

# General Terms and Conditions

## Companies and organisations

### Contents

<b>1</b>	<b>Some core terminology</b> .....	<b>3</b>	<b>6</b>	<b>Obligation to prevent and mitigate the occurrence of damage under non-life insurance</b> .....	<b>5</b>
<b>2</b>	<b>Provision of information prior to insurance contract</b> .....	<b>3</b>	6.1	Obligation to follow precautionary guidelines ....	5
2.1	LocalTapiola's duty of disclosure .....	3	6.2	Obligation to prevent and mitigate (obligation to salvage) .....	5
2.2	The policyholder's and insured's duty of disclosure .....	3	6.3	Failure to comply with precautionary guidelines or to fulfil the duty of salvage under liability insurance .....	6
<b>3</b>	<b>Commencement of LocalTapiola's liability and the validity of the insurance contract</b> .....	<b>3</b>	<b>7</b>	<b>Causing of an insured event</b> .....	<b>6</b>
3.1	Commencement of LocalTapiola's liability .....	3	7.1	Non-life insurance .....	6
3.2	Grounds for granting personal insurance .....	4	7.2	Personal insurance .....	6
3.3	Validity of an insurance contract under non-life insurance .....	4	<b>8</b>	<b>Assimilation under non-life insurance</b> .....	<b>6</b>
3.4	Validity of an insurance contract under personal insurance .....	4	<b>9</b>	<b>Unaccountability and emergency</b> .....	<b>6</b>
<b>4</b>	<b>Premium</b> .....	<b>4</b>	9.1	Non-life insurance .....	6
4.1	Payment of insurance premiums .....	4	9.2	Personal insurance .....	6
4.2	Delay of insurance premium .....	4	<b>10</b>	<b>Nomination of beneficiaries under personal insurance</b> .....	<b>6</b>
4.3	Payment of overdue non-life insurance premiums .....	4	10.1	Beneficiaries .....	6
4.4	Re-entry into force of terminated personal insurance .....	4	10.2	Form of the nomination of beneficiaries .....	7
4.5	Insurance premium for an insurance policy terminated before the end of the insurance period .....	4	<b>11</b>	<b>Claims handling</b> .....	<b>7</b>
<b>5</b>	<b>Provision of information during validity of the contract</b> .....	<b>4</b>	11.1	Obligations of the claimant .....	7
5.1	LocalTapiola's duty of disclosure .....	4	11.2	Expiry of the right to compensation .....	7
5.2	Policyholder's obligation to provide information on increased risk under non-life insurance .....	5	11.3	LocalTapiola's obligations .....	7
5.3	Policyholder's duty of disclosure concerning increased risk under personal insurance .....	5	11.4	Balancing .....	7

<b>12 Compensation under non-life insurance .....</b>	<b>7</b>	<b>16 Termination of the insurance contract.....</b>	<b>9</b>
12.1 Over-insurance and the principle of non-enrichment.....	7	16.1 Policyholder's right to terminate insurance.....	9
12.2 Underinsurance.....	7	16.2 LocalTapiola's right to terminate non-life insurance policy during the insurance period .....	9
<b>13 Appeal against LocalTapiola's decision .....</b>	<b>7</b>	16.3 LocalTapiola's right to terminate personal insurance during the insurance period .....	9
13.1 Request for rectification and Customer Conciliation Office .....	7	16.4 Termination procedure initiated by LocalTapiola .....	9
13.2 The Finnish Financial Ombudsman Bureau (FINE).....	8	16.5 LocalTapiola's right to terminate non-life insurance at the closing of an insurance period ...	9
13.3 District court .....	8	16.6 LocalTapiola's right to terminate personal insurance at the closing of an insurance period...	10
13.4 Applicable Law .....	8	16.7 Change of owner under non-life insurance .....	10
<b>14 LocalTapiola's right of recourse .....</b>	<b>8</b>	<b>17 Rights of a third party under non-life insurance .....</b>	<b>10</b>
14.1 LocalTapiola's right of recovery vis-à-vis third parties.....	8	17.1 Other insured parties in whose favour the property insurance applies.....	10
14.2 LocalTapiola's right of recourse against the policyholder, the insured, or a person identifiable with the insured under non-life insurance.....	8	17.2 Position of the insured after the occurrence of an insured event.....	10
<b>15 Revision of the insurance contract.....</b>	<b>8</b>	17.3 Priority to compensation.....	10
15.1 Amendments to terms and conditions of non-life insurance policy during insurance period.....	8	17.4 Injured person's entitlement to compensation under liability insurance .....	10
15.2 Amendments to terms and conditions of personal insurance contract during the insurance period.....	8	17.5 Right of appeal against insurer's decision under liability insurance .....	10
15.3 Revision of terms and conditions of contract at the change of insurance period of non-life insurance or at the change of the insurance premium period for personal insurance.....	9	<b>18 Embargo .....</b>	<b>10</b>
		<b>19 Processing of personal and loss-related data .....</b>	<b>10</b>

**These general terms and conditions of contract apply to personal insurance contracts.**

**The current Insurance Contracts Act is applied insofar as these general terms and conditions do not include a regulation on the matter or, concerning companies and public corporations, when an agreement made on the matter does not deviate from the Insurance Contracts Act.**

## 1 Some core terminology

The key content of the insurance contract shall be determined in the policy document and the terms and conditions of insurance, which consist of the general terms and conditions of contract and any special clauses applicable to each insurance policy.

**Non-life insurance** shall refer to insurance taken out against property damage, liability for damages, or other loss resulting from financial harm. Of insurance policies to be added to personal insurance contracts, such insurance policies are luggage and travel liability insurance.

