

General terms of contract of cargo insurance S10

Contents

1 Key concepts in cargo insurance terms and conditions.....	1
2 Provision of information prior to concluding an insurance contract	2
3 Insurable value, sum insured and maximum liability.....	3
4 Commencement of LocalTapiola's liability and validity of insurance contract	3
5 Order of applying the terms and conditions	4
6 Transports, exhibitions and fairs included in the insurance contract	4
7 Insurance premium.....	4
8 Disclosure of information during validity of contract	5
9 Obligation to prevent and mitigate damage, and measures to be taken when damage has occurred	6
10 Causing an insured event.....	7
11 Persons equivalent to the insured.....	7
12 Entitlement to compensation.....	7
13 Application for compensation and obligations.	8
14 Compensation	9
15 LocalTapiola's right of recovery.....	10
16 Altering the insurance contract.....	11
17 Termination of insurance contract	11
18 Applicable provisions	12
19 Appealing against LocalTapiola's decision	12
20 Other regulations	13

These general terms and conditions are applied to cargo insurance contracts and other contracts where application of these terms and conditions is indicated.

The key content of the insurance contract is described in the insurance contract or policy document, product terms and special clauses mentioned therein and these general terms of contract.

When a policy is being drafted or amended it is possible to agree upon more limited or extensive cover than is specified in these terms and conditions. Any exceptions are specified in the policy.

1 Key concepts in cargo insurance terms and conditions

Entrepreneur refers to a natural or legal person, who is professionally engaged in an occupation, commercial activity or other source of livelihood to earn income or make a profit.

Written refers to information, supplied on paper or in electronic format, the original content of which can be kept unchanged and which can be reproduced with content that is identical to the original.

Exclusion is a term, condition or regulation in the policy or the insurance terms and conditions which specifies damage and loss not covered by the insurance or restricts insurance cover.

Container is a shipping container, flat container or equivalent.

Marine insurance refers to cargo insurance against risks to which the insured goods are exposed during sea transportation. If any leg of the transportation is by sea or was intended to be by sea, the entire transportation is considered

sea transportation.

Other cargo insurance refers to cargo insurance against the risks to which the insured goods are exposed during transportation other than sea transportation.

Deductible is the portion of damage or loss indicated in the insurance contract, policy or terms and conditions that is not covered by the policy.

Precautionary guideline refers to an obligation to follow regulations laid down in the policy document, terms and conditions of insurance or other written document, aimed at preventing or restricting the occurrence of loss.

LocalTapiola refers to LocalTapiola Mutual Insurance Company.

The insured is the party for the benefit of whom the insurance is valid.

Insured goods refer to legal merchandise or other legal assets specified in the insurance contract or policy that are subject to transport or storage.

Insurance period is the term of validity of the insurance as agreed upon with the policyholder and indicated in the policy document. The maximum length of an insurance period is 12 months, unless otherwise agreed and specified in the policy. The insurance contract continues automatically for one (1) insurance period at a time, unless either party terminates the contract.

The policyholder is the party that has entered into the contract of insurance with LocalTapiola.

Insured event refers to realisation of the risk covered by the insurance.

Insurance contract in these terms and conditions refers to the cargo insurance contract.

2 Provision of information prior to concluding an insurance contract

2.1 LocalTapiola's duty of disclosure

Before the signing of an insurance contract, LocalTapiola provides the applicant with the necessary information to estimate the need for insurance cover and to choose the appropriate insurance. This information includes, for example, LocalTapiola's insurance types, premiums and insurance terms and conditions.

If LocalTapiola or its representative has, when marketing the insurance, given the policyholder incomplete, false or misleading information, LocalTapiola will correct the false information without undue delay when the error has been detected. The insurance contract is considered to be in force in accordance with the rectified information from the moment when the policyholder has been informed about the rectification.

However, the insurance contract before rectification of the information is applied to transportation starting before the rectified information is provided.

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

Prior to the insurance being granted, the policyholder and insured or their representative must provide

- accurate and complete answers to LocalTapiola's questions
- any other information that they understood or should have understood to be relevant for the assessment of LocalTapiola's liability. *Such information includes information about the cargo, its value, susceptibility to damage, claims history, transportation, transport vehicle, terms of delivery and the company's business and financial situation.*

Furthermore, during the insurance period, the policyholder, the insured or their representative must, without undue delay, correct any information provided to LocalTapiola that they have found to be erroneous or incomplete.

If the policyholder, insured or their representative has failed to fulfil the duty of disclosure, the insurance contract is not binding for LocalTapiola, or, alternatively, compensation may be reduced or refused. In addition to the above, LocalTapiola has the right to terminate the insurance contract in accordance with section 17.4 in the terms and conditions.

