

Road transport liability insurance TC3

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General

The insurance shall be valid only to the extent it has been separately agreed and specified in the insurance policy.

In compliance with these road transport liability insurance terms and conditions, the special terms and conditions and precautionary guidelines set down in the insurance policy and the general terms and conditions, LocalTapiola General Mutual Insurance Company (hereinafter “insurance company”) pledges to

- compensate the damage and expenses mentioned below in sections 1.1, 4.1 and 5
- determine the basis of any claim presented to the policyholder
- negotiate with the claimant
- manage the legal proceedings concerning the claim and pay for the resulting legal expenses.

1 Extent of insurance cover

1.1 Liability under the Road Transport Act

The insurance covers the obligation to pay damage to which the policyholder may be subject according to the valid Road Transport Act of Finland or the CMR Convention when, during transport of goods in a motor vehicle against payment, the goods are lost, reduced or damaged or the delivery is delayed.

1.2 Transports covered by the insurance

1.2.1 The insurance covers transport that takes place within the territorial limits defined in the insurance policy and has begun during the period of insurance. In addition, it is required that

- the vehicle and the transport equipment comply with laws, decrees and other provisions as well as regulations based on these, and with international agreements and regulations;
- the policyholder or the person whose procedure he answers for obeys laws, decrees and other provisions regarding professional traffic and the conveyance, loading and securing of goods, as well as the permits and regulations based on these; and
- the haulier has a valid and appropriate driving licence and permit issued by the authorities as well as professional competence as per the legislation in force.

1.2.2 The insurance does not cover transport of money, securities, precious metals, precious stones or other comparable valuables.

1.2.3 Unless otherwise indicated in the insurance policy, the insurance does not cover:

- transport of tobacco and alcohol from outside Finland and transport of tax-free tobacco and alcohol in Finland
- transport of removal goods
- transport by a subcontractor carrier
- internal national transports in a country other than Finland (cabotage transports)
- cargo space, trailer or equivalent placed at the disposal of or entrusted to the policyholder, except in the transport of a container from/to a customer or its return to the container depot

- trailed equipment, trailers or similar devices (not equipment, accessories or supplies installed on or belonging to them). Tow cars for which the vehicles and equipment to be towed are automatically insured constitute an exception to this.

1.3 Policyholder and insured

That which applies to the policyholder in these road transport liability insurance terms and conditions shall also apply to the insured.

2 Indemnification

2.1 Maximum amount of compensation

The maximum amount of compensation to be paid based on the insurance is defined in sections 32, 34, 35.1 and 36 of the valid Road Transport Act or in the corresponding parts of the CMR Convention. In domestic transports the amount is EUR 20 and in international transports SDR 8.33 per kilogram missing or damaged from the total weight of the goods, however, not more than the amount entered in the invoice for the transport. The insurance also covers freight costs, customs duties and other expenses related to transport of goods up to an amount corresponding to the decrease in the value of the goods. Excise tax, luxury tax and other similar taxes are not indemnified as costs comparable to customs duties and other transport-related costs. If the damage is a result of delayed delivery, the maximum amount of compensation is the amount invoiced for the freight.

The insurance shall not cover

- other costs, like the costs of removing or disposing of goods, cleaning up the place where the damage occurred or additional costs caused by completing the transport task (see section 5, Compensation of salvage costs).
- any enhanced scope of liability the policyholder may have taken responsibility for based on the following sections of the Road Transport Act or the corresponding clauses of the CMR Convention:
 - Section 5 – Mandatory nature of the provisions of the Act
 - Section 21 – Responsibility of the haulier to collect cash on delivery
 - Section 33 – Reported value of goods
 - Section 35, subsection 2 – Compensation for delayed delivery
 - Section 48 – Distribution of liability for damage between hauliers.

2.2 Sum insured

In every insured event, the upper limit of the insurance company’s liability to indemnify is the sum insured. Unless otherwise indicated in the insurance policy, the sums insured are as follows:

- Bus, passenger car, tow car or tractor EUR 150,000
- Van or truck with no trailer EUR 400,000
- Other EUR 800,000.

