

General terms and conditions for cargo insurance Finland For Corporate Customers S03

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1 Key concepts

The key content of the insurance contract is specified in the insurance contract or insurance policy, in these Cargo Insurance Contract Conditions (for corporate customers) attached to the policy and in the policy conditions.

Policyholder is the party that concludes an insurance contract with LocalTapiola or underwrites insurance.

Insured is the party in whose favour the insurance is in force.

Insurance period is the period recorded in the insurance contract or insurance policy during which the insurance is in force. Unless otherwise agreed, an insurance period is twelve months long.

Premium period is the period for which the premium has been agreed to be paid.

Occurrence of an insured event is an event covered by the insurance.

Precautionary guidelines constitute an obligation imposed in the insurance contract, policy conditions or elsewhere in writing on the Policyholder or the Insured to comply with regulations issued to prevent or limit the occurrence of loss or damage.

LocalTapiola refers to LocalTapiola General Mutual Insurance Company.

Marine insurance refers to cargo insurance against perils to which the insured goods are exposed during marine transit. Even if any part of a transit is carried out or has been intended to be carried out by sea, the whole transit is considered to be a marine transit.

Other cargo insurance refers to cargo insurance against perils to which the insured goods are exposed during transit other than marine transit.

Insured goods refers to any legal merchandise specified in the insurance contract or insurance policy which is in transit or in storage or any other legal property specified in the contract.

Corporate customer refers to any natural or artificial person who carries on a trade or business in order to earn income or make a profit.

Cargo carrying unit refers to a container, flat or similar equipment.

2 Information disclosed before conclusion of insurance contract

2.1 LocalTapiola's duty of disclosure

Before a continuous insurance contract is concluded, LocalTapiola provides the Policyholder with any information that the Policyholder may need to assess his insurance requirement and select the insurance, such as details on LocalTapiola's insurance products, insurance premiums and policy conditions.

In the case of insurance contracts concluded for a fixed period of time or for a single transit, the Policyholder is to be given details of the applicable policy conditions and the premium amount.

2.2 Policyholder's duty of disclosure

In the context of these conditions, the term Policyholder also refers to the Insured and to any representative of the Policyholder or the Insured. Before the issuance of an insurance contract, the Policyholder and the Insured shall give such true and sufficient information as may be of importance for the assessment of the liability of LocalTapiola. Such information may refer, for example, to information on the goods concerned and their value and exposure to damage, information on the transit, transit conveyance, line of the company's business and the company's claims history. Moreover, throughout the insurance period, the Policyholder shall without undue delay rectify any errors or omissions that he may discover in the information given to LocalTapiola.

If the Policyholder has failed to fulfil his duty of disclosure, LocalTapiola is not bound by the insurance contract or, alternatively, LocalTapiola is entitled, at its discretion, to reduce or refuse compensation. When assessing the consequence of the Policyholder's failure to fulfil the duty of disclosure, account shall be taken of the importance of the circumstance that the incorrect or incomplete information refers to. In addition to what is provided above, LocalTapiola is entitled to terminate the contract as provided in 16.3.

If the Policyholder has acted in bad faith, LocalTapiola is entitled to retain all premiums paid regardless of the fact that the policy is terminated before the close of the insurance period.

3 Insurable value and sum insured

3.1 Insurable value

The insurable value equals the value of the goods specified on the invoice, including the transit costs and the insurance premium to be paid by the Insured.

If the insurance is in force in favour of the buyer, the insurable value is the above mentioned value plus 10 per cent.

If the goods insured are not accompanied by an invoice, the insurable value equals the market value of the goods in the place where and at the time that the insurance attaches, including the transit costs and the insurance premium to be paid by the Insured.

The insurable value of the goods may also be agreed in another manner in the insurance contract.

3.2 Sum insured

The amount to be declared as the sum insured shall equal the insurable value.

The sum insured is based on the Policyholder's own declaration and LocalTapiola is not liable for any discrepancy between the sums insured and the real values. Neither is LocalTapiola liable to verify the correctness of the amount declared as the sum insured.