When deciding on the consequences of failing to fulfil the duty of disclosure, the significance of the circumstances is taken into consideration in relation to the false or incomplete information provided by the policyholder, the insured or their representative.

If the policyholder, the insured or their representative has not acted in good faith, LocalTapiola has the right to retain all premiums paid,

even if the insurance was annulled or terminated before the end of the insurance period.

3 Insurable value, sum insured and maximum liability

3.1 Insurable value

The insurable value of property is used as the basis to estimate the amount of loss and compensation.

Unless otherwise specified in the insurance contract or policy, insurable value is determined as follows:

3.1.1 Commercial transport

In transportation relating to selling, buying, importing or exporting goods, as well as preliminary transportation in export trade and onward transportation in import trade, the insurable value is the invoiced amount of the goods, including the transport costs of the said goods that are under the policyholder's responsibility, and a cargo insurance fee that is specified in the trade invoice as a separate cost. If the insurance is for the benefit of the buyer in export or import shipping, the insurable value is the abovementioned value plus 10%.

3.1.2 Unused goods in other than commercial transportation

The insurable value of new, unused goods in other transportation than that specified in 3.1.1 is the replacement value of the goods.

The replacement value is the amount needed to replace the damaged property with new identical property or new property with the most closely corresponding working characteristics. The replacement value includes normal transportation costs.

3.1.3 Used or broken goods

The insurable value of used or broken goods is the current value of the goods at the beginning of the transportation, exhibition, fair or other risk covered by the insurance.

Current value refers to the amount of money that would have been received by selling the goods as such on the normal market.

3.2 Sum insured

The sum insured is the insurable value of the goods covered by the insurance.

However, the sum insured can be negotiated with LocalTapiola. The agreed sum insured is binding on both parties, unless LocalTapiola can prove that compensation based on it would be higher than is necessary to cover the loss.

3.3 Maximum liability

Maximum liability is the maximum sum insured for the goods that are the object of the insurance, per one transport vehicle, journey, fair or other risk covered by insurance, as notified by the policyholder and indicated in the insurance contract or policy. Furthermore, maximum liability is LocalTapiola's maximum indemnification liability in each insured event. (See sections 9.3, 14.7 and 14.8.)

3.4 Over- and underinsurance

Property is overinsured if the sum insured is higher than the insurable value of the insured property.

Property is underinsured if the sum insured is lower than the insurable value of the insured property.

In underinsurance, some of the risk is borne by the policyholder.

See section 14.9 for covering of losses in cases of over- and underinsurance.

4 Commencement of LocalTapiola's liability and validity of insurance contract

4.1 Commencement of LocalTapiola's liability

Unless otherwise agreed, the insurance enters into force when LocalTapiola or the policyholder has issued or sent an affirmative reply to the offer of the other contracting party.

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

If it is unclear what time of day the reply was issued or sent, it is considered to have taken place at midnight.

4.2 Validity of the insurance contract

The insurance contract is permanent, unless otherwise agreed. A permanent insurance contract is in force for one insurance period at a time, until either party gives notice of termination in writing

no later than one month before the end of the current insurance period.

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

If either party terminates the contract on the basis of sections 17.3, 17.4, 17.5 or another clause in the contract, the insurance will nevertheless cover all transportation that began while the contract was still in force. Insurance cover for other risks, such as exhibitions, fairs and storage, ends upon the expiry of the contract at the latest.

(Sanction Limitation and Exclusion Clause) The insurer shall not be deemed to provide cover to the extent that the provision of such cover would expose the insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

5 Order of applying the terms and conditions

In addition to these general terms and conditions, other terms and conditions set out in the insurance contract or policy are applied to cargo insurance.

Should the different terms and conditions be in conflict, they are applied in the following priority order:

1. customer-specific special clauses specified in the insurance policy
2. special clauses that specify particular restrictions or extensions to cover and precautionary guidelines
3. product terms and conditions that specify coverable damage and loss, restrictions to cover and precautionary guidelines.
4. these general terms and conditions.

Unless otherwise specified in the insurance policy or contract, the English Institute Cargo Clauses and their possible additional and special clauses are applied to export transport and transport within other countries and between them.

6 Transports, exhibitions and fairs included in the insurance contract

The insurance contract covers the cargo transportation, exhibitions and fairs that are part of the policyholder's business and are specified in the insurance contract or policy.

In order for an individual transit, fair or other risk to be included in the insurance contract, it is always required that

- the transit or other covered risk begins while the insurance contract is in force and
- based on terms of delivery or other contract that was made before the transport, the policyholder bears the risk for damage to cargo or is obliged to take out cargo insurance.