2.3 Interest rate

The insurance does not cover penalty interest or other interests if the interest is a result of the policyholder deferring, for example, the notification of claim or the provision of information relating to the loss.

3 Determination of the obligation to pay damages and expiry of compensation

3.1 Determination of the obligation to pay damages

Upon receiving a notification of claim concerning an insured event, the insurance company shall examine whether the policyholder is obliged to pay damages and represent the policyholder in negotiations with the claimant.

3.2 Compensation contract

3.2.1 If the policyholder makes an agreement of partial or total indemnification of damage or postponement of the deadline for taking legal action, this agreement shall not be binding upon the insurance company unless the insurance company has explicitly accepted the agreement.

3.2.2 In the event that the insurance company is ready to settle the claim with the injured party within the limits of the insured sum, and the policyholder does not agree to this, the insurance company shall have no further liability for additional costs incurred thereafter, nor liability to conduct any additional assessment of the matter.

3.3 Lost goods

The insurance company must be informed if the goods that the insurance company has paid a compensation for are later found or recovered. Should something of economic value remain of goods that have been compensated for in their entirety, the insurance company may use its right to decide on the goods.

3.4 Expiration of right to compensation

As an exception to the general terms and conditions, the policyholder must claim compensation from the insurance company within six months of receiving the claim. Should the claim not be presented to the insurance company within this period, the claimant shall forfeit the right to compensation. There is no right to compensation if the policyholder has paid a claim that was time-barred according to the Road Transport Act or the CMR Convention.

4 Compensation of legal expenses

4.1 Legal proceedings concerning the insured event

If a claim concerning an insured event is taken to court, the insurance company shall handle the legal proceedings and pay for the essential and reasonable legal expenses involved as well as the interest on the compensation, even if the maximum amount of indemnity referred to in section 2.2 were thus exceeded. Legal expenses shall be covered only when and insofar as the legal proceedings concern the haulier's liability to indemnify, based on the Road Transport Act or the CMR Convention, and the damage covered by this

insurance. The claim must be higher than the policyholder's deductible.

4.2 Obligation of the policyholder to give notice of a summons

The insurance company must be notified without delay if the policyholder receives a summons concerning legal proceedings in accordance with section 4.1. After receiving notification, the insurance company shall decide on the measures related to the legal proceedings. If the policyholder has not notified the insurance company of a summons without delay, legal expenses shall not be covered.

5 Compensation of salvage costs

5.1 Reasonable costs due to fulfilling the obligation to prevent and mitigate losses covered by insurance, as referred to in the general terms and conditions, shall be covered when

- the goods in transport are in immediate danger of being damaged or destroyed and
- in order to avoid this immediate danger, goods are guarded, moved, re-loaded or transported to the nearest storage facilities.

5.2 Salvage work carried out by the policyholder or the person whose procedure he answers for shall be compensated at cost price.

5.3 Action taken by the insurance company, the policyholder or the person whose procedure he answers for to save, protect or return goods affects neither the right to demand compensation under the insurance nor the insurance company's eventual liability to indemnify.

6 Deductible

6.1 Basic deductible

In each insured event, a basic deductible as defined in the insurance contract shall be deducted from the amount of compensable loss. Multi-vehicle transport equipment represents an exception as their basic deductible is deducted for each damaged vehicle separately. If the compensation is reduced because of a failure to follow the precautionary guidelines, this reduction shall be done only after the deduction of deductible.

6.2 Special deductible

Special deductible: collision with an obstacle

If a loss is caused by driving a load, a vehicle or a part of a vehicle against an obstacle above the vehicle, a separate deductible different from the basic deductible shall be deducted from the amount of loss. The separate deductible shall be 25 per cent of the amount of loss. However, it shall always be at least EUR 840 and at least the amount of the basic deductible.

Special deductible: IVY countries

If the validity of the insurance is extended to IVY countries and the transport begins and ends in an IVY country, the deductible is 25% of the amount of damage (at least EUR 1,700).

