



Forest insurance solutions

Product guide, valid as of 1 October 2023

Forests are assets that companies should take good care of. While the risks of forest ownership can be reduced with sensible planning and forest management, not all risks can be eliminated. If's Forest Insurance protects your commercial forest and plot forest against sudden and unforeseeable damage.

Commercial Property Insurance

In If's Property Insurance, the company's property risks are divided into easy-to-understand categories. In the Policy Document, you can easily see the insured property, the territorial limits and level of cover and deductible you have selected for each insured asset.

Property is categorised as follows:

- Residential buildings
- Non-residential buildings
- Movable property of the company, such as inventories, machinery and equipment
- Business interruption insurance
- Construction and installation work, tools and surrounding property
- **Commercial forest and plot forest**
- Production animals, horses and dogs

Forest insurance solutions and targets

With insurance solutions for forests owned by companies and communities, it is possible to insure both commercial forