. More than 50 people are currently on

the waiting list, and it is completely impossible for them to live independently without a dog. Dogs are trained in Kemiö and the training takes approximately two years. After this, the dogs become the property of Invalidiliitto, the association for people with reduced physical capacity.

Ideas for increasing quality of life using technology were generated at the 5G innovation competition

LocalTapiola was one of the principal partners in the 5G innovation competition held in Oulu to search for new ways of improving people's quality of life using 5G technology. The new 5GFWD innovation competition challenged participants to come up with ideas for mobile and wild innovations that use 5G technology to brighten up our lives and make us safer.

LocalTapiola had its own category in the competition – Daily Life Security – looking for innovations related to life security. The winner of the category was Tiina Hokkanen with an idea for a map application called Rich Coordinates, which collects data on high-risk traffic locations and warns road users

Don't tune it up!

LocalTapiola Pirkanmaa arranged a preventive information event at schools in Pirkanmaa to warn of the dangers of tuning up mopeds and driving while intoxicated. If an accident occurs, moped riders are always at greater risk of injury than car drivers. One in three fatal moped accidents involve a moped that has been tuned up.

LocalTapiola personnel toured five secondary schools, providing information to a total of 860 pupils aged 14–16.



Festival-goers take the wheel with a clear head

LocalTapiola has been a long-term partner of the Ruisrock festival, which is held in Ruisalo, Turku. In collaboration with local police and security guards, free breath tests were provided to about a thousand festival-goers free of charge on the Sunday of the festival. The first person in a group of friends to get a zero on the test was made the designated driver.



Smart Life Insurance encourages customers to live an active lifestyle

Nearly 10,000 Finnish people have already been inspired to improve their lifestyles with the help of LocalTapiola's Smart Life Insurance, which provides financial security while also encouraging customers to take better care of themselves with the help of an activity tracker. The majority of the survey respondents said that their lifestyles had improved thanks to Smart Life Insurance.

ALMOST
90%
IMPROVED THEIR LIFESTYLES
THANKS TO SMART LIFE INSURANCE

Smart Life Insurance is a package that was launched by LocalTapiola in 2015 and includes LocalTapiola's Basic Cover life insurance in addition to an electronic health check-up and self-coaching programmes, as well as an activity tracker that monitors day-to-day activity and restlessness while sleeping. Customers can monitor the results on their activity trackers using a phone app. The insurance is based on the idea that everyone can make a difference to their own lifestyle and thereby mitigate the most severe personal risks, such as those that could lead to a loss of working capacity.

Thanks to the electronic health check-up, customers receive information about the effects of their lifestyles on the risk of falling ill and on the number of healthy years of life they have. This information allows them to make any changes they deem necessary. Smart Life Insurance is designed to safeguard customers' health and well-being, and it is not exclusively intended for the most active among us: it is for everyone in Finland who is interested in their health.

Majority increased the amount of exercise they get every day

During the pilot phase in spring 2016, a survey was conducted among the customers who had purchased smart life insurance. It revealed that almost 90 per cent of customers improved their lifestyles thanks to the insurance. Of this group, 88 per cent said that the lifestyle changes had become a part of their everyday lives. 70 per cent of the respondents said that they are now more active on a day-to-day basis. Almost half paid attention to

their diets, and more than a third feel that they now sleep better. A small group also said that they have reduced their alcohol consumption or stopped smoking.

The customers declared their wish to make Smart Life Insurance more community-oriented, as it is easier to aim for a better life with the encouragement of like-minded people. Three volunteer community managers were eventually selected from among LocalTapiola's customers, and they brought together customers who were interested in their own health and well-being into groups to talk and exchange ideas. The community managers can have a major influence on the future form of the community activities available to Smart Life Insurance customers.



The activity tracker got a customer thinking about her own interests

Marjo Lindholm from Espoo purchased Smart Life Insurance in summer 2015. Since then, the activity tracker has accompanied her everywhere she has gone.

"The tracker enables me to register the number of steps I take every day, as well as the amount and quality of sleep I get. I work



"I use the Wellmo app to set myself achievable targets, such as the amount of exercise I get or how I manage my weight, and every little step forward is satisfying," says Marjo Lindholm.

in a grocery store so I accumulate quite a lot of steps every day, and this inspires me to be even more active."

Lindholm monitors the data collected by the activity tracker using the Wellmo well-being app on her phone, and this has encouraged her to think about her lifestyle more comprehensively.

"Smart Life Insurance has got me thinking about my well-being in more detail. It has also given me the belief that I can really make a difference to my health and my ability to cope through my everyday choices. I use the Wellmo app to set myself achievable targets, such as the amount of exercise I get

or how I manage my weight, and every little step forward is satisfying," says Lindholm.

Lindholm was encouraged by the Wellmo app to take part in a community walking campaign, which combined a playful competition with charity.

"Communality is a source of strength. It is great that Smart Life Insurance can be so tangibly involved in positive life changes, in addition to providing financial security," Lindholm says.

Healthy and satisfied employees also benefit the company

Working life is getting more and more hectic by the day, so there is a real need for people to ensure that they are able to cope. Smart Life Insurance is an easy way for a company to show that it cares about its personnel, both at work and outside working hours.

Adding just one hour's walking to the daily routine can improve a person's health substantially over the long term. Resting and receiving the correct nutrition are just as important. However, many people only notice that there is room for improvement in their lifestyles when they begin actively monitoring the amount of exercise or sleep they get.

Smart Life Insurance is attractive as a form of remuneration

Smart Life Insurance uses an activity tracker and coaching programmes with the aim of improving customers' health and well-being, which is also reflected in their occupational well-being and ability to cope at work. For this reason, Smart Life Insurance is also suitable for companies that aim to demonstrate

an interest in their employees' well-being by utilising smart means of remuneration.

Nowadays, variable elements of remuneration are highly important, and companies are able to influence these elements more flexibly than through pure salary. They can also use these elements to incentivise employees to take even better care of themselves. Employees who come to work feeling fresh and alert are also more efficient and more productive. At the same time, the company reduces the risk of its employees becoming incapacitated for work and prevents absences due to illness, both of which could otherwise lead to substantial costs.

"Employees who come to work feeling fresh and alert are also more efficient and more productive."

As a personnel benefit, well-being is a good way for a company to differentiate itself when recruiting and, in the best-case scenario, it can also make employees feel more committed to the company's targets.



"We believe Smart Life Insurance communicates the fact that everyone can make a difference to their own ability to cope at work and forestall problems," says Erica Kraufvelin-Lämsä, Wise Group's HR Manager.

The company cares about its employees even outside of office hours

Wise Group Finland Oy, a Finnish company that offers consulting, design and construction contracting services in the home-building sector, purchased Smart Life Insurance for all of its permanent employees at the beginning of 2016.

"Our company has taken out comprehensive insurance to cover employees against accidents and loss of working capacity, so it was natural that we also offered Smart Life Insurance.

We believe Smart Life Insurance communicates the fact that everyone can make a difference to their own ability to cope at work and forestall problems," says **Erica Kraufvelin-Lämsä**, Wise Group's HR Manager.

Wise Group is making major investments in every aspect of its personnel's health and occupational well-being. Smart Life Insurance is part of this package.

"We have taken out Smart Life Insurance to remind our employees that we care about them, even outside of working hours. Our employees have been keen to use the activity trackers, which is great. Basic Cover life insurance provides financial cover for the insured's entire family," Kraufvelin-Lämsä says.



The walkers participating in the Home for Christmas campaign made their donation to the hospital clown charity at LocalTapiola's well-being event.

Doing good while walking

LocalTapiola has already arranged two playful virtual walking campaigns for its Smart Life Insurance customers.

The campaigns were conducted on the Wellmo app, which is used by customers who have purchased Smart Life Insurance. The app enables participants to monitor how much exercise they have got and their ranking in relation to other participants.