Special deductible

In the insurance policy, it has been possible to specify special terms and conditions where the deductible differs from the basic deductible. Based on these special terms and conditions, a deductible as per the special terms and conditions in question shall be deducted from damage covered by the insurance.

7 Exclusions

As an exception to section 31 of the Insurance Contracts Act (28.6.1994/543), the subsections 1–14 under this section 7 are not precautionary guidelines but exclusions that remove the insurance company's liability for damages.

Compensation shall not be paid if

7.1 the policyholder or the person whose procedure he answers for has

- wilfully or through gross negligence caused the damage or the obligation to pay damages
- driven the vehicle or handled the goods under the influence of alcohol, medicine, narcotics or other intoxicants or in an overstressed state, and this could have given rise to the damage

7.2 the damage has occurred because the means of transport vehicle, the container, the trailer or the cargo space has not been appropriately closed and locked and the immobilizers have not been switched on

7.3 the damage has occurred because the means of transport vehicle, the transit unit or the goods have been left in an area not protectively closed from outsiders and not under 24-hour watch

7.4 the damage has occurred because the means of transport vehicle has not been under uninterrupted supervision by the driver. However, the supervision may be interrupted for the duration of short official business (such as customs) necessary for fulfilling the transport assignment

7.5 the damage or the obligation to pay damages is due to the goods being

- lost or delivered to the wrong recipient after the recipient or another person has misled the driver
- delivered without the agreed counterpart, document or acknowledgement of receipt
- stolen when the driver has left in the company of outsiders or taken unauthorised people into the vehicle

7.6 the damage has occurred because

- a vehicle has been driven over roadless terrain or on roads where driving is prohibited
- a motor vehicle has fallen through the ice in a location other than a winter road generally used and approved by road authorities
- a body of water has been crossed on a ferry with a lower official carrying capacity than the gross weight of the vehicle

7.7 the damage or the obligation to pay damages arises because shipping, customs or other written, pictorial or electronic documents are missing, inadequate or irrelevant, are lost or are not used correctly

7.8 the obligation to pay damages arises because the policyholder or the person whose procedure he answers for does not notify in the consignment note used in international traffic that the transport is subject to the international CMR Convention

7.9 the damage is a result of the goods not being properly covered during transport or outdoor storage

7.10 the damage is a result of incorrect temperature or fluctuations in humidity (for example, moulding), unless the damage is a direct consequence of a traffic accident for which the policyholder or the person whose procedure he answers for is responsible

7.11 the obligation to pay damages is a consequence of neglecting to perform cash on delivery or to fulfil the delivery terms

7.12 the damage is a result of

- war, civil war, rebellion, revolution, coup d'état or comparable
- strike, lockout, riot, civil disturbances, robberies, terrorism or sabotage

7.13 the orientation, training or work guidance provided to an employee, a leased employee or a person in a similar role has been inadequate and has had an impact on the cause and extent of the damage.

7.14 Under no circumstances shall the insurance cover damage, liability or cost directly or indirectly caused or contributed to by

- ionising radiation or radioactive pollution caused by nuclear fuel, nuclear waste or the combustion of nuclear fuel
- combustibility, radioactivity, toxicity or other dangerous or polluting quality in a nuclear installation, a reactor or other nuclear device, a related component or radioactive material
- a weapon or device operated by nuclear fission or nuclear fusion or equivalent reaction or by radioactive force or material
- a chemical, biological, biochemical or electromagnetic weapon.

8 Premium

In addition to section "Insurance premium" of the general terms and conditions, the following principles are observed:

8.1 Calculating the premium

The insurance premium is calculated according to the premium bases defined in the insurance policy and its attachment. If the insurance premium calculated according to the premium bases is lower than the minimum premium of the insurance company's road transport liability insurance, the premium shall be the amount of the minimum premium. The taxes or payments paid on insurance premiums under law are charged in addition to the insurance premiums mentioned in the insurance policy, unless it has been indicated that they are included in the insurance premium.

