

Product recall insurance VA91

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1 Insuring clause

Product recall insurance covers reasonable costs of the recall of the insured product, when

- the insured product has a defect which can cause bodily injury or property damage coverable under LocalTapiola's product liability insurance terms and conditions VA90;
- the defect has been discovered and reported to LocalTapiola during the insurance period or within six (6) months of the termination of the insurance; and
- the costs were incurred to the insured by products to be recalled within the territorial scope of the insurance.

If the products to be recalled are part of a product produced, distributed or handled by another party, the insurance covers product recall costs incurred also to the said other party. Costs incurred to another party are compensated up to the amount that would have incurred to the insured by recall of products launched by the insured in their original form.

Product recall insurance cover is limited by the sum insured and the deductible as well as the common exclusions set out in section 4 of the common terms and conditions of liability insurance VY1, as well as the exclusions of product recall insurance set out below in section 2 and in any special clauses.

2 Exclusions of product recall insurance

2.1 Launch

The insurance shall not cover recall costs for a product that was launched more than five years ago.

The recall costs for a product launched before the commencement of this insurance are covered only in the event that

- the product was launched during the validity of the insured's product recall insurance that immediately preceded this insurance;
- the product was launched less than five years ago;
- the costs are not covered by the preceding product recall insurance, because the defect causing loss or damage was discovered after the termination of the recall insurance or after the notification period for insured events; and
- LocalTapiola was notified of the defect of the product during the validity of this insurance.

2.2 Contractual liability

The insurance shall not cover liability which has been assumed by the insured by any agreement, warranty, or other obligation unless such liability would have attached in the absence of such agreement, warranty or commitment.

2.3 Measures relating to product recall

The insurance shall not cover costs that are incurred later than twelve (12) months after deciding on the product recall.

2.4 Knowledge of defect

The insurance shall not cover damage or costs which arise out of the product's defect, insufficient safety or other basis for liability about which the insured knew or should have known when the insurance cover commenced or before launching or distributing the products in question.

2.5 Product recall ordered by the authorities

The insurance shall not cover product recall costs resulting from product recall ordered by the authorities, unless the product recall is coverable under this insurance in accordance with section 1.

2.6 Products in possession

The insurance shall not cover recall costs for products which were not delivered to the contracting party or which are in the possession or under the control of the insured or a representative or subsidiary of the insured.

3 Notifying about an insured event and using the insurance

Before carrying out a product recall, the insured must agree on the recall measures with LocalTapiola.

If there is imminent danger of bodily injury, the insured has the right to decide to initiate product recall measures without first contacting LocalTapiola.

If LocalTapiola has not had the opportunity to assess the necessity or extent of the product recall measures, LocalTapiola has the right to refuse insurance cover for recall costs under this insurance in part or in full.

The insured must inform LocalTapiola about an insured event immediately and within three (3) months of receiving information about the occurrence of product recall costs or a need to carry out a product recall. If LocalTapiola is not notified about the insured event within the time specified above, LocalTapiola is discharged from liability.

LocalTapiola decides whether the measures are coverable.

4 Compensable expenses

The sum insured covers necessary and reasonable costs resulting from

- locating the product, including radio, TV or newspaper advertisements or other similar communication, and contacting contracting parties and customers (postage and telephone service);
- costs incurred by the insured or a representative of the insured due to removal, disassembly, unfastening, inspection or transport back to the premises of the insured or a representative of the insured, as well as costs of renting extra storage space;
- costs of hiring and accommodating extra staff;
- overtime pay to the insured's permanent staff, resulting exclusively and directly from the product recall; and
- costs of transporting the insured's staff and leased staff to other than the person's normal workplace.

The insurance covers costs resulting from the repair, disposal or destruction of the product if this is less expensive than the above-mentioned measures.

This insurance shall not cover any other potential costs resulting from a product recall.

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 **Sydakusten** -
LähiTapiola **Etelärannikko** (0135987-5) | LähiTapiola **Itä** (2246442-0) | LähiTapiola **Kaakkois-Suomi**
(0225907-5) | LähiTapiola **Kainuu-Koillismaa** (0210339-6) | LähiTapiola **Keski-Suomi** (0208463-1) |
LähiTapiola **Lappi** (0277001-7) | LähiTapiola **Loimi-Häme** (0134859-4) | LähiTapiola **Länsi-Suomi** (0134099-8) |
LähiTapiola **Pirkanmaa** (0205843-3) | LokalTapiola **Österbotten** - LähiTapiola **Pohjanmaa** (0180953-0) |
LähiTapiola **Pohjoinen** (2235550-7) | LähiTapiola **Pääkaupunkiseutu** (2647339-1) | LähiTapiola **Savo**
(1759597-9) | LähiTapiola **Savo-Karjala** (0218612-8) | LähiTapiola **Uusimaa** (0224469-0) |
LähiTapiola **Varsinais-Suomi** (0204067-1) | LähiTapiola **Vellamo** (0282283-3) |
LocalTapiola General Mutual Insurance Company (0211034-2)

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