**Personal insurance** shall refer to insurance wherein the subject is a natural person.

**Policyholder** shall refer to the party that has entered into the contract of insurance with LocalTapiola.

**The insured** shall be the party in whose favour the insurance is in force.

**The insurance period** shall be the agreed term of validity of the insurance as indicated in the policy document. The insurance contract shall continue for one (1) agreed insurance period at a time, unless one of the contracting parties terminates the contract.

**The insurance premium period** shall be the period for which it has been agreed that premiums will be paid at regular intervals.

**An insured event** shall refer to an event for which compensation is paid under the insurance.

**Precautionary guideline** refers to an obligation to follow regulations set out in the policy document, in the terms and conditions of insurance, or in another written document, intended to prevent or mitigate damage.

**Next of kin** shall refer to the spouse or common-law spouse of the insured, the children and grandchildren of the insured and those of his/her spouse or common-law spouse, adopted children and any other children than those of the insured, insofar as they reside in the same household with him/her, parents, adoptive parents, grandparents, siblings or half-siblings, as well as daughters- and sons-in-law.

**LocalTapiola** refers to LocalTapiola General Mutual Insurance Company or LocalTapiola regional companies.

## 2 Provision of information prior to insurance contract

### 2.1 LocalTapiola's duty of disclosure

Before an insurance contract is concluded, the insurance company will provide the applicant with information on the types of insurance available, insurance premiums and insurance terms and conditions of such insurance policies as well as other information necessary for selecting an insurance policy that meets the insurance needs defined for the applicant. In the provision of such information, attention shall also be directed to significant exclusions of insurance cover.

In the event that, in the course of marketing the insurance, LocalTapiola or its representative has failed to provide the policyholder with necessary information on the insurance or has provided false or misleading information, the insurance is deemed to be valid with the conditions the policyholder has had reason to believe would apply on the basis of the information given.

### 2.2 The policyholder's and insured's duty of disclosure

Prior to the granting of the insurance, the policyholder and the insured shall provide accurate and complete answers to

any questions that may be of importance with regard to the assessment of LocalTapiola's liability. The policyholder and the insured also, without undue delay, shall correct false or inadequate information provided to LocalTapiola during the insurance period.

In the event that the policyholder or the insured has acted fraudulently while fulfilling the above-mentioned obligation, the insurance contract shall not be binding upon LocalTapiola. LocalTapiola shall have the right to retain any premiums paid, even if the insurance coverage ceases.

### 2.2.1 Consequences of failure to meet disclosure obligations under non-life insurance

In the event that the policyholder or the insured – wilfully or through negligence that cannot be considered minor – has failed to fulfil his/her obligation to provide information, compensation may be reduced or denied. The extent to which the matter relating to the false or incomplete information provided by the policyholder or the insured has affected the occurrence of damage is taken into account when considering whether compensation should be reduced or denied. In addition, premeditation on the part of the policyholder or the insured, the quality of his/her negligence and any other relevant circumstances will be taken into account.

If, due to the incorrect or inadequate information provided by the policyholder or the insured, the insurance premium has been set at a lower price than it would have been if correct and complete information had been provided, the relation of the agreed premium to the premium that would have been charged had the information been correct and complete shall be taken into consideration.

An insignificant deviation between the premiums shall not, however, create a right to reduce the compensation.

### 2.2.2 Consequences of failure to meet disclosure obligations under personal insurance

In the event that the policyholder or the insured – wilfully or through negligence that cannot be considered minor – has failed to fulfil his/her obligation to provide information, and LocalTapiola would not have granted the insurance had correct and complete answers been provided, LocalTapiola shall be free of liability. In the event that LocalTapiola would have granted the insurance only against a higher premium, or otherwise with different terms and conditions than those agreed, LocalTapiola's liability is limited to that which matches the agreed premium, or to the terms and conditions with which the insurance would have been granted.

In the event that the above-mentioned consequences of failure to meet disclosure obligations should lead to manifest unfairness as regards the policyholder or a party entitled to compensation, they may be adjusted.

## 3 Commencement of LocalTapiola's liability and the validity of the insurance contract

### 3.1 Commencement of LocalTapiola's liability

If another start date has not been agreed with the policyholder, LocalTapiola's liability starts when the insurance company or policyholder has accepted the other party's offer. The moment of approval is the moment when the reply has been delivered or dispatched. The parties can agree on a later but not an earlier commencement date.

In the event that the policyholder has sent or otherwise provided a written insurance application to LocalTapiola and it is evident that LocalTapiola would have approved the application, LocalTapiola shall also be liable for insured events that occur after the submission or sending of the application.

An insurance application or an approving reply sent by the policyholder or otherwise submitted to LocalTapiola's representative shall be deemed to have been filed with or sent to LocalTapiola.

In the event that there is no evidence of what time of day the reply or application has been sent or otherwise provided, it shall be deemed to have taken place at midnight.

### **3.2 Grounds for granting personal insurance**

The insurance premium and other terms and conditions of contract shall be determined on the basis of the health of the insured at the time the insurance application was submitted or filed. LocalTapiola shall not reject an application for personal insurance on the grounds that an insured event has occurred or that the health of the person for whom the insurance is applied has worsened after the application documents were sent or otherwise submitted to LocalTapiola.

### **3.3 Validity of an insurance contract under non-life insurance**

Following the end of the first insurance period, the insurance contract shall apply for one (1) agreed insurance period at a time, unless the policyholder or LocalTapiola terminates the contract. The insurance contract may also expire for other reasons, described below under items 4.2 and 16.

A fixed-term insurance contract is in force for the agreed period.

### **3.4 Validity of an insurance contract under personal insurance**

Following the end of the first insurance premium period, the insurance contract shall be valid for one (1) agreed insurance premium period at a time, unless the policyholder or LocalTapiola should terminate the contract.

If the premium period is shorter than one year or it has not been separately agreed upon, LocalTapiola has the right to terminate the insurance effective only from the end of the calendar year. The insurance contract may also expire for other reasons, described below under items 4.2 and 16.