8.2 Premium based on the means of transport vehicle

When it has been agreed that the insurance premium is based on the means of transport, each insured vehicle, its type and its licence plate number shall be entered into the insurance policy or its attachment.

8.3 Premium based on turnover or freight income

8.3.1 Following the end of the insurance period, the policyholder must inform the insurance company of the actual amount in euros corresponding to the premium basis described in the insurance policy or its attachment in order to calculate the final insurance premium. If the policyholder does not provide the insurance company with the information to calculate the insurance premium within two months of the request sent by the insurance company, the insurance company shall be entitled to set the insurance premium at an amount deemed reasonable.

8.3.2 Underinsurance refers to a situation where the amount reported as premium basis by the policyholder is significantly lower than the actual amount. In such an event, the insurance will only cover a proportion of the damage indicated by the ratio of the reported amount to the actual amount.

9 Revision and termination of the insurance contract

In addition to the grounds defined in the general terms and conditions, the insurance company has the right during the period of insurance to

- revise the insurance premium and other terms and conditions to correspond to the new circumstances if the policyholder's liability for damages has increased because of changes in legislation, or
- terminate the contract on the basis of an occurrence of an insured event.

10 Precautionary guidelines

10.1 Obligation to follow precautionary guidelines

The policyholder or the person whose procedure he answers for must follow the precautionary guidelines laid down in the insurance policy, the insurance terms and conditions or some other written document. In the event that the policyholder or the person whose procedure he answers for – wilfully or through negligence that cannot be considered minor – fails to follow the precautionary guidelines, the compensation may be reduced or denied. In considering whether the compensation should be reduced or denied, account shall be taken of the extent to which the failure to follow the precautionary guidelines has affected the occurrence or the amount of damage.

The policyholder or the person whose procedure he answers for must

10.2 in accordance with section 12 of the Road Transport Act or a corresponding part of the CMR Convention, inspect the goods to be transported (the quantity of packages as well as their markings and numbers) and the externally detectable condition of the goods and their packaging. Should it not be possible to verify

these things or should the package, the goods or the information concerning them be faulty or insufficient, a note indicating this as well as its cause must be included in the shipping document.

10.3 in accordance with the Road Transport Act or the CMR Convention, follow the instructions received from the shipping customer on the handling and transport of the goods.

10.4 make a complaint concerning damage that is the responsibility of a third party according to the provisions concerning the means of transport in question and, without delay, take other necessary action to secure the insurance company's right, after compensation has been paid, to demand compensation from the party that is or can be assumed to be liable to indemnify on the basis of the damage.

11 Obligations of the policyholder to prevent, limit and assess damage

The policyholder or the person whose procedure he answers for must follow the guidelines laid down in the insurance policy, the insurance terms and conditions or some other written document. In the event that the policyholder or the person whose procedure he answers for – wilfully or through negligence that cannot be considered minor – fails to follow the guidelines, the compensation may be reduced or denied. In considering whether the compensation should be reduced or denied, account shall be taken of the extent to which the failure to follow the guidelines has affected the occurrence or the amount of damage.

The policyholder or the person whose procedure he answers for must

11.1 whenever possible, participate in the settlement of the damage and contribute to the discovery of the actual cause of the damage and the liable party. The driver may not leave the damage site, consume alcohol or narcotics after the damage or in any other way hamper the investigation of the damage.

11.2 without delay notify the police if the insured event is caused by a traffic accident or can be assumed to be related to a crime.

11.3 take care of the damaged goods, notify the insurance company of any damage without delay and follow the insurance company's instructions.

11.4 reserve an opportunity for the insurance company to inspect the goods.

12 Differences in terms and conditions

Insofar as these insurance terms and conditions deviate from the general terms and conditions, these insurance terms and conditions shall be applied.

As an exception to section 30, subsection 2 of the Insurance Contracts Act and the section about the causes of an insurance event in the general terms and conditions, no compensation shall be paid if the damage has been caused through gross negligence.