As part of the Home for Christmas campaign, walkers departed Punta Arena in Chile in December 2015 destined for Jyväskylä in Central Finland. Together, participants in the campaign took more than 41 million steps and walked a combined distance of 29,250 kilometres (18,175 miles). The most active walkers made a donation to the charity they had voted for – hospital clowns (Sairaalaklovnit ry) – at LocalTapiola's well-being event on 26 January 2016. During the playful charity campaign conducted in 2016, customers who had purchased Smart Life Insurance walked more than 84,000 kilometres (over 52,000 miles) around the world, taking 214 million steps,

and finally arrived at Korvatunturi fell in Lapland. Our customers voted for the Finnish Cancer Foundation's national advice line as the charity for the second walking campaign.

Participants in the charity campaign walked

84,000 km
taking **214** million steps

Finland's largest producer of beverages is investing in measures to prevent health problems

Finland's largest brewery, Sinebrychoff, has positive experiences with preventing health problems among its employees. The rate of absence due to illness has decreased by about 20 per cent over the course of a few years, and the number of occupational accidents occurring at the company has halved.

"We began using the Jump Yourself Into Shape programme where comprehensive personal well-being plans were prepared for participants, enabling them to focus on activity and nutrition," says Ari Jattu, Sinebrychoff's Director of Finance and HR.

Working with LocalTapiola, Sinebrychoff is striving to maintain its employees' working capacity all the way through to retirement.

"It is important that employees do not need to wait to access treatment and rehabilitation takes place efficiently and professionally. We feel that we benefit from LocalTapiola's knowledge and comprehensive network of partners. Occupational well-being means continuous development," Jattu says.



Working capacity requires support from the employer

Employees' health, working capacity and well-being are all factors that can influence the length of people's careers. If employees take better care of their ability to cope at work throughout their careers, they will also be more active and able after they retire. LocalTapiola encourages companies to support the well-being of their personnel through preventative measures.

LocalTapiola aims to play a part in developing occupational well-being beyond simply paying compensation. For this reason, it has launched entirely new products aiming to maintain people's abi-

lity to cope at work and prevent risks and illnesses.

Working capacity insurance focuses on maintaining working capacity and offering proactive treatment, providing services that support working capacity ranging from therapeutic treatments to surgical procedures. LocalTapiola's health advice service, which operates during working hours, can direct people who have fallen ill straight to a medical specialist if necessary, bypassing the general practitioner step. Smart Life Insurance strives to inspire the insured to be more active and also to get enough rest. LocalTapiola's Health Phone service is intended for personal insurance customers. Health Phone is an electronic service that is open from 7am to 11pm and puts customers in touch with a health care professional quickly, regardless of where they are.



10 + 1
hypotheses for employers

Pick out some tips for promoting well-being in your working community

1 Occupational well-being should be on senior managers' to-do lists

Occupational well-being should be considered part of the company's operating method, from the most senior managers down. When operating methods originate at the highest level, they trickle down via line managers to become part of every employee's day-to-day work.

2 Promoting occupational well-being is not detached from everyday work

Occupational well-being is created when work is done. At the core are efficient communications, well organised work, management skills and the opportunity for personnel to make a difference.

3 Occupational well-being is not just about making cost savings – it is an investment in production

Occupational well-being does not just affect the rate of absence due to illness and the number of employees taking early retirement; it also influences work productivity, customer satisfaction, the creation of innovations and, ultimately, the company's profitability.

4 Personnel involved

Developing occupational well-being is a task for the most senior managers, but it is im-



possible to come up with the most effective measures unless the personnel are heavily involved in development work.

5 Give line managers the skills and opportunities to intervene if problems arise

Conflicts and disputes in the workplace are often resolved with the help of line managers. Make sure that the managers at your company know their responsibilities and their power to intervene in the event of problems in the working community, and ensure that they have enough time to resolve problems.

6 Develop and maintain a culture of flexible working times

Flexibility has an enormous impact on occupational well-being. Finland is one of the world's best countries in terms of utilising flexible working times, so this standard should be upheld.

7 Setting targets, monitoring results and giving feedback

Set clear targets for developing occupational well-being, monitor development and communicate successes as areas for improvement to the organisation.

8 The world is changing and a new culture of development is required: those who invest will survive

Globalisation and digitalisation are affecting every working community. Sit down together and think how you can make the most of this change.

9 Listening, learning from others and benchmarking

People are finally beginning to talk about occupational well-being. Make the most of the situation and learn from other companies!

10 It is worth experimenting

Not all occupational well-being measures will suit every workplace. Bold experimentation and sensible measurement of effectiveness will reveal where it is worth investing.

+1 Support and new services are available

SME director: do you run a company that does not have a separate HR function? You can receive expert help for developing occupational well-being from insurance and pension companies.

Cover for families in the event of a child falling severely ill

If a child falls severely ill, the entire family is affected, and it is more important than ever for parents to be there. LocalTapiola developed an entirely new type of insurance that safeguards the parents' ability to take time off work if a child falls severely ill.

LocalTapiola developed an entirely new form of insurance against children falling severely ill on the basis of its customers' needs. Cover for children falling severely ill is widely used in the Nordic countries, particularly in Sweden. However, no other insurance companies in Finland offer such insurance policies.

The insurance pays out a daily allowance when a child needs to spend more than 12 hours in treatment at a hospital. Compensation can also be paid due to a severe diagnosis or permanent handicap of a child. The compensation can cover costs such as travel to and from the hospital and accommodation, or it can be used to arrange treatment for the child in the manner deemed best by the parents.

In 2016, LocalTapiola offered families cover against children falling seriously ill for no extra charge for the first year, and the campaign will continue until the end of April 2017. LocalTapiola is providing this benefit to support families' livelihoods and ensure continuity in everyday life throughout an otherwise very challenging time. Almost 10,000 such insurance policies have been sold.



Many of the respondents to LocalTapiola's customer survey felt that they needed an entirely new type of insurance against children falling ill. Many parents who had experienced a child becoming seriously ill would have liked support to enable them to be with their child. For example, the opportunity to stay at home and look after a sick child was considered important. In addition, help was needed to safeguard the family's livelihood and arrange treatment after the acute phase.



Health Phone will not let you down

More than 30,000 customers have now called LocalTapiola's Health Phone telephone service after falling ill or having an accident. A health care professional will evaluate your need for treatment during the call and give you treatment instructions. If necessary, you will be directed to visit the correct doctor and an appointment will be made on your

behalf. At the same time, you can also submit a claim. You can call Health Phone between 7am and 11pm on +358 206 1000. The service is free of charge for customers with LocalTapiola's voluntary personal insurance or statutory occupational accident insurance. LocalTapiola purchases Health Phone services from Pihlajalinna.



+358 206 1000

**Health Phone
is at your service daily**

The award-winning Hero Training continues

Hero Training courses, first arranged in 2016, were attended by 27,000 people around Finland. The theme of the training was fire extinguishing skills, and the training was free for LocalTapiola's customers or people interested in becoming customers. It was a major customer benefit in 2016 and it has already proven its practical benefit.

"We know of five confirmed cases where our customers have had to put the fire extinguishing skills they learnt on the training course to practical use. There were lots of participants, so it is understandable that a few accidents happen in the everyday lives of such a large group of people," says the Project Director, **Antti Määttä** from LocalTapiola.

A woman with blonde hair, wearing a light-colored fire-resistant jacket, is actively using a red fire extinguisher. She is positioned in front of a fire, with bright orange flames and yellow sparks visible at the bottom of the frame. The background is dark, and the scene is illuminated by the fire and the extinguisher's light.

27,000

PEOPLE TOOK PART
IN HERO TRAINING IN 2016

Hero Training campaign has been extended: first-aid skills are the new theme.

Emergency first-aid training for school pupils in years 5 and 6

The Hero Training campaign received the award for the Security Activity of 2016, and LocalTapiola has already made preparations to conduct a new training course. The new Hero Training course will begin in March 2017 when LocalTapiola will work with the Finnish Red Cross to offer resuscitation training to 30,000 school pupils in years 5 and 6, and a four-hour emergency first-aid course for 15,000 LocalTapiola customers or people interested in becoming customers. The theme is changing but Hero Training will continue.