However, the insurance contract does not include transportation relating to purchasing or import, where the seller or other party has taken out an insurance policy for the benefit of the buyer (CIF/CIP import, for example).

Goods bought during transit are included in the insurance contract from the moment when the risk for the goods or the obligation to insure has been transferred to the policyholder, provided that LocalTapiola and the policyholder have expressly agreed on this arrangement.

The date of the shipment's first bill of lading, mate's receipt, consignment note or other equivalent document determines whether the transport otherwise covered by the insurance contract began during the validity of the insurance contract. If the document date deviates from the liability start date as specified in the cargo insurance terms and conditions, the start date in the said terms and conditions takes precedence.

7 Insurance premium

7.1 Determining the amount of insurance premium

Insurance premiums are determined on the basis of the principles and coefficients confirmed in the insurance contract or its attachments. The premium is based on net sales in accordance with the company's official financial statements, unless stated otherwise in the insurance policy or its attachments.

If the insurance premium calculated using the premium coefficients is less than the minimum sum at the beginning of the insurance period, the premium equals the minimum sum.

Any statutory taxes or fees are charged in addition to the premiums specified in the insurance contract.

The policyholder must provide the information needed for the calculation of a premium, in the

agreed manner and within the time specified by LocalTapiola. Otherwise LocalTapiola has the right to determine the premium based on its own estimation.

Using an accountant authorised by the Central Chamber of Commerce, LocalTapiola has the right to obtain information on the policyholder's accounts and documents to the extent that it is relevant concerning the policyholder's obligations under the insurance contract.

7.2 Advance premium and final premium

The premium for the insurance period is calculated based on the turnover for the period or other agreed basis of payment. Advance premium is based on the policyholder's estimate on the basis of premium for the upcoming insurance period or, in the event that the policyholder has not provided an estimate at least 30 days prior to the beginning of a new insurance period, on LocalTapiola's estimate.

After the end of the insurance period, each party has the right to demand the premium to be balanced to correspond to the actual value of the indicator for the period. The request must be made within 30 days of the end of the insurance period. If no request is made the advance payment remains final.

The premium will not be balanced if the difference between the indicator value used for calculating the advance premium and the actual value is less than 5% or the refund or additional charge would be less than EUR 100.

7.3 Payment of insurance premiums

The premium must be paid on the due date at the latest. In the event that the payment by the policyholder is not enough to cover all receivables of LocalTapiola, LocalTapiola has the right to determine the insurance receivables toward which the payment is made.

7.4. Delay of insurance premium

If the premium has not been paid on the due date at the latest, LocalTapiola has the right to terminate the insurance. The insurance expires 14 days after LocalTapiola has dispatched the notice of termination.

However, should the policyholder pay the insurance premium before the end of the notice period, the insurance does not expire after the end

of the notice period. LocalTapiola mentions this option in the notice of termination.

If the insurance premium is not paid by the due date, penalty interest will be payable for the late payment in accordance with the Interest Act.

7.5 Insurance premium refund

If a permanent insurance contract terminates before the agreed date, LocalTapiola is entitled to premiums only for the period of its liability. If the insurance premium is primarily determined by a factor other than time, LocalTapiola's entitlement to premiums is calculated on this basis. The remainder of the premium paid is returned to the policyholder.

The policyholder's unpaid overdue premiums or other overdue receivables amounts may be deducted from the premium to be refunded in accordance with general offsetting conditions, as well as policy management expenses.

No premium is returned in the event of acting in bad faith as referred to in sections 2.2, 8.2, 8.3 and 17.4.

Furthermore, no insurance premium is returned if the refundable amount equals the agreed minimum sum or less. The minimum sum is EUR 100 for each insurance period during which the insurance was valid.

LocalTapiola is entitled to retain 15% of the premium for the entire insurance period to cover policy management expenses. However, the insurance premium is not returned if the refundable amount is less than EUR 50.

8 Disclosure of information during validity of contract

8.1 LocalTapiola's duty of disclosure

Following the conclusion of the insurance contract, LocalTapiola gives the policyholder the terms and conditions of insurance and the insurance contract, certificate or policy with any relevant attachments.

During the validity of the insurance, LocalTapiola will notify the policyholder each year of the sum insured and other matters pertaining to the insurance that are of obvious relevance to the policyholder.

If LocalTapiola or a representative of LocalTapiola has, while the insurance is valid, given incomplete, false or misleading information about the insurance, LocalTapiola will correct the false information without undue delay when the error has been detected.

If the false, incomplete or misleading information provided while the insurance is valid can be considered to have influenced the policyholder's action, the insurance will remain in force with the content that the policyholder had reason to believe only until the policyholder has been notified about a rectification.

