

Valid from 1 February 2004



## Limitations on Compensation of Product Liability Insurance

This is an unofficial translation of the Finnish original, which takes precedence should any dispute arise.

As a supplement to the terms and conditions of product liability insurance:

### 1 Limitations on compensation

#### 1.1 Sold or assigned products

The insurance does not cover damage to other property than the product itself if the damage can be removed by repairing or altering the assigned product.

#### 1.2 Environmental damage

Thus, for example, the insurance does not cover damage caused by

- pollution of water, air or soil;
- noise, vibration, radiation, draught, heat, smell, smoke, soot, dust, steam, gas;
- or
- other similar nuisance.

However, the insurance covers sudden damage that is caused by a random and single mistake or negligence, or by a sudden or unexpected fault or defect in a building, institution or device caused by a fundamental reason that establishes grounds for a liability to compensate for the policyholder. It is also required that the damage that occurred due to a reason fulfilling the requirements mentioned above was sudden, unexpected and quick, and was not based on a slow, gradual effect or a continued act or negligence, or other recurring events.

Moreover, compensation shall be paid only if the policyholder has known of the pollution, discharge or other nuisance no later than seven days after its beginning, and presented Tapiola with a written claim within 30 days of the beginning of the pollution, discharge or other nuisance.

#### 1.3 Costs incurred by authorities

The insurance does not cover the costs referred to in the Act on Compensation for Environmental Damage,

Section 6(1)(2), incurred by authorities when preventing the threat or the effects of a nuisance or restoring a polluted environment to its original state, as referred to in Section 1 of the said act.

#### 1.4 Ground water, nuclear damage and blasting

The insurance does not cover damage caused by

- changes in the water-table;
- nuclear accidents as referred to in the Nuclear Liability Act or a corresponding foreign act;
- quarrying or blasting, or any resulting displacement of earth.

#### 1.5 Moisture and flooding

The insurance does not cover damage caused by

- moisture;
- flooding due to rainwater or melt water.

However, the insurance covers sudden damage that is caused by a random and single mistake or negligence, or by a sudden or unexpected fault or defect in a building, institution or device caused by a fundamental reason that establishes grounds for a liability to compensate for the policyholder. It is also required that the damage that occurred due to a reason fulfilling the requirements mentioned above was sudden, unexpected and quick, and was not based on a slow, gradual effect or a continued act or negligence, or other recurring events.

#### 1.6 Aviation products

The insurance does not cover damage caused to

- aviation products delivered to aircrafts; or
- products intended for use in space equipment.

#### 1.7 Fines

The insurance does not cover fines or other similar consequences, such as compensation for punitive damages and exemplary damages.

## For further information

**Telephone service for companies** 0203 45300

Mon–Fri 8:00 am–8:00 pm

[www.tapiola.fi/yrityspalvelut](http://www.tapiola.fi/yrityspalvelut)

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