"The training for school pupils is based on the European Resuscitation Council's target of ensuring that all European school pupils in years 5 and 6 receive resuscitation training. We want to be at the forefront, rolling out the training and opening the debate in Finland. We are boosting people's preparedness to take action in the event of an accident, and we are also raising awareness of accident prevention," Antti Määttä says.



NouHätä!

The NouHätä! emergency skills campaign increases the ability of young people to anticipate and prevent hazardous situations, and teaches them how to act in the event of an accident.

LocalTapiola has been involved in supporting the national NouHätä! campaign on emergency first aid skills for a long time now. It consists of teaching provided in schools by teachers and local emergency services personnel, as well as a competition intended for pupils in year 8 to test what they have learnt in theory and practice. In 2016, almost 40,000 school pupils were taught emergency skills.



"The skills people learn during Hero Training and the NouHätä! campaign could save lives," Antti Määttä says.

"It is in everyone's interests to minimise accidents and get people back to their everyday lives as quickly as possible after an accident. Human lives are always irreplaceable – there is no financial equivalent," Antti Määttä states.

The NouHätä! campaign is arranged by the emergency services and the Finnish National Rescue Association (SPEK). The Fire

Protection Fund, the Ministry of the Interior, the Finnish National Agency for Education, the Emergency Services College, emergency services unions and the association of Finnish fire officers are involved. LocalTapiola is involved in supporting the campaign.

Smarter home insurance

At the beginning of 2016, LocalTapiola offered 100 of its home insurance customers the use of smart home equipment that enabled customers to test and adjust smart devices in their homes. The Smart Home pilot project aimed to offer tools for a safer and more comfortable everyday life.

Smart technology has been harnessed by various devices for some time now, but the Smart Home pilot project was the first of its kind in Finland. The households that participated in the pilot project were provided with smart home equipment, including thermometers and humidity meters, motion detectors, fire alarms, water leak alarms, sensors that report when doors or windows are opened and a smart lamp.

The Smart Home pilot project is a smart home insurance policy with practical benefits for everyday life in the home and for promoting safety. One of the households involved in the project was **Teemu Laukkanen's** family. The Laukkanens already had some smart technology in their home, but the pilot project added more devices.

For example, they no longer need to worry about leaving the lights on.

"In the morning, we can wake up to the lights turning on – we do not need to flip the light switch. The lights in the entrance area come on automatically thanks to motion detectors, and they also turn themselves off. The lights in the bathroom also work in the same way," Laukkanen says.

"The Smart Home pilot project is a smart home insurance policy with practical benefits for everyday life in the home and for promoting safety."

Customers play an important role in development

There are many benefits to using smart technology if the opportunities are exploited intelligently. Installing a water leak alarm under the dishwasher could save a family from expensive repair work, and heating that can be adjusted via smartphone can ensure that it is not necessary to light the fire

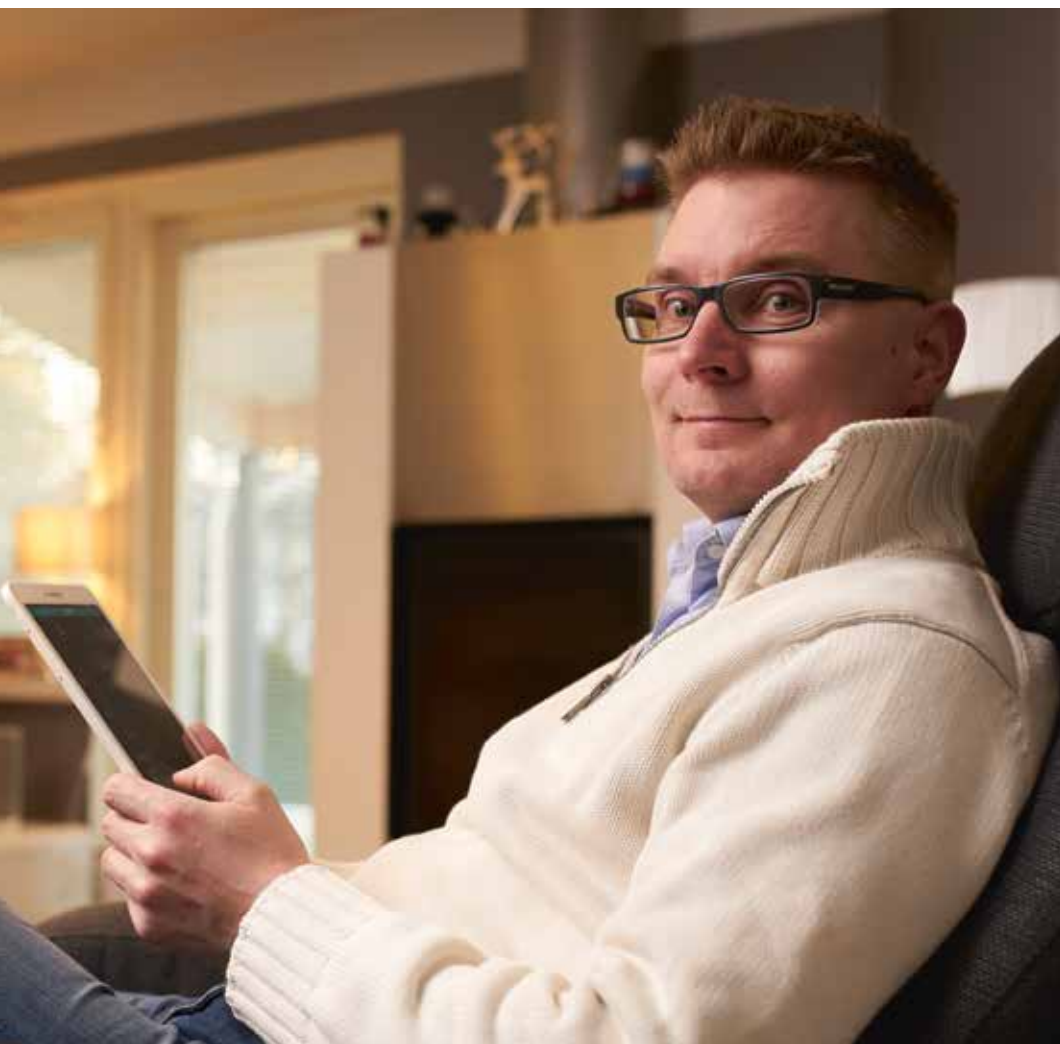
with numb fingers upon arriving at the holiday cottage. LocalTapiola aims to develop a full understanding of smart technology so it can promote its customers' safety.

"We are interested in finding out how we can improve our customers' safety in a tangible way and identifying solutions for preventing various types of loss or damage," says **Antti Määttänen**, Project Director from LocalTapiola.

According to Määttänen, the participants have been highly satisfied in the workshops organised alongside the Smart Home pilot project. The workshops opened up and expanded on new perspectives on the Internet of Things (IoT) and the opportunities it will provide. Positive customer feedback has encouraged LocalTapiola to continue developing smart home insurance in partnership with its customers.

"We realised that we should not try to influence our customers' mindsets too much as the development will not feel natural. Customers can be at the forefront of the development of home automation and integration into insurance products. The smart home concept is also the first smart home insurance product anywhere in the world," Määttänen says.





Teemu Laukkanen's family is involved in the Smart Home pilot project. The project complemented the smart technology in the Laukkanens' home.

Useful monitoring with the help of smart technology

Up to 61 per cent of Finns would consent to being monitored with the help of smart technology if they were elderly and living alone. This was revealed by a survey commissioned by LocalTapiola to investigate the feelings of Finnish people in relation to matters such as safety.



Many people would like to use new technology to monitor the status and movements of their own children or elderly parents, in addition to technology for improving the physical security of the home. When respondents were asked to give their opinions the idea of being monitored when they grow old themselves, 37 per cent hoped that any abnormal data related to their well-being would be sent to health care professionals. After that, they would like their own adult children to be informed. Only two per cent would report this information to a neighbour. The results show that monitoring safety using smart technology is considered beneficial. 1,006 people responded to LocalTapiola's survey.