13 Special terms and conditions to be agreed separately

13.1 General information about special terms and conditions

If separately agreed with the insurance company, special terms and conditions can be added to road transport liability insurance. Any special terms and conditions are specified in the insurance policy. Insofar as the special terms and conditions specified in the insurance policy differ from the road transport liability insurance terms and conditions (TC3) or the general terms and conditions, the special terms and conditions specified in the insurance policy shall apply.

13.2 Special condition T11 for thermal transports

Deviating from section 7.10 of the road transport liability insurance terms and conditions (TC3), if it has been separately agreed and specified in the insurance policy, the insurance cover is also in force when goods are damaged due to a sudden and unexpected technical fault occurred during transport in the heat control device of the transport equipment or unit. This does not apply, for example, to cases in which the fuel runs out or solidifies.

- Compensation requires that
- a suitable vehicle and container or other transport unit are used for the transport
- in all food transports, the transport equipment has a valid ATP classification that is suitable for the transport temperature in question, unless it has been separately agreed and specified otherwise in the insurance policy
- in transports other than food transports, the technical and temperature control properties and efficiency of the equipment are equivalent to those of ATP-classified equipment
- the heat control device is in proper condition at the beginning of transport
- the heat control device has been serviced according to the manufacturer's or importer's instructions and the measures taken have been recorded in the device-specific service book or card
- after the occurrence of damage, a fault report prepared by the repair shop, a copy of the service book or card as well as a report on the cargo temperature at the beginning of transport must be provided to the insurance company.

In each insured event requiring compensation based on this special condition, the deductible is 10 per cent of the compensable amount of loss and at least EUR 500, unless the basic deductible specified in the insurance policy is higher.

13.3 Special condition SL5 for subcontractors

If it has been separately agreed and specified in the insurance policy, the insurance covers the policyholder's obligation to pay damages also when the damage has been caused by the policyholder's subcontractor.

Compensation requires that

- the subcontractor is able to carry out the given task

- the subcontractor has presented a valid insurance certificate of a liability insurance covering damages on goods under transport or handling (e.g., CMR insurance, forwarder's liability insurance). An insurance certificate must always be requested when the policyholder launches cooperation with a new subcontractor. In addition, the insurance certificate of current subcontractors cannot be more than six months old. The timeframe is calculated from the commencement of transport.
- the extent of the subcontractor's insurance (insured amount and compensable damages) corresponds to the policyholder's own insurance
- the subcontractor's insurer must be a well-reputed insurance company. In damages caused by subcontractors, the policyholder must attach a clarification of the subcontractor's insurance to the notification of damage.
- in damages caused by subcontractors, this insurance will compensate the damage at highest to the same extent as the subcontractor's valid insurance would compensate the damage. In case the subcontractor's valid insurance cover is not as extensive as the insurance cover defined in the insurance certificate, or if the insurance cover is not valid at the time of occurrence, the damage is compensated to the same extent as the subcontractor's insurance would have compensated in accordance with a less-than-six-months-old insurance certificate.

13.4 Special condition TCM for transports of removal goods

Deviating from section 1.2.3 of the road transport liability insurance terms and conditions (TC3), the insurance cover is also in force in transports of removal goods if it has been separately agreed and specified in the insurance policy. The extension is not in force in transports of removal goods within or between third countries.

The insurance enters into force when the carrier starts transferring goods from the old premises to the transport vehicle and ends once the carrier has transferred all goods from the transport vehicle to the new premises. If the carrier does not carry out the aforementioned transfers, the insurance cover enters into force and ends upon beginning and ending of the carrier's responsibility as per the Road Transport Act.

The insurance does not cover additional removal services that may be offered by the carrier, such as storage, detachment of lighting fixtures from the power grid, hanging of paintings and packing/unpacking of removal goods into/from transport boxes. Compensation shall not be paid if the damage is due to the fact that the goods have not been properly protected during the removal taking their nature into account.