LocalTapiola is not obligated by information which LocalTapiola or its representative has provided on future compensation after the occurrence of an insured event.

8.2 Obligation of the policyholder and insured to report increased risk

The policyholder or insured must notify LocalTapiola without delay of any material change in the circumstances reported upon concluding the insurance contract or the state of affairs entered in the policy or list of insurance cover that may increase risk substantially, which LocalTapiola cannot be deemed to have taken into account at the time of concluding the insurance contract.

Such information includes risk-increasing changes in the goods, their transport packaging, method of transport, vehicle of transport, transport route or handling methods.

If the policyholder or insured neglects the obligation to report 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.

8.3 Policyholder's obligation to inform LocalTapiola of key indicators agreed to be used as basis for premium

Within a requested time, the policyholder must provide LocalTapiola with the indicators that have been agreed upon to be used as a basis for calculating the insurance premium.

In the event that the policyholder, wilfully or through negligence that cannot be considered minor, fails to report any indicator to be used as

a basis for the premium or provides false, misleading or incomplete information about the indicator, compensation may be reduced or refused.

8.4 Obligation to inform LocalTapiola of other cover for the same risk

The policyholder or insured must inform LocalTapiola about any insurance policies at other insurance companies that cover the same risk.

9 Obligation to prevent and mitigate damage, and measures to be taken when damage has occurred

9.1 Obligation to follow precautionary guidelines

The policyholder and the insured must follow any precautionary guidelines and other instructions set out in the policy document and the terms and conditions of insurance or otherwise issued in writing with the purpose of preventing or mitigating damage or loss.

If the policyholder or insured fails to follow the precautionary guidelines, compensation may be reduced or refused. The effect of such a failure on the occurrence or extent of the loss or damage is taken into account when considering whether the compensation should be reduced or refused.

9.2 Obligation to file a complaint and notify

The policyholder or insured must

- inspect the visually detectable condition and quantity of received goods
- file a written complaint of detected damage to the cargo carrier, the carrier's representative or other party responsible for the damage prior to acknowledging receipt of the goods, or, if the damage cannot be immediately verified, a written complaint should be made as soon as damage is detected, considering all the relevant deadlines
- take any other prompt measures necessary to safeguard LocalTapiola's rights with respect to the party who caused the damage
- contact the police without delay if the damage was caused by a punishable act
- stop unpacking the goods, if necessary, to allow loss assessment in order to inspect the factors affecting the occurrence and type of damage
- take care of the damaged goods, notify LocalTapiola or a representative of LocalTapiola immediately about the damage and follow their instructions
- provide LocalTapiola with an opportunity to inspect the goods.

The fact that goods are damaged does not entitle the policyholder or insured to refuse to accept them.

9.3 Salvage obligation

- In the event of an occurred or impending insured event, the policyholder or insured is responsible for prevention or mitigation of damage and for ensuring that damaged goods will not cause damage to undamaged goods in the shipment or any other insured goods. The policyholder and insured must follow the instructions provided by LocalTapiola or its representative to prevent and mitigate loss or damage.
- In the event of an occurred or imminent coverable insured event, LocalTapiola will compensate any reasonable costs incurred from the prevention or mitigation of damage and loss, even if the sum insured was exceeded. However, LocalTapiola's maximum liability in each insured event is the maximum liability indicated in the insurance contract or policy.
- Measures taken by the policyholder, insured or LocalTapiola to save, protect or retrieve goods affect neither the right to claim for compensation nor LocalTapiola's eventual liability to indemnify.

9.4 Consequences of neglecting obligations

Compensation may be reduced or refused if the policyholder or insured has neglected the obligations laid down in sections 9.2 and 9.3.

The effect of such a failure on the occurrence or extent of the loss or damage or making the party that caused the damage or loss liable for damages is taken into account when considering whether the compensation should be reduced or refused.

10 Causing an insured event

10.1 LocalTapiola is free from any liability towards a policyholder or insured who wilfully or through gross negligence has caused the occurrence of an insured event.

The effect of the policyholder's or insured's action on the occurrence or extent of the loss or damage is taken into account. In addition, the extent of the negligence on the part of the policyholder or insured, as well as other circumstances, are taken into account.

10.2 LocalTapiola is free from liability if the policyholder or insured was under the influence of

alcohol or other intoxicant when causing the damage or loss, unless the policyholder or insured can prove that this did not contribute to the occurrence of the damage or loss.