A fixed-term insurance contract is in force for the agreed period.

## **4 Premium**

### **4.1 Payment of insurance premiums**

The insurance premium is payable within one month of LocalTapiola sending the demand for payment to the policyholder. However, the first payment need not be made prior to the commencement of LocalTapiola's liability, nor do later payments need to be made before the commencement of the agreed insurance premium period or insurance period.

The premium for fixed-term insurance must be paid before the insurance takes effect. LocalTapiola's liability shall not take effect before the premium has been paid.

In the event that the payment by the policyholder is not sufficient to cover all of LocalTapiola's receivables, the policyholder shall have the right to determine the insurance receivables to which the payment is allocated.

### **4.2 Delay of insurance premium**

In the event that the policyholder has failed to make a payment of the insurance premium in due time as referred to in item 4.1 above, LocalTapiola shall be entitled to terminate the insurance to expire 14 days after the notice of termination has been sent.

However, should the policyholder pay the insurance premium before the end of the notice period, the insurance shall not expire after the end of the notice period. LocalTapiola shall mention this option in the notice of termination.

In the event that the failure to pay the premium has resulted from financial difficulties into which the policyholder has fallen due to illness, unemployment, or any other extraordinary factor mainly no fault of his own, the insurance shall expire only 14 days after the obstacle has ceased to be relevant, regardless of the termination. However, the insurance shall expire not later than three (3) months after the end of the notice period. The notice of termination shall contain a mention of this possible temporary continuation of insurance.

In the event that the insurance premium is not paid within the time period specified under item 4.1 above, penalty interest shall be payable for the late payment in accordance with the Interest Act.

### **4.3 Payment of overdue non-life insurance premiums**

If the policyholder pays the insurance premium after the expiry of the insurance, LocalTapiola's liability shall commence as of the day following the payment. In such an event, the insurance shall be valid until the end of the initially agreed insurance period, starting from the re-entry into force of the insurance.

However, should LocalTapiola not wish to renew an expired insurance policy, it shall notify the policyholder within 14 days of the payment of the premium that it does not accept the payment.

### **4.4 Re-entry into force of terminated personal insurance**

In the event that the insurance has expired due to non-payment of a premium other than the first premium, the insurance shall enter into force again if the policyholder pays the overdue premium within six months of the insurance's expiry. LocalTapiola shall mention this option in the notice of termination.

In the event that the insurance should enter into force again, LocalTapiola's liability shall commence as of the day following the payment.

### **4.5 Insurance premium for an insurance policy terminated before the end of the insurance period**

If the insurance is terminated before the agreed date, LocalTapiola shall be entitled to premiums only for the period of its liability.

LocalTapiola will issue a prorated refund to the policyholder of the insurance premium that corresponds to the premium for the remainder of the insurance period, to the extent it exceeds the minimum charge. The minimum charge payable for the personal insurance contract shall be EUR 10 for each valid insurance period.

However, the premium will not be refunded in the event of fraudulent action as referred to in section 2.2. Furthermore, the insurance premium shall not be refunded if the refundable amount totals less than EUR 8.00.

## **5 Provision of information during validity of the contract**

### **5.1 LocalTapiola's duty of disclosure**

Following the entry into an insurance contract, LocalTapiola shall supply the policyholder with an insurance policy and terms and conditions of insurance.

During the validity of the insurance contract, LocalTapiola will notify the policyholder annually of the sum insured and other matters pertaining to the insurance that are of obvious relevance to the policyholder (annual report).

In the event that, during the term of validity of the insurance, LocalTapiola or its representative has provided inadequate, false or misleading information about the insurance, the insurance is deemed to be valid with the conditions the policyholder has had reason to believe would apply on the basis of the information he/she was given, should such inadequate, false or misleading information be deemed to have influenced the actions of the policyholder. However, this shall not apply to information LocalTapiola or its representative has provided on future compensation after the occurrence of an event insured against.

### **5.2 Policyholder's obligation to provide information on increased risk under non-life insurance**

The policyholder must notify LocalTapiola of any significant change increasing the risk of injury during the insurance period in relation to circumstances reported at the signing of the insurance contract or in any other circumstance stated in the policy document that LocalTapiola cannot be deemed to have taken into account when signing the contract. The policyholder shall notify LocalTapiola of such changes no later than one month after the receipt of the annual report following the changes. LocalTapiola reminds the policyholder of this obligation in the annual report.

If the policyholder has wilfully or through negligence which cannot be considered slight failed to report the increased risk, compensation may be reduced or refused. The effect of the changed, risk-increasing circumstance on the occurrence of loss or damage is taken into account when considering whether compensation is to be reduced or refused. In addition, premeditation on the part of the policyholder, or the quality of his negligence, and other circumstances shall be taken into account.

If, due to the incorrect or inadequate information provided by the policyholder or the insured, the insurance premium has been set at a lower price than it would have been if correct and complete information had been provided, the relation of the agreed premium to the premium that would have been charged had the information been correct and complete shall be taken into consideration. An insignificant deviation between the provided information and the complete information shall not, however, create a right to reduce the compensation.

### **5.3 Policyholder's duty of disclosure concerning increased risk under personal insurance**

The policyholder must notify LocalTapiola of any significant changes in the circumstances reported when the insurance contract was concluded and factors that increase the risk of loss or damage, such as changes in profession, hobbies, or place of residence that are of importance in assessing LocalTapiola's liability, or of the expiry of any other insurance coverage.

LocalTapiola shall be notified of such a change no later than one month after the receipt of the annual report following the change. LocalTapiola need not be notified of a change in health. LocalTapiola reminds the policyholder of the obligation to provide this information in the annual report.

If the policyholder has wilfully or through negligence that cannot be considered minor failed to report the aforementioned increase of risk and LocalTapiola would not have upheld the validity of the insurance as a result of change in circumstances, LocalTapiola will be discharged from liability. If LocalTapiola would have upheld the insurance only against a higher premium, or otherwise with different terms and conditions, LocalTapiola's liability is limited to an amount cor-

responding to the premium, or to the terms and conditions under which the insurance would have been applied.

If the aforementioned consequences of failure to meet disclosure obligations should lead to manifest unfairness as regards the policyholder or a party entitled to compensation, they may be adjusted.

## **6 Obligation to prevent and mitigate the occurrence of damage under non-life insurance**

### **6.1 Obligation to follow precautionary guidelines**

The insured shall comply with the precautionary guidelines specified in the policy document, the terms and conditions of insurance or other written document. In the event that the policyholder – wilfully or through negligence that cannot be considered minor – has failed to follow the precautionary guidelines, the compensation payable to him may be reduced or denied. In considering whether the compensation should be reduced or denied, the extent to which the failure to follow the precautionary guidelines has affected the occurrence of damage must be taken into account. Other aspects that need to be considered are possible wilfulness and the nature of negligence on the part of the insured, as well as circumstances in general

Under liability insurance, compensation will not be reduced or denied on account of the insured's negligence. However, if the insured has wilfully or through gross negligence failed to comply with the precautionary guidelines, or the insured's use of alcohol or narcotics has contributed to the negligence, compensation may be reduced or refused.

In the event that the policyholder has failed to follow the precautionary guidelines through gross negligence, or the use of alcohol or any narcotic substance by the insured should have contributed to the negligence, LocalTapiola in any case shall pay compensation under the liability insurance to the injured natural person to the extent to which he has not been able to collect through recovery proceedings or due to the insolvency of the insured as determined in bankruptcy proceedings.

### **6.2 Obligation to prevent and mitigate (obligation to salvage)**

In the event of the imminent danger or occurrence of an insured event, the insured must seek to prevent and mitigate losses, to his/her best ability. Should the damage have been caused by a third party, the insured must take necessary action to preserve LocalTapiola's rights in relation to the party who caused the damage. For example, the insured must seek to establish the identity of the party who caused the damage. In the event that the damage has been caused through criminal offence, the insured must notify police authorities without delay and demand the punishment of the offender(s) in a court of law, where LocalTapiola's interests so require. The insured must also follow LocalTapiola's guidelines on the prevention and mitigation of damages in other respects.

LocalTapiola shall cover reasonable expenses resulting from the fulfilment of the above-mentioned obligation, even if the insured sum should be exceeded.

In the event that the insured – wilfully or through negligence that cannot be considered minor – has neglected the above-mentioned obligation to salvage, the compensation payable to him may be reduced or denied. In consideration of whether the compensation should be reduced or denied, the extent to which the neglect has affected the occurrence of damage must be taken into account. In addition, premeditation on the part of the insured, or the quality of his negligence, and any other relevant circumstances must be taken into account.



### **6.3 Failure to comply with precautionary guidelines or to fulfil the duty of salvage under liability insurance**

Under liability insurance, compensation shall not be reduced or denied on account of the policyholder's negligence.

However, in the event that the insured – wilfully or through gross negligence – has failed to fulfil the obligation to salvage, or the use of alcohol or any narcotic substance by the insured has contributed to the negligence, the compensation may be reduced or denied.

In the event that the insured through gross negligence has failed to fulfil the obligation to salvage, or the use of alcohol or any narcotic substance by the insured has contributed to the negligence, LocalTapiola shall, in any case, pay compensation under the liability insurance to the injured natural person in the extent to which he/she has not been able to collect through recovery proceedings or due to the insolvency of the insured as determined in bankruptcy proceedings.

## **7 Causing of an insured event**

### **7.1 Non-life insurance**

LocalTapiola shall be free of any liability toward the insured who wilfully has caused the event insured against.

If the insured has caused an insured event by gross negligence or if the insured's use of alcohol or intoxicant has contributed to the insured event, the compensation may be reduced or denied. When considering if the compensation should be reduced or denied, it shall be taken into account to what extent the insured's action has caused the damage or loss. Also, the insured's intent or the level of negligence as well as other circumstances shall be taken into account.

#### **Liability insurance**

(only applies to insurance contracts that include liability insurance)

If the insured has caused the insured event through gross negligence, or the insured's use of alcohol or narcotics has contributed to the occurrence of the insured event, the insurance company will nonetheless pay damages under liability insurance to the injured natural person to the extent to which the person has not been able to collect through recovery proceedings or due to the insolvency of the insured as determined in bankruptcy proceedings.

### **7.2 Personal insurance**

#### **7.2.1 Insured event caused by the insured**

LocalTapiola shall be free of any liability should the insured wilfully cause an insured event.

In the event that the insured has caused the insured event through gross negligence, LocalTapiola's liability may be reduced to an extent that is reasonable in the light of the circumstances.

#### **7.2.2 Insured event caused by a party entitled to compensation**

In the event that any other party entitled to compensation than the insured has wilfully caused the event insured against, LocalTapiola shall be free of liability toward him.

In the event that the person has caused the event insured against through gross negligence or was of such an age or mental condition that he could not have been convicted of a crime, he may receive compensation in whole or in part only if this should be deemed reasonable in the light of the circumstances in which the event insured against was caused.

Should the insured have died, the other parties entitled to compensation shall be paid the proportion of the insured sum that is not paid to the party or parties who caused the insured event.

## **8 Assimilation under non-life insurance**

When it comes to causing an insured event, following precautionary guidelines, or fulfilling the obligation to salvage, the above-mentioned conditions regarding the insured shall be applicable accordingly to a person

1. who, with the consent of the insured, is responsible for a motor-driven or towable vehicle, ship or aircraft covered by the insurance;
2. who shares joint ownership of the insured property with the insured and uses it together with him/ her; or
3. who lives in the same household as the insured and uses the insured property together with him/her.