37%

of older people would like a health care professional to be informed in the event of health and well-being problems.

Hackers help to patch information security holes

Information security is rising in importance as services become digital. It is particularly important for companies operating in the financial sector to keep confidential information secret and safe. LocalTapiola has worked with "white hat" hackers to test its services and identify any vulnerabilities.

LocalTapiola's Director of Information Security, **Leo Niemelä**, says that digitalisation is a development that can be compared in magnitude with the discovery of electricity. Digitalisation is moving forwards, the role of information security continues to grow and companies must increasingly prepare for potential cyberattacks.

"Criminals are interested in companies in the financial sector because they handle money. Cybercriminals have a changing and expanding set of tools at their disposal, and blackmail malware is currently a major headache for consumers and companies alike."

Last year, Niemelä was awarded the distinction of Information Security Manager of the Year. At his initiative, LocalTapiola has initiated a programme and event based on the skills of hackers – the company has used this to prepare its defences against potential cyberattacks. The Bug Bounty programme and annual Hack Day event have been useful for LocalTapiola and for hackers.

"Cybercriminals have a changing and expanding set of tools at their disposal."

"We invite hackers to visit us for the day. They sign a non-disclosure agreement, we give them a target to attack that is equivalent to our production environment, and they try to break in. At the end of the day, the teams of hackers report to us on the vulnerabilities," Niemelä says.



"LocalTapiola's Hack Day is unique in Finland, and the company has used it to crowdsource its information security work to new, highly proficient parties. The Bug Bounty programme, which seeks to identify information security vulnerabilities, is also a group effort," says Leo Niemelä.

LocalTapiola's Hack Day is unique in Finland, and the company has used it to crowdsource its information security work to new, highly proficient parties. The Bug Bounty programme, which seeks to identify information security vulnerabilities, is also a group effort.

"We have added an international hacking portal to our website and we use this to list targets where hackers can search for vulnerabilities, along with instructions and rules that they must follow. If a hacker finds a vulnerability on our site in compliance with the instructions and rules, we will reward him or her," Niemelä says.

The hacking portal may sound slightly suspicious until Niemelä lists the other parties who also have their own programmes on the portal in question.

"The same platform is used by Twitter, General Motors, Uber and the United States Department of Defense to run their own programmes. We have an agreement with the portal, which handles matters such as taxation of hackers' rewards. As such, we have no direct contractual relationships with hackers. Any company could start up its own programme on the hacking portal."

Moisture and dust cause problems with electrical equipment on farms

The conditions on farms can be problematic for electrical equipment and make maintenance difficult. Regularly monitoring and inspecting electrical devices can reduce the risk of fires, increase peace of mind and save a pretty penny.

According to the obligations for maintaining electrical installations as stipulated in the Electricity Act, owners are responsible for keeping electrical devices in good condition. Nonetheless, accidents happen, and the causes most often turn out to be very ordinary things.

"One of the most common causes of electrical fires are faulty strip lights attached to ceiling structures. They begin heating up and cause a major fire risk. More than 100 fires are started by faulty strip lights every year in Finland. Between 10 and 20 of these occur on farms," says **Juhani Savolainen**, LocalTapiola's Risk Manager.

Other common causes of fires are loose connections in electrical devices and dust, which accumulates on electrical devices, cables and engines located in grain-processing facilities. Devices and connections in electrical switchboard cabinets are vulnerable to moisture as well as dust. Savolainen says that there is room for improvement on Finnish farms in terms of electrical safety, but the legal requirement for residual-current devices has already improved the situation considerably.

"Residual-current devices became statutory requirements for farms at the end of the 1990s, and the effects of this change became apparent at the turn of the century. Residual-current devices are much more sensitive than fuses, and they have saved numerous barns from fires. If a farm is expanding, one of the conditions of receiving a grant from the Ministry of Agriculture and Forestry is that residual-current devices be installed in the new and old parts of the building," Savolainen says.



Fixed electrical installations must be carried out by a professional

People can do minor electrical work, such as changing light bulbs and lamp starters, themselves but all other jobs should be done by a professional electrician. Problems arise when temporary home-made wiring is forgotten about or otherwise becomes a permanent solution.

"Fixed electrical installations should be repaired by professionals, and they must be sorted out as a matter of urgency. If the fuse rating is over 35 amps, the authorities require electrical inspections to be conducted every 10 years. However, the target is for

electrical inspections to be carried out every five years," Savolainen says.

Professionals should also be consulted when installing stand-by generators. Stand-by generators have become more common on farms in recent years. They enable the farm to quickly regain power in the event of an electrical outage due to conditions such as stormy weather or snow. Fire safety should be taken into consideration when deciding on the location of a back-up generator.

"It is a good idea to ask the local emergency services for advice on where to put a back-up generator. People may be tempted to put these large machines under the eaves of buildings, ignoring the fact that they may operate for long periods at a time, depending on the length of the power cut. A back-up generator placed in the wrong location can be a fire safety risk," says Savolainen.

Careful drivers are rewarded

LocalTapiola's new motor liability insurance for private customers puts the customer in the driver's seat. The insurance focuses on customer-orientation, accident-free periods and rewarding good drivers.



The new motor liability insurance policy rewards customers who make no claims

The new motor liability insurance is available for all cars insured for private individuals, and the bonus is formulated on the basis of the customer's personal insurance and claims record. Damage to one car does not decrease the bonuses of every car as the "second car" is offered the same bonus as the "first car" if the insurance is in the same person's name.

"In addition, driving licence details and information on driving rights is used for pricing so that all driving experience in different vehicles can benefit the driver in the form of a higher initial bonus. This is a major advantage, particularly for young drivers taking out new insurance policies," says **Tapani Alaviiri**, Unit Director at LocalTapiola General.

Fair pricing

Motor liability insurance premiums have been decreased for people with a lower risk of accidents. Fair pricing, accident-free

periods and supporting customer safety are important themes for LocalTapiola. The aim is to offer careful drivers the most competitively priced motor liability insurance in the sector.

"We want to incentivise our customers towards a better traffic culture by offering even faster bonus accrual. In other words: careful drivers will be rewarded," Alaviiri says.

The updates to the motor liability insurance are based on an amendment to the Motor Liability Insurance Act in effect as of the beginning of 2017. Current customers can also choose to change their insurance policies to the new motor liability insurance.



The features of the new motor liability insurance include a gift bonus for four years of accident-free driving, a maximum bonus of 80 per cent and maximum bonus accrual after eight years of accident-free driving. The updated bonus cover will be personal in the future.



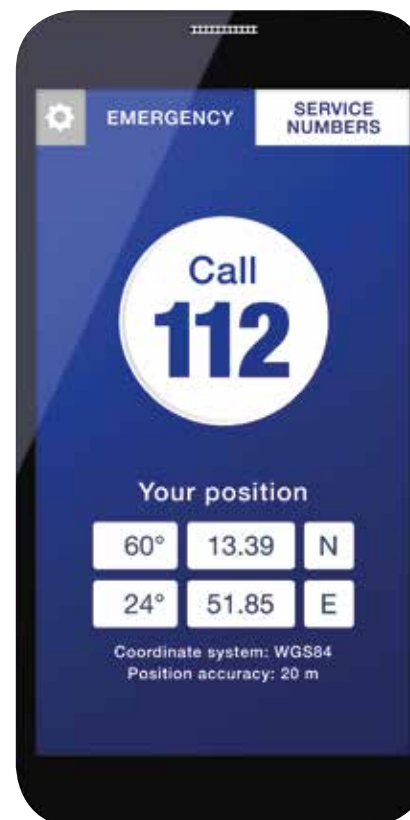
The 112 Suomi app

The most effective safety-related action in motoring

The 112 Suomi app, developed by the Emergency Response Centre Administration and Digia Finland, secured first place by a landslide in the Motoring Safety vote arranged by LocalTapiola.

Over 12,400 votes were cast, and more than half of these went to the winner. The winner was selected as the joint outcome of the public vote and deliberations by a panel of motoring experts, and the award was announced at the Auto2016 event in Helsinki in November.