In each insured event requiring compensation based on this special condition, the deductible is EUR 500 for the compensable amount of loss, unless the basic deductible specified in the insurance policy is higher.

It is recommended to insure transports of removal goods with a separate goods removal insurance.

Removal insurance must be taken out before starting the removal. If the carrier has taken out separate goods removal insurance from LocalTapiola for the transport of removal goods and the removal results in damage covered by proper removal insurance, no compensation will be sought based on the carrier's road transport liability insurance. In this case, no damage shall be deducted from the deductible referred to in this special condition.

13.5 Special condition TA1 for transport of tax-free tobacco and alcohol

Deviating from section 1.2.3 of the road transport liability insurance terms and conditions (TC3), if it has been separately agreed and specified in the insurance policy, the insurance cover is also in force in transports of tobacco and alcohol outside Finland and transports of tax-free tobacco and alcohol within Finland. The insurance does not cover tobacco and alcohol taxes or other similar taxes or payments as costs comparable to customs duties and other transport-related costs.

13.6 Special condition SL9 for detachable cargo spaces held in trust by road carriers

Object of insurance

Deviating from section 1.2.3 of the road transport liability insurance terms and conditions (TC3), if it has been separately agreed and specified in the insurance policy, the object of insurance consists of the ordering party's detachable cargo spaces (maritime containers, platform containers or other equivalent mobile containers) referred to in the insurance policy that are held in trust by the policyholder and are in the vehicle for transport. The object of this insurance does not include cargo spaces that are or may be covered by motor liability insurance or that have their own wheels (for example, trailers and semitrailers).

This insurance is valid only when

- the cargo space is attached to the policyholder's vehicle (for example, not when the cargo space is stored at the terminal)
- the cargo space is transported by the policyholder's own personnel.

Coverable losses

The insurance covers those sudden and unexpected property damages caused by external factors to the object of insurance that the policy holder is responsible for based on current Finnish legislation.

Maximum amount of compensation

Unless otherwise specified in the insurance policy, the maximum amount of compensation is EUR 35,000 for damage and EUR 50,000 per insurance period.

Deductible

In each insured event related to cargo space and requiring compensation based on this special condition, the deductible is 10 per cent of the compensable amount of loss. If a cargo space is damaged when driving a load, a cargo space or a vehicle against an obstacle above the roadway, the deductible is 25 per cent of the compensable amount of loss. The deductible is always at least EUR 800.

Exclusions

The insurance does not cover costs due to delays or other indirect costs or losses.

In case of any dispute under these terms and conditions the original Finnish wording shall prevail.

Insurance is granted by the following mutual insurance companies in LocalTapiola Group (business ID):

LähiTapiola **Etelä** (0139557-7) | LähiTapiola **Etelä-Pohjanmaa** (0178281-7) | LokalTapiola **Sydkusten** -
LähiTapiola **Etelärannikko** (0135987-5) | LähiTapiola **Itä** (2246442-0) | LähiTapiola **Kaakkois-Suomi**
(0225907-5) | LähiTapiola **Kainuu-Koillismaa** (0210339-6) | LähiTapiola **Keski-Suomi** (0208463-1) |
LähiTapiola **Lappi** (0277001-7) | LähiTapiola **Loimi-Häme** (0134859-4) | LähiTapiola **Länsi-Suomi** (0134099-8) |
LähiTapiola **Pirkanmaa** (0205843-3) | LokalTapiola **Österbotten** - LähiTapiola **Pohjanmaa** (0180953-0) |
LähiTapiola **Pohjoinen** (2235550-7) | LähiTapiola **Pääkaupunkiseutu** (2647339-1) | LähiTapiola **Savo**
(1759597-9) | LähiTapiola **Savo-Karjala** (0218612-8) | LähiTapiola **Uusimaa** (0224469-0) |
LähiTapiola **Varsinais-Suomi** (0204067-1) | LähiTapiola **Vellamo** (0282283-3) |
LocalTapiola General Mutual Insurance Company (0211034-2)

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