When it comes to following precautionary guidelines, the above-mentioned conditions regarding the insured shall apply accordingly to a person whose duty, based on an employment relationship with the insured, is to see that precautionary guidelines are followed.

## **9 Unaccountability and emergency**

### **9.1 Non-life insurance**

LocalTapiola shall not invoke items 6 and 7.1 above in order to be freed from liability either fully or partially in the event that the person causing the insured event or failing to follow precautionary guidelines or fulfil the obligation to salvage was younger than 12 years of age or his/her mental condition was such that he/she could not have been convicted of a crime.

LocalTapiola shall not invoke items 5.2, 6 and 7.1 above in order to be discharged from liability or to reduce its liability if the insured has, when causing an increase in risk or an occurrence of an insured event or when neglecting precautionary guidelines or the duty of salvage under non-life insurance, acted for the prevention of injury to person or damage to property under circumstances where such negligence or action was defensible.

The above-mentioned conditions regarding the insured shall also be applicable to a person comparable to the insured under item 8.

### **9.2 Personal insurance**

LocalTapiola shall not invoke item 7.2 above in order to be freed from liability either fully or partially in the event that the person causing the insured event was younger than 12 years of age or his/her mental condition was such that he/she could not have been convicted of a crime.

LocalTapiola shall not invoke items 5.3 and 7.2 above in order to be freed from liability either fully or partially in the event that the person causing the increased risk or the insured event acted under such circumstances when trying to prevent damage to person or property that the negligence or action was justified.

## **10 Nomination of beneficiaries under personal insurance**

### **10.1 Beneficiaries**

The policyholder shall be entitled to nominate a person who is entitled to compensation in the stead of the policyholder or the insured. The policyholder may change or reverse the nomination of beneficiaries in the event that the event insured against, in which the nomination should be applied, has not occurred.

Should nomination of beneficiaries be in force, the compensation payable upon the death of the insured shall not be included in his/her estate. The compensation payable upon the death of the insured will be included in the insured's estate if no beneficiary clause exists, and if the compensation has not been specified in the insurance terms and conditions as being payable to the policyholder.

## 10.2 Form of the nomination of beneficiaries

The nomination of beneficiaries, or reversal or change thereof, shall be invalid unless it has been delivered to LocalTapiola in writing.

## 11 Claims handling

### 11.1 Obligations of the claimant

The claimant shall provide LocalTapiola with the documents and information that LocalTapiola needs to settle liabilities. Such documents and information can include those that help to determine whether an insured event has occurred, the extent of the damage, and to whom compensation shall be payable. The claimant is liable to acquire documentation best available to him, taking into account LocalTapiola's possibilities to obtain documentation.

LocalTapiola shall not be liable to provide compensation prior to receiving the above-mentioned documentation.

In the event that, after an insured event, the claimant, with the intent of fraud, has supplied LocalTapiola with false or misleading information that is of importance in relation to the assessment of the event insured against and LocalTapiola's liability, compensation may be reduced or denied to the extent that is reasonable in the light of circumstances.

### 11.2 Expiry of the right to compensation

A compensation claim must be submitted to LocalTapiola within one year of the day when the claimant found out about the validity of insurance, the insured event and the damaging consequences of the insured event. In any event, the claim for compensation must be made within 10 years of the insured event or, if the insurance has been taken out in the event of bodily injury or obligation to pay damages, of the occurrence of the damaging consequences. Submitting a notification of the event insured against shall be equated with presenting a claim for compensation. Should the claim not be submitted within this time, the claimant shall forfeit his/her right to compensation.

### 11.3 LocalTapiola's obligations

LocalTapiola shall provide the claimant, such as the insured, and, in situations referred to in item 17.4, in the event of liability insurance, to the person suffering loss or damage, with information about the content of the insurance and compensation application procedure after occurrence of the insured event.

Possible advance information given about future compensation, the amount of compensation, or the method of payment of compensation to the claimant, shall have no effect on the obligation to pay under the insurance contract.

LocalTapiola shall pay the compensation or benefit due under an insurance contract on account of the occurrence of an insured event or notify the claimant that no compensation or benefit is paid, without delay and not later than one month from the receipt of the documents and information necessary to assess its liability. If the compensation amount is contested, LocalTapiola shall pay the undisputed portion of the compensation within the time period specified above.

When the claims settlement decision concerns liability insurance, LocalTapiola also informs the party that suffered damage of the decision.

When compensation or benefit is being paid to a total amount of more than EUR 1,000 to a legally incompetent person and it includes amounts other than compensation for costs or financial losses, LocalTapiola will report the amounts to the Guardianship Board of the domicile of the incompetent person.

LocalTapiola shall pay penalty interest on delayed compensation in accordance with the Interest Act (633/82).

### 11.4 Balancing

Overdue premiums that have not been paid and other overdue receivables of LocalTapiola may be deducted from the compensation in accordance with general balancing conditions.

## 12 Compensation under non-life insurance

### 12.1 Over-insurance and the principle of non-enrichment

The property or benefit is over-insured if the insured amount indicated in the policy document is considerably higher than the real value of the insured property of benefit.

LocalTapiola shall not provide greater compensation than is necessary to cover the damage sustained as a result of an insured event. However, in the event that the insured amount is materially based on an assessment made by LocalTapiola or its representative, compensation shall be payable in the amount of the over-insured sum, except where false or inadequate information provided wilfully by the policyholder should have affected the assessment.

### 12.2 Underinsurance

If the sum insured recorded in the insurance contract is significantly lower than the real value of the property or interest insured, the property or interest is underinsured.

If an underinsured property or interest is damaged or lost, LocalTapiola shall not pay compensation any higher than indicated by the relation between the sum insured and the real value of the property or interest. If the sum insured is materially based on an assessment made by LocalTapiola or its representative, compensation shall be paid in the amount of the damage sustained. However, the amount of compensation shall not exceed the sum insured.

## 13 Appeal against LocalTapiola's decision

The policyholder or the claimant have several ways of appealing against the insurance company's decision. He/she can contact the person handling the matter at LocalTapiola or submit an appeal against the decision to LocalTapiola's Customer Conciliation Office, ask for advice and guidance from the Finnish Financial Ombudsman Bureau or request a recommendation from the Finnish Financial Ombudsman Bureau. In addition, he/she has the right to initiate proceedings against LocalTapiola. Legal proceedings can be initiated even if the matter is being processed by the Finnish Financial Ombudsman Bureau. However, these appeal bodies will not handle matters that have already been or are being tried before a court.

### 13.1 Request for rectification and Customer Conciliation Office

If the policyholder or claimant suspects that there is an error in LocalTapiola's decision, he/she is entitled to receive further information about the grounds for the decision. If the decision

is found to be incorrect, LocalTapiola will rectify it. If a customer is dissatisfied with the outcome of the request for rectification, he/she can contact the Customer Conciliation Office.

The Customer Conciliation Office is LocalTapiola's internal appeals body, handling matters relating to voluntary non-life insurance, life insurance and investment services.

The Customer Conciliation Office handles written appeals that are not pending in other appeal bodies. The appeal must be filed within three months of the customer receiving a written decision.

### **13.2 The Finnish Financial Ombudsman Bureau (FINE)**

If the policyholder or the claimant is dissatisfied with the insurance company's decision, he/she may ask for advice and guidance from the Finnish Financial Ombudsman Bureau.

The Finnish Financial Ombudsman Bureau is an independent body that provides advice to consumers, small entrepreneurs and related customers on matters relating to insurance and compensation.

The Finnish Financial Ombudsman Bureau (FINE) and the Insurance Complaints Board also give recommendations in relation to disputes concerning interpretation and application of the law and the insurance terms and conditions under an insurance contract.

The advisory services and recommendations are free of charge.

### **13.3 District court**

If the policyholder or the claimant does not accept LocalTapiola's decision, he/she may institute legal proceedings against LocalTapiola. Legal action may be taken either in the district court of a claimant's Finnish domicile or the insurance company's domicile or in the district court of the location of the damage, subject to Finland's international conventions. Such legal action against a decision by LocalTapiola must be taken within three (3) years of receipt of LocalTapiola's decision and this deadline being received in writing by the party concerned. After the end of the above period, the right to institute proceedings will cease. The term for the right to take action does not run during Board proceedings.

### **13.4 Applicable Law**

The insurance contract is subject to Finnish law.

## **14 LocalTapiola's right of recourse**

### **14.1 LocalTapiola's right of recovery vis-à-vis third parties**

The insured's right to recover compensation for the loss or damage from a third party liable for damages is subrogated to LocalTapiola up to the amount LocalTapiola has paid in compensation. As regards personal insurance, LocalTapiola may only demand costs and financial losses caused by illness or accident on the basis of the subrogation right.

If the damage has been caused by a third party in the capacity of a private person, employee, official, or other person referred to in Chapter 3, Section 1 of the Damages Act, LocalTapiola shall have a subrogation right against the said person only if the person has caused the insured event wilfully or through gross negligence, or under the law is liable to pay compensation regardless of his/her negligence.

### **14.2 LocalTapiola's right of recourse against the policyholder, the insured, or a person identifiable with the insured under non-life insurance**

LocalTapiola shall have the right to demand refund of the compensation or a portion thereof paid to the insured referred to in item 17.1 from the policyholder, insured, or person identifiable with the insured in the meaning of item 8 who has caused the insured event or neglected his/her obligation referred to in items 2.2 (obligation to provide information), 5.2 (obligation to provide information on increased risk), 6.1 (obligation to follow precautionary guidelines), or 6.2 (obligation to prevent and mitigate losses). LocalTapiola may demand a full refund of the compensation on the basis of the right of recourse in the event that LocalTapiola should be free of liability or entitled to deny compensation on grounds referred to in items 2.2, 5.2, 6.1, 6.2, and 7.1. Should the compensation have been reduced in accordance with items 2.2, 5.2, 6.1, 6.2, and 7.1, LocalTapiola may demand a refund commensurate with the reduction.

## **15 Revision of the insurance contract**

### **15.1 Amendments to terms and conditions of non-life insurance policy during insurance period**

LocalTapiola shall have the right to revise the insurance premium and other terms and conditions of contract during the insurance period to correspond to the new circumstances if

1. the policyholder or the insured has failed to fulfil his/her obligation to provide information as referred to in item 2.2; or
2. the circumstances reported to LocalTapiola by the policyholder or the insured for the drafting of the insurance contract or any other circumstance endorsed in the policy document has changed in the meaning of item 5.2 during the insurance period.

After having become aware of the above-mentioned circumstance, LocalTapiola without undue delay shall send notification of how and from what point onward the premium or other terms and conditions of contract shall change. The notification shall contain a mention of the policyholder's right to terminate the insurance contract.

### **15.2 Amendments to terms and conditions of personal insurance contract during the insurance period**

LocalTapiola shall have the right to revise the insurance premium and other terms and conditions of contract during the insurance period to correspond to the correct and changed circumstances if

1. the policyholder or the insured wilfully – or through negligence that cannot be considered minor – has failed to fulfil his/her obligation to provide information referred to in item 2.2 and the insurance company, had it been provided with correct information, would have granted the insurance only against a higher premium or otherwise with different terms and conditions than those agreed upon; or
2. the circumstances reported to LocalTapiola by the policyholder or the insured for the concluding the insurance contract have changed in the meaning of item 5.3 during the insurance period and LocalTapiola would not have granted the insurance under the new circumstances, other than against a higher premium or with different terms and conditions.