The 112 Suomi app earned praise as a successful and modern way of improving safety, while making it easier to get help in the event of an emergency.



Music to reduce road rage

Music has a calming effect on drivers, a survey conducted by LocalTapiola in collaboration with the University of Jyväskylä and the Forerunners customer panel has revealed.

The survey investigated the experiences of Finnish motorists in terms of the influence of music on driving. 97 per cent of the respondents said that they listen to music while driving. 75 per cent of these said that they turn the music down or off entirely to concentrate in demanding situations, and 12 per cent said that they drive faster because of music. 10 per cent of the respondents choose music to calm themselves down behind the wheel.

"The results of the study show that music has a calming effect. If the driver is flustered or uncertain, listening to peaceful music can ease nerves or road rage," says **Henna-Riikka Peltola**, a doctor of philosophy and researcher into music at the University of Jyväskylä. 322 motorists responded to the survey.

97%

of the respondents said that they listen to music while driving.



LocalTapiola Group is investing more than half a billion euros in developing the centre of Tapiola, a district in Espoo. The development work began six years ago and it will continue until 2020. The purpose of the project is to make Tapiola an even more pleasant place to live and do business, and to turn the AINOA shopping centre into the highest quality centre in Greater Helsinki.

LOCALTAPIOLA GROUP IS INVESTING MORE THAN
EUR 0.5 BN
IN MODERNISING THE CENTRE OF TAPIOLA

A greener and more pleasant Tapiola is under construction

The centre of Tapiola, which has traditionally been known as a garden suburb, is currently being transformed into Finland's largest pedestrianised centre. LocalTapiola Group, whose head office is located in Tapiola, has made investments totalling more than half a billion euros in modernising the centre of Tapiola with solutions of a high architectonic quality. The goal of the project is to restore a diverse vitality to the centre of Tapiola and make it a pleasant environment to live in.

"We wanted to be involved in this project and make such a major investment because we believe that refining properties owned by LocalTapiola in existing urban environments where public transport is still improving is a good example of responsible investment. We manage a real estate portfolio worth approximately EUR 3 billion, and this will make us one of Finland's largest real estate investors," says **Kim Särä**, Director of Real Estate Funds at LocalTapiola Real Estate Asset Management.

The aim is to build in an energy-efficient manner and obtain a LEED Platinum envi-

ronmental certificate for the project. For Espoo, this is the first project of its kind where energy-efficient district heating and district cooling are utilised.

AINOA shopping centre to become a living room for Tapiola residents

The AINOA entity, under construction in the centre of Tapiola, will be a high-quality shopping centre, as well as a homely space where Tapiola residents can enjoy spending time. 2017 will mark an important stage in the project to develop the centre of Tapiola as the extension to the AINOA shopping centre will be complete on 16 March.

AINOA will expand to become a 30,000 square metre shopping centre, with approximately 50 different retailers or service providers. At the same time, Stockmann Tapiola will move into the new AINOA building. AINOA's third extension will mainly be built on Stockmann's former site and it will be complete in 2019. Most of this year will be spent demolishing the old buildings.

2017 will also mark the completion of the Kirjokansi residential buildings constructed on top of the commercial premises. The tallest of these buildings are eight storeys above AINOA's roof. Good views and connections to services have aroused interest, and approximately 65 per cent of the

apartments being built by LocalTapiola had already been sold by the end of 2016, while the majority of the remainder are reserved pending final purchase decisions. The Tapiola bus terminal will begin serving users of public transport in 2018.



A hassle-free way to enter real estate markets on professional terms

In a world where interest rates are practically zero, real estate investment has become increasingly compelling among professional investors and small-scale investors alike. Cautious investors have been forced to seek alternatives to fixed-income investments in interest-bearing securities to obtain better returns while maintaining more stability than is afforded by equity investments. LocalTapiola's real estate investment products provide investors with a hassle-free way to invest in dozens of residential properties in Greater Helsinki and other growth centres.

Purchasing an investment property and letting it out demands time and effort. LocalTapiola's Real Estate Investment Basket is the right solutions for customers who are interested in investing in fixed property for at least five years but who are concerned about the responsibilities involved in property transactions and lettings. Experienced real estate and investment professionals handle the investments on behalf of customers, in

some cases for investment sums below the full price of a single investment property. The large number and diversification of leased residential properties significantly decreases the risk related to the investment.

The Real Estate Investment Basket enables investors to access the new or nearly new residential properties in the investment portfolio, which focuses on Greater Helsinki and other growth centres. In line with customers' wishes, the Real Estate Investment Basket's operations are ongoing in nature: customers can choose to convert parts of their investment into cash at any time. The content of the portfolio also changes as time goes by depending on where LocalTapiola has identified potential returns – in other words, when the company decides to sell its properties.

Residential rents saw the largest increases in Espoo and Vantaa last year

Rents in market-financed residential properties continued to rise in Finland, showing an average year-on-year increase of 2.4 per cent in 2016. Rents showed the highest increase in Greater Helsinki: approximately 3 per cent in Espoo and Vantaa, and approximately 2 per cent in Helsinki in comparison with the previous year. Elsewhere in Finland, rents saw the highest growth in Tampere and Jyväskylä last year.



Check-list for budding real estate investors

1. Set a target that you hope your real estate investment will reach.
2. Choose an investment strategy that suits your available time and abilities.
3. Be systematic – monitor costs and keep track of documentation carefully.

Residential property prices increased by 3.6 per cent in Greater Helsinki in comparison with the previous year, but they decreased by 0.7 per cent elsewhere in Finland. According to preliminary data provided by Statistics Finland, the prices of old flats increased by 1.6 per cent in the country as a whole in comparison with the previous

year. According to KTI Property Information Ltd, 17 per cent of the 820,000 rental homes in Finland are market-financed properties owned by professional investors. The vast majority of residential properties are still owned by individual investors or are offered for rent under a variety of subsidies.



Residential Security Insurance to prevent homelessness

If a person loses their credit rating or has a payment default on their credit record, it can often prevent them from renting a home. This may lead to homelessness and the start of a downward spiral for people going through challenging life phases. LocalTapiola Pirkanmaa is involved in a project run by the Ministry of the Environment to prevent homelessness using an entirely new type of residential security insurance.

Residential security insurance is part of the Ministry of the Environment's AUNE project: a programme of measures to combat homelessness. The aim of the pilot project is to use residential security insurance to encourage bodies such as cities and institutional property owners to lease residential properties to people who require help in finding or living in homes of their own. The trial project will also promote opportunities for citizens at risk of homelessness to rent homes.

For LocalTapiola Pirkanmaa, participating in the project is a way for the company to make a difference in the surrounding society and improve citizens' everyday lives. The pilot product trial has been initiated in 2,000 supported residences in Pirkanmaa and elsewhere in Finland.

"The project will promote equality for people looking to find a home in a challenging life phase and will enable members of the

local community to settle. Residential security insurance has a major effect on a person's chances of getting a home, thereby improving the person's quality of life, increasing balance and proactively preventing the detrimental effects of homelessness," says **Aki Selkee**, Business Director at LocalTapiola Pirkanmaa.

"The pilot product trial has been initiated in 2,000 supported residences in Pirkanmaa and elsewhere in Finland."

The residential security insurance pilot project will run until 31 December 2018. Based on the experiences gained from the project, a decision will be made on whether to include the insurance in the product ranges offered by other companies in LocalTapiola Group. LocalTapiola has already begun experimenting with a new operating model for young people who have payment defaults on their credit records. The regional company for Greater Helsinki is collaborating with the Deaconess Institute on the Vamos project, which aims to help young people move on in life and overcome the difficulties caused by losing their credit ratings.

Responsible investment with a view to environmental issues

LocalTapiola Asset Management is investing in environmental friendliness with its equity and corporate bond investments. The magnitude of the emissions caused by companies' activities influences LocalTapiola's company selections and their weightings in the investment portfolio.