11 Persons equivalent to the insured

When it comes to fulfilling the duty of disclosure, causing an insured event, following precautionary guidelines, claiming compensation or fulfilling the obligation to salvage, what is said in these terms and conditions regarding the insured is similarly applicable to

- those in an employment or public service relationship with the insured
- those for whom the insured is responsible, or
- those who act as representatives of the insured.

12 Entitlement to compensation

If a specific export insurance policy document has been provided concerning transportation, the party who presents a duly transferred policy document has the right to the compensation.

In other circumstances the right to compensation is held by

- the policyholder, if the policyholder bore risk for the goods when the damage occurred, or
- the party for whose benefit the policyholder has, based on an obligation due to an agreement,

taken out the insurance policy (e.g., sales under CIP or corresponding terms), providing that this party also bore the risk for the goods at the time of the damage (see section 6 in the terms and conditions).

The claimant must present written documentation – such as an invoice or sales contract containing the terms of delivery – that demonstrates that the claimant is entitled to compensation on the abovementioned grounds or directly by law as a pledgee.

LocalTapiola is entitled to pay compensation to anyone presenting a duly transferred insurance policy and thereby discharge itself from liability. LocalTapiola is entitled to receive back the insurance policy against final payment of indemnification.

The insurance is not directly or indirectly valid for the benefit of an external carrier or any other party to whom the goods have been trusted or

who performs duties relating to the insured transportation.

13 Application for compensation and obligations

13.1 Obligations of the claimant

The occurrence of an insured event must be promptly reported to LocalTapiola, and LocalTapiola must be provided with the opportunity to inspect the goods. The claimant must, at its own cost, supply LocalTapiola with any documents and information relevant to enable LocalTapiola to determine its liability.

Such documents and information include a shipping document and any terms and conditions attached to it, commercial invoice, complaint, inspection report, abstract of title or other document to ascertain whether the insured event is actually indemnifiable, what the amount of damage or loss is and who the beneficiary is.

LocalTapiola is not obliged to pay compensation before it has received the abovementioned documentation.

Compensation may be reduced or refused if, after the occurrence of an insured event, the policyholder, the insured or similar fraudulently provided LocalTapiola with false or incomplete information that is relevant to investigation of the insured event and assessment of LocalTapiola's liability.

(Sanction Limitation and Exclusion Clause) The insurer shall not be deemed to be liable to pay any claim or provide any benefit to the extent that payment of such claim or provision of such benefit would expose the insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

13.2 Expiry of the right to claim compensation

The claimant must file a notification of loss with LocalTapiola within six (6) months of the completion or probable completion of the insured transportation, or, in the event this cannot be determined or applied, the day or probable day of the occurrence of the damage or loss. If a notification of loss is not filed with LocalTapiola within this period, the claimant will forfeit the right to compensation.

13.3 LocalTapiola's obligations

LocalTapiola pays compensation for an insured event in accordance with the insurance contract or notifies that compensation will not be paid, no later than one month from the receipt of a detailed claim and of any documents and information necessary to assess LocalTapiola's liability.

If the documents are delayed for an unreasonable length of time for reasons not attributable to the policyholder, the insured or similar, LocalTapiola will pay compensation for the amount which can be conclusively determined based on the available documents.

LocalTapiola will pay penalty interest on delayed compensation in accordance with the Interest Act.

13.4 Payment made to wrong person

If LocalTapiola pays compensation to a party other than one entitled to compensation, LocalTapiola has nevertheless fulfilled its obligation providing that the payment was made with due care in the circumstances.

13.5 LocalTapiola's right of offset

LocalTapiola may deduct from the compensation the policyholder's unpaid overdue premiums and any other overdue receivables, regardless of whether they are based on the insurance contract or not, in accordance with general offsetting conditions.

LocalTapiola has the right to deduct any overdue premiums or other receivables payable to LocalTapiola by the policyholder, or any company belonging to the same group of companies as the policyholder, from the compensation or any other sums payable by LocalTapiola to the policyholder or any company belonging to the same group of companies as the policyholder.

If the payment is to be made in several instalments, LocalTapiola has also a right of offset against instalments that are not yet due. LocalTapiola has a right of offset even in the event that the damage or loss occurred after the policyholder was declared bankrupt but LocalTapiola's liability was still in effect.

14 Compensation

14.1 Calculation of compensation

Compensation is paid for direct costs or loss caused by material damage up to the sum insured, with deductions and restrictions specified in the insurance contract, policy, terms and conditions and these terms of contract (see sections 14.7–14.9). Compensation may consist of repair costs, reduction of value or the amount of the sum insured corresponding to the damage or loss, depending on which option is the most appropriate.

