

# Terms and Conditions for Property Insurance and Safety Guidelines ES1

## Content

1 Property insurance cover.....	1
2 Terminology related to property insurance.....	1
2.1 Replacement value.....	1
2.2 Full value .....	1
2.3 Current value.....	2
2.4 Market value .....	2
2.5 First loss .....	2
2.6 Insured value.....	2
2.7 Sum insured.....	2
2.8 Residual value.....	3
2.9 Under- and overinsurance .....	3
2.10 Deductible.....	3
2.11 Geographical limits of property insurance.....	3
2.12 Insured premises .....	3
2.13 Surface area.....	3
3 Objects of property insurance.....	4
3.1 Buildings.....	4
3.2 Movable fixed assets and investment protection...5	
3.3 Inventories .....	6
3.4 Money and securities.....	6
3.5 Foreign property .....	7
4 Validity of property insurance .....	7
4.1 Property at place of business and varying locations .....	7
4.2 Temporary transfer and storage of property.....8 (temporary removal clause) .....	8
5 Property insurance .....	8
5.1 Fire insurance .....	8
5.2 Natural phenomenon insurance .....	9
5.3 Leakage insurance .....	9
5.4 Insurance against property crime .....	10
5.5 Insurance against breakages .....	13
5.6 Frozen food and refrigerated products insurance16	
5.7 General indemnification limits of property insurance.....	17
5.8 Indemnification limits in emergencies.....	18
6 Indemnification regulations of property insurance .....	18
6.1 Amount of damage based on the replacement value .....	18
6.2 Amount of damage in special cases .....	19
6.3 Indemnification .....	21
6.4 Compensation payment.....	21
6.5 Other rules concerning insurance cover .....	22
7 Precautionary guidelines .....	23
7.1 Binding force and purpose of precautionary guidelines .....	23
7.2 Compliance with official regulations .....	23
7.3. General duty to exercise proper care .....	23
7.4 Fire prevention .....	24
7.5 Prevention of leak damage .....	30
7.6 Prevention of criminal damage .....	30
7.7 Prevention of breakages .....	36

## 1 Property insurance cover

Property insurance compensates direct damage to the policyholder's property, as well as costs separately mentioned in the terms and conditions in accordance with the insurance contract between LocalTapiola and the policyholder.

The property insurance contract consists of the policy and special and product-specific conditions contained in it concerning each property coverage, as well as these general terms and conditions for property insurance and general contract terms.

Upon the conclusion of the insurance contract or when the insurance cover is modified, it may have been agreed that the insurance cover included in the contract is more limited or extensive than set out in these terms and conditions. Exceptions are stated in the insurance policy. The objects of insurance, sums insured, selected insurance cover and deductibles are described in the policy.

## 2 Terminology related to property insurance

### 2.1 Replacement value

The replacement value is the amount needed to replace the damaged property with new identical property or new property with the most closely corresponding operating characteristics in the same location. The replacement value also includes normal transportation and installation expenses.

Normal transportation and installation expenses refer to the costs incurred when normal transportation methods are used and installations are performed during normal business hours by the workforce normally used for installations.

### 2.2 Full value

Property is insured at full insured value, if the insurable value is specified as full value and the key figures of buildings and movable property used as

the basis for insurance premiums have been reported at their actual value.

The key figures used as grounds for determining insurance premiums in full-value insurance include the surface area of a building and of the business premises used by a company.

### 2.3 Current value

The current value is the sum achieved by deducting from the replacement value property depreciation due to

- aging;
- wear;
- outdated technology;
- decreased usability; or
- other similar reason.

Current value calculations also take into consideration the decrease in usability resulting from changed local conditions, such as the cessation of industrial and commercial activities. However, such changes in local conditions are not taken into consideration when determining the current value of a building that is to be replaced with a new building on the same site.

### 2.4 Market value

The market value of property refers to the likely sale price that would be received in exchange for the property in a transaction between parties independent of each other.

As regards work machinery running on its own engine power, the market value is the cash price that is generally available for the machine on the market on the day of the occurrence of the event insured against, if the vehicle were sold in an appropriate manner. Market value does not refer to the sale price, asking price, or trade-in price of a sales outlet but to a price that several people would have actually been prepared to pay for the item.

In determining the market value of a work machine, the market price for a same make and model as the insured object, year of manufacture, life expectancy, usage hours or mileage, equipment, individual condition, and other relevant factors are taken into account.

The concept is used when determining the value of a work machine running on its own engine power or of work of art, amongst other things.

### 2.5 First loss

First loss is the agreed sum insured for the insured

object, as defined in the policy. If first loss is used as grounds for the sum insured, the sum insured does not need to correspond to the real insurable value of the property.

*The principle of first loss for the sum insured is used, e.g., when insuring money and securities, works of art and antiques, as well as work machinery running on its own engine power.*

### 2.6 Insured value

The insured value of property is used as the basis to estimate the amount of damage and indemnification.

The insured value equals the replacement value, unless otherwise specified in the insurance policy.

However, the insured value equals the current value if the latter is less than 50% of the replacement value.

When a single building part, structure, coatings or fixtures are damaged, the insurable value of the property in question is applied when calculating the amount of loss.

### 2.7 Sum insured

The sum insured refers to the amount of money for which the insured object is insured. The sum insured may be based on the

- replacement value of property;
- amount of first loss, or
- current value of property.

The grounds for the sum insured equals the replacement value, unless otherwise specified in the insurance policy.

The premium is calculated on the basis of the sum insured. This sum insured is also the highest compensation payable. The amount of damage and compensation are not based on the sum insured. The amount of damage and compensation are calculated in accordance with section 6, "Property insurance indemnification regulations".

If the sum insured is based on the replacement value, it may also include items compensated for on the basis of current value.

The grounds for the sum insured for money and securities, drawings, archives, models and moulds, works of art, as well as backup restoration expenses of IT programmes, data and files, is always first loss.

When determining the sum insured, provisions

concerning taxation (such as value-added taxation), as well as clearance, demolition and destruction expenses of damaged property incurred, including related transportation and handling expenses, such as landfill and hazardous waste fees, must also be taken into consideration.

## 2.8 Residual value

The residual value of property is the value of property immediately after the damage. The residual value can be estimated in the same way as the amount of damage.

## 2.9 Under- and overinsurance

### *Underinsurance*

Property is underinsured if the sum insured is lower than the insurable value. In such an event, the insurance will only cover the proportion of the damage, less the deductible, as is indicated by the ratio of the sum insured and the insurable value.

As regards objects insured at full value, property is underinsured if the surface area of buildings that is used as the basis for building insurance, or the surface area of a company's business premises that is used as the basis for contents insurance, has been reported to be smaller than is actually the case. In such an event, the insurance will only cover a proportion of the damage, less deductible, indicated by the ratio of the reported key figure to the actual key figure.

If first loss is used as grounds for the sum insured, underinsurance is not applied.

### *Example*

*When taking out insurance, the policyholder reported the insurable value of the inventories as EUR 40,000. The policyholder selected EUR 2,000 as the deductible. The policyholder's business premises were burgled and in connection with the burglary, inventories with a value of EUR 30,000 were stolen.*

*After the damage, it was discovered that the replacement value (insurable value) of the inventories on the premises immediately before the damage came to EUR 80,000. Because the inventories were underinsured, the insurance covered the proportion of the damage, less the deductible, as indicated by the ratio of the sum insured and the insurable value, i.e., EUR 14,000.*

*Compensation = (damage EUR 30,000 – deductible EUR 2,000) x (sum insured EUR 40,000 / replacement value EUR 80,000) = EUR 14,000.*

### *Overinsurance*

Property is overinsured if the sum insured is higher than the insurable value. In this case, the actual amount of damage will be used as the basis to calculate indemnification.

Property insured at full value is overinsured if the surface area of buildings that is used as the basis for building insurance, or the surface area of a company's business premises that is used as the basis for contents insurance, has been reported to be larger than is actually the case. In this case, the actual size of the building and the actual amount of damage to movable property will be used as the basis to calculate indemnification.

## 2.10 Deductible

Deductible is the share of the damage that remains the policyholder's responsibility, as defined in the insurance terms and conditions or stated in the insurance policy. When calculating the compensation, the deductible is deducted from the amount of loss.

## 2.11 Geographical limits of property insurance

The geographical limits of property insurance are stated in the insurance policy.

The territory may be

- a named area with an address (a fixed location) where the policyholder's property is located;
- various places in the geographical area specified in the policy. Unless otherwise specified in the insurance policy, insurance for property insured at variable locations is valid worldwide.

## 2.12 Insured premises

Insured premises are a building, a part of a building or a space in which the insured property is located.

## 2.13 Surface area

The surface area of a building is calculated as the surface area of all the floors, including cellars and insulated lofts, from the outer surface of external walls.

The surface area of a company's business premises is calculated as the combined surface area of the business and storage facilities being used by the company. The surface area of business premises is used when the building is not being insured and movable property is insured at full value.

### 3 Objects of property insurance

3.1 Buildings	3.2 Movable fixed assets	3.3 Inventories	3.4 Money and securities	3.5 Foreign property
Structures, building services, fittings and surface materials	Owned movable fixed assets and those acquired with a financial agreement	Own inventories	Money and securities owned by the policyholder and related to the insured operations at the place of insurance	Customers' property
Constructions on the plot	Investments in movable fixed assets during the insurance period	Inventories on a commission account	Money and securities owned by the policyholder and related to the insured operations during transport	Property of employees
Soil and yard of the building				
Fixtures				

The table refers to section 3.

#### 3.1 Buildings

##### 3.1.1 Structures, fittings and surface materials

The insurance covers the following items, which belong to the insured building, are installed in place and serve the whole building

- structures, fittings and surface materials;
- policyholder-owned original building services (heating, plumbing, ventilation, electrical installation and mechanical systems), building services corresponding to the original ones or building services that have been installed throughout the building at a later time, both within the building and on the plot, as well as the service lines up to the public connection point.

Building services do not include heat generation devices with an overall efficiency in excess of 1 MW or refrigeration equipment in deep-freezing and cold-storage facilities even if they serve the whole building. These can be insured separately as movable fixed assets.

##### 3.1.2 Constructions and movable property

The insurance covers the following items, which are owned by or otherwise under the responsibility of the policyholder and serve the insured building:

- fixed standard structures, constructions and equipment, as well as uninsulated and unheated warehouses and open shelters with a maximum size of 40 m<sup>2</sup> that are on the plot of the insured building;
- standard tools of the building used for real

estate management, as well as lawn mowers, rotary cultivators and snow blowers that are steered on foot and the fuel used in them;

- fuel used to heat up the building;
- machines and furniture related to the permanent residence of private households and intended for joint use, when the building contains a minimum of two dwellings intended for permanent residence.

Other constructions and work machines other than those steered on foot (for example riding mowers) and other movable property must be insured separately and individually.

Any structures other than those that serve the building, such as movable temporary buildings and containers, separate warehouses and open shelters on their own plots as well as open shelters exceeding the size of 40 m<sup>2</sup> that are on the plot of the insured building, must be insured separately and must be included in the insurance policy. Movable constructions can also be insured at varying locations.

##### 3.1.3 Soil

The insurance covers the decontamination expenses of the ground on which the insured building is constructed and the necessary demolition and reconstruction expenses of structures, including waste treatment fees, as well as expenses incurred in repairing or improving the yard and plants.

The maximum indemnified expenses amount to

EUR 20,000 thousand per location.

The prerequisite for indemnification is that the expenses have resulted from property damage covered by this policy.

#### 3.1.4 Fixtures and fittings of the insured premises

Fixtures and fittings of the insured premises are insured as specified in the insurance policy. Unless otherwise specified in the insurance policy, the sum insured for movable fixed assets includes the aforementioned costs in an amount corresponding to 10% of the sum insured for the movable fixed assets specified in the insurance policy (of the insurable value in full value insurance), however up to a maximum of EUR 5,000.

Fixtures and fittings include the surface materials on the floors, walls and ceilings and separating walls acquired by a company operating in leased premises, as well as the permanently installed furniture and the HEPAC and mechanical systems, including their service lines, used for business, production, recreation or other corresponding activities in the building.

#### 3.1.5 Restrictions concerning the building and constructions

The insurance does not cover

- the structures, fittings, surface materials, or HEPAC and mechanical systems, including their service lines, used for business, production, recreation or other corresponding activities in the building;
- heat generation equipment with an overall power in excess of 1 MW;
- refrigeration equipment in deep-freezing and cold-storage facilities;
- equipment acquired and owned by a shareholder, tenant or other user, such as advertisement boards and banners, awnings, surveillance and alarm devices, clocks, antennas, as well as balcony and other speciality glass;
- architectural items, such as statues, sculptures and paintings;
- vehicles with a registration obligation, and real estate maintenance machinery that is steered from top;
- piers, jetties and other corresponding shoreline structures;
- structures below the heat insulation of the building's base floor, such as soil and pilings.

### 3.2 Movable fixed assets and investment protection

Movable fixed assets may be owned by the

policyholder or acquired with a lease or financial agreement, if the policyholder has pledged to insure the property or is responsible for it on the basis of an agreement.

Property acquired with a lease or financial agreement includes property acquired with a leasing agreement.

#### 3.2.1 Movable fixed assets

Objects of insurance include

- machines, equipment and tools used for the insured operations and the HEPACE technology that serves them;
- the operating system included with a machine or equipment at the time of purchase;
- the production software of a machine intended for industrial production, included with it at the time of purchase;
- furniture and utility goods.

Until the sum specified in the insurance policy, the insurance also covers the following items used in the insured operations:

- computer software;
- restoration expenses of data in electronic and paper format.

Unless otherwise specified in the insurance policy, the sum insured for movable fixed assets can include the aforementioned costs in an amount corresponding to at most 10% of the sum insured for the movable fixed assets specified in the insurance policy (of the insurable value in full value insurance), however up to a maximum of EUR 5,000.

The extent of the insurance coverage of backup restoration expenses of operating systems, software and data is equal to the machine or device in which the operating system is included.

The sum insured for the movable fixed assets (insurable value of full value insurance) may include collections and valuables (such as jewellery, works of art, antiques and valuable rugs) up to a total of EUR 10,000, unless otherwise specified in the insurance policy.

#### 3.2.2 Restrictions on movable fixed assets

The insurance does not cover

- work machinery, vehicles, vessels and aircraft with a registration obligation, or any machines and devices running on their own engine power that are steered from the top, except for electric or gas-powered machines and devices intended for moving goods or cleaning at the policyholder's place of business, such as electric forklifts or floor maintenance

- machinery;
- money and securities;
- valuables and collections, such as valuable jewellery, works of art, antiques and valuable rugs, the combined value of which exceeds EUR 10,000;
- immaterial rights;
- outdoor plants, and
- living animals.

The above-mentioned property must be separately and individually insured or in a separate policy, for example, by purchasing motor vehicle insurance for a motor vehicle.

The policyholder must have a photograph of the insured valuables and collections exceeding EUR 10,000 in total aggregate value, as well as an up-to-date list on which each object included in the sum insured has been priced.

The list must be kept in such a way that it cannot be destroyed in the same occurrence of damage as the insured valuables. The list must be presented to LocalTapiola when the insurance cover is updated and on request after an occurrence of damage.

### 3.2.3 Investment protection of movable fixed assets

The insurance also covers such investments in movable fixed assets which

- concern the property insurance objects endorsed in the policy document and
- occur during the insurance period.

In the event of damage, the sum insured for movable fixed assets is the sum insured determined on the basis of the general terms and conditions for property insurance, increased by the value of realised investments during the insurance period.

However, the sum insured may increase by a maximum of 20% of the agreement's combined sum insured for movable fixed assets and amount to no more than EUR 200,000.

Insurance coverage and the deductible are at the same level as those of other similar movable fixed assets included in the agreement (for example, fire, natural phenomenon, leakage and crime cover).

The policyholder must notify LocalTapiola of any investments in movable fixed assets taking place during an insurance period before the start of the next insurance period so that they can be included in the insurance policy valid for the subsequent insurance period.

LocalTapiola must be notified of buildings constructed and movable fixed assets in new rented premises during an insurance period so that appropriate insurance cover can be arranged for them. It may be necessary to extend the insurance cover of machinery and equipment to be installed for the installation period to include factors such as breakage cover.

## 3.3 Inventories

### 3.3.1 Inventories covered by insurance

Objects of insurance include

- inventories relating to the insured operations owned by the policyholder, and
- inventories to be sold in the insured operations; or
- other inventories that the policyholder is responsible for insuring, as defined in the insurance policy.

Inventories include for example raw materials, semi-finished and finished products and packaging materials.

### 3.3.2 Restrictions on inventories

The insurance does not cover

- money and securities;
- immaterial rights;
- work machinery and vehicles with a registration obligation;
- aircraft;
- soil and water areas;
- completed buildings, and
- outdoor plants.

The above-mentioned property must be separately and individually insured or in a separate policy, for example, by purchasing motor vehicle insurance for a motor vehicle.

## 3.4 Money and securities

Money and securities also include the following: value loaded onto cash and payment cards, unused stamps and revenue stamps, lottery tickets, luncheon vouchers, coupons, bills of exchange, cheques and other corresponding certificates of claim.

If the insurance covers the policyholder's movable fixed assets or inventories, the insurance also covers the money and securities of the insured operations up to EUR 3,000 at the insured premises and during transport by a monetary institution, unless otherwise specified in the insurance policy.

Money of persons other than the policyholder is covered by the insurance only if this has been agreed separately and is stated in the policy.

Such monies include customers' money in the custody of a security transport company.

### 3.5 Foreign property

#### 3.5.1 Customers' property covered by insurance

If the insurance covers the policyholder's movable fixed assets or inventories, it also covers such movable fixed assets and inventories that belong to the customer, whilst said assets or inventories are being handled or under storage in the insured operations and for which the policyholder is responsible on the basis of law or agreement. Unless otherwise specified in the insurance policy, this customers' property is insured against damage caused by fire, a natural phenomenon, leakage and crime for at most 10% of the value of movable fixed assets and/or inventories (of the insurable value in full value insurance), however up to a maximum of EUR 10,000.

Such property includes the customers' fixed assets or inventories being repaired, serviced, processed or stored.

#### 3.5.2 Restrictions on property of customers

Damage to the property of customers is compensated for only so far as it is not compensated for by any other insurance (secondary compensation).

The insurance does not cover

- property and business premises used in the operations of the policyholder;
- money and securities;
- immaterial rights;
- soil and water areas;
- completed buildings, and
- outdoor plants.

#### 3.5.3 Property of employees

If the policyholder's movable fixed assets are insured, the insurance also covers the personal clothes, bags and tools of personnel. Such items are covered by the insurance up to an amount of EUR 500 for each employee.

The property of the employees is insured against losses caused by fire, natural phenomenon, leakage and crime without any separate agreement.

The employees' insurance cover is in force at work sites located anywhere in Finland where the employees carry out work duties assigned by the policyholder.

#### *Restrictions on property of employees*

Damage to the property of employees is compensated for only so far as it is not compensated for by any other insurance (secondary compensation).

However, the entrepreneur's own personal movable fixed assets or those of a person living in the same household with the entrepreneur are not covered by the insurance.

## 4 Validity of property insurance

### 4.1 Property at place of business and varying locations

The insurance is valid during the validity of the insurance policy within the territorial limits defined in the insurance policy and subject to the following extensions and conditions.

The insurance of the following movable fixed assets insured at the company's place of business and included in the insured sum is valid worldwide – also during transport – without being separately endorsed in the insurance policy:

- laptops, their accessories and telephones intended for the use of the employees;
- company's inventories, containers and roller cages.

Other property that is recurrently or continuously absent from the company's fixed, named location must be insured at the suppliers' and subcontractors' business premises or at variable locations, such as

- property used on building, installation and surveying sites or other variable sites of this type;
- property installed, stored or used in a vehicle for business purposes.

In respect of money, the insurance is valid in Finland at the policyholder's business premises and during transport to a monetary institution or a calculating centre, unless otherwise specified in the policy.

When the territorial limits have been defined as variable locations, the insurance cover is valid worldwide, unless otherwise specified in the

insurance policy. In addition to varying work locations and vehicles, the insurance policies for property insured for variable locations are also valid at the policyholder's own places of business.

When inventories are transported other than as hand luggage, the conditions for the validity of the insurance are that

- it is not a purchase or subcontracting transport of goods; and
- goods being transported to be sold are transported in a special mobile shop equipped as a retail shop; or
- goods being transported to be sold are spare parts, raw materials or semi-finished products, which are delivered to a customer only as part of a work performance of the policyholder (e.g., spare parts in a maintenance vehicle).

Purchase, subcontractor and sales transports can be insured with transport insurance.

#### **4.2 Temporary transfer and storage of property (temporary removal clause)**

The insurance of inventories and movable fixed assets insured at the fixed place of business is valid anywhere in Finland, also during transport, if the property has been moved temporarily or is being moved from the named location (temporary removal clause). The insurance cover is as specified in the insurance policy.

The condition for coverage is that the absence is of a temporary nature (not related to the policyholder's actual business) and that the property is to be returned to the named location indicated in the policy once the reason for the move ceases to exist. Temporary absence is defined as a maximum six-month removal of property from the named location.

If the absence of moved property lasts more than six months, the property must be insured separately at the new location.

Property moved temporarily from a fixed location and to be returned there includes

- machinery and equipment sent to be repaired or serviced;
- movable fixed assets in seasonal storage, such as a restaurant's terrace furniture, as well as movable fixed assets at fairs and exhibitions;
- sample batches of inventories that are not intended for sale during the event.

Recurring or continued absence of property related to the policyholder's actual business from a fixed location is not considered to be exceptional or temporary. Property that is not insured based on

the temporary removal clause includes

- property used on building, installation and surveying sites, or other variable sites of this type;
- property installed, stored or used in a vehicle for business purposes;
- property processed, sold or stored on the premises of a supplier, subcontractor, buyer, etc.;
- inventories in seasonal storage;
- inventories at fairs or in exhibitions that are intended to be sold during the event.

## **5 Property insurance**

### **5.1 Fire insurance**

#### **5.1.1 Damage covered by fire insurance**

The insurance covers loss and damage caused by

- escape of fire;
- smoke or soot causing sudden and unforeseen damage to the insured property, when the smoke or soot fallout originates in a fire occurring at the policyholder's place of business or in its immediate vicinity (escape of fire);
- explosion, referring to a sudden mechanical damage caused by gas or dust explosion or pressurized steam;
- sudden and unforeseen activation of smoke venting equipment;
- sudden and unforeseen leak or activation of extinguishing equipment.

#### **5.1.2 Indemnification limits of fire insurance**

The insurance shall not cover

- damage to an electrical device by an electrical phenomenon;
- explosion damage to an engine caused by centrifugal force, internal tension, loosening of sealant, hydraulic pressure or an explosion in a combustion engine.

In the calculation of indemnification, the general indemnification limits of property insurance are also taken into consideration.

Damage caused by an electrical phenomenon and excess voltage are covered by breakage insurance.

#### **5.1.3 Exceptional deductible concerning hot work**

If the loss or damage is caused by hot work performed or ordered by the policyholder, the insured or similar, the deductible is 10% of the amount of damage, and always a minimum of EUR 4,000, or a higher sum if specified in the insurance policy. The maximum deductible is EUR 20,000 or a higher sum if specified in the policy.

## 5.2 Natural phenomenon insurance

### 5.2.1 Damage covered by natural phenomenon insurance

The insurance covers loss and damage caused by

- storm (the wind speed is over 20 m/s), a tree felled by a storm or any other object loosened by a storm, as well as by flooding resulting from a storm wind at the location of damage;
- direct stroke of lightning to a building or insured movable property, a tree felled by a stroke of lightning or any other object loosened by a stroke of lightning;
- hail
- entry of a wild animal into a building.

A precondition for indemnification for damage caused by a stroke of lightning is the mechanical breakage of property due to a direct stroke of lightning to the object. Damage caused by excess voltage is covered by breakage insurance.

Pests and vermin, such as insect pests, mice and rats, are not considered wild animals.

### 5.2.2 Indemnification limits of natural phenomenon insurance

The insurance does not cover damage and loss caused by other natural phenomena, such as the weight or movement of snow and ice, waves, flood, rain, thaw water, changes in groundwater levels, frost heave or movements of ground and earth.

The insurance shall not cover damage caused

- to property kept outdoors or in an open building, such as an open shelter, unless the property is designed and manufactured for continuous outdoor use or storage;
- to piers, jetties and other corresponding shoreline structures.

In the calculation of indemnification, the general indemnification limits of property insurance are also taken into consideration.

### 5.2.3 Exceptional deductible concerning repair work

If damage is caused to a building being repaired, the deductible is 10% of the amount of damage, and always at least EUR 2,000 or a higher amount if specified in the insurance policy. The maximum deductible is EUR 20,000 or a higher sum if specified in the policy.

The increased deductible is applied if the repair work was performed or ordered by the

policyholder, the insured or similar and the incompleteness of the building has contributed to the occurrence or extent of damage.

## 5.3 Leakage insurance

### 5.3.1 Damage covered by leak insurance

The insurance covers leak damage caused by a liquid, gas or steam leak if the substance flows suddenly, unexpectedly and directly from

- fixed pipes in the building;
- operating devices, machines or containers permanently connected to pipes.

The insurance also covers costs incurred in opening and sealing structures in order to locate the leak and the damaged area, in humidity surveys of structures, as well as in excavation and filling of land if the leak has damaged the insured building. The maximum indemnification for purification of the soil is restricted as defined in item 3.1.3.

If the leak has not damaged the insured building, fault detection costs and any land excavation and filling costs are covered in accordance with the terms and conditions of the building's breakage insurance annexed to the agreement.

### 5.3.2 Indemnification limits of leak insurance

The insurance does not cover leak damage resulting from

- leakage from pipes or equipment other than those mentioned above;
- gutters, external downpipes, covered drains or rainwater, thaw water or surface water that has flown from elsewhere;
- liquid that has flown through waterproofing or damp-proofing material or another structure;
- waterproofing lead-ins;
- liquid leaking from the fluid circulation system of a machine or device to the machine or device in question.

In addition, the insurance shall not cover

- damage caused by condensation water, thawing water of a refrigeration device or other moisture (e.g., underground moisture or water);
- damage caused by fungus, mould or odour, unless resulting directly from other damage covered by the insurance;
- damage caused by damage to, clogging or inoperability of a municipal or other public drain or water pipe.

Waterproofing lead-ins refer to the connection points of the pipes and structures, such as the joint between a floor drain and floor waterproofing or

between a floor drain and extension ring, or the pipe penetration of a floor drain and extension ring, or another lead-in breaking the waterproofing.

The insurance shall not cover

- substance lost due to the damage, or an increase in energy consumption; However, this restriction does not apply to energy consumption resulting from damage repair work.
- repair or replacement costs of a pipeline system or utility appliances;
- costs incurred as a direct result of repairing a structure that has originally been constructed in a faulty or inadequate manner (e.g., with respect to waterproofing and damp-proofing) in order to comply with official regulations and guidelines;
- costs incurred in examining the quality of indoor air (e.g., measurement of microbes in internal air), unless they are directly connected to the compensable leak damage. Also in this event, only reasonable costs of one indoor air measurement are compensated.

In the calculation of indemnification, the general indemnification limits of property insurance are also taken into consideration.

### 5.3.3 Reductions for the age of property in leak damage

When calculating the amount of leak damage to a property, the following reduction for the age of property is applied to all repair and repurchasing costs of the leaked pipes, devices or containers:

- age is calculated from the start of the calendar year following the calendar year of installation;
- the year in which the damage has occurred is also included in the age calculation;
- if the age of the pipes, device or container is 20 years, a deduction of 15% is applied to the damage and thereafter, 2% for each starting year;
- in addition to the reduction for age, the deductible specified in the insurance policy is also deducted.

#### *Calculation of the age of a renovated drainpipe*

When a drainpipe has been repaired with a pipe with adequate ring stiffness installed inside the old pipe, the drainpipe age at the time of repair is considered to be

- 15 years if the repair method has a valid VTT certificate;
- 30 years if the repair method does not have a valid VTT certificate.

If a drainpipe has been repaired using a coating method whose operations are based on the fact

that the new coating adheres to the old pipe, the pipe age at the time of damage is the age of the original pipe and the repair is not taken into account when calculating the age reduction.

*An example of calculating the reduction for age:*

*The leaked pipes have been installed in the summer of 1974. The pipe leak occurs in the autumn of 2010. The reduction for age is applied to the repair costs of the building on the basis of the age of the pipes, as follows:*

- the year of installation is not taken into account when calculating the reduction;
- the year when the damage occurred is taken into account when calculating the reduction;
- the pipe is 20 years old in 1994. Years after that are 1995 - 2010.
- the reduction for age is  $15\% + 16 \times 2\% = 47\%$ .

### 5.3.4 Exceptional deductible concerning installation and repair work

If the loss or damage is caused by installation or repair work performed or ordered by the policyholder or a person comparable to the policyholder, the deductible is 10% of the amount of damage, and always a minimum of EUR 2,000 or a higher sum if specified in the insurance policy. The maximum deductible is EUR 20,000 or a higher sum if specified in the policy.

Damage is considered to be the result of installation or repair work if a leak occurs during such work before the installed or repaired pipes, device, container or roof have/has been inspected and put into normal use.

### 5.3.5 Exceptional deductible in leak damage not caused by breakage

If leak damage occurs due to a sudden and unexpected reason other than the breakage of a pipe or device, the deductible is 25% of the amount of damage or at least the sum specified in the insurance policy. However, the maximum deductible is EUR 20,000 or a higher amount if specified in the insurance policy.

If the amount of loss has been subject to reduction for age, an increased deductible is not applied.

## 5.4 Insurance against property crime

### 5.4.1 Damage covered by insurance against property crime

The insurance against property crime covers loss and damage caused by

- burglary;

- robbery;
- malicious damage.

The structural burglar protection of the storage space of the insured property (a building or a flat) must at a minimum comply with the structural burglary-resistance guideline set 1, unless a higher structural protection level has been specified in the insurance policy or in any special terms and conditions.

The insurance also covers loss from burglary committed by entering a building, flat or other storage space locked as required by the safety guidelines using a key obtained in conjunction with a burglary or robbery.

Damage caused by burglary refers to damaging structures or locks to enter a building or other storage space locked in compliance with the safety guidelines. A theft of property committed by breaking a fastening (e.g., a steel chain) or its lock complying with the safety guidelines is also considered as damage caused by burglary.

Damage caused by robbery refers to damage or loss in which property has been seized by using or threatening to use violence on a person (Criminal Code, Chapter 31, sections 1 and 2).

Malicious damage refers to the unlawful damaging of another's property. Under these terms and conditions, damage caused by an unidentified vehicle is also considered as malicious damage.

#### 5.4.2 Special prerequisites for indemnification

Compensation for criminal damage requires that

- the insured property is protected in accordance with the safety guidelines named in the insurance policy at the time of damage;
- the damage can be identified as an individual, sudden event;
- the event has been reported to the police and if required, the policyholder is also prepared to confirm the correctness of the list of property relating to the claim in a court of law;
- property located outdoors in an enclosure and that stored at varying locations, such as in vehicles, have been specified in the insurance policy.

Property that is suitable for outdoor storage and of such size that its storage indoors is not possible or appropriate is accepted to be insured for storage in an enclosure. Property that is valuable, of a small size and easily movable is not accepted for storage in an enclosure even if it is suitable for outdoor use and outdoor storage.

#### 5.4.3 Indemnification limits of insurance against property crime

Damage caused by burglary to property kept outdoors is covered only if the property is located in an enclosure complying with the safety guidelines or fastened to a strong structure in accordance with the requirements of the safety guidelines, and the theft of the property is committed by damaging the enclosure or the fastening device.

Malicious damage to property kept outdoors is only covered if the property in question is a fixed asset designed and manufactured for outdoor storage.

Damage by robbery is only covered if it has occurred in the location specified in the insurance policy or during transport in a security vehicle from the place of business to a collection point for valuable goods, calculating centre or a monetary institution, unless otherwise specified in the insurance policy.

Damage resulting from loss of work machinery or a vehicle running on its own engine power is compensated only if the insured, the police force or a customs official has not been informed of the property being found within 30 days from the date on which LocalTapiola has received notification of the theft of the insured object.

The insurance shall not cover

- the disappearance of property or discovery of damage during a regular inventory;
- damage caused by kidnapping, shoplifting, petty theft or similar;
- damage caused by fraud, embezzlement, data security breach or similar fraudulent activity;
- malicious damage to software, files or devices caused by a computer malware, disturbance of telecommunications or similar;
- loss and damage caused by fire or explosion.

In the calculation of indemnification, the general indemnification limits of property insurance are also taken into consideration.

#### 5.4.4 Amount of damage in special cases

##### 5.4.4.1 Burglary of money and securities

The amount of damage includes money and securities up to the sum insured specified in the insurance policy on the basis of their place of storage and manner of protection, in accordance with the following table:

Place of storage / classification of safe	Burglar alarm system level requirement	Maximum amount of money, in EUR
Flat locked in accordance with the safety guidelines or a safety cabinet or a fireproof cabinet not attached to structures located within it	no requirement	3 000
Unclassified storage unit for valuables bolted to the structures (e.g., a fireproof cabinet) within a flat locked in accordance with the safety guidelines	no requirement	5 000
If the place of storage is a storage unit for valuables (a safe) complying with standard EN 1143 (or equivalent), bolted to the structures in accordance with the manufacturer's instructions within a flat locked in accordance with the safety guidelines		
EURO I or equivalent	no requirement	10 000
EURO II or equivalent	level 2	30 000
EURO III or equivalent	level 3 and target surveillance	60 000
EURO IV or equivalent	level 3 and target surveillance	120 000
EURO V or equivalent	level 3 and target surveillance	200 000

The table refers to section 5.4.4.1.

A storage unit for valuables complying with standard EN 1143 (or equivalent), must be bolted to the structures in accordance with the manufacturer's instructions. Equivalent storage units for valuables equipped with a deposit hatch are also accepted in the Euro I - III classes.

The requirements of the different levels of burglar alarm systems are defined in the safety guidelines.

The classification of a storage unit for valuables in accordance with the standard has been defined in the test certificate available from the seller or the manufacturer, and the classification is also marked

on the value sign located inside the door of the storage unit for valuables.

#### 5.4.4.2 Robbery of money and securities during transport

The amount of damage during transport outside the business premises can include money and securities on the basis of their method of transport, in accordance with the following table at a maximum. However, the upper limit of compensation is always the sum insured entered in the insurance policy.

Maximum amount of money / transport	Number and requirements of transport personnel	Transport route
10 000	One person fulfilling the requirements of the safety guidelines.	Collection and transport from several locations is possible.
30 000	Two people fulfilling the requirements of the safety guidelines, or alternatively, one person fulfilling the requirements who is using a security transit case approved by non-life insurance companies.	Collection and transport from several locations is possible. The transportation must be carried out during the working hours of the receiving company.
Over 30,000	Security transport company / must be individually agreed upon with LocalTapiola's risk specialist.	

The table refers to section 5.4.4.2.

Money of persons other than the insured is covered by the insurance only if this has been agreed upon separately and is stated in the policy.

custody of a security transport company for which the security transport company has taken responsibility under contract.

Such monies can include customers' money in the

#### 5.4.4.3 Criminal damage to an uninsured

building

Unless otherwise specified in the insurance policy, damage to the structures, doors, locks, windows, safety bars and similar of the structures of the place of storage of the movable property insured for property crime under this agreement are covered up to a maximum of EUR 5,000 even in the event that the building is not insured under this agreement.

Compensation requires that

- the damage has resulted from a burglary in the insured property or malicious damage; and
- the policyholder has had the damaged elements of the structure installed and the damage is not compensated for on the basis of any other insurance; or
- the policyholder is responsible for the maintenance of the elements of the structure on the basis of a written agreement (e.g., rental agreement of a flat) and delivers a copy of the agreement to LocalTapiola.

#### 5.4.5 Reductions for the age of locks in criminal damage

If keys leading into the insured premises have been stolen from the policyholder's possession, the amount of damage includes the costs incurred in preventing immediate danger by rekeying or renewing the door locks. It is a condition for the payment of compensation that the keys have been stolen in conjunction with a burglary or robbery. Also keys held by a housing cooperative's or real estate company's house manager, board member or maintenance company, or another party in a contractual relationship with the policyholder (e.g., a security company) are considered to be in the possession of the policyholder. When calculating the amount of damage, 5% per year is deducted from the costs of rekeying or renewing the locks, excluding the first year of use and the two years following it. The first year of use refers to the period from the date of taking into use to the end of the same calendar year.

#### 5.4.6 Exceptions to deductibles in insurance against property crime

The policyholder's deductible is 25% of the amount of loss, and always a minimum of EUR 2,000, or a higher deductible specified in the insurance policy may apply when

- property has been stolen from a vehicle, boat, trailer or storage container located outdoors, or from a work site where no other operations are carried out than construction or installation (such as the site storage of a construction,

repair or installation work site or the object of a new construction);

- the damage concerns property located outdoors (see Indemnification limits of insurance against property crime);
- the space in which the storage unit for money and securities is located, or the storage unit for valuables, is not equipped with the required burglar alarm system;
- the damage consists solely of intentional damage to the surface of buildings, constructions or other structures;
- the insurance of a work machine running on its own engine power is valid and the damage occurs outside the Nordic countries.

Intentional damaging of surfaces includes graffiti and other drawing, dirtying, scratching, injuring or other similar damage.

## 5.5 Insurance against breakages

### 5.5.1 Damage covered by breakage insurance

The insurance covers breakdown or damage caused by a sudden and unexpected internal or external event or electric phenomenon.

Special terms and conditions specified in the insurance policy may limit the insurance cover against breakages.

Damage due to electrical phenomena can include sudden and unexpected loss and damage caused by under- or overvoltage, short circuit or ground contact generated by a stroke of lightning or in other ways.

Compensable occurrences of damage caused to a machine by an external event include mechanical breakage caused by an external object, sudden and unexpected overbalancing, fall, swerving off the road or crashing. Property that is the object of work in a process, or a foreign object entering a machine or device within the raw material processed by a machine or device is not considered an external object.

### 5.5.2 Indemnification limits of breakage insurance

In the calculation of indemnification, the general indemnification limits of property insurance are taken into consideration in addition to the following:

#### 5.5.2.1 Entry into force of breakage insurance

Unlike other types of insurance, the insurer's liability only begins when the insured object is

introduced into normal use after installation, repair or service and test run.

Installation and trial use can be separately insured with installation work insurance.

#### 5.5.2 Damage to parts subject to wear and tear

Breakage insurance does not cover damage caused to the blades of production machinery, tools, moulds, nozzles other similar parts during their intended use.

As regards other parts and supplies subject to wear and tear and their installation costs, the amount of damage only includes the proportion corresponding to their remaining service life or service hours. The service life or service hours are defined in accordance with the importer's or manufacturer's guidelines.

Parts subject to wear and tear include all the parts and supplies in the machine or device which, according to the maintenance guidelines, must be replaced at defined time and usage intervals.

#### 5.5.2.3 Damage to fuel, lubricants, refrigerants and other fluids

Breakage insurance only covers damage to the fluids and lubricants within a machine or device in the event that it is a direct result of a breakdown of property covered by this insurance.

If the policyholder has neglected the obligation to inspect refrigeration equipment prescribed in a law or decree, directives set forth in a decree, or the obligation to equip refrigeration equipment with a leak detection system, any damage caused by leakage of refrigerants is not compensated for.

New refrigerant and costs incurred in adding or changing refrigerants is not compensated if, according to the above-mentioned decrees, the leaked refrigerant must be removed from use.

Laws and decrees regulating the inspection, servicing and installation of refrigeration equipment include Government Decree 1187 of 5 December 2001 and Regulation (EC) No. 842/2006 of the European Parliament and of the Council.

#### 5.5.2.4 Erosion, corrosion or slowly arising damage

Breakage insurance does not cover damage arising slowly or from long-term impact or damage caused by the fact that the material is eroded by the conditions and the substances used in the process.

These include damage resulting from the natural weakening of material, scratching, vibration, shrinking, soiling, stratification, sediment, scaling, rusting, corrosion, erosion, frost heave or slow changing of temperature or moisture.

The insurance does not cover damage caused by condensation of moisture or other moisture (e.g., underground moisture or water), fungus, mould or odour, unless resulting directly from damage covered by the insurance.

#### 5.5.2.5 Damage resulting from faulty software, misuse, malfunction or negligent use

Breakage insurance does not cover

- damage to data, files or software resulting from inoperability or malfunction of equipment, operating system or software;
- damage resulting from incorrect labelling or inputting of a data medium, losses of data or destruction of data, files or software caused by magnetic fields;
- costs incurred in the removal of a malfunction, control or maintenance measures, advance or regular maintenance, or parts changed in connection with these.
- damage caused by using an object incorrectly or negligently.

#### 5.5.2.6 Damage to buildings, constructions, parts thereof or to municipal or public services

Breakage insurance does not cover damage caused to buildings, constructions or parts thereof, or to municipal or public services (e.g., water pipes and sewers)

- due to the weight or movement of snow and ice;
- due to changes in groundwater levels, waves, flood, frost heave, earthquake, ground depression, landslide or other ground movement;
- due to the cracking of structures or building elements.

The insurance does not cover damage caused to equipment or devices belonging to a residential property.

These include cookers, ovens, refrigeration equipment, sauna stoves, permanently installed furniture in toilets and bathrooms, swimming pool equipment, and other equipment and appliances that are the responsibility of the shareholder.

#### 5.5.2.7 Damage to work machines and vehicles

As regards tyres, caterpillar treads and crawlers,

combustion engines, gearboxes, power transmission equipment and cooling systems (including attached appliances) of vehicles, devices and machines running on their own engine power, only breakage caused by an external event specified under section 5.5.1 of breakage insurance is indemnified even if the machine or appliance to which the broken part belongs is insured under breakage insurance in accordance with section 5.5.1.

It is a further condition for compensation that the said parts of a machine or device are damaged as a result of breakage caused by the overtipping, falling, swerving off the road or crashing of a vehicle or work machine, or by a collision with an external object.

#### 5.5.2.8 Damage to crushers, models and moulds

As regards moulds, models and stone, stump and woodchip crushers, as well as chipper-shredders and peat work machines included in the sum insured for movable fixed assets, only breakage caused by an external event is indemnified even if the movable fixed assets are insured under breakage insurance.

#### 5.5.2.9 Damage occurring in dangerous usage conditions

The insurance shall not cover damage caused

- by sinking in water, swamp or ground;
- by the object of the insurance sinking in ice elsewhere than on a winter road that is in public use and that meets the safety requirements of the road authorities;
- by mine or tunnel cave-in;
- to an object because it has been exposed to the impact of heat;
- by a machine or device getting stuck in a pipe, hole in a rock or a similar place from which it cannot be removed without damaging the device or the surrounding structure;
- when using the object of the insurance in a competition or for training for a competition on a road or other area closed to general traffic.

#### 5.5.2.10 Damage caused by natural phenomena to property kept outdoors

Breakage insurance does not cover damage caused by natural phenomena to property kept outdoors or in an open construction, such as an open shelter. However, a sudden and unexpected breakage is covered by the insurance if the property in question is designed and manufactured for outdoor use.

Further, the insurance does not cover damage resulting from the doors, windows or openings of a building having been left open and weather conditions having had an effect on the occurrence and extent of the damage.

#### 5.5.2.11 Damage to inventories

The insurance does not cover damage to inventories caused

- by going bad;
- by changes in storage temperature;
- by contamination;
- by disorders in growth or development;
- by internal breakage;
- by plant or animal diseases;
- by orders of the authorities to limit infectious diseases; or
- by insects or pests.

Frozen food and refrigerated products can be insured under LocalTapiola's frozen food and refrigerated products insurance.

#### 5.5.2.12 Damage and loss covered by other property insurance

Breakage insurance does not indemnify damage that could be compensated for by fire, natural phenomenon, leakage, property crime or frozen food and refrigerated products insurance. The restriction shall also be valid when the aforementioned property insurance is not included in the agreement.

#### 5.5.3 Reductions for the age of property in a breakage

When calculating the amount of breakage damage, a 5% annual reduction based on the broken property's age is made for each commencing year of use with the exception of the year when taken into use and the two subsequent years in relation to the following costs:

- repair and replacement costs;
- possible costs of opening and sealing structures relating to the repairs;
- costs of excavation and filling of land.

As an exception to the above, machines and devices whose value decrease faster than usual, e.g. due to many hours of use, are subject to a reduction based on the age of the insured property amounting to 10% per year except for the first year of service.

A 20% annual reduction is made in the event of damage to the following machines and devices, with the exception of the commissioning year:

- electronic office machines and appliances, such as photocopiers;
- IT and data communication equipment;
- cash registers and scales;
- audiovisual recording, playback and editing equipment;
- lighting equipment;
- alarm and surveillance equipment, such as fire and burglar alarms, as well as access control and real estate surveillance equipment;
- measuring, control and adjusting devices;
- spindles in high speed machine tools.

The reduction is always made from repair or replacement costs in accordance with the replacement value. In addition to the reduction for age, the deductible specified in the insurance policy is also deducted.

If the value of an asset or a separate part thereof (e.g., a part of a machine) has changed at a rate other than that defined in the above-mentioned reduction for age, the actual current value of the asset or of the separate part is used as a basis for assessing the amount of damage.

If a broken machine, device or tool is not repaired, the amount of damage equals the difference between the current value and the residual value.

The first year of use refers to the period from the date of taking into use to the end of the same calendar year. As an exception to this, in a breakage of renewed or renovated parts or combinations of parts of a machine or device, the first year of use is the year of renewal or renovation.

Machinery and equipment whose value decreases more quickly than is normally the case includes machines whose yearly time in use differs significantly from the normal yearly time in use of a machine used in one shift or machines that are subject to unusually high strain, such as

- machines in uninterrupted use or those used repeatedly in several shifts, such as many industrial robots and automated machine tools in the metals industry;
- computer-based control and monitoring systems;
- machinery operating in wearing circumstances (significant temperature changes, dust, moisture);
- machinery run at maximum load;
- machinery and machine parts for which a service life has been defined by the manufacturer or is known based on experience.

In the determination of the current value of such

machinery and equipment, the annual hours of use and loading circumstances, as well as the market value, are taken into consideration.

#### 5.5.4 Exceptions to deductibles in breakages

The policyholder's deductible is 25% of the amount of loss, and always a minimum of EUR 2,000, or a higher deductible specified in the insurance policy may apply if

- the damage results from the device being used in an operating environment not suitable for the device;
- the damage results from a programming error or erroneous software;
- a loss is caused by driving a load, a vehicle or a part of a vehicle against an obstacle above the roadway;
- the damage to a production machine results from a foreign object within the raw materials processed by the machine.

The maximum deductible is EUR 20,000 or a higher sum if specified in the policy.

If refrigerants have to be added to the system in conjunction with the breakage damage to be compensated, the policyholder has a separate, exceptional deductible (see above) for the amount of refrigerant damage. This exceptional deductible does not pertain to the breakage damage of the device itself.

### 5.6 Frozen food and refrigerated products insurance

#### 5.6.1 Damage covered by frozen food and refrigerated products insurance

Objects of the insurance are frozen food and refrigerated products, as specified in the insurance policy.

The insurance covers damage to frozen foods and refrigerated products resulting from a sudden and unexpected temperature change in their storage space, when the change in temperature has been a direct and unavoidable consequence of

- a freezer or a refrigeration device breaking down, compensable on the basis of breakage insurance;
- sudden and unexpected leak of refrigerant;
- fire in the property's main electricity board;
- sudden or unexpected breaking down of the property's electrical equipment;
- an interruption in the delivery of electricity in the general electrical network for which no prior notification has been received.

Compensation requires that

- immediately before the damage, the food was

in compliance with the valid food legislation and in saleable condition;

- immediately before the event, the other insured products have complied with the legislation concerning the said product batch and the requirements of good preparation and storage.

#### Example

*The food had been frozen in a shop whose freezer equipment is intended for storing factory-made frozen foods but is not suitable for freezing in accordance with the refrigeration decree. The products did not comply with the refrigeration decree, so their thawing is not compensable under the insurance.*

#### 5.6.2 Indemnification limits of frozen food and refrigerated products insurance

In the calculation of indemnification, the general indemnification limits of property insurance are taken into consideration in addition to the following:

The insurance does not cover damage caused by reasons other than those referred to in the previous section, such as

- faulty installation of refrigeration equipment;
- inadequate or incorrect maintenance or settings;
- insufficient freezing or refrigeration capacity;
- incorrect handling of the products.

#### 5.6.3 Exceptions to deductibles in frozen food and refrigerated products insurance

The policyholder's deductible is 25% of the amount of loss, and always a minimum of EUR 2,000, or a higher deductible specified in the insurance policy may apply in the following cases:

- The freezer or refrigeration facilities have not been equipped with an alarm notifying of a rise in temperature in accordance with the safety guidelines, and this has contributed to the occurrence or extent of damage.
- The policyholder has neglected the obligation to inspect refrigeration equipment prescribed in a law or decree, directives set forth in a decree, or the obligation to equip refrigeration equipment with a leak detection system, and this has contributed to the occurrence or extent of damage.

If both of the above requirements have been neglected, the deductible is 25% of the amount of damage, and always a minimum of EUR 6,000, or a higher deductible if specified in the insurance policy.

Laws and decrees regulating the inspection, servicing and installation of refrigeration equipment include Government Decree 1185 of 5 December 2001 and Regulation (EC) No. 842/ 2006 of the European Parliament and of the Council.

### 5.7 General indemnification limits of property insurance

#### 5.7.1 Costs of inspecting loss or damage

The insurance does not cover expenses that have been incurred in the settlement of the claim, such as telephone and travel expenses, lost earnings and similar.

#### 5.7.2 Losses covered on the basis of contract or commitment

The insurance does not cover loss and damage

- for which the supplier of a good or service or another party is liable according to legislation, an agreement, warranty or corresponding commitment. However, the insurance covers such loss and damage to the extent that the policyholder can show that the liable party cannot fulfil its commitment.
- when the insured is the manufacturer or seller of the object and the damage falls under the scope of the warranty used in the sector.

The manufacturer's and importer's notification of the expiry of the warranty after the occurrence of damage does not constitute a ground for payment of compensation.

#### 5.7.3 Errors in design, manufacturing and work as well as process damage

The insurance does not cover damage

- caused to property (object or building element) that has been designed, manufactured, constructed, installed or repaired in an incorrect way or out of faulty material, when such faultiness has impacted the occurrence and extent (amount) of damage. However, the insurance compensates for sudden and unexpected direct damage to other insured property occurring as a result of such damage.
- caused to raw material, semi-finished product, finished product or customer's property being manufactured, repaired, serviced or processed, resulting from a flaw in design or material, work error or manufacturing defect, breaking down of a machine or a part of a machine in the production process, incorrect operability of a process or erroneous advice;
- resulting from filling the tank with or using the wrong type of fuel.

#### 5.7.4 Costs for service, maintenance, upgrades and temporary repairs

The insurance does not cover expenses arising from

- service and maintenance work;
- improvement of technical level;
- temporary repairs;
- expediting the repairs.

As regards repair costs for damaged property, the amount of damage includes normal transportation and installation expenses.

Normal transportation and installation expenses refer to the costs incurred when normal transportation methods are used and installations are performed during normal business hours by the workforce normally used for installations.

Costs for expediting measures necessary to avoid interruption to the insured business operations can be covered by business interruption insurance. Such expenses include overtime and Sunday expenses, as well as expediting costs of deliveries.

#### 5.7.5 Computer software, data and files

Damage to data, files and software is only covered when the damage is a direct result of property damage compensable under the terms and conditions of this insurance to IT or data communication equipment or a data medium, which is compensable under LocalTapiola's fire, natural phenomenon, leak, crime or breakage insurance.

The insurance does not cover damage caused to IT and data communications technology by

- interference in data communications (e.g., denial of service attack);
- data security breach (e.g., hacking);
- risk to data processing (e.g., computer virus).

Data security breach refers to unlawful entry into an information system.

IT and data communications technology is considered to include, among others, data, files, programmes, operating systems, information networks, data media, data processing and data communication equipment.

### 5.8 Indemnification limits in emergencies

The insurance does not cover damage resulting from

- caused by detonation of explosives in public facilities or professional blasting or quarrying

work;

- caused by nuclear damage in Finland or abroad as defined in the Nuclear Liability Act;
- caused by a strike, work stoppage or equivalent;
- occurred during war, mutiny, revolution or other similar event leading to social unrest.

The maximum indemnification for damage caused by a terrorist attack is EUR 3,000,000 for each occurrence of an insured event and each insurance period. For the same damage, the maximum amount of compensation based on the insurance concerns all policyholders jointly. Loss caused by the same event or circumstance is considered as one single loss.

A terrorist attack is an act performed by either one person or a group of persons using or threatening to use force when the purpose of the act, by nature or context, is to promote political, religious or ideological goals and/or to intimidate or affect a government, a people or part thereof.

## 6 Indemnification regulations of property insurance

### 6.1 Amount of damage based on the replacement value

The amount of damage and value of property are usually calculated on the basis of the replacement value of property.

The amount of damage based on the replacement value is calculated from the replacement value of the property at the time of replacement, taking into consideration

- the reductions for the age of property from the amount of damage described in the insurance terms and conditions or insurance policy;
- any additional costs arising from the repair or reconstruction of a damaged building required by compelling legal regulations on buildings; a maximum of 10% of the amount of damage calculated without additional costs will be taken into consideration as additional costs; additional costs are covered only with respect to the premises and building elements and the heating, plumbing, ventilation, electrical installation systems and machines serving the building that have been affected by the damage; however, at a maximum, the aggregate loss is calculated as the sum insured;
- residual value of the property or the decrease in the property's residual value, if building elements remaining after the damage cannot be used to restore the building to its former condition due to legislation or official

- regulations;
- provisions concerning taxation.

The policyholder must present proof of a building ban or restriction being in force. If LocalTapiola so requests, the policyholder must apply for an exemption order to restore the building to its former condition. If an exemption order is not granted, the policyholder must apply for a change to the decision. If requested by LocalTapiola, the policyholder must authorise LocalTapiola to represent the policyholder in matters pertaining to the application for the exemption order.

Renewals of and alterations or improvements to the structure of damaged equipment or materials used by it are not included in the amount of damage if required by an amendment to legislation or by official regulations.

If the damaged property can be repaired, the amount of damage is calculated as the amount of repair expenses. However, the maximum amount of repair expenses is the replacement value of the property taking into consideration the factors mentioned above.

When calculating the amount of damage to a building, repair work is estimated on the basis of being performed with modern building elements, using building supplies generally on sale in Finland and employing modern work methods. Additional costs resulting from the renovation of buildings, objects or collections are not included in repair costs, unless they are specified in the insurance policy.

The time of property replacement is the date and time when property is repaired or new property is acquired to replace the damaged object(s).

Depreciation is calculated by deducting from the residual value the amount received from the remaining building elements when sold.

The legislation and official regulations concerning construction are the Land Use and Building Act and the Act on public roads, as well as the provisions issued on the basis thereof and any applicable building bans and building restrictions. The Value-Added Tax Act is an example of a taxation provision.

#### 6.1.1 Additional damage in connection with indemnifiable property damage

Property insurance covers loss and damage caused by

- theft, loss or damage during rescue or

protection work of compensable occurrences of damage, such as during extinguishing or rescue work in a fire;

- rain or snow, thaw water, moisture, cold or heat to the insured property, if the roofing or structures of the building where the property is stored have been damaged as a result of an event compensable under property insurance in such a way that they no longer protect the building or the property within it from the impact of weather conditions.

#### 6.1.2 Expenses incurred in the prevention and mitigation of losses

The insurance covers reasonable expenses incurred from the restriction or prevention of actual or imminent material damage against which the policyholder is insured. These expenses will be indemnified even if the sum insured were exceeded. Indemnification for such expenses will be made excluding the deductible.

### 6.2 Amount of damage in special cases

In addition to those mentioned here, other limitations pertaining to the calculation of damage in special cases may also have been issued on a policy-specific basis.

For example, in property crime insurance, maximum amounts for money and securities to be included in the damage have been defined in accordance with their storage and transportation method.

#### 6.2.1 Amount of damage based on the current value

If the current value of the insured property prior to damage is less than 50% of the replacement value, the amount of damage will be based on the current value. The current value is assessed separately for each damaged object and building. However, when a single building part, structure, coatings or fixtures are damaged, the current value is assessed based on the building part in question. With respect to integrated buildings or buildings including several, separate functional complexes, the current value and amount of loss for each building part and functional complex is assessed separately.

The current value-based insurable value of property is determined and the amount of damage calculated on the basis of the price level at the time of damage. The current-value-based amount of damage accounts for the same share of the replacement-value-based amount of damage as does the current value of property of the

replacement value at the time of damage.

An item refers to an entity consisting of parts such as a machine or a device that is usually bought or sold as one entity, as opposed to spare parts used in repairs. Correspondingly, a machine line may consist of several items (machines). As an exception to the previously mentioned current value rule, the aging of a machine or device is taken into consideration in the event of breakages by applying reductions based on the age of the machine, device or a combination of items.

#### 6.2.2 Backup restoration expenses of computer software, data and files

The amount of damage for computer software equals the expenses incurred from software restoration and recreation, as well as purchase, installation, customisation and testing. The amount of damage for computer data and files equals the expenses incurred from backup restoration and entry of lost data. As regards costs for the entry of lost data, the amount of damage is a maximum of the entry costs for the week's data preceding the occurrence of damage.

#### 6.2.3 Amount of damage for hardware entities

If a component of a hardware entity or system is destroyed or damaged, the amount of damage equals the economic value of the component. The loss in usability or value caused to the entire hardware entity or system is not included in the amount of damage.

#### 6.2.4 Machines and devices running on their own engine power

The amount of damage for vehicles, machines and devices running on their own engine power and for their parts equals the repair expenses, up to the market value of the equipment at a maximum. If the machine or vehicle is not repaired, the amount of damage equals the difference between the market value and the residual value.

#### *Repair and salvaging of the insured object*

The amount of damage for a work machine includes any essential and necessary repair costs using appropriate repair methods. If worn-out or corroded parts are replaced with new ones and this results in essential improvement of the condition of the object of the insurance, only the proportion of the repair costs that corresponds to returning the machine to the condition it was in before the event insured against is compensated. For example, if damaged or stolen tyres have half or less of the

tread left and they are replaced with new tyres, this is improvement. LocalTapiola does not commit to replacing a damaged part with a new one.

LocalTapiola is entitled to determine the repair shop or place of acquisition. However, LocalTapiola does not have responsibility for the quality of work or a part.

The amount of loss is the repair cost of the object of the insurance, if the object is worth repairing in accordance with these insurance terms. Repair is not worthwhile if the estimated repair costs of the object of the insurance exceed 70% of the market value of the machine on the day of the event insured against.

When calculating the amount of damage, the following are not taken into consideration:

- depreciation in the value of the insured object;
- alterations or improvements made in repairing the insured object;
- costs incurred in renewing or improving defective or unsuccessful repairs of the insured object;
- loss of use (compensation for loss of use) of the insured object or rental costs of a substitute machine;
- normal wear and tear due to use and depreciation caused by extra kilometres driven with the machine during unauthorised use;
- loss of fuel.

#### *Additional damage in connection with indemnifiable damage*

The amount of damage includes

- expenses incurred in lifting the insured object back onto the road;
- transporting the insured object to the nearest professional repair shop if the insured object is no longer roadworthy as a result of an occurrence of damage compensable under the insurance;
- reasonable expenses incurred in collecting or returning the found object of the insurance, if the object of the insurance is found before the deadline of 30 days has expired.

However, a maximum of EUR 5,000 for transportation and lifting costs per insurable event is included in the amount of damage.

The amount of damage does not include

- loss of income;
- loading, unloading, or transportation costs of the load of the insured object and/or trailer; or
- such accommodation, fuel, or other expenses as would have been incurred if the loss had not occurred.

The amount of compensation must not exceed the market value of the insured object in the condition that it was in immediately before the event and, at a maximum, the sum insured.

#### 6.2.5 Amount of damage for models, moulds and archive materials

The amount of damage for models, moulds, drawings, maps and archives only includes the expenses incurred in repairing the damaged property or replacing it in kind. In this event, the property must be repaired or replaced within a year of the date of occurrence of the damage.

As concerns securities that can be annulled, only annulment expenses are included in the amount of damage.

#### 6.2.6 Amount of damage for works of art and antique objects

When works of art and antique objects are damaged, their amount of damage equals the repair expenses of the objects. However, the repair expenses shall not exceed the market value of the objects at the time of occurrence of the damage or, in the event of aggregate loss, their market value at the time of the occurrence.

If an individual object or a part of a collection is the object of a compensable loss, the value of the objects is compensated for without taking into consideration the loss of value of the whole collection.

#### 6.2.7 Amount of expenses incurred in repairing or improving yard and plants

Damage to yards is included in the amount of damage based on the repair and restoration costs. Repair costs to a yard in a natural state will not, however, be indemnified.

The amount of damage for ornamental plants and trees is calculated by adding reasonable transportation and planting expenses to the price of commonly available plants in Finland.

The maximum indemnification is restricted as defined in item 3.1.3.

### 6.3 Indemnification

The amount of compensation is determined on the basis of the amount of damage, adjusted by the following factors.

The upper limit to LocalTapiola's liability to

indemnify is the sum insured of the property as noted in the insurance policy.

#### 6.3.1 Under- and overinsurance

Property is underinsured if the sum insured is lower than the insurable value of the insured property, or if the value of the key figure used as the basis for the insurance premiums of full value insurance has been reported to be lower than is actually the case. In the event of underinsurance, the policyholder assumes some of the risk. Property is overinsured if the sum insured is higher than the insurable value of the insured property, or if the value of the key figure used as the basis for the insurance premiums of full value insurance has been reported to be higher than is actually the case. In the event of overinsurance, the actual value of the property is compensated.

#### 6.3.2 Deductible

In each occurrence of damage, the policyholder is liable for a deductible as defined in the insurance policy or in the insurance terms and conditions. When determining the amount of indemnification, any reductions for age of the property will be applied prior to the deductible.

If property damage affects several of the policyholder's objects at the same time and in the same place or if the damage can be compensated using several insurance policies, only the largest deductible will be deducted from the amount of property damage.

### 6.4 Compensation payment

#### 6.4.1 Indemnification based on replacement value

Damage indemnification is based on the replacement value if the current value of property accounts for at least 50% of the replacement value and the sum insured determined in the policy corresponds to the replacement value.

Replacement value-based indemnification can only be applied on the condition that, within two years of the occurrence of damage, the damaged property is repaired, property of the same quality and intended for the same purpose is constructed in the same place, or movables are replaced with property of the same quality and intended purpose. If construction is delayed due to unavoidable circumstances dictated by the authorities, the duration of the delay will be added to the two-year time limit.

Replacement value-based indemnification is paid in

the following way:

- first, indemnification based on the current value is paid after the policyholder has proved that the property is not mortgaged as security for a loan or after the mortgage holders have provided their consent and the information necessary for payment of indemnification;
- the difference between the replacement-value-based and current-value-based indemnifications is paid as replacement progresses, after LocalTapiola receives a report on replacement activities and the current-value-based indemnification is used in replacement activities;
- indemnification based on the replacement value cannot exceed the actual costs.

The right to replacement-value-based indemnification is restricted to the policyholder or to the beneficiary of the insurance. This right cannot be transferred to a third party. A third party only has the right to current-value-based indemnification.

#### 6.4.2 Indemnification based on current value

Only indemnification based on the current value is paid for an occurrence of damage, when

- the value of the property is less than half of the replacement value;
- the property is not replaced;
- a building is not constructed at the same site.

A condition of indemnification is that the policyholder has proved that the property is not mortgaged as security for a loan or that the mortgage holders have provided the information necessary for payment of indemnification.

#### 6.4.3 Indemnification based on first loss

If the grounds for the sum insured is first loss, indemnification for the damage, less the deductible, will be paid after the policyholder has proved that the property is not mortgaged as security for a loan or after the mortgage holders have provided the information necessary for payment of indemnification.

However, the amount of compensation must not exceed the amount of first loss.

If the sum insured in accordance with first loss is higher than the current value of the property, in the case of buildings and movable fixed assets, indemnification based on full first loss can only be paid on the condition that, within two years of the occurrence of damage, the damaged property is repaired, or property of equal quality and intended for the same purpose is constructed in the same place, or movables are replaced with property of

the same quality and intended purpose and the compensation is used for the replacement costs. If construction is delayed due to unavoidable circumstances dictated by the authorities, the duration of the delay will be added to the two-year time limit. The obligation to replace property does not apply to works of art and antique objects.

If the damaged building or movable fixed assets are repaired, the insurance will indemnify for actual repair expenses, less the reductions and deductible specified in these terms and conditions and any special conditions included in the agreement. However, indemnification cannot exceed the agreed first loss amount.

If the damaged property is not repaired or replaced in kind, indemnification will be based on the current value only, even if this results in a sum lower than indemnification based on first loss. As regards works of art and antique objects, the maximum indemnification equals their market value at the time of the occurrence. However, the maximum indemnification shall not exceed the object's insured value.

### 6.5 Other rules concerning insurance cover

Notification, inspection and settlement of damage:

- LocalTapiola must be notified of any loss incurred as soon as possible, considering the time and circumstances.
- LocalTapiola must be given the opportunity to inspect the damaged property before the damaged property is destroyed, repair work is started on it or new property is acquired.
- If repair work is necessary to prevent subsequent loss or interruptions in business, work can be started prior to notifying LocalTapiola.
- The policyholder or his/her representative must supply the documents and information needed to assess the damage as requested by LocalTapiola. The insured will not be indemnified for expenses arising from such reports or their acquisition.
- The property must be reliably documented (a list and photographs or other documentation) if, for compelling reasons (e.g., easily spoiled foodstuffs), the property has to be destroyed prior to LocalTapiola's inspection.

Reports acquired at the policyholder's own cost include the damage report and list of destroyed and preserved property, purchase receipts and any expert reports that the policyholder has ordered to determine the cause, amount or compensability of the damage without hearing LocalTapiola.

Damaged and lost property:

- Any damaged and undamaged remaining property will remain in the ownership of the policyholder. However, LocalTapiola is entitled to redeem the damaged property or part thereof. The value of the redeemed property is evaluated in the same way as the amount of damage.
- In the event that lost goods should be recovered following the payment of compensation, the policyholder must deliver said goods to LocalTapiola without delay or refund any compensation received for the goods.
- Instead of indemnifying the insured in cash, LocalTapiola is entitled to replace or repair damaged property.

Sum insured after damage

- At the most, the premium entitles the policyholder to an indemnification equal to the insurable value/maximum indemnity specified in the insurance policy during the insurance period.
- LocalTapiola is entitled to a premium calculated on the basis of the amount of indemnification for the period from the reacquisition of property to the end of the insurance period. However, the insurance will continue unchanged until the end of the insurance period if LocalTapiola does not notify the policyholder of additional premiums or other changes in conjunction with the indemnification decision.

## 7 Precautionary guidelines

### 7.1 Binding force and purpose of precautionary guidelines

It is a condition for the payment of compensation in accordance with the terms and conditions of insurance that the policyholder complies with these safety guidelines, as well as other written safety guidelines and regulations issued separately by LocalTapiola. If the precautionary guidelines are neglected and this has an impact on the occurrence, level or extent of loss, compensation may be reduced or refused in accordance with the Finnish Insurance Contracts Act and the general terms and conditions.

By following the safety guidelines, the occurrence of damage can be prevented or the extent of damage reduced.

- The people responsible for operations and maintenance at the workplace, as well as companies renting space in premises owned by the policyholder, must also be informed of these safety guidelines.

- The people responsible for the operations and maintenance at the workplace must be familiarised particularly carefully with guidelines on the prevention of arson and the avoidance of damage caused by hot work.
- The obligation of a contractor to adhere to the safety guidelines issued by LocalTapiola must be recorded in all contract documents.

### 7.2 Compliance with official regulations

Official regulations concerning construction must be complied with in new building and, where appropriate, in renovation projects. Particular attention must be paid to regulations containing orders and guidelines for preventing and mitigating fires, as well as leak and moisture damage.

Devices and structures ordered by the authorities or required by regulations for the purpose of preventing or mitigating damage, such as

- first-aid extinguishing equipment;
- smoke extraction equipment;
- fire-sectioning;
- automatic fire alarm system;
- automatic extinguishing system;

must be kept in operational condition and maintained and inspected in accordance with the equipment's servicing and maintenance programmes.

In addition, first-aid extinguishers (hose reels, hand-held extinguishers, fire blankets) must be easily available at all times.

The policyholder must ensure that

- service and maintenance programmes for equipment;
- the rescue plan;
- explosion protection documents (ATEX);
- regular inspections of electrical installations;
- safety reports of the handling and storage of hazardous chemicals

are up to date and complied with.

Applicable regulations include section E1 (fire safety of buildings), C2 (moisture, regulations and guidelines) and D1 (water supply and drainage installations for buildings, regulations and guidelines) of the National Building Code of Finland valid at the time of granting the building permit or construction permission.

### 7.3. General duty to exercise proper care

The policyholder must ensure that

- any detected faults and defects in buildings, machines and appliances causing the risk of damage are repaired without delay;
- measures required by the servicing and

maintenance programmes of machines and appliances have been undertaken;

- operating methods that may endanger the safety of personnel or customers are immediately corrected.

## 7.4 Fire prevention

### 7.4.1 Order and tidiness in buildings and outdoor areas

Good order and tidiness must be maintained in buildings and outdoor areas, including the following measures:

- any excess fire load (e.g., pallets, packaging material and other combustible waste) must be removed or placed in such a way that their catching fire in outdoor areas would not cause a danger of fire spreading to the building or, alternatively, it must be placed in a locked storage space protected from outsiders (see section 7.4.5);
- any inflammable waste must be kept in fire-proof waste containers equipped with a lid;
- cable shelves and under-machinery areas must be kept clean;
- heating surfaces of cookers and similar appliances must be kept free of inflammable materials;
- exits, emergency exits and passageways must be kept clear;
- rescue routes must be marked and they, as well as roads on the premises, must be kept clear of obstructions;
- smoking is permitted only at designated places in accordance with the law;
- smoking areas must be equipped with fire-proof ashtrays, which are emptied regularly at an agreed place.

### 7.4.2 Structural fire prevention

Sectioning building elements must be kept in order in such a way that they prevent the spreading of fire and combustion gases from one department to another for the period of time defined in the building permit.

The realisation of fire sectioning requires, among other things, that

- pipe penetrations and cable lead-throughs are insulated in accordance with the compartmentation requirements;
- fire doors are kept closed;
- fire doors are self-closing and self-locking.

If the use of the premises requires keeping the fire door constantly open, a closing device must be installed that will automatically close and lock the door in the event of a fire. A fire door equipped

with an automatic closing device must close in the event of a power failure, or a power source that is independent of mains current must be used. The condition of the power source and the closing and locking mechanism of the door must be checked regularly.

### 7.4.3 Usage of naked flames

When using naked flames, such as

- candles;
- outdoor fires;
- gas burners;
- flambéing of food

particular care must be taken and, as applicable, any safety guidelines issued by the manufacturer in the product, product packaging or user instructions must be complied with.

### 7.4.4 Hot work

#### 7.4.4.1 Definitions

##### *Roof insulation and waterproofing hot work licence*

The roof insulation and waterproofing hot work licence is a temporary certificate for passing the roof insulation and waterproofing hot work safety examination.

##### *Roof insulation and waterproofing hot work*

Roof insulation and waterproofing hot work is waterproofing work where flames or other heat sources are used, causing a fire hazard. Roof and waterproofing hot work includes drying the base to be insulated with a flame or hot air, heating bitumen in a bitumen pot and attaching water insulation by heating, as well as any necessary auxiliary work which produces sparks.

##### *Roof insulation and waterproofing hot work safety examination*

An examination approved by the Finnish National Rescue Association to ensure that the person performing the roof insulation and water-proofing hot work and the person granting the hot work permit have sufficient knowledge of roof insulation and water-proofing hot work safety.

##### *Temporary hot work location*

Temporary hot work locations include all other than permanent hot work locations. A roof insulation and water-proofing hot work location is always a temporary hot work location.

##### *Hot work licence*

A hot work licence is a temporary certificate for passing the hot work safety examination.

#### *Hot work permit*

A hot work permit is a written license that entitles to perform hot work at a temporary hot work location. Before a hot work permit is granted, an analysis and assessment of risks associated with hot work is carried out and the necessary safety precautions are put in place.

#### *Hot work plan*

The hot work plan is a written plan for safe conduct of hot work and roof insulation and water-proofing hot work.

#### *Hot work*

Hot work involves spark-producing work and work where flames or other heat sources are used, causing a fire hazard. This hot work involves, for example, electric and gas welding, gas soldering, hot air blower work, flame cutting and metal polishing and cutting with a handheld power cutter.

#### *Hot work safety examination*

An examination approved by the Finnish National Rescue Association to ensure that the person performing the hot work and the person granting the hot work permit have sufficient knowledge of hot work safety.

#### *Analysis and assessment of risks associated with hot work*

Analysis and assessment of risks associated with hot work consists of identifying risks caused by hot work and evaluating their seriousness at the hot work location. The analysis and assessment of risks is performed before a hot work permit is granted and each time that the conditions at the hot work location change. Safety precautions for avoiding damage resulting from hot work are based on the analysis and assessment of risks.

#### *Permanent hot work location*

A permanent hot work location is a particular fire section or other area separated from its surroundings in which hot work can be safely performed.

#### *Hot work with minor fire hazard*

Hot work with minor fire hazard is work that includes a small risk of ignition and spread of fire.

#### 7.4.4.2 Hot work plan

The policyholder must have a written hot work plan.

The hot work plan shall include at least the following:

- the name of the person in charge of hot work safety, who maintains the hot work plan and sees to it that the orders of these safety guidelines can be implemented in practice;
- the names of the people with the permission to grant hot work permits;
- the names of the people with the permission to perform hot work;
- the availability of shielding materials and first-aid extinguishing equipment necessary for hot work and the organisation of the hot work fire watch;
- elements influencing the hot work safety arising from the policyholder's production, premises, environment and other similar factors that need to be considered besides the issues presented in these safety guidelines;
- permanent hot work locations.

If the policyholder has the hot work performed by an external contractor, the contractor's hot work plan can be followed during hot work, when the policyholder has

- verified that the contractor has at least a written hot work plan as described above;
- required that the contractor and subcontractor follow these safety guidelines.

#### 7.4.4.3 Hot work

##### A. Hot work with minor fire hazard

In work with minor fire hazard the risk of fire and fire spreading is small during the entire work. The theoretical maximum temperature of tools used in work with minor fire hazard shall not exceed the ignition temperature of the item under work and material in the immediate surroundings of the item.

Work with minor fire hazard is e.g. electric soldering and use of hot air in conditions mentioned above.

The employee must evaluate the fire hazard and consider the work method, the flammability of the material used and evaluate his/her ability to detect and extinguish any initial fire. If the employee is not certain that the risk of fire is minor, or that the work can be performed without a fire hazard, the work may not be classified as hot work with minor fire hazard.

The employee must take care of the safety precautions required by the work method, the site and the environment, such as ensuring tidiness, order and the availability of first-aid extinguishing equipment when performing hot work with minor fire hazard.

A hot work permit or a hot work licence for the person performing the work is not required for work with minor fire hazard.

#### B. Hot work at a permanent hot work location

Whenever possible, hot work shall be undertaken at a permanent hot work location. Safety measures required by the work method, the site and the environment must be taken into consideration when performing hot work at a permanent hot work location. A hot work permit or a hot work licence for the person performing the work is not required for hot work at a permanent hot work location.

The standards for a permanent hot work location are as follows:

- the structures of the hot work location must be fire-proof or covered with fire-resistant material if the structures are combustible;
- the structures and protective covers of the hot work location must be tight enough to prevent sparks and splashes generated during hot work from escaping the work location or entering the structures;
- the hot work location must have at least two handheld extinguishers with a 43A 183BC rating, one of which may be replaced with a hose reel, or two handheld extinguishers with a 27A 144BC rating;
- the hot work location may contain no unnecessary flammable materials;
- no flammable liquids may be handled or stored in the hot work location, and the hot work location must not be adjoined to any area that may contain combustible gases;
- The requirements concerning temporary hot work locations must be met at a permanent hot work location as well, if the object of hot work substantially increases the fire hazard.

#### C. Hot work at a temporary hot work location

Hot work may only be performed at a temporary hot work location if it cannot be performed at a permanent hot work location.

Hot work must be replaced with a work method that does not involve a fire hazard if, based on the analysis and assessment of risks associated with hot work, it is stated that the performance of hot work is not safe or forbidden for some other reason.

At a temporary hot work location, hot work may only be performed by a person who has a valid hot work licence. A written temporary hot work permit for a specified time is always required when performing hot work at a temporary hot work location.

#### *Hot work permit*

Before granting the hot work permit, an analysis and assessment of risks associated with hot work must be performed at the hot work location.

The person granting the hot work permit must, in the hot work permit, determine the safety precautions necessary based on the analysis and assessment of risks associated with hot work. Hot work may not be started until the person performing the hot work and the hot work fire watchman have ensured that the security precautions specified in the hot work permit have been implemented. The hot work permit must specify the name of the person granting the hot work permit, the names of the people performing the hot work and the names of the hot work fire watchmen.

The person granting the hot work permit shall prepare at least four copies of the hot work permit, one of which is delivered to the policyholder. Before starting the hot work, the person granting the hot work permit must give one copy to the person performing the hot work, one to the hot work fire watchman on duty during hot work and one to the hot work fire watchman on duty after the completion of hot work.

All people performing the hot work, as well as the hot work fire watchmen, must be informed of the security precautions prescribed in the hot work permit.

The person granting the hot work permit must have a valid hot-work licence.

The hot work permit can be granted by the person specified in the policyholder's hot work plan who is best qualified to analyse and assess the risks associated with hot work and to determine appropriate safety precautions based on personal experience and knowledge of the worksite.

If the policyholder is not best qualified to grant the hot work permit, the hot work permit can be granted by the person with a valid hot work licence and specified in the contractor's hot work plan.

A hot work permit can only be granted for a fixed term. The hot work permit is specific to the hot work location and only the hot work specified in the permit are allowed at the hot work location. If the conditions of the hot work location change during the validity of the hot work permit, the person granting the hot work permit must update the hot work permit to take account of the new conditions.

### *Safety precautions at a temporary hot work location*

The safety precautions prescribed based on the analysis and assessment of risks associated with hot work must be implemented at the temporary hot work location. The following are minimum standards for safety precautions at a temporary hot work location:

- the hot work location must be kept clear of flammable materials;
- any flammable materials that cannot be removed must be tightly protected with a fire-proof cover;
- accessories and equipment (e.g., cables) at the hot work location must be protected with covers;
- any openings in the structures must be protected with covers and any gaps must be sealed;
- any flammable surfaces in the structures must be protected with covers;
- sparks and splashes must be prevented from escaping into the environment and the conduction of heat into the structures must be prevented;
- the gas content in the working space shall be measured when necessary, and the space must be ventilated as needed;
- any fire alarms and extinguishing systems based on smoke detection in the area where the smoke from hot work could spread must be switched off to prevent false alarms, and they must be switched back on as soon as the work is stopped;
- sprinkler systems must not be switched off, but, if necessary, the sprinkler nozzles can be covered with a temporary cover, which is to be removed immediately after the completion of hot work;
- the fire extinguishing equipment referred to in section 5.3.3 must be brought to the hot work location.

### *Fire extinguishing equipment*

The person granting the hot work permit specifies the fire extinguishing equipment required at a temporary hot work location based on the analysis and assessment of risks associated with hot work. However, the fire extinguishing equipment must include at least two handheld extinguishers with a 43A 183BC rating. One of the handheld extinguishers may be replaced with a hose reel or two handheld extinguishers with 27A 144BC rating.

The fire extinguishing equipment must remain in the hot work location throughout the entire duration of the hot work, and also during the fire watch afterwards.

### *Hot work fire watch*

The hot work fire watch must be ordered based on the analysis and assessment of risks associated with hot work.

The hot work fire watch must continue throughout the entire hot work process, including breaks. When the hot work has been completed, the hot work fire watch must be continued in accordance with the hot work permit, for at least one hour. The hot work plan shall specify how the hot work fire watch is arranged. The person performing the hot work cannot work as the hot work fire watchman on duty during work.

During the hot work fire watch, the hot work location and any adjacent areas must be monitored without interruption.

The hot work fire watchman must know the risks associated with hot work, know how to make an emergency call and know how to use the first-aid extinguishing equipment provided at the hot work location. If necessary, the hot work fire watchman must interrupt the hot work.

#### 7.4.4.4 Roof insulation and waterproofing hot work

Roof insulation and waterproofing hot work may only be performed by a person who has a valid roof insulation and waterproofing hot work licence.

##### A. Roof insulation and water-proofing hot work permit

A written temporary hot work permit is always required when performing roof insulation and water-proofing hot work.

Before the hot work permit is granted, an analysis and assessment of risks associated with hot work must be performed at the hot work location. In the analysis and assessment of risks, special attention must be paid to risks caused by structures and cavities under the site.

The person granting the hot work permit must, in the hot work permit, determine the safety precautions necessary based on the analysis and assessment of risks associated with hot work. Hot work may not be started until the person performing the hot work and the hot work fire watchman have ensured that the security precautions specified in the hot work permit have been implemented. The hot work permit must specify the name of the person granting the hot work permit, the names of the people performing

the hot work and the names of the hot work fire watchmen.

The person granting the hot work permit shall prepare at least four copies of the hot work permit, one of which is delivered to the policyholder. Before starting the hot work, the person granting the hot work permit must give one copy to the person performing the hot work, one to the hot work fire watchman on duty during hot work and one to the hot work fire watchman on duty after the completion of hot work. All people performing the hot work, as well as the hot work fire watchmen, must be informed of the security precautions prescribed in the hot work permit.

The person granting the hot work permit must have a valid roof insulation and waterproofing hot work licence. The hot work permit can be granted by the person specified in the policyholder's hot work plan, who is best qualified to analyse and assess the risks associated with roof insulation and waterproofing hot work and to determine appropriate safety precautions based on personal experience and knowledge of the worksite.

If the policyholder is not best qualified to grant the hot work permit, the hot work permit can be granted by an expert appointed by the policyholder or the person specified in the contractor's hot work plan.

The person performing roof insulation and waterproofing hot work cannot be the person who has granted the hot work permit. An exception is short-term maintenance or repair work when the structures to be insulated and adjacent structures are fire-proof and do not form any cavities. In this case, the person performing the hot work can grant a hot work permit to him-/herself after verifying that performing the hot work is safe based on the analysis and assessment of risks.

A hot work permit can only be granted for a fixed term. The hot work permit is specific to the hot work location and only the hot work specified in the permit are allowed at the hot work location. If the conditions of the hot work location change during the validity of the hot work permit, the person granting the hot work permit must update the hot work permit to take account of the new conditions.

#### B. Work method selection

Hot work must be replaced with a work method that does not involve a fire hazard when the structures to be insulated are flammable and the

structures contain cavities and cannot be inspected and monitored.

The water-proofing material must not be attached over cappings or metal structures in such a way that the point of attachment is heated.

Neither naked flames nor hot air may be used near an opening, a lead-through or at the junction of horizontal and vertical structures if it is possible that the naked flame or hot air could penetrate the structure.

#### C. Safety precautions at a roof insulation and waterproofing hot work location

The safety precautions ordered based on the analysis and assessment of risks associated with hot work must be implemented at the hot work location, including the following minimum standards:

- any unnecessary flammable materials must be removed from the hot work location;
- any flammable materials that cannot be removed must be tightly protected with a fire-proof cover;
- any openings in the structures must be protected with covers and any gaps must be sealed if a flame, splash or spark could spread into the structures through them;
- any fire alarms and extinguishing systems based on smoke detection in the area where the smoke from hot work could spread must be switched off to prevent false alarms, and they must be switched back on as soon as the work is stopped;
- sprinkler systems must not be switched off, but, if necessary, the sprinkler nozzles can be covered with a temporary cover, which is to be removed immediately after the completion of hot work;
- the fire extinguishing and clearance equipment and shielding materials referred to in section D must be brought to the hot work location.

#### D. Fire extinguishing and clearance equipment and shielding materials

The person granting the hot work permit specifies the fire extinguishing equipment required at a roof insulation and waterproofing hot work location based on the analysis and assessment of risks associated with hot work. However, the fire extinguishing equipment must include at least two handheld extinguishers with a 43A 183BC rating. One of the handheld extinguishers may be replaced with a pressurized fire hose or two handheld extinguishers with a 27A 144BC rating.

The fire extinguishing equipment must remain in the hot work location throughout the entire duration of the hot work, and also during the fire watch afterwards.

A roof insulation and water-proofing hot work location must have fire-proof shielding material and clearance equipment that can be used to make an opening in the structure for extinguishing in case of a fire.

#### E. Roof insulation and waterproofing hot work fire watch

The required hot work fire watch must be ordered based on the analysis and assessment of risks associated with roof insulation hot work. A hot work fire watchman must always be used during hot work and after the completion of work when the structures to be insulated or adjacent structures are flammable or contain cavities.

The hot work fire watchman must monitor the hot work location, its environment and any substructures without interruption. If necessary, multiple hot work fire watchmen must be appointed. The hot work fire watch must continue throughout the entire hot work process, including breaks. When the hot work has been completed, the fire watch must be continued in accordance with the hot work permit, but at least for an hour.

The hot work fire watchman must know the risks associated with hot work, know how to make an emergency call and know how to use the first-aid extinguishing equipment provided at the hot work location. If necessary, the hot work fire watchman must interrupt the hot work.

#### 7.4.5 Prevention of arson

No inflammable materials may be kept on loading platforms, unless the access of outsiders to the loading platforms and the ignition of the goods on the platforms are prevented.

Any inflammable materials and waste bins kept outside must be positioned in such a way that their catching fire would not cause a danger of fire spreading into buildings.

Waste containers, waste shelters and other inflammable material must be positioned in the building's outdoor areas in such a way that prevents a danger of fire spreading into the building. The spreading of fire into the building can be prevented with a fire-proof structure or by placing flammable material sufficiently far away

from the walls, taking structures and other conditions into account. Waste can also be kept in the building's locked waste collection rooms.

Alternatively, inflammable material and waste can be kept in a locked storage space protected from outsiders. In this case, the protective structures must be such that igniting the inflammable material or waste after business hours is not possible without breaking structures.

The attics, basements, and other jointly used premises in the building must be locked so that they are inaccessible to outsiders.

#### 7.4.6 Installation, inspection and location of electrical equipment

Electrical equipment and installations must always comply with the electrical safety regulations and the manufacturer's installation instructions.

Regular inspections of electrical installations must be performed in accordance with the electrical safety regulations at intervals of 10 years, depending on the size of the main fuse and usage at the site.

Special attention must be paid to the location of temporary lighting with a hot surface (e.g., halogen lamps). Any such lighting appliances must be equipped with a support to prevent them from tipping over, and the appliance must be equipped with a shield to keep inflammable materials at a sufficient distance from the hot surface.

Sufficient cooling of electrical equipment must be ensured in all seasons and in all loading circumstances. If sufficient information is not available on the permitted loading of appliances, the appliances' temperature must be monitored (e.g., by thermographic survey) and, as regards alteration work, the temperature must be monitored immediately after taking the appliance into use.

The accumulation of material must be prevented with suitable protection or the surfaces must be cleaned regularly in order for insulating and/or fire-hazardous material becoming loose during a process and falling on the surface of an electrical appliance (for example, wood or paper dust) not to cause overheating.

#### 7.4.7 Safety of heat generation equipment

In the installation, maintenance and use of heaters, industrial ovens and flues, the guidelines presented

in installation and user instructions and fire regulations regarding safety distances, fire insulation, electrical safety, servicing and cleaning must be complied with.

#### 7.4.8 Storage of an internal combustion engine work machine

An internal combustion engine work machine may be stored

- in a separate vehicle shelter or a workshop intended for vehicles;
- outdoors, at least 8 metres away from a building;
- in a production or storage building when the storage space of the vehicle has been fire-sectioned from the other spaces;
- outdoors less than 8 metres away from a building when the external wall and gutter have been fire-sectioned.

The fire-sectioning of the external wall and gutter must be implemented at the location where the work machine is stored and, in addition, must allow four metres' distance sideways at either side of the location.

#### 7.4.9 Manufacture, use, transportation and storage of hazardous substances

When manufacturing, using, storing or transporting inflammable liquids, chemicals and gases, the legislation pertaining to them and the decrees and instructions given on the basis of the legislation must be adhered to.

The permits and notifications concerning the handling and storage of the substances must be kept up-to-date. Guidelines on the safe use, storage and disposal of fire-hazardous and explosive substances must be issued to the personnel. Compliance with the guidelines must be monitored.

An explosion protection document (ATEX) must be prepared if the chemicals or other substances may cause explosive air compounds.

Applicable regulations and guidelines include the following:

- Ministry of Trade and Industry decision on flammable fluids;
- Decree on Liquefied Petroleum Gas;
- Chemicals Act and decree;
- Decree on the Industrial Handling and Storage of Dangerous Chemicals
- safety data sheets (SDS) and package markings of substances.

#### 7.4.10 Building, repair and installation work

Fire safety is extremely important on building, repair, and installation sites. LocalTapiola's safety guidelines Building and Repair Work B10 must be adhered to.

### 7.5 Prevention of leak damage

#### 7.5.1 Storage of movable property

Property that is easily damaged in the event of a leak must be placed at a minimum distance of 10 centimetres from floor level.

Easily damaged property is, for example, electrical appliances with cabling and inventories.

#### 7.5.2 Installation and maintenance of utility appliances, process equipment and pipe systems

The connections of utility appliances and process equipment, pipe joints and container installations must comply with the regulations and guidelines issued by the manufacturer or importer and the authorities.

Machines and devices must be used and maintained as instructed by the manufacturer or importer. Regular inspections required by the authorities must be performed on devices and containers, and any faults detected must be repaired without delay.

Examples of inspections required by the authorities are pressure vessel and oil tank inspections.

#### 7.5.3 Protection from freezing

The pipeline system of a building must be carefully maintained and protected from freezing. The pipeline system and devices connected to it must be emptied of water if sufficient heating or monitoring cannot be provided during the cold season.

A building is insufficiently heated if the inside temperature is substantially below normal room temperature.

### 7.6 Prevention of criminal damage

#### 7.6.1 Protection of property at the business premises used by the policyholder

As regards the structural protection, locking and storage of keys to the business premises permanently used by the policyholder and, as

applicable, other storage space, the protective measures presented in the table below must be adhered to when the business premises are closed.

The locking requirements mentioned in the table must be implemented in such a way that they do not endanger safe exiting. Exceptions may be made to the guidelines on a case-specific basis, if the target in question is a meeting space or other accommodation, or a corresponding space of high risk to life and health in which the requirement for mechanical safety locking cannot be implemented without endangering personnel safety. In such an event, the target's locking requirements can be fulfilled by combining mechanical locking and automated safety technology in accordance with LocalTapiola's technical crime prevention guidelines. The implementation must be agreed

upon with LocalTapiola's specialist.

More detailed definitions of protection requirements and implementation examples are found in the technical guidelines. Technical guidelines are available (in Finnish) at LocalTapiola's offices or on its website at [lahitapiola.fi/yritysiasiakkaat](http://lahitapiola.fi/yritysiasiakkaat).

The structural burglary protection of the storage space of the insured property must, at a minimum, comply with the structural burglary-resistance guideline set 1 of the table below, unless a higher structural protection level has been specified in the insurance policy or in any special terms and conditions.

<b>Structural protection requirements / safety guidelines level</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Structures (walls, floor, ceiling)</b>			
The strength and design of the structures must be such that the space cannot be entered without breaking the structures with tools. The structures and their parts must not be removable from outside without damaging them.	x	x	x
The separating wall must extend from the floor to the ceiling. Alternatively, the upper portion of the wall can be protected with a steel lattice.	x	x	x
Light structures, such as plasterboard and breeze-block partitions, must be reinforced on the storage space side.		x	
Light structures, such as plasterboard and breeze-block partitions, must be reinforced on both sides of the storage space.			x
<b>Windows, glass structures and openings</b>			
Windowpanes must be attached and the windows must be latched so that they cannot be removed or opened from outside without damage to the structure.	x	x	x
Except for façade windows in the building's external wall, all windows, glass and movable glass walls, as well as roof windows, must be made of shockproof glass or must be protected. This requirement does not apply to a window or opening that is at least 4 metres above the ground or other platform.		x	
Windows, glass and movable glass walls, as well as roof windows, must be made of burglary-resistant glass or must be protected. This requirement does not apply to a window or opening that is at least 4 metres above the ground or other platform.			x
The display window's protection must be the width of the window and must extend at least 2 metres above the ground or other platform. If glass is structurally protected, the gap size of the protective structure must be such that the items on display cannot be removed without damage to the protective structure.			x
Other openings, such as smoke extraction and ventilation holes, must be protected with a permanent and locked steel lattice.	x	x	x
<b>Doors, hinges and frames</b>			
The frame must be wedged into the structures, and the door glass must be fastened so that it cannot be removed from the outside without breaking it.	x	x	x
Unlipped metal doors and all wooden doors must have a metal guard installed at the level of the operational lock.	x	x	x
The doors must be equipped with door hinge security bolts if the hinge can be disassembled from the outside.	x	x	x
Door panes must be made of shockproof glass or must be protected.		x	
If the windows and door panes of the façade and the window openings in level gear doors and folding doors are monitored with an approved burglar alarm system, the façade door panes or the window openings in level gear doors and folding doors do not need to be structurally protected.		x	
Door panes must be made of burglary-resistant glass or must be protected.			x
<b>Locks</b>			
When a door is secured with an operational lock, it must be at least of safety level 3, and a safety lock must be at least of level 5.	x	x	x
When a door is secured with padlocks, they must be at least level 4 on the outside, including fastenings, and, on the inside, at least level 3 including fastenings. When locking with padlocks, approved fastenings must be used.	x	x	x
When the premises are vacant, the doors must be double-locked and the quick-latch of a double door must be locked.	x	x	x

A paned door must be locked with an operational lock and a safety lock, and the distance between the locks must be at least 40 cm.	x	x	x
The entry side of double doors must be locked in the same way as single-wing doors. The fixed side must be locked with an escape door bolt that is locked with at least a level 2 padlock or other corresponding measure preventing the use of escape door bolt. Double doors can also be locked with a steel bar locked with a padlock, or with two padlocks.	x	x	x
Swinging double doors must be locked with two locks.	x	x	x
Openable lattices and roller gratings must be locked with two padlocks.	x	x	x
Full-panel doors must be locked with an operational lock.	x		
A full panel door must be locked with an operational lock and a safety lock, and the distance between the locks must be at least 40 cm.		x	x
Lever gear, folding and sliding doors must be locked primarily from the inside, with one padlock in addition to the regular locking (e.g., a quick-latch). The quick-latch and the padlock must be situated on opposite sides of the door.	x	x	
Lever gear, folding and sliding doors must be locked primarily from the inside with two padlocks.			x
Movable glass doors and sliding glass doors must be locked with at least one lock.	x		
Movable glass doors and sliding glass doors must be locked with at least two locks.		x	x

The table refers to section 7.6.1.

## 7.6.2 Protection of property at varying locations

### 7.6.2.1 Property at business premises other than the policyholder's

Property insured at varying locations or at the premises of a subcontractor can be stored in a locked space in the building normally in use, such as an industrial hall, business premises, office building or residential building. In the selection of the storage place for property and in the evaluation of the adequacy of the storage space's structural protection, the location of the site and the value of the property to be stored, as well as the desirability of the property, must be considered. The storage space must comply with at least level 1 structural protection requirements.

### 7.6.2.2 Property in temporary buildings and storage containers

At construction and installation worksites or similar with no premises normally in use, the insured property must be stored in a structurally strong storage space or in a temporary building which has burglar protection, as described below. When the burglar protection of the site under construction has been implemented at the final level of the protection plan, the insured property may also be stored in a locked space of a building thus protected against burglary.

The doors of temporary buildings must be secured in one of the following ways:

- with a level 3 operational lock and level 5 safety lock, the distance between which being at least 40 cm;
- with two level 3 padlocks approved with their fastenings, the distance between which being at least 40 cm;
- with a steel bar locked with a level 4 padlock,

approved with its fastenings.

In unclipped steel doors and in all wooden doors, the places of the operational and safety locks must be protected with a continuous metal guard. The fastenings of padlocks must be such that they prevent the shackle from being cut. In a wooden structure, a steel bar must be fastened with bolting through the whole structure in such a way that it cannot be removed without damage to the structure.

In addition, all the windows and openings of the storage space must be protected

- with steel lattice;
- with steel mesh;
- in another way that provides equal protection.

### 7.6.2.3 Property outdoors in a storage container

The ceiling, door and wall structures of the storage container must be made of steel plate or must be structured such that the space cannot be entered without breaking the structures with tools.

In addition to the regular locking, the door of the container must be locked with at least level 4 padlock and padlock fastenings of corresponding level, which are intended for locking containers. The fastenings of padlocks must be such that they prevent the shackle being cut.

Windows and openings must be protected with steel mesh or lattice.

### 7.6.2.4 Property in a vehicle or trailer

If the property insured is in a vehicle or trailer outside working hours, the protection methods referred to in the following table must be followed.

	Primary protection method	Secondary protection method
1. Vehicle (e.g., service car) or vehicle with a locked trailer	<ul style="list-style-type: none"> <li>the vehicle and trailer must be kept in a locked building or</li> <li>the insured movable property must be moved to a locked building</li> </ul>	<ul style="list-style-type: none"> <li>the vehicle must be equipped with an immobiliser and a burglar alarm device approved by the Federation of Finnish Financial Services</li> <li>the burglar alarm must be activated and the doors to the cabin and loading space must be kept locked</li> </ul>
2. Hard-top trailer or storage compartment  In a trailer or storage compartment <ul style="list-style-type: none"> <li>the hard-top must be of metal or strong fibreglass that cannot be broken without tools</li> <li>the hard-top structure must be locked to a vehicle or a trailer with approved class 3 padlocks or other similar locking devices</li> </ul>	<ul style="list-style-type: none"> <li>the attachment of the trailer to another drawing vehicle must be prevented with a suitable device, or</li> <li>the trailer must be locked to a vehicle equipped with an immobiliser with a suitable device.</li> </ul> <p>The light trailer must be stored in a locked space.</p>	<p>If a light trailer cannot be stored in a locked space, it can be stored</p> <ul style="list-style-type: none"> <li>locked to a towing hook of a vehicle equipped with an immobiliser; or</li> <li>fastened to a strong structure with a surface-tempered steel chain or steel cable (diameter at least 10 mm) and an approved class 3 padlock.</li> </ul>
3. Pickup truck or trailer without hard-top	<ul style="list-style-type: none"> <li>property must be fastened to the trailer or rear cargo area with a surface-tempered steel chain or steel cable (diameter at least 10 mm) and an approved class 3 padlock.</li> </ul> <p>The trailer must be fastened as specified in section 2 above. The vehicle must be equipped with an immobiliser.</p>	

The table refers to section 7.6.2.4.

The goods must be covered or placed in the vehicle or trailer in such a way that their quality cannot be seen from the outside.

An immobiliser is a device that prevents the vehicle from being driven or the engine from being started. An acceptable immobiliser is a device permanently installed in a vehicle, or a removable mechanical immobiliser. The installation and connection of the device must be performed in accordance with the manufacturer's instructions.

The policyholder must ensure that the device is in operable condition.

Devices preventing the attachment and detachment of a trailer include the locks in the pulling coupling, ball connection locking devices and the locking equipment of the pull knob, as well as the shaft lock.

7.6.2.5 Property elsewhere than in a protectively locked space

*Property fastened to a permanent structure*

Unless otherwise stated in the policy document, items kept outside or in a location other than in a protectively locked space, such as work machines, tools and other property, must be attached to a strong, permanent structure

- with a surface-tempered steel chain or steel cable with at least 10 mm diameter, which has been locked with an approved class 3 padlock;
- at least 3 meters above the ground or another platform in such a way that it cannot be removed without a scaffold and a tool;
- in another manner separately agreed with LocalTapiola's specialist.

Examples of special protection:

- Instead of securing with a chain, an engine-powered personnel hoist can be protected against theft by locking it into the work position in accordance with the manufacturer's instructions so that it is not possible to put it into transport position without damaging the device.
- An easily moved tool storage box or container could be protected against theft by raising it above the worksite on a crane's hook. In this event, it must be ensured that people would not be endangered were the box to fall off the

hook.

Heavy public works vehicles with a lockable cabin do not need to be attached in the above-mentioned manner, but their cabins must be kept locked and the key must not be left in the vehicle. If a heavy public works vehicle is attached or loaded to a vehicle or its trailer, the transport vehicle must be equipped with an immobiliser approved by the Federation of Finnish Financial Services. In addition, a work machine or trailer attached to a drawing vehicle must be locked to the drawing vehicle's towing hook. The immobilising equipment must be used when the vehicle is left unattended. In this situation, the doors of the transport vehicle's cabin and the loading space must always be kept locked and the key must not be left in the vehicle.

#### *Property stored in an enclosure*

If, when taking out the insurance, it was agreed and specified in the insurance policy that the property located in the enclosure is insured, the structure and locking of the enclosure, and the positioning of property within the enclosure, must be implemented in such a way that the theft of the property is not possible without damaging the enclosure.

Property that is suitable for outdoor storage and of such size that its storage indoors is not possible or appropriate is accepted to be insured for storage in an enclosure. Property that is valuable, of a small size and easily movable is not accepted for storage in an enclosure even if it is suitable for outdoor use and outdoor storage. Such property may include tools and small work machines.

#### Structural requirements for an enclosure

- The fence can be made of armour net (net opening size max 50 mm) or other fencing providing corresponding protection.
- The fence must not have any openings.
- The fence must surround the entire protected area.
- The structural height of the fence must be at least 2 metres.
- The height of the lower edge of the fence can be max 10 cm from the ground level.
- The gate must be locked with a safety lock or a level 4 padlock.
- The fenced area must be illuminated so that trespassing can be observed.

#### 7.6.2.6 Protection of valuables

##### A. Use of cash registers, safes and fireproof cabinets

Cash registers and boxes must be left open when the insured premises are locked.

A fireproof cabinet intended for document storage, or other storage cabinet that has not been burglary-tested and is unclassified, does not provide the burglar protection required by the terms and conditions of insurance for amounts of money in excess of EUR 5,000.

In property crime insurance, it is a condition for a sum insured exceeding EUR 5,000 that the money and securities are stored in a classified storage unit for valuables (a safe).

<b>Burglar alarm system level requirements</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>
The system must be designed and implemented in compliance with LocalTapiola's valid technical guidelines. A reliable and competent company specialising in the field must be used in the design and installation of the burglar alarm system		
<b>Targets being monitored with the system</b>		
Door switches in all entrance doors leading into the premises.	<b>x</b>	
Door switches in all doors leading into the premises.		<b>x</b>
Motion detectors in all the rooms where valuable property is stored, as well as in the corridors.	<b>x</b>	<b>x</b>
Spot detector for storage units for valuables (e.g., safe).	<b>(x)</b>	
Glass breakage detectors.		<b>x</b>
<b>Alarm transmission method</b>		
Via a robot telephone or, alternatively, via a radio frequency transmission connection.	<b>x</b>	
Monitored connection or, alternatively, reduplicated alarm transmission connection.		<b>x</b>
<b>Recipient of the alarms from the burglar alarm system</b>		
The alarms must be directed to a security company or the police.	<b>x</b>	<b>x</b>
If there is no security company in the area, the alarm may also be directed to another continuously attended location, or to at least three telephone	<b>x</b>	

numbers that, as a rule, are being attended, via a telephone.		
If there is no security company in the area, the recipient of alarms must be separately agreed upon with LocalTapiola's representative.		<b>x</b>
In addition, the site must have a local alarm.	x	x

The table refers to section 7.6.4.

The doors of a fireproof cabinet, safe and vault must be kept locked when the insured premises are closed, and the keys or number combinations must not be kept on the same premises.

The key or the number combination may not be given to anyone other than the named people against signature. A fireproof cabinet or safe approved for storing money must be bolted to the building's structures according to the manufacturer's instructions.

The classification of a storage unit for valuables in accordance with the standard has been defined in the test certificate available from the seller or the manufacturer, and the classification is also marked on the value sign located inside the door of the storage unit for valuables.

#### B. Protection against robbery during transport

As regards protection against robbery, the minimum requirements according to the amount of money being transported are defined in the terms and conditions for insurance against property crime.

Persons transporting valuables must be

- the policyholder's permanent employees;
- adults;
- reliable as persons;
- competent for the task;
- trained for the task.

The drivers may also be employees of a company providing professional security transport services. In transportation, a car suitable for the task must be used whenever possible and expedient considering the circumstances.

The transport shall be carried out with means of transport that make it impossible to determine the contents from outside.

If money is being transported from several places of business during the same transport occasion and the money is left in the vehicle during a stop

- a vehicle equipped with an immobiliser must be used;
- the money must be stored in a locked storage unit approved by LocalTapiola, which is permanently installed in the vehicle;
- the vehicle must be locked during a stop or two

security drivers must be used for the transport, one of whom guards the money during a stop.

#### 7.6.3 Storage of keys

Keys must be stored carefully and in compliance with LocalTapiola's valid technical guidelines. Keys may not be marked in such a way that they can be connected to the target.

Only the keys to separate technical facilities, such as the electrical utilities room or phone room, may be stored in a key storage unit built in the external wall. The master key should never be stored in the key storage unit.

If a key is lost, or is transferred to the possession of an outsider, it should be immediately determined whether the key can be misused. In the event of imminent danger, measures to prevent further losses must be taken.

#### 7.6.4 Level requirements, use and maintenance of burglar alarm systems

According to the terms and conditions of insurance against property crime, it is a condition for compensation that the storage space for money and securities is equipped with at least a level 2 burglar alarm system in addition to the safe defined in the terms and conditions if the sum insured is EUR 10,000–30,000. If the sum insured exceeds EUR 30,000, the burglar alarm system must be implemented in accordance with level 3.

A burglar alarm system that entitles the policyholder to reduced premiums or is a precondition to granting insurance must be implemented at a minimum in accordance with level 2 in the table above, unless otherwise specified in the insurance policy.

A burglar alarm system installed at the site that entitles the policyholder to reduced premiums or is the basis for granting insurance, must be kept in operational condition. When the insured premises are vacant, the system must be activated.

In addition to the equipment's technical maintenance and trials, 'keeping in operational condition' can refer to ensuring that all the areas

agreed to be monitored remain monitored even after changes in the use of the premises. LocalTapiola must be notified immediately of any changes to the transmission method of the alarms or to the recipients of the alarms from those agreed upon at the time of approval. In such an event, the insurance premiums are modified to correspond to the changed situation. If a burglar alarm system that entitles the policyholder to reduced premiums or is the basis for granting insurance has not been in an operational condition or it had not been activated at the time of the burglary, compensation may be reduced if the inoperability of the equipment has had an impact on the occurrence or extent of the damage or loss. As applicable, these regulations also apply to alarm systems installed in a yard, vehicle or boat.

Some key concepts used in the safety guidelines concerning burglar alarms:

- A burglar alarm system is an alarm system that is used to gain an observation of a person invading a monitored space or area, and the observation is transmitted with the help of the system to a predefined recipient of the message.
- A door switch raises an alarm when the door is opened while the alarm system is activated.
- A motion detector raises an alarm if it observes movement in a space.
- A spot detector raises an alarm when an object that it is monitoring (e.g., a safe) is being moved or damaged.
- A glass breakage detector raises an alarm when a window that it is monitoring is broken.
- A local alarm, e.g., a high-volume siren, activates a local alarm when the burglar alarm system raises the alarm.
- A robot telephone transmits the alarms via landline to selected numbers, such as an alarm monitoring centre.
- A radio frequency connection transmits the alarms wirelessly using radio frequency (e.g., mobile phone networks) to selected numbers, such as an alarm monitoring centre.
- A monitored transmission connection continuously monitors the functioning of the connection. If an interruption occurs in the connection, for example if a wire is cut, the system raises an alarm.

A reduplicated transfer of alarms refers to a system including two devices using different transmission routes. One is usually a robot telephone connected to a selected telephone network and the other is usually a modem operating on a mobile phone network. In addition, the devices must be connected to each other in such a way that they continuously monitor each other's status.

## 7.7 Prevention of breakages

### 7.7.1 Use and servicing of machinery and equipment

Machines and devices must be used and maintained as instructed by the manufacturer or importer. A record must be kept of maintenance activities.

The ventilation lattices and cooling ribs of electric engines must be kept clean to prevent overheating.

### 7.7.2 Safety in lifting and carrying work

In lifting and carrying work, the Government decree on the safety of building work (205/2009) must be complied with.

Particular attention must be paid to the regulations in chapter 5 of the decree concerning

- the condition and positioning of lifting and carrying equipment;
- the loading of lifting equipment and auxiliary devices;
- the performance of lifting and preparation of a lifting work plan.

The weight and centre of gravity of the load must be checked before the lifting and carrying, and the load must be carefully and appropriately fastened using the fastening points (lifting loops, brackets, etc.) in the load.

Pursuant to the decree, a separate lifting work plan must be prepared for all difficult lifting work. Difficult lifting work can include lifting particularly heavy or large loads in difficult circumstances, other lifting requiring specific planning, and lifting with more than one crane simultaneously.

### 7.7.3 Inspection, maintenance and monitoring of refrigeration equipment

As regards refrigeration equipment, the regulations set out in the law and decrees must be complied with. The decrees contain regulations concerning the obligation to inspect refrigeration equipment, temperature monitoring and recording devices, operating instructions and maintenance, as well as the obligation to equip refrigeration equipment containing large amounts of refrigerant with a leak detection system.

If the sum insured of a frozen food and refrigerated products exceeds EUR 10,000, the freezer and refrigeration facilities must be equipped with a temperature alarm system that transmits the alarm to a continuously attended place, such as a security

company, when the personnel are absent. The recipient of the alarm must initiate measures agreed in advance to prevent damage. The operational condition of the alarm equipment must be tested at least one every six months.

Laws and decrees regulating the inspection, servicing and installation of refrigeration equipment include Government decree 1185/5 December 2001 and European Parliament and European Council decree (EY) No. 842/2006, as well as the refrigeration decree and the laws and decrees referred to therein.

### **7.8 Backup and storage of data and files**

A so-called full backup of information systems must be performed at least once a week and software that can be backed up must be backed up after changes. The backups must be kept in a different building or in a locked data security cabinet, which gives the data material at least 60 minutes' protection against fire damage.

### **7.9 Prevention of damage in unused spaces**

In the event that operations are interrupted for a period longer than a normal service stoppage, or when business operations cease, it must be ensured that the measures and inspections required by these safety guidelines concerning fire prevention and the prevention of crime and leaks are implemented in the required manner.

In particular, it must be ensured that

- the condition of the property's yard, building and property located within the building is inspected at least once a week;
- any faults and breakages observed are

repaired and any signs of vandalism removed as quickly as possible;

- the automatic fire alarm system, automated extinguishing equipment, burglar alarm system and other similar security and monitoring systems are in operational condition;
- the testing and maintenance of the systems have been performed in accordance with their servicing and maintenance programmes;
- electricity input has been cut off from the main electricity board, apart from the electricity input required in the maintenance of the building and outdoor lighting;
- the freezing of service water and heating pipes has been prevented and the flow of water to the property's water outlets has been cut off, apart from the water outlets required by the heating system;
- the gas pipes do not contain pressure, flammable fluid pipes have been emptied and all the check valves have been closed.

### **7.10 Other safety guidelines and technical guidelines to be complied with**

- Construction and erection safety guidelines B10
- Guidelines for the technical implementation of structural burglar protection
- Key safety
- Burglar alarm systems and services
- Storage of valuables

Safety guidelines and technical guidelines are available at [lahitapiola.fi](http://lahitapiola.fi) or at LocalTapiola's offices.

Information on safety equipment approved by the Finance Finland is available from LocalTapiola's representatives or on the website of Finance Finland (FFI) at [finanssiala.fi](http://finanssiala.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 **Lännen** (0134099-8) | LähiTapiola **Pirkanmaa** (0205843-3) | LokalTapiola Österbotten -  
LähiTapiola **Pohjanmaa** (0180953-0) | LähiTapiola **Pohjoinen** (2235550-7) | LähiTapiola **Pääkaupunkiseutu**  
(2647339-1) | LähiTapiola **Satakunta** (0137458-1) | LähiTapiola **Savo** (1759597-9) | LähiTapiola **Savo-Karjala**  
(0218612-8) | LähiTapiola **Uusimaa** (0224469-0) | LähiTapiola **Varsinais-Suomi** (0204067-1) | LähiTapiola  
**Vellamo** (0282283-3) | LähiTapiola Keskinäinen Vakuutusyhtiö (0211034-2)

The companies' contact details are available at [www.lahitapiola.fi](http://www.lahitapiola.fi).