The sum insured can, however, be agreed separately with LocalTapiola. The agreed sum insured is binding on both parties, unless LocalTapiola proves that compensation calculated according to the sum insured would amount to a far higher figure than would be needed for covering the loss or damage sustained.

3.3 Overinsurance and underinsurance

If the sum insured exceeds the insurable value of the property insured, the property is overinsured.

If the sum insured falls short of the insurable value of the property insured, the property is underinsured. If the property is underinsured, part of the risk is born by the Policyholder. Details of compensation paid in a loss event are set forth under 13.8.

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

4.1 Attachment of LocalTapiola's liability

Unless specifically agreed otherwise, the insurance attaches when LocalTapiola or the Policyholder delivers or dispatches an acceptance of the offer made by the other party to the contract.

An application for insurance or an acceptance delivered or dispatched by the Policyholder to a representative of LocalTapiola is considered to have been delivered or dispatched to LocalTapiola.

In the absence of evidence of the hour of delivery or dispatch, an acceptance or an application is considered to have been delivered or dispatched at 12.00pm.

4.2 Validity of insurance contract

Unless otherwise agreed, the insurance contract is a continuous contract. A continuous insurance contract is in force for one insurance period at a time, unless either party gives notice of termination of the contract in writing at least one month before the close of the insurance period.

A fixed-period insurance contract is in force for an agreed period of time. An insurance contract covering a single transit is in force for the duration of the agreed, separately specified transit.

If the insurance contract is terminated by either party in accordance with what is provided in 16.2, 16.3 or 16.4 or in the contract, the insurance covers all such transits as have commenced during the validity of the insurance contract. Cover against other risks such as storage terminates at the close of the contract at the latest.

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 Transits and storage covered by insurance contract

The insurance contract covers all such transits and storage of goods relating to the Policyholder's business as have been specified separately in the insurance contract.

Unless otherwise agreed, the insurance contract does not, however, cover transits which are not accompanied by any bill of lading, waybill or other shipping document.

A single transit can be incorporated in an insurance contract only if the transit starts during the validity of the contract and if the Policyholder, according to either the delivery terms or another contract concluded before the transit, carries the risk involved in the goods or is liable to insure the goods. The insurance contract does not, however, cover transits which are to be insured by some other party to the transaction or to another contract (eg where goods are purchased on CIF or similar terms).

Goods purchased during the transit are covered by the insurance contract from the moment that either the risk involved in the goods or the duty to insure is transferred to the Policyholder, providing that the matter has been specifically agreed upon in advance between LocalTapiola and the Policyholder.

The date of the first bill of lading, tally clerk's receipt, waybill or other similar document issued on the transit of the goods is decisive proof of whether the transit, which is otherwise covered by the insurance contract, has commenced during the validity of the insurance contract. If the date of the document deviates from the attachment of liability set forth in the cargo insurance conditions, the date of commencement is determined according to the cargo insurance conditions.

Once incorporated into an insurance contract, a transit or storage may not be excluded from the contract even in part, not even if the buyer, seller, forwarder or another party had insured the goods elsewhere.

6 Insurance premium

6.1 Premium rating

Insurance premiums are calculated in accordance with the premium rating criteria set forth in either the insurance contract or attachment to the contract. In the absence of agreed rating criteria, cargo insurance is priced on a case by case basis.

If the premium calculated according to the premium rating criteria falls short of the minimum insurance premium specified in the insurance contract, the premium is set at the minimum insurance premium.

All taxes and charges payable on the insurance premium according to law are charged in addition to the insurance premiums specified in the insurance contract.

The Policyholder shall provide the information needed for premium rating within the period specified by LocalTapiola in the agreed manner. Otherwise LocalTapiola is entitled to assess the insurance premium.

Using an authorised public accountant, LocalTapiola is entitled to access any such information on the Policyholder's accounts and documents as relates to the Policyholder's commitments under the insurance contract.

6.2 Payment of premium

Insurance premium is payable not later than the due date. If the Policyholder's payment is not sufficient to cover all insurance premiums due to LocalTapiola, LocalTapiola is entitled to choose the premiums towards which the payment is to be applied.

6.3 Delay in payment of premium

If the cargo insurance premium is not paid at the due date at the latest, LocalTapiola is entitled to terminate the insurance contract at 14 days' notice, calculated from the dispatch of the notice.

If an insurance premium is not paid when due, penalty interest is charged on the unpaid premium in accordance with the Interest Payment Act for the period of the delay.

6.4 Return premium

If a continuous insurance contract is terminated earlier than agreed, LocalTapiola is entitled to an insurance premium due only for the period during which cover has operated. If the insurance premium is largely determined by a factor other than time, LocalTapiola's entitlement to the insurance premium is calculated on the basis of such other factor. The rest of the insurance premium already paid is returned to the Policyholder.

If the amount of the insurance premium is no higher than the minimum premium agreed for the insurance, or if the amount to be returned is less than 10 euros, the amount is not returned.

If in any insurance period compensation is paid for the sum insured or if the goods insured are replaced or if full compensation has been paid in respect of storage, no premium is returned in this respect for the insurance period.

Neither is any premium returned in case of fraudulent action in any of the situations referred to in 2.2, 7.2 and 16.3.

6.5 Offsetting against return premium

LocalTapiola is entitled to set off any unpaid premiums or other amounts that under the insurance contract or otherwise may be due from the Policyholder to LocalTapiola against the premium to be returned.

7 Information disclosed during validity of contract

7.1 LocalTapiola's duty of disclosure

After the conclusion of an insurance contract, LocalTapiola gives the Policyholder both the cargo insurance conditions and the cargo insurance contract conditions together with the insurance contract, certificate of insurance or insurance policy. If details of the cover provided have been communicated on the basis of an earlier customer relationship, the documents are provided only if requested by the Policyholder.

While the insurance contract is in force, LocalTapiola gives the Policyholder annual information on such circumstances surrounding the insurance as are of manifest significance to the Policyholder.

7.2 Policyholder's and Insured's duty to disclose increase in risk

The Policyholder or the Insured shall notify LocalTapiola without delay about any change occurred during the insurance period either in the circumstances reported to LocalTapiola by the Policyholder or the

Insured at the time the insurance was concluded or in the circumstances recorded in the insurance policy which materially increases the risk and which LocalTapiola cannot be considered to have taken into account when the contract was concluded.

Such changes include, for example, any such changes in either the goods carried, transport packing, unitisation, method of transport, conveyance, route or handling methods as increase the risk covered by the insurance.

If the Policyholder or the Insured fails to fulfil his duty of disclosure, compensation may be reduced or refused. When assessing whether compensation should be reduced or refused, account is taken of the importance that the circumstance that increased the risk had on the occurrence of the loss or damage.

7.3 Policyholder's duty to disclose transits covered by the contract

The Policyholder shall disclose all transits and/or storage of goods covered by the contract in the manner specified in the contract within the period indicated by LocalTapiola.

If the Policyholder has not had any of the transits or storage of goods referred to in the contract, this shall also be disclosed. If the Policyholder wilfully or through negligence which cannot be considered slight fails to disclose any transit or storage specified in the insurance contract or gives incorrect, misleading or incomplete information on such transit or storage, compensation may be reduced or refused.

8 Duty to prevent loss and action to be taken on occurrence

8.1 Duty to comply with precautionary guidelines

The Policyholder and the Insured shall comply with the precautionary guidelines included in the insurance contract, insurance policy or policy conditions or otherwise given in writing. If the Policyholder or the Insured fails to comply with the precautionary guidelines, compensation may be reduced or refused.

When assessing whether compensation should be reduced or refused, account is taken of the importance that the non-compliance had on the occurrence or on the size of the loss or damage.

8.2 Duty to complain and report

The Policyholder or the Insured shall

- inspect the external condition and the quantity of the goods to be accepted for transit;
- complain in writing about any loss or damage discovered to the haulier, the haulier's representative or another party liable for the loss or damage before acknowledging receipt of the goods or, if the loss or damage cannot be directly discovered, as soon as it is discovered, taking account of the time limits and provisions issued on this matter;
- take any other necessary action without delay in order to secure LocalTapiola, once it has paid compensation for the occurrence, the right to claim compensation from the party that is or can be assumed to be liable for the loss or damage;

- d) inform the police without delay whenever the loss event can be assumed to involve crime;
- e) discontinue, where required, to discharge the goods from the packing for the purpose of loss survey in order to investigate the factors that contributed to the occurrence and nature of the loss or damage;
- f) take care of the damaged goods and inform LocalTapiola or LocalTapiola's representative without delay and comply with their instructions;
- g) reserve LocalTapiola an opportunity to inspect the goods.

If the goods are damaged, neither the Policyholder nor the Insured is entitled to refuse to accept the goods for transit.

8.3 Duty to prevent and limit loss

- a) If any loss or damage is being sustained or threatening, the Policyholder or the Insured shall take measures to prevent or limit the loss or damage and see to it that the damaged goods do not damage the part of the cargo that is undamaged. The Policyholder and the Insured shall comply with instructions given by LocalTapiola or LocalTapiola's representative about preventing or limiting loss or damage.
- b) LocalTapiola covers all reasonable and necessary costs arising from compliance with the duty to prevent or limit any loss or damage covered by the insurance, even if the sum insured were thereby exceeded.
- c) No action taken by the Policyholder, the Insured or LocalTapiola to save, protect or recover goods has any effect on the right to claim compensation or on LocalTapiola's final liability to pay compensation.

8.4 Consequences of failure to fulfil duties

If the Policyholder or the Insured fails to fulfil any of their duties mentioned above, compensation may be reduced or refused. When assessing whether compensation should be reduced or refused, account is taken of the importance that the failure had on the occurrence and the size of the loss or damage and on whether the tortfeasor should be brought to justice.

9 Causation of insured event

If the Policyholder or the Insured has wilfully caused the occurrence of an insured event, LocalTapiola is discharged from liability. If the Policyholder or the Insured has caused the occurrence of an insured event through gross negligence or if use of alcohol or narcotics on the part of the Policyholder or the Insured has contributed to the occurrence of an insured event, compensation may be reduced or refused.

When assessing whether compensation should be reduced or refused in the cases mentioned above, account is taken of the importance that the Policyholder's or the Insured's action had on the occurrence of the loss or damage. Account is also taken of the nature of the Policyholder's or the Insured's negligence and other circumstances.

10 Identification

What is provided in sections 7, 8 and 9 as well as in sections 12, 15 and 16 about the Policyholder, the Insured or the claimant also applies, where applicable, to

- their employees;
- persons for whom they are responsible; and
- persons who act as their representatives.

11 Entitlement to compensation

Entitlement to compensation under the insurance is held by the person that presents a duly endorsed insurance policy.

If no insurance policy has been issued, entitlement to compensation is held by

- the Policyholder, if the Policyholder carried the risk involved in the goods at the time of the loss or damage;
- the person in whose favour the Policyholder has taken out the insurance under his contractual obligation (eg sales on CIF or similar terms), providing that such person also carried the risk at the time of the loss or damage. (See clause 5)

The claimant shall present written evidence, such as an invoice or a sales contract with delivery terms, to the effect that that he is entitled to compensation on the grounds mentioned above or directly under law as eg a pledgee.

LocalTapiola is entitled to pay compensation to any person presenting a duly endorsed insurance policy and be thereby discharged from liability. LocalTapiola is entitled to return of the insurance policy issued by it after payment of final compensation.

The insurance is not in force either directly or indirectly in favour of the haulier of goods or another person who has custody of the goods or who performs duties relating to the transit.

12 Claims procedure

12.1 Duties of the claimant

Any loss or damage shall be reported to LocalTapiola without delay and LocalTapiola shall be reserved an opportunity to survey the goods.

The claimant shall give LocalTapiola such documents and information as may be needed for assessing LocalTapiola's liability. Such documents and information include eg the normal shipping document, invoice, complaint, survey report, abstract of title and any other document that reveals whether the loss or damage results from an insured event, how large the loss or damage is and to whom the compensation is to be paid.

LocalTapiola is not liable to pay the claim until the above mentioned documents and information have been received.

If after the occurrence of an insured event the Insured or another claimant has fraudulently given LocalTapiola incorrect or incomplete information which is of importance for the assessment of the occurrence and of LocalTapiola's liability, compensation may be reduced or refused.

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.

12.2 LocalTapiola's duty

LocalTapiola pays the claim in accordance with the insurance contract within one month of the date at which LocalTapiola received a detailed claim for compensation.

If the claim is not accompanied by all the documents and information needed for the assessment of liability and calculation of the amount of compensation, LocalTapiola pays the claim within one month of the date that such documents and information are delivered. If delivery of the documents is excessively delayed for reasons beyond the Policyholder's control, LocalTapiola pays the part of the claim that according to the available documents can be assessed as final.

If a claim is not paid within the time limit mentioned above, annual penalty interest shall be paid for the period of delay in accordance with the Interest Payment Act, calculated from the date at which compensation should have been paid at the latest.

12.3 Limitation on claim

- a) The claimant shall file a written report of any loss or damage with LocalTapiola not later than six months of the termination or probable termination of the insured transit or, if this cannot be established or applied, of the date or probable date of the occurrence of the loss or damage. If no report is filed, the right to compensation is forfeited.
- b) In addition to the above, a detailed claim for monetary compensation shall be made within no more than 11 months of the termination or probable termination of the insured transit or, if this cannot be established or applied, of the date or probable date of the occurrence of the loss or damage. If the right of subrogation or entitlement to any amount made good in general average is forfeited because the claim is delayed, the claimant's right to compensation is forfeited accordingly.
- c) A detailed claim for monetary compensation shall, however, always be made within no more than three years of the termination or probable termination of the transit or, if this cannot be established or applied, of the date or probable date of the occurrence of the loss or damage. Otherwise the right to compensation under the insurance is forfeited.

12.4 Payment to wrong person

If LocalTapiola has paid compensation under the insurance to a person other than the person entitled to such compensation, LocalTapiola has performed its obligation providing it has observed the care required by the circumstances when effecting the payment.

12.5 Right of set-off

LocalTapiola is entitled to set off any unpaid premiums and other amounts due to LocalTapiola under the insurance contract or otherwise against the compensation due.

13 Payment of compensation

13.1 Assessment of compensation

Compensation is paid for the direct cost or loss resulting from property damage, yet no more than the sum insured, with the deductions and exclusions mentioned in the insurance contract and policy conditions and these conditions (see 13.6 to 13.8).

Compensation may be paid for the cost of repair, loss in value or any such part of the sum insured as equals the loss or damage sustained, depending on which of the alternatives is the most expedient.

13.2 Compensation paid for the sum insured or part thereof

Compensation is paid for the sum insured or part thereof if an event covered by the insurance has caused the goods

- to get lost or destroyed altogether or damaged to such an extent that the original nature of the goods has completely disappeared; or
- to get into such a state that the goods cannot be salvaged at reasonable expenses within six months.

If LocalTapiola has in such a case paid compensation for the insurable value of the goods, LocalTapiola may at its discretion exercise control over the goods. Goods are considered lost if

- the goods have not arrived as a result of an event covered by the insurance within 60 days of the agreed or estimated date of termination of the insured transit and the whereabouts of the goods are not known or, where the whole cargo carrying unit is lost, within 90 days of the agreed or estimated date of termination of the transit;
- the conveyance has been abandoned and the goods carried onboard are not found within the time limits mentioned in the preceding item; or
- the goods have been lost and not found within 60 days of the estimated date of termination of the transit and the haulier or another person who has custody of the goods admits in writing that the goods are lost.

13.3 Repair costs

If the damaged property can be restored to its predamage state or to a similar state by repairs or by replacing the damaged part by a new one or by a part equal to the original, compensation is only paid for expenses arising therefrom.

No compensation is paid for any increase in repair costs resulting from the Policyholder choosing a repair method other than ordinary or from procedures relating to such other repair method (eg overtime work or express freight).

13.4 Compensation for shortage or leakage

When the amount of compensation due for shortage or leakage is calculated, an amount equalling the ordinary

wastage agreed or assessed in accordance with the business practice is deducted from the compensation.

13.5 Loss in value

In all other cases the loss in the value of the goods is determined, unless otherwise agreed, either in a joint survey by the contracting parties or, where required, in an official survey as provided in the Maritime Act or, if the loss in the value cannot be so determined, by selling the goods. If LocalTapiola so insists, the goods shall be sold at a public auction.

The loss in the value is expressed as a percentage by comparing the market value of the damaged goods at the destination to the market value of undamaged goods at the destination. The market value is determined as the gross market value (including freight, customs and other charges) by including the same items in the two values compared. Compensation equals the percentage of the loss in value, calculated on the insurable value or the sum insured, whichever is lower.

13.6 LocalTapiola's aggregate maximum liability per any one transit and/or storage

LocalTapiola is liable for the goods insured up to an upper limit set for any one conveyance, transit or storage and recorded on the contract.

If the aggregate insurable value of the goods insured under one insurance and placed in one storage or carried onboard one conveyance exceeds the upper limit of LocalTapiola's liability entered on the contract, the provisions on underinsurance apply (see 13.8).

LocalTapiola is liable for any loss or damage in excess of the upper limit only if such loss or damage has been agreed to be insured for an additional premium before the commencement of the transit.

13.7 Sum insured as the maximum amount of compensation

The maximum amount of compensation paid by LocalTapiola per any one transit or any one storage is the sum insured (see section 3), as specified in the insurance contract or insurance policy.

Notwithstanding the above, LocalTapiola covers all reasonable and necessary costs arising from compliance with the duty to prevent or limit a threatening loss or damage covered by the insurance, even if the sum insured were thereby exceeded.

The sum insured may also be exceeded in cases where LocalTapiola first pays compensation for sacrifice or contribution to general average or salvage costs relating thereto and the goods are later during the same transit damaged by a covered peril.

13.8 Overinsurance and underinsurance

If the goods are overinsured (see 3.3), LocalTapiola does not cover any more of the loss or damage sustained by the overinsured property than is needed to cover the loss or damage calculated according to the correct insurable value.

If the goods are underinsured (see 3.3), LocalTapiola covers only part of the loss or damage sustained by the underinsured property as a result of an insured event, calculated in proportion to the sum insured and the correct insurable value.

This provision also applies to compensation payable for the expenses and general average contribution mentioned in these conditions. If compensation for expenses or general average contribution has been paid for an amount higher than that calculated on the underinsured amount, the Policyholder shall return the excess to LocalTapiola.

13.9 Double insurance

If several insurers have issued insurance policies to cover the same goods against the same loss or damage, all the insurers are liable to the Insured as if each had issued the insurance alone. If the interest is overinsured, measured by the total amount of the insurance policies taken out, the Insured is not, however, entitled to compensation any higher than the cost of the loss or damage sustained.

If several insurers are liable for the same loss or damage and the total of amount of compensation due from the insurers together exceeds the amount of compensation due to the Insured, liability is determined between the insurers on a pro rata basis.

If the insured goods have been insured by another insurer and such other insurer has imposed a provision which discharges the insurer from liability either in full or in part in case of double insurance, the same provision applies to this insurance.

14 LocalTapiola's subrogation rights

14.1 LocalTapiola's subrogation right against third parties

When LocalTapiola has paid compensation for any loss or damage, the injured's right to recover compensation for the loss or damage from a third person is subrogated to LocalTapiola in an equal amount.

If the Policyholder or the Insured has waived his right against third parties in part or in full by any agreement made before or after the occurrence of loss or damage, LocalTapiola is discharged of its liability correspondingly.

14.2 LocalTapiola's subrogation right against Policyholder, Insured or person identifiable with Insured

LocalTapiola is entitled to recover any compensation paid by it in full or in part from the Policyholder, the Insured or any person for whom the two are responsible if such person

- has caused the occurrence of an insured event
- has neglected his duty of disclosure at the time the contract was concluded
- has neglected his duty to inform the Insurer of an increase in risk
- has neglected his duty to comply with precautionary guidelines; or
- has neglected his duty to prevent and limit loss or damage.

When the amount of compensation to be recovered is assessed, account is taken of the importance that the action or failure has had on the occurrence of the loss or damage. Account is also taken of the nature of the negligence and other circumstances.

15 Amendments to insurance contract

15.1 Amendments to policy conditions and premium rating criteria during insurance period

LocalTapiola is entitled to change the insurance premium and amend any other policy conditions during an insurance period to meet the changed circumstances in the event that

- the Policyholder or the Insured has failed to fulfil the duty of disclosure on the conclusion of the insurance contract;
- there has been a major change during the insurance period in the circumstances reported by the Policyholder or the Insured to LocalTapiola or recorded in the insurance contract or insurance policy at the time the insurance contract was concluded which increases the risk and which LocalTapiola cannot be considered to have taken account of at the time;
- there has been a major change which increases the risk in the general circumstances prevailing at the time the insurance contract was concluded and which LocalTapiola cannot be considered to have taken account of at the time.

After becoming aware of the above mentioned circumstance, LocalTapiola shall, without undue delay, dispatch a notice indicating how and at what date the premium or other policy conditions change.

If the Policyholder does not accept any of the amendments made, he is entitled to terminate the insurance within 14 days of the date at which he became aware of the amendment. The insurance contract will then terminate on the said 14th day at 12pm.

15.2 Amendments to insurance contract or premium rating criteria at close of insurance period

At the close of any insurance period, LocalTapiola is entitled to change policy conditions, insurance premiums and any other conditions governing the contract.

The amendments are complied with from the commencement of the following insurance period. LocalTapiola shall dispatch a notice of the amendments not later than one month before the commencement of the following insurance period. The insurance contract continues to be in force in the amended form, unless the Policyholder terminates the contract or cover in writing before the commencement of the following insurance period.

16 Termination of insurance contract

16.1 Fixed-period or single-transit insurance contract

Subject to these conditions, a fixed-period insurance contract expires at the agreed date recorded in the insurance contract or insurance policy. A single-transit insurance contract only covers the agreed transit.

Details of the validity of cover are set forth in the cargo insurance conditions.

16.2 Policyholder's right to terminate continuous insurance contract

Unless otherwise agreed about the period of notice, the Policyholder is entitled to terminate a continuous insurance policy by giving written notice

- a) one month before the close of an insurance period;
- b) within 14 days of receipt of notice of change in conditions or of premium increase; or
- c) when the owner of the insured property changes and the Policyholder's need to insure ends. The insurance may then be terminated as from the date of transfer of title.

16.3 LocalTapiola's right to terminate insurance contract during insurance period

LocalTapiola is entitled to terminate the insurance contract during the insurance period if

- a) the Policyholder fails to inform LocalTapiola of any transit or storage covered by the contract or gives incorrect, misleading or incomplete information thereon, and it cannot be proved that the error or failure results from a source other than the Policyholder;
- b) either the Policyholder or the Insured has given incorrect or incomplete information prior to the issuance of the insurance;
- c) there has been a change during the insurance period in the circumstances reported by the Policyholder or the Insured to LocalTapiola or recorded in the insurance contract or insurance policy at the time the insurance contract was concluded which materially increases the risk and which LocalTapiola cannot be considered to have taken account of at the time;
- d) the Policyholder or the Insured has wilfully or through gross negligence failed to comply with precautionary guidelines;
- e) the Policyholder or the Insured has wilfully or through gross negligence caused the occurrence of an insured event;
- f) the Insured has, after the occurrence of an insured event, fraudulently given LocalTapiola incorrect or incomplete information of importance for the assessment of LocalTapiola's liability;
- g) the Policyholder becomes insolvent or is declared bankrupt;
- h) payment of insurance premium is delayed (see 6.3).

After learning about a circumstance which justifies termination, LocalTapiola shall give written notice of the termination of the insurance without undue delay.

If the insurance is terminated for any of the reasons referred to in (a), (g) or (h), the insurance terminates within 14 days and in all other cases within one month of the date of dispatch of the notice of termination.

16.4 LocalTapiola's right to terminate insurance contract at close of insurance period

LocalTapiola is entitled to terminate the insurance contract at the close of any insurance period. Notice of such termination shall be given in writing not later than one month before the close of the relevant insurance period.

17 Applicable law

The insurance contract, the General Cargo Insurance Conditions Finland and these Cargo Insurance Contract Conditions are governed by Finnish law. The currently effective Insurance Contracts Act is applied with the exception of the provisions on third party rights regarding non-life insurance (section 9 in the Act of 28.6.1994/543) and only to the extent not otherwise or equivalently stipulated in the Insurance Contract, these General Contractual Terms and Conditions, Insurance Terms and Conditions, and any national or international principles applied to cargo insurance generally.

18 Redress mechanism

Any action against LocalTapiola's decision on a claim shall be taken within one year of the date of receipt by the party concerned of LocalTapiola's written notice of the decision and of the time limit, under penalty of forfeiture of the underlying right.

Any disputes about LocalTapiola's decisions on claims, about the insurance policy or the insurance contract are settled in the lower court of LocalTapiola's domicile, unless otherwise agreed. Disputes about marine insurance claims shall, however, be referred to the Finnish Average Adjuster as the court of first instance (The Maritime Act 674/1994).

The Average Adjuster's fees and charges are met by LocalTapiola, unless the claimant's claim is manifestly unjustified. Any costs incurred by the involved parties themselves in connection with disputes are met by the claimant and LocalTapiola themselves.

19 Processing of personal data

LocalTapiola ensures the protection of our customers' privacy, and we process all personal data, in line with data protection legislation, insurance legislation, and good data management and data processing practice.

Personal data are processed in order to offer LocalTapiola's products and services and to take care of customer relationships. Data may also be used for purposes such as marketing to customers.

LocalTapiola utilises automated decision-making and profiling in tasks including the making of insurance decisions and claim settlement decisions and the targeting of marketing efforts. Every service making use of automated decision-making notifies of this in connection with that service.

Personal data are mainly obtained directly from customers, parties authorised by customers, public registers maintained by the authorities, and the credit register. Personal data are disclosed to third parties only with the customer's consent or under a legislative provision.

Into the insurance companies' common claims register, LocalTapiola registers data on the claims filed with us and in this connection checks what claims have been submitted to other insurance companies. The data in the claims register are used in claims handling to combat abuses targeting insurance companies. Into the insurance companies' common fraudulent claims register, LocalTapiola registers data on the criminal offences and the suspected criminal offences targeting the insurance activities in which LocalTapiola engages and checks the customer data available in the register. Data in the fraudulent claims register are used in claims handling and in the processing of insurance matters to combat crime targeting insurance companies.

Know Your Customer data and other personal data may be used in investigating, exposing and preventing money laundering and terrorist financing. In addition, data may be disclosed to the authorities to initiate investigations of money laundering and terrorist financing and of criminal offences committed to obtain any property or proceeds of crime subject to money laundering or terrorist financing.

LocalTapiola saves telephone calls and chat sessions with customers to verify that a call or a chat session has taken place and to ensure service quality.

Privacy statements have been compiled with respect to LocalTapiola's personal data files, providing information on the personal data processed in the data files, on the processing of these personal data, and on the data subject's rights. To read more about the privacy statements and how personal data are processed, visit LocalTapiola's website lahitapiola.fi/henkilotietojenkasittely. Privacy statements are also available upon request by mail or via an email to tietosuoja@lahitapiola.fi.

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.