Upon becoming aware of any circumstances referred to above, LocalTapiola will, without undue delay, send notification to the policyholder of changes to the insurance premium or terms and conditions. The notification will contain a mention of the policyholder's right to terminate the insurance contract.



### **15.3 Revision of terms and conditions of contract at the change of insurance period of non-life insurance or at the change of the insurance premium period for personal insurance**

#### **A. Notification procedure**

LocalTapiola shall have the right to revise the insurance premium and terms and conditions of insurance and other terms and conditions of contract at the end of an insurance period on the grounds of

- new or amended legislation or regulations issued by a competent authority;
- unexpected change of circumstances, such as international crisis, extraordinary natural phenomenon, or catastrophe;
- change in an index affecting the insurance (see item 'Index-linkedness of insurance' in each set of terms and conditions); or
- change in the claims expenses of insurance.

LocalTapiola shall also have the right to make such minor changes to the terms and conditions of insurance that have no effect on the central content of the insurance contract.

If LocalTapiola makes changes described above to the insurance contract, LocalTapiola shall, in conjunction with the demand for payment, send notification to the policyholder of how the premium or other terms and conditions of contract will change. The notification shall contain a mention of the policyholder's right to terminate the insurance contract. The changes shall take effect under non-life insurance as of the beginning of the insurance period; under personal insurance as of the insurance premium period; or, in the event that the insurance premium period has not been agreed upon, as of the beginning of the following calendar year after one (1) month has passed from the sending of the notification.

#### **B. Changes requiring the termination of insurance**

Should LocalTapiola revise the terms and conditions of insurance, the insurance premium, or any other terms and conditions of contract in other cases than those mentioned above in item A, or should it withdraw a heavily marketed benefit from the insurance, LocalTapiola must terminate the insurance such that it expires at the end of the insurance period. The termination shall be executed in writing no later than one month before the end of the insurance period.

## **16 Termination of the insurance contract**

### **16.1 Policyholder's right to terminate insurance**

The policyholder shall have the right to terminate the insurance at any time to expire during the insurance period. The termination must be performed in writing. Any other termination attempt shall be invalid. In the event that the policyholder has not specified the time of expiry of the insurance, the insurance shall expire once the notice of termination has been sent to or filed with LocalTapiola. Notwithstanding this, there is no entitlement to terminate if the agreed validity of the insurance contract is shorter than 30 days.

### **16.2 LocalTapiola's right to terminate non-life insurance policy during the insurance period**

LocalTapiola shall have the right to terminate the insurance to expire during the insurance period, if

1. the policyholder or the insured gave false or inadequate information before the insurance was granted and LocalTapiola would not have granted the insurance had it been aware of the true circumstances;

2. circumstances reported to LocalTapiola by the policyholder or the insured for the concluding of the insurance contract or any other circumstance specified in the policy document has changed significantly during the insurance period, to an extent which increases the danger of damage, where LocalTapiola can be deemed not to have taken such a change into account when concluding the contract;
3. the insured wilfully or through gross negligence has failed to follow precautionary guidelines;
4. the insured wilfully or through gross negligence has caused the insured event; or
5. the insured, following the occurrence of the insured event, has given LocalTapiola false or inadequate information that is of importance in relation to the assessment of LocalTapiola's liability.

### **16.3 LocalTapiola's right to terminate personal insurance during the insurance period**

LocalTapiola shall have the right to terminate the insurance to expire during the insurance period, if

1. the policyholder or the insured – wilfully or through negligence that cannot be considered minor – has failed to fulfil his/her obligation to provide information as referred to in item 2.2 and LocalTapiola would not have granted the insurance had correct and complete answers been provided;
2. the policyholder or the insured has acted fraudulently when responding to the obligation to provide information referred to in item 2.2 and the insurance contract is binding upon LocalTapiola regardless of this on the basis of said item;
3. a change referred to in section 5.3 has occurred during the insurance period in the circumstances the policyholder or the insured has communicated to LocalTapiola when the contract was concluded, and LocalTapiola would not have granted the insurance if the circumstance relating to the insured had conformed to the change at the time the insurance was granted;
4. the insured has wilfully caused the insured event;
5. following an insured event, the insured has fraudulently provided LocalTapiola with incorrect or incomplete information that is of importance for assessing LocalTapiola's liability.

### **16.4 Termination procedure initiated by LocalTapiola**

LocalTapiola shall, without undue delay, terminate the insurance in writing once it has become aware of grounds warranting termination. LocalTapiola shall provide the grounds for termination in the notice of termination. The insurance shall expire within one month after the notice of termination has been sent.

LocalTapiola's right to terminate the insurance due to non-payment of the insurance premium shall be determined in accordance with item 4.2.

### **16.5 LocalTapiola's right to terminate non-life insurance at the closing of an insurance period**

LocalTapiola shall have the right to terminate the insurance to expire at the end of the insurance period. The termination shall be carried out in writing no later than one month before the end of the insurance period. In its notice of termination, the insurer shall indicate the reason for termination.

## **16.6 LocalTapiola's right to terminate personal insurance at the closing of an insurance period**

LocalTapiola shall have the right to terminate the insurance such that it expires at the end of the insurance premium period. If no insurance premium period has been agreed upon, the policyholder shall accordingly have the right to terminate the insurance such that it expires at the end of the calendar year. The termination shall be carried out in writing not later than one (1) month before the end of the insurance premium period or, if no insurance premium period has been agreed upon, not later than one (1) month before the end of the calendar year. In its notice of termination, the insurer shall indicate the reason for termination.

However, the insurance shall not be terminated on account of the health of the insured having worsened following his/her taking out the insurance, or due to the occurrence of an insured event.

## **16.7 Change of owner under non-life insurance**

The insurance contract shall expire in the event that the insured property is legally transferred to a new owner other than the policyholder or his/her estate. If an insured event occurs within 14 days of the assignment of title, the new owner is, nonetheless, entitled to compensation, unless the new owner has taken out a separate insurance policy for the property. In the event that other insurance, e.g., liability, legal expense or interruption insurance, has been attached to the property insurance, such insurance shall expire immediately upon the property being transferred to a new owner.

## **17 Rights of a third party under non-life insurance**

### **17.1 Other insured parties in whose favour the property insurance applies**

In addition to what has been specified with regard to the insured in these terms and conditions of insurance in the material under 'The insured', the property insurance shall be valid in favour of the owner, the party who has purchased the property on preservation of title terms, and the bearer of lien or right of retention, and otherwise in favour of the party whom the liability for risk regarding the property should affect.

### **17.2 Position of the insured after the occurrence of an insured event**

LocalTapiola shall refer to failure to provide information (see item 2.2) or to report an increase of risk (see item 5.2) on the part of the policyholder or other insured party in order to reduce or deny compensation to the insured referred to in the above item only if the insured referred to in item 17.1 knew or should have known before the insured event about the relevant actions of the policyholder or other insured party.

Each insured party shall be entitled to compensation payable in consequence of the event insured against. Notwithstanding this, the policyholder shall be entitled to conduct negotiations with LocalTapiola, binding on the insured, and to receive the compensation, unless the insured is named in the contract or the insured has announced that he/she asserts his/her right him/herself, or the claim is based on a mortgagee's right to receive compensation.

### **17.3 Priority to compensation**

In the event that the property insurance applies in favour of a person who has a lien on the property as security against a receivable, he/she shall have the right, even if the receivable

had not become due, to receive payment as compensation before the owner, unless the owner has remedied the damage or set a security for its remedy. These terms and conditions shall be applicable accordingly in favour of a person who has the right to retain the property as a security for overdue receivables.

The owner shall be entitled to receive payment as compensation before the person who has purchased the property on preservation of title terms.

With regard to the right of the mortgagee to receive payment as compensation, the provisions pertaining to the right of the mortgagee to receive compensation shall apply.

## **17.4 Injured person's entitlement to compensation under liability insurance**

The injured person has the right under liability insurance to demand compensation in accordance with the insurance contract directly from the insurance company in the event that the insured has been declared bankrupt or is otherwise insolvent.

If the insurance company is presented with a claim, the insurance company shall inform the insured about this without undue delay and shall provide him with the opportunity to present clarifications concerning the event insured against. The insured also shall be sent information about the future processing of the case.

If the insurance company accepts the claim of the injured person, the acceptance shall not be binding on the insured.

## **17.5 Right of appeal against insurer's decision under liability insurance**

On account of LocalTapiola's decision, an injured person is entitled to turn to the Customer Conciliation Office, bring the matter before the Finnish Financial Ombudsman Bureau (FINE) or the Insurance Complaints Board or take legal action against LocalTapiola in accordance with section 13.

## **18 Embargo**

The insurance shall not be valid insofar as an embargo set by a decision or declaration of the United Nations (UN), European Union (EU) or the United States, or based on Finnish legislation, limits insurance operations and the validity of an insurance.

LocalTapiola shall not make a payment for any compensation if the payment of the compensation would violate economic sanctions applicable to an embargo set by a decision or declaration of the United Nations (UN), European Union (EU) or the United States, or based on Finnish legislation.

## **19 Processing of personal and loss-related data**

When processing customers' personal data, LocalTapiola complies with data protection legislation and follows good data management and processing practices. The realisation of customer privacy is also otherwise secured in the processing of personal data. Personal data is processed for the provision of LocalTapiola's products and services and for customer relationship management. The data can also be used for targeted marketing to our customers.

Data is collected from sources such as the customers themselves, from parties authorised by the customers to release data, from public registers and records managed by authorities, and from credit information database. We have prepared privacy statements for the personal data registers, which describe what data has been stored in each register.

Customer data will only be disclosed to third parties with the customer's explicit consent or based on a provision of law. The information known about the customer and other personal details may be used to identify, reveal and prevent money laundering and terrorist financing. In addition, data may be disclosed to authorities for the placing under investigation of money laundering and terrorist financing, as well as for the placing under investigation of crimes with which the asset or criminal benefit subject to money laundering or terrorist financing was obtained.

Information about losses reported to LocalTapiola is submitted to the joint claims register of insurance companies. This also enables LocalTapiola to view the losses reported to other insurance companies. This information is used in connection with claims handling to prevent crime against insurance companies.

LocalTapiola records telephone calls and chat conversations conducted with customers to prove that a call or conversation has taken place and to ensure service quality.

*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 Sydskusten - 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 **Lännen** (0134099-8) | LähiTapiola **Pirkanmaa** (0205843-3) | LokalTapiola Österbotten - LähiTapiola **Pohjanmaa** (0180953-0) | LähiTapiola **Pohjoinen** (2235550-7) | LähiTapiola **Pääkaupunkiseutu** (2647339-1) | LähiTapiola **Satakunta** (0137458-1) | LähiTapiola **Savo** (1759597-9) | LähiTapiola **Savo-Karjala** (0218612-8) | LähiTapiola **Uusimaa** (0224469-0) | LähiTapiola **Varsinais-Suomi** (0204067-1) | LähiTapiola **Vellamo** (0282283-3) | LocalTapiola General Mutual Insurance Company (0211034-2)

The companies' contact details are available at [www.lahitapiola.fi](http://www.lahitapiola.fi).