14.2 Sum insured or part thereof paid as compensation

The sum insured or part thereof is paid as compensation if the goods, as a result of an event covered by the insurance policy,

- have disappeared or been destroyed entirely or damaged to the extent that their original properties are completely lost, or
- have reached a state from which they could not be redeemed with reasonable costs within six months.

If LocalTapiola in this event has compensated the insurable value of the goods, LocalTapiola may, if it so desires, exercise its right to take possession of the indemnified goods.

Goods are considered to have become lost, when

- they, as a result of an insured event, have not arrived at their destination within 60 days of the agreed or estimated arrival of the insured shipment and their whereabouts are unknown, or, in the event that the entire vehicle or container has disappeared, within 90 days of the agreed or estimated arrival date of the insured shipment
- the transport vehicle has been abandoned and the goods in it have not been found within the abovementioned time limits, or
- the goods have disappeared and they have not been found within 60 days of the shipment's estimated arrival date and the carrier or any other party to whom the goods have been entrusted admits in writing that the goods have been lost.

14.3 Repair or replacement of a product

If a damaged item can be restored to the condition it was in prior to the damage, or to an equivalent condition, by repairing it or replacing damaged parts with new parts or parts equivalent to the original, only these costs will be indemnified.

The insurance does not cover an increase of repair costs arising from non-standard repair methods chosen by the policyholder, the insured party or similar, or from any action relating to such methods (overtime work or express service, for example).

14.4 Compensation for shortage or leak

When determining compensation for shortage or leak, an agreed amount of the merchandise or an amount which is typical reduction of the merchandise is deducted from the compensation.

14.5 Decrease in value

In other cases, the decrease in value of the goods is determined, unless otherwise agreed, either

- in a joint inspection conducted by the contracting parties, or
- when necessary, by means of an official inspection as prescribed in the Maritime Act, or
- if the decrease in value cannot be determined by such means, by selling the goods.

If LocalTapiola so requires, the goods must be sold through public auction.

The decrease in value is expressed as a percentage by comparing the market value of the damaged goods with the market value of undamaged goods. The market value constitutes the gross market value at the destination (including freight, customs duties and other charges), so that the figures compared include the same items.

The compensation corresponds to the reduction in the insurable value, or in the sum insured if the sum insured is lower than the insurable value.

14.6 Deductible

The deductible is subtracted from the coverable amount of loss.

14.7 Sum insured as the maximum amount of indemnity

The sum insured (see section 3) is the maximum amount of compensation paid for the goods per transportation leg, exhibition or fair or other insured risk, as specified in the insurance contract or policy document or their attachments.

Furthermore, LocalTapiola will compensate for any reasonable and necessary expenses incurred

in the process of preventing or restricting imminent damage, even if the sum insured is thus exceeded.

However, the compensation paid for the goods and the abovementioned costs of preventing or mitigating the loss or damage cannot alone or together exceed the maximum amount of liability specified in the insurance contract or policy document.

Furthermore, the sum insured may be exceeded if the insurance indemnifies against a general average sacrifice, contribution or expense or related rescue expense, and another event causing coverable damage occurs to the goods later during the same shipment.

14.8 Amount of LocalTapiola's maximum total liability

The maximum amount of liability indicated in the insurance contract or policy is the maximum limit to LocalTapiola's liability to indemnify in each insured event.

If the combined insurable value of goods transported at the same time in the same vehicle or the total insurable value of goods or other insured risks at the same fair or exhibition exceeds the maximum liability specified in the insurance contract, underinsurance clauses are applied to determine the amount of compensation (see section 14.9).

LocalTapiola is liable for the part exceeding the maximum liability only in the event that insurance cover and an additional premium for that part has been specifically agreed upon before the commencement of the transportation.

14.9 Over- and underinsurance

If the goods are overinsured (section 3.4) LocalTapiola will only indemnify against the insured damage up to the correct insurable value.

If the goods are underinsured (section 3.4), LocalTapiola will indemnify the insured damage only to the extent the relation between the sum insured and the correct insurable value of the property indicates.

This clause is also applied when indemnifying costs referred to in the terms and conditions, as well as in connection with general average contribution. If, in the event of underinsurance, LocalTapiola has covered more costs or contributions

than it should have based on the reported underinsurance, the policyholder is obliged to refund the excess amount to LocalTapiola.

14.10 Double insurance

If more than one insurance company has issued insurance for the same goods and against the same risk, each of them is liable to the policyholder as if they had alone issued the insurance. If the interest, with the policies combined, is overinsured, the insured cannot nevertheless receive compensation from the policies in excess of the amount of loss or damage.

If more than one insurance company is liable to pay compensation for the same damage and the combined liabilities exceed the amount of compensation payable to the insured, the liability is divided between the insurance companies in proportion to their liabilities.