To ensure that LocalTapiola is able to improve the environmental friendliness of the investments it makes, LocalTapiola has divided potential investments on the basis of the emissions caused by each sector into carbon-intensive – those with high emissions – and non-carbon-intensive – companies whose operations cause less pollution. Based on this, LocalTapiola has reduced its investments in companies such as airlines, while investing more in network and renewable energy companies, as well as green lending.

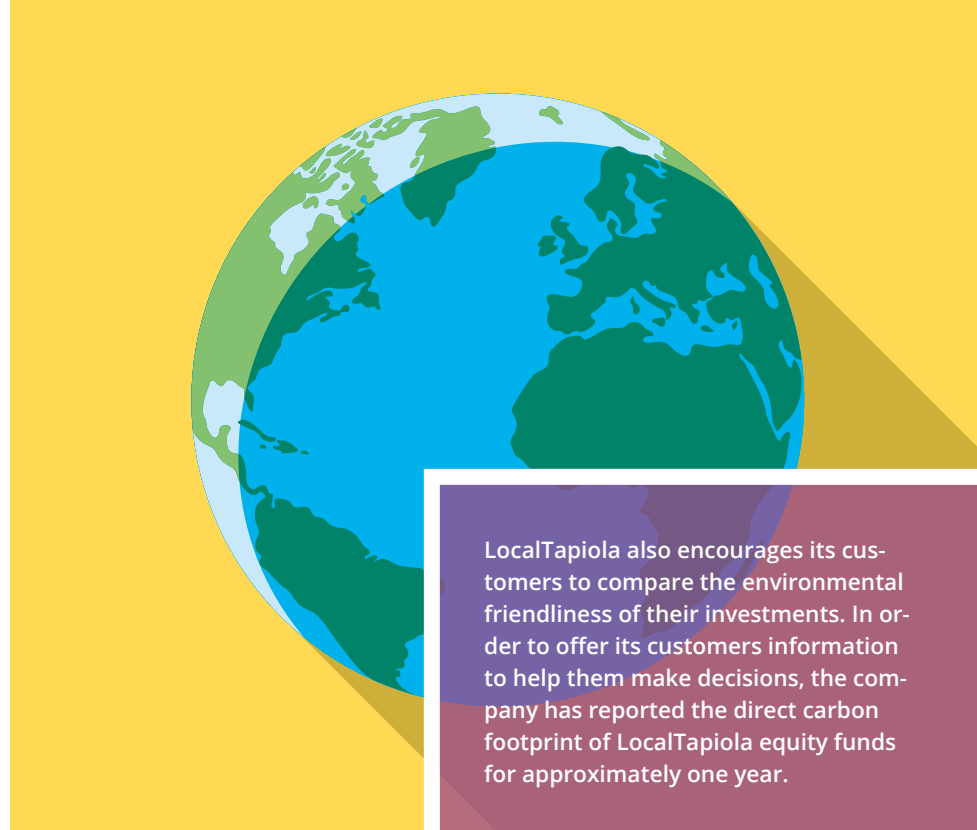
LocalTapiola also encourages its customers to compare the environmental

friendliness of their investments. In order to offer its customers information to help them make decisions, the company has reported the direct carbon footprint of LocalTapiola equity funds for approximately one year. The carbon footprint indicates the greenhouse gas emissions arising from the operations of the companies in which the fund invests. Greenhouse gas emissions include carbon dioxide, methane and nitrous oxide. In other words, the carbon footprint is an indicator of the fund's environmental friendliness.

"We began reporting the carbon footprint of equity funds a year ago and, at the turn of the year, we began including corporate bond investments. Thanks to this reporting, LocalTapiola fund customers can choose to base their decisions on carbon footprints and choose to invest in more environmentally friendly funds," says **Outi Kalpio**, the Director of LocalTapiola Asset Management.

Transparent and fair investment

LocalTapiola Asset Management is committed to complying with the United Nations'



LocalTapiola also encourages its customers to compare the environmental friendliness of their investments. In order to offer its customers information to help them make decisions, the company has reported the direct carbon footprint of LocalTapiola equity funds for approximately one year.

"Seeking returns and ensuring environmental and responsibility factors are not mutually exclusive."

Principles for Responsible Investment. LocalTapiola Asset Management's portfolio managers conduct responsibility analyses of investment targets to evaluate the impact of societal, administrative and environmental factors on companies' operations, future outlooks and long-term value. Responsibility

also includes the transparency of operations, as well as ensuring that customers are treated fairly and in a way that is beneficial to them. Seeking returns and ensuring environmental and responsibility factors are not mutually exclusive.

"As an asset manager, our primary responsibility is to handle assets in such a way that we obtain the best possible return for an acceptable risk as selected by the customer. Potential returns and responsibility can be combined. If this can be done well, responsibility can lead to higher returns or lower risk. However, it is difficult to conduct investment activities based solely on responsibility or environmental criteria," states Kalpio.

Three ways to invest

Customers do not need to have thousands of euros to invest – less than a hundred a month is a good start. As monetary resources increase, the number of potential investments also increases.

1 Buffer A simple way to start saving is by transferring surplus money into a savings account. Even a small amount per month is a good start – it does not need to be over hundred euros. This provides a buffer for unexpected expenses. Low-risk investment funds such as fixed-income funds are also a good alternative.

2 Target When there is enough "buffer" money, attention can turn to investing it with a mind for higher returns. Investment funds and savings insurance policies are good options at this point. Seeking returns means taking risks, and every investor must define the risk level they are comfortable with.

3 Return When the assets are of a meaningful size, it is a good idea to make a proper investment plan and to diversify across different asset classes. Seeking greater returns requires risk-taking, so consulting a professional is recommended.



Openness and positivity when discussing money

Setting a good example and speaking openly about money can influence children's future financial behaviour. Openness also plays a part in financial security and preparedness.

A questionnaire commissioned by LocalTapiola and the Martha Organisation showed that it is good to speak positively about financial matters as the approach and example shown by parents influences

children's future financial behaviour. Even if money is not tight, youngsters should not take it for granted.

"Working to earn one's own money seems to be the best way to learn about spending it responsibly," says **Ville Niiranen** from LocalTapiola Life.

As many as 80 per cent of respondents who thought their parents used money in a planned manner also considered themselves to be methodical in this regard. It seems that mothers and fathers set an example for their children. A planned approach is also reflected by making preparations for financial risks.

"It is good to talk to young people about financial matters and share your own experiences of why it is worth saving for the future and which eventualities should be covered by insurance," Niiranen states.

The questionnaire was completed by 962 adults who no longer live with their parents.



In October 2016, the real estate sector concluded a new Energy Efficiency Agreement with the Ministry of Employment and the Economy, the Ministry of the Environment and the Energy Authority to cover the period from 2017 to 2025. LocalTapiola reached its overall energy saving target for the first Energy Efficiency Agreement period, which ran from 2010 to 2016, ahead of schedule.

Target for overall energy saving reached ahead of schedule

The common Energy Efficiency Agreements for the real estate sector are a major factor in the realisation of the energy and climate strategy and are instrumental in promoting the efficient use of energy in Finland, as the real estate sector accounts for as much as 40 per cent of all of the energy consumed in the country.

LocalTapiola Real Estate Asset Management is committed to taking measures to improve energy efficiency in the residential rental properties and office buildings it owns. The target is to reduce the amount of energy used in the real estate sector in comparison with consumption in 2016 by at least 7.5 per cent by 2025.

"For LocalTapiola, environmental responsibility means efficient and economical use of natural resources, risk management and taking environmental issues into consideration in our everyday operations and decision-making. We are committed to reducing energy consumption in the properties we own, while increasing the output of renewable energy," says Reetta Räsänen, Real Estate Director at LocalTapiola Real Estate Asset Management.

LocalTapiola pays attention to energy efficiency

LocalTapiola Real Estate Asset Management strives to reduce the amount of energy used in the properties it manages, and it also encourages tenants and occupants to think about their own energy consumption.

The majority of the properties owned by LocalTapiola have switched to energy-efficient LED lighting for common areas. In the near future, the number of LED lights will increase further. Attention has also been paid to saving water: one good way of doing this is to update fittings to water-saving models.

Preventive servicing and maintenance of buildings can have a material impact on energy efficiency when the building is in use. Energy consumption data is monitored regularly in all of the buildings managed by LocalTapiola Real Estate Asset Management. Any abnormal consumption is analysed in comparison with monthly and annual levels, and immediate action is taken. Every LocalTapiola site has its own energy consumption



Some tips for reducing energy consumption at home

We can all take energy efficiency into consideration in our own homes. Ventilation and underfloor heating can be turned down during holidays. It is also worth making sure that devices are functioning correctly and are well maintained. The filters in ventilation machines in detached houses should be changed in the spring and autumn, and it is also a good idea to clean the heat recovery equipment at the same time. Ventilation ducts should also be cleaned regularly.

target, which can be updated if changes occur during use.

Solar energy can be utilised, particularly for cooling and basic electric loads, thereby significantly reducing the use of purchased energy and emissions of carbon dioxide. LocalTapiola's head office in Espoo is home to a 200 kilowatt solar power plant, which has been in use for approximately one year. The

power plant is expected to generate 180 megawatt hours every year, which corresponds to the annual electricity consumption of ten large detached houses with electric heating. LocalTapiola will increase its solar power generation capacity and expand to other sites.

Shared electric car to make everyday life easier for the residents of Suurpelto

Residents in rental properties constructed by LocalTapiola in Suurpelto, Espoo were provided with the shared use of a Nissan Leaf electric car. The intention is to make residents' everyday lives easier and supplement the offering of public transport and services in the area.



A shared car is a handy way of making everyday life easier.



The residential property funds managed by LocalTapiola Real Estate Asset Management currently own 320 homes in Suurpelto. In spring 2016, the residential property funds acquired an electric car for shared use as a part of a pilot project. The car is currently located in the car park of the As Oy Espoon Syysleimu housing company. LocalTapiola arranged an event on its residential sites in Suurpelto to enable current and future residents to find out about the electric car and how it is used.

"Suurpelto is a good site for this experiment with a shared electric car. There are enough residents and they also need to travel to other areas, so a shared car is a handy way of making everyday life easier," says **Eero Kokkonen**, Environmental Manager at LocalTapiola Real Estate Asset Management.

The Nissan Leaf electric car and associated services were brought to Suurpelto by Finnish start-up EkoRent, which is also installing a charging station at the housing company. The tenants will be trained on how to use and rent the car, and they will also be asked to complete user surveys to provide feedback.

LocalTapiola Real Estate Asset Management is also looking into the possibility of purchasing a shared electric car for another residential area in Greater Helsinki.

Expert personnel at your service

Training and continuous competence development play an important role at LocalTapiola. They enable us to provide customers with the best possible service and lifelong security. LocalTapiola is also a nice place to work – this is borne out by rising levels of employee satisfaction.

In 2016, LocalTapiola focused on developing the competences of its personnel. The development work has included special investments in skills related to customer interactions and creating a good customer experience, as well as sales and customer service skills. This is to ensure that the personnel have the expertise and capability to serve customers even better. The changing world requires products and services to be constantly developed, which also demands new competences from personnel.

In addition to customer encounters, LocalTapiola considers good management important. Supervisors and senior managers took part in a training programme entitled "On the road to reforming the sector", realised by Aalto EE. The programme took a deeper approach to strategy, customer-oriented change and good management.

Virtual training takes off

In 2016, almost 500 training events were arranged for the personnel. In addition to

these, virtual training courses proved to be a good way of boosting competences. They facilitated a 25 per cent increase in studying last year. Overall, each person spent an average of 4 days in training, compared with a figure of 3.5 in 2015. An amazing 15,632 online courses were completed, which equates to an average of five training courses for each LocalTapiola employee.

"Online training promotes learning at work."

"Training is available to every employee at LocalTapiola, and virtual training courses enable the same training to be received whether the employee is based in Espoo or Rovaniemi. Online training and coaching courses promote learning at work, while also being environmentally friendly and cost efficient. They are also highly compatible with other operations, as technologies such as virtual meetings and events, the Lync messaging application and electronic materials are a part of everyday working life at LocalTapiola," says **Sari Kuusela**, HR Director.

Increasingly satisfied employees

As in previous years, the job satisfaction of LocalTapiola employees was measured as part of the Great Place to Work personnel survey, and the results show an increase for the third year running. The survey conducted in November 2016 showed that the Trust Index – an indicator of job satisfaction – increased to 71 per cent, in line with the targets, from 69 per cent in 2015. 82 per cent of LocalTapiola employees responded to the survey.

According to Kuusela, the increase in job satisfaction is down to investments in personnel inclusion and empowerment.

"We have also focused on the amount and quality of communication so that every LocalTapiola employee knows where we are now and where we are heading. We will continue to invest in personnel satisfaction and improving the employee experience, as a good employee experience can lead to a good customer experience," she says.

Trust Index – an indicator of job satisfaction

71 %





A good employee experience can translate into a good customer experience. This image shows experts from LocalTapiola Asset Management.

Heroes of good intentions in the workplace

Sari Kuusela says that the atmosphere in the workplace is often a combination of little things and actions: getting nice feedback from a colleague, taking a coffee break together or having the door held open for you. This idea led to LocalTapiola employees creating the Goodwill Heroes project, which fosters a good atmosphere in the working community by making small, friendly actions towards colleagues a part of everyday working life.

"The idea originated in a coaching group with the thought that all personnel should be set the challenge of fostering a culture of good deeds. Goodwill in the working community reflects directly on customer service and, thereby, on the customer's service experience. The project involved experimenting with various models for thanking and rewarding colleagues, as well as collaboration models. A Goodwill blog was also set up for the personnel and joint breakfasts were arranged in different functions," Kuusela says.



You will be treated with compassion

LocalTapiola is a partner in the University of Helsinki's Tekes project entitled "The Revolutionary Power of Compassion" (Co-Passion). The project is analysing the link between compassion and financial success, as well as opportunities for promoting compassion within companies.

As part of the project, employees working at LocalTapiola's claims service have received training on emotional skills and interaction, as well as compassion. LocalTapiola employees also participated in research on the project. Thanks to the project, the emotional skills that were considered important have been given a more meaningful role in customer interactions and service, as well as in internal collaboration.

Let's do good together – for people, communities and society

The Joy of Friendship – events to combat loneliness

In our society, there is an increasing number of people suffering from loneliness and, for many of them, volunteers are the only people they can chat with and receive help from when they need to go out. The Friend Programme arranged by the Finnish Red Cross plays an important role in mitigating loneliness. LocalTapiola has been the main partner for the Finnish Red Cross' Volunteer Friend Programme since 2006.

Loneliness affects health, social well-being and feelings of everyday security. Elderly people are not the only ones who need friends: young people, immigrants, people with disabilities and people in rehabilitation for mental health difficulties can also benefit. The Finnish Red Cross' voluntary Friend Programme provides help to 26,000 people every year.

For LocalTapiola, supporting the Friend Programme is a tangible way of taking social responsibility. Awareness of the Friend Programme has been increased by Joy of Friendship events arranged with LocalTapiola's support. These events were arranged around Valentine's Day in February 2016 by the Finnish Red Cross' local districts and departments all over Finland.

**The Finnish Red Cross' Friend
Programme helps**

26 000

people every year.

Major grant for the prevention of bowel cancer

LocalTapiola awarded a EUR 200,000 grant to the Finnish Cancer Foundation to enable the Academy of Finland's Tumour Genomics research group to continue researching the genetic composition of bowel cancer.

LocalTapiola's major grant was allocated to a top-class research unit at the Academy of Finland led by Professor Lauri Aaltonen. The unit is researching cancer genetics. The group is researching the cancer genome to

identify forms of bowel cancer that can either be prevented or treated at an early stage.

"When we gain a better understanding of the patient, the genome of the patient's tumour and the mutual dependency relationships between them, we can develop a better overview of how tumours arise. This information is valuable to the development of new forms of cancer prevention and treatment," says Academy Professor **Lauri Aaltonen**.

The major grant received by Aaltonen's research group totals EUR 450,000, of which LocalTapiola has contributed EUR 200,000. The collaboration agreement between LocalTapiola and the Cancer Foundation will continue until 2018.





Sustainable development commitments for safety training and renewable energy

Safety training courses and energy efficiency are LocalTapiola's societal commitments to sustainable development and a way for the company to influence the Finland of the future while also promoting international goals.

LocalTapiola is committed to offering training to Finnish people to promote the safety of people and communities. In 2016, citizens' safety skills were boosted thanks to events arranged by LocalTapiola as customer benefits, including Hero Training – free-of-charge fire extinguishing courses everywhere in Finland. The safety training courses arranged in 2017 will focus on first aid skills.

LocalTapiola has set itself the target of generating at least as much renewable energy by the end of 2017 as the company's real estate portfolio, which is worth EUR 3 billion, consumes in building energy. In addition, LocalTapiola is making preparations to deploy solar energy in all of its new buildings if this is technically and financially feasible.

"We are making our own commitments with the aim of making a tangible contribu-

tion to reaching shared global and national targets. As an insurance company, safety is an essential theme for us, and our lifelong security strategy is based on giving Finnish people what they need to live a safer, healthier life. We have done long-term work to promote energy efficiency in our real estate business, and we remain committed to this," says **Elina Kuusela**, LocalTapiola's Corporate Responsibility Manager.



LocalTapiola's societal commitments are a means of participating in the promotion of national sustainable development and corporate responsibility targets and the realisation of the UN's sustainable development goals.

Integration programme supports asylum seekers in applying for work

LocalTapiola was involved in financing the Business Lead 2016 integration programme intended for asylum seekers. The programme began in May 2016 in Helsinki. The programme was offered by Hanken & SSE Executive Education together with Hanken Svenska handelshögskolan and mobile service company Funzi.

Last year, more than 70 asylum seekers applied for the Business Lead programme, and 40 new students were eventually accepted onto the programme. The key criteria for the programme were a university degree or at least three years' study, at least two years' relevant work experience and English language skills.

"We were aiming to realise mutual benefits from the programme. The companies wanted to identify professionally skilled employees and partners with language skills, and we wanted to support and contribute to the integration of asylum seekers into Finnish business life in a tangible way," says **Sari Salojärvi**, CEO at Hanken & SSE Executive Education.

The Business Lead 2016 teaching programme included seven days of on-site teaching provided by Hanken & SSE Executive Education, a mobile learning service developed by Funzi, mentoring arranged by the Helsinki Region Chamber of Commerce, and a two-month internship at a partner company in Finland. The partici-

"The participants received a grounding in Finnish business life, organisational culture, corporate strategy and entrepreneurship."

pants received a wide-ranging introduction to Finnish and European business life, organisational culture, corporate strategy and entrepreneurship.

What to do if an accident happens

Often, customers only understand the true value of insurance when something happens. Last year, approximately 760,000 claims were submitted to LocalTapiola's claims service. A total of EUR 639 million was paid in compensation under non-life insurance.

For approximately 70 per cent of claims, customers need only contact us once and the claims are handled on the same day. Most matters are handled electronically but customers can also turn to LocalTapiola's regional companies to receive personal service, particularly if a more serious accident has happened.

LocalTapiola's extensive networks and round-the-clock emergency travellers' helpline can help if an accident happens abroad. Calls are answered by professionals who are able to give advice and direct customers towards appropriate treatment. In the most serious cases, the customer will be flown back to Finland.



Emergency service
24 hours per day
+358 8000 4531

Call the emergency service number in the event of an accident at home, on the road or while travelling if you need immediate help.

Health Phone
Tel: +358 206 1000

The service is available to personal insurance customers every day from 7am to 11pm.

If an accident happens, check lahitapiola.fi for the number of your own regional company's claims service, if the matter is not urgent.

Where does the insurance premium go?

Part of the insurance premium is used to directly finance business activities, develop services and pay compensation. Part of it is returned to customers in the form of loyalty discounts and customer benefits, such as discounts under the Omaetu programme and S Group Bonus.

By law, insurance companies must always be prepared to pay compensation for large claims, so the assets received from customers must be invested safely and profitably to ensure solvency. For this reason, investment operations are one of the core activities of insurance companies, and LocalTapiola has around 100 employees working on investment, many of them at LocalTapiola Asset Management.

LocalTapiola invests most of the funds paid by its customers in shares, bonds and real estate. LocalTapiola owns several hundred rental homes in Finland, so many customers may live in a property owned by LocalTapiola.





LocalTapiola's network of 20 regional companies:

LähiTapiola Lappi
Keskinäinen Vakuutusyhtiö
Rovakatu 27
96200 ROVANIEMI

LähiTapiola Kainuu-Koillismaa
Keskinäinen Vakuutusyhtiö
Kauppakatu 26
87100 KAJAANI

LähiTapiola Pohjoinen
Keskinäinen Vakuutusyhtiö
Kirkkokatu 9
90100 OULU

LähiTapiola Österbotten-
Pohjanmaa Keskinäinen
Vakuutusyhtiö
Kauppapuistikko 19-21
65100 VAASA

LähiTapiola Etelä-Pohjanmaa
Keskinäinen Vakuutusyhtiö
Kauppakatu 5
60100 SEINÄJOKI

LähiTapiola Keski-Suomi
Keskinäinen Vakuutusyhtiö
Asemakatu 4
40100 JYVÄSKYLÄ

LähiTapiola Itä
Keskinäinen Vakuutusyhtiö
Riistakatu 11
74100 IISALMI

LähiTapiola Savo
Keskinäinen Vakuutusyhtiö
Puutarhakatu 6
70300 KUOPIO

LähiTapiola Savo-Karjala
Keskinäinen Vakuutusyhtiö
Porrassalmenkatu 17
50100 MIKKELI

LähiTapiola Kaakkois-Suomi
Keskinäinen Vakuutusyhtiö
Oksasenkatu 1
53100 LAPPEENRANTA

LähiTapiola Vellamo
Keskinäinen Vakuutusyhtiö
Aleksanterinkatu 11
15110 LAHTI

LähiTapiola Pirkanmaa
Keskinäinen Vakuutusyhtiö
Rautatienkatu 10
33100 TAMPERE

LähiTapiola Satakunta
Keskinäinen Vakuutusyhtiö
Gallen-Kallelankatu 9 A
28100 PORI

LähiTapiola Lännen
Keskinäinen Vakuutusyhtiö
Kalliokatu 2
26100 RAUMA

LähiTapiola Varsinais-Suomi
Keskinäinen Vakuutusyhtiö
Eerikinkatu 6 b
20100 TURKU

LähiTapiola Loimi-Häme
Keskinäinen Vakuutusyhtiö
Heimolinnankatu 18
32200 LOIMAA

LähiTapiola Etelä
Keskinäinen Vakuutusyhtiö
Turuntie 8
24100 SALO

LähiTapiola Sydysten-
Etelärannikko Keskinäinen
Vakuutusyhtiö
Rantatie 2 A
21600 PARAINEN

LähiTapiola Uusimaa
Keskinäinen Vakuutusyhtiö
Piispankatu 30
06100 PORVOO

LähiTapiola Pääkaupunkiseutu
Keskinäinen Vakuutusyhtiö
Fredrikinkatu 48 A
00100 HELSINKI

LocalTapiola's annual reports
for 2016 are available at
www.lahitapiola.fi/annualreport



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We make the everyday lives of Finnish people safer, more healthy and more financially successful.

We have a responsibility to our

1.6 million

owner-customers.

More than

600,000

households are already receiving S Bonus for their insurance premiums.

EUR

639

million was paid out for claims under non-life insurance.

We received more than

760,000

compensation claims in 2016.

The customer assets managed by LocalTapiola Asset Management amounted to

EUR 9.7

billion.

27,000

people took part in Hero Training.



20 LocalTapiola is close to you everywhere in Finland.

regional companies serve our customers at 250 offices all over Finland. LocalTapiola General, LocalTapiola Life, LocalTapiola Asset Management and LocalTapiola Real Estate Asset Management provide the best solutions for customers' needs.