If the insured goods have also been insured by another insurance company and that company has set a condition that discharges itself from liability in part or in full in case of double insurance, the same condition is also applied to this contract.

15 LocalTapiola's right of recovery

15.1 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.

After receiving the compensation the insured must, at LocalTapiola's request and without delay, provide LocalTapiola with a transfer of rights document for the compensated amount, so that LocalTapiola can claim compensation from those responsible for the damage. If the insured party fails to fulfil this obligation, LocalTapiola has the right to reclaim from the insured party an equal amount of the compensation that LocalTapiola would have received from the party responsible for the damage.

If the policyholder or insured, through an agreement made before or after the damage, has partly or completely relinquished its right with respect to the third party, LocalTapiola will be discharged from liability by an equal amount.

15.2 LocalTapiola's right of recovery against the policyholder, the insured, or similar

LocalTapiola may reclaim compensation or part thereof from the policyholder, the insured or the party they are liable for if such a party has

- caused the insured event
- failed to fulfil the duty of disclosure upon conclusion of the agreement
- failed to fulfil its obligation to inform about increased risk
- failed to fulfil its obligation to follow precautionary guidelines or
- failed to fulfil the obligation to salvage.

When considering the amount of compensation to be reclaimed, the effect of the action or negligence on the occurrence of the insured event or the amount of loss is considered. In addition, possible intent, the type of negligence and other circumstances are taken into account.

16 Altering the insurance contract

16.1 Alteration of terms and conditions of contract during the insurance period

LocalTapiola has the right to alter the insurance premium and other terms and conditions of contract during the insurance period to correspond with new circumstances if

- the policyholder or insured has neglected the duty of disclosure when taking out the insurance policy
- circumstances reported to LocalTapiola by the policyholder or the insured upon conclusion of the insurance contract, or any other state of affairs specified in the insurance contract or policy document have changed during the insurance period, essentially increasing the risk of damage, and LocalTapiola cannot be deemed to have taken such change into account when concluding the contract
- general circumstances prevailing upon conclusion of the insurance contract have changed, essentially increasing the risk of loss or damage and LocalTapiola's liability for damages, and LocalTapiola cannot be deemed to have taken such change into account when concluding the contract
- statutory taxes or fees that the premium is subject to are changed.

Having been informed of such a circumstance, LocalTapiola without undue delay will notify the policyholder of how and as of what date the premium or other terms and conditions of contract will be altered.

Policyholders who do not accept the changes have the right to terminate the insurance contract within 14 days of having been informed about the change. In this event, the insurance contract will terminate on the said 14th day at midnight.

16.2 Amendment to terms and conditions of contract at the end of the insurance period

At the end of the insurance period, LocalTapiola has the right to alter the insurance terms and conditions and premiums and other terms of contract.

These changes will apply as of the beginning of the following insurance period. LocalTapiola must inform the policyholder of substantial changes no later than one (1) month before the beginning of the new insurance period. The insurance contract continues in the amended form, unless the policyholder terminates the contract in writing before the beginning of the new insurance period.

16.3 Adding new insured parties to the insurance contract

If the policyholder wants to include new companies in the insurance contract, LocalTapiola must immediately be notified about this.

The insurance will not cover the new companies until LocalTapiola has approved them for inclusion in the cargo insurance contract.

17 Termination of insurance contract

17.1 Fixed-term insurance contract

A fixed-term insurance contract expires on the agreed date without notice of termination, unless otherwise provided by these terms and conditions.

17.2 Permanent insurance contract

A permanent insurance contract expires after the period of notice, if the policyholder or LocalTapiola terminates the contract based on section 17.3, 17.4 or 17.5 in these terms and conditions.

17.3 Policyholder's right to terminate a permanent insurance contract

Unless otherwise agreed on the period of notice, the policyholder has the right to terminate a permanent insurance policy. LocalTapiola must be notified about termination in writing. Any other termination attempt is invalid.

- The written notice of termination must be sent to LocalTapiola no later than one (1)

month before the end of the insurance period or

- within 14 days of the changing of terms and conditions or being informed of a premium increase.

17.4 LocalTapiola has the right to terminate the insurance during the insurance period

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

1. the policyholder fails to inform LocalTapiola about a key indicator agreed to be used as a basis for the premium or provides false, misleading or incomplete information about it and it cannot be shown that the mistake or negligence is the fault of any other than the policyholder
2. the policyholder or insured has, before the insurance was granted, provided false or incomplete information
3. circumstances reported to LocalTapiola by the policyholder or the insured upon conclusion of the insurance contract, or any other state of affairs specified in the insurance contract or policy document have changed during the insurance period, essentially increasing the risk of damage, and LocalTapiola cannot be deemed to have taken such changes into account when concluding the contract
4. the policyholder or insured has wilfully or through gross negligence failed to follow the precautionary guidelines
5. the policyholder or insured has wilfully or through gross negligence caused an insured event
6. the policyholder or insured has fraudulently after the occurrence of an insured event, given LocalTapiola false or incomplete information that is of importance in assessing LocalTapiola's liability
7. the policyholder becomes insolvent or is declared bankrupt or
8. the insurance premium payment is delayed (see section 7.3).

LocalTapiola will terminate the insurance in writing and without undue delay once it has been informed of the grounds justifying termination.

If the reason for termination is included under sections 1, 7 or 8, the insurance policy will terminate after 14 days and in other cases one (1) month after the notification of termination was sent.

17.5 LocalTapiola's right to terminate an insurance contract at the end of the insurance period

LocalTapiola has the right to terminate an insurance contract for expiry at the end of the insurance period. LocalTapiola will send a written notification of termination no later than one (1) month before the end of the insurance period.

18 Applicable provisions

Finnish law is applied to the interpretation of the insurance contract, these general terms and conditions, general cargo insurance terms and conditions and special clauses attached to them.

The Insurance Contracts Act is applied only insofar as the terms and conditions attached to the insurance contract or the general imperative national or international provisions applied to cargo insurance do not stipulate otherwise or do not include regulations concerning the matter in question.

The Insurance Contracts Act is not applied as regards provisions concerning a third party's right in non-life insurance.

19 Appealing against LocalTapiola's decision

19.1 The right to request review

Should the policyholder or insured suspect an error in LocalTapiola's compensation decision or other decision, the policyholder or insured has the right to receive further information about the grounds for the decision. LocalTapiola will rectify the decision if new clarifications should warrant this.

19.2 The right to request a recommendation from the Finnish Insurance Complaints Board

The policyholder or claimant may ask for a decision recommendation from the Finnish Insurance Complaints Board. It gives recommendations in relation to disputes concerning interpretation and implementation under an insurance contract of the law and the terms and conditions of insurance. Processing by the Board does not prevent the policyholder from taking legal action. However, the Board does not handle matters that are pending in or tried before a court. Statements are issued by the Board free of charge.

19.3 The right to file a claim with the District Court

Legal action against a decision by LocalTapiola must, on pain of forfeiture of the right, be taken within three (3) years of LocalTapiola's decision and this deadline being received in writing by the party concerned.

Furthermore, in transportation damage the necessary measures must be taken to retain the right of action towards the party liable for the damage, and it must be taken into account that deadlines set out in law, provisions and contractual terms and conditions may fall sooner than the abovementioned deadline for taking legal action.

Legal action concerning a decision made by LocalTapiola must be taken either in the district court of LocalTapiola's domicile or a claimant's Finnish domicile or in the district court of the location of the damage, unless otherwise agreed upon, and must be subject to Finland's international conventions.

However, disputes concerning a claim based on marine insurance must be submitted to an average adjuster, serving as the court of first instance (Act concerning specification of claims settlement by an average adjuster in marine insurance, 10/53) before legal proceedings can be begun in a district court. LocalTapiola is responsible for paying the average adjuster's fee and expenses, unless the claimant's claim is clearly unjustified. The claimant and LocalTapiola are liable for their respective expenses arising from the matter.

19.4 Arbitration proceedings in disputes

If the dispute concerns a sum of over EUR 100,000, or dispute relating to the insurance contract other than an appeal against LocalTapiola's decision on claim, and the matter is not associated with the collection of premiums receivable, the final settlement of disputes takes place through arbitration in accordance with the rules of the arbitration committee of the Finnish Central Chamber of Commerce.

An application to initiate arbitration must be filed within three (3) years of the party concerned being informed of LocalTapiola's decision and this deadline in writing. After the abovementioned period, the right to initiate arbitration expires.

20 Other regulations

20.1 Partial invalidity of insurance contract

If an individual clause or part thereof in the insurance contract is declared invalid, the other terms and conditions of the contract will remain in force.

20.2 Force majeure

LocalTapiola is not liable for damage or loss resulting from delayed or failed claims handling, payment of compensation or repair of damaged property because of

- war
- war-like action
- terrorism
- civil war
- revolution
- rebellion
- civil commotion or unrest
- strike
- lockout
- blockade
- or other similar incident or action taken by the authorities or exceptional political, economic or social conditions.

20.3 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. The privacy statements can be viewed in more detail on the LocalTapiola website and they can also be requested by emailing tietosuoja@lahitapiola.fi.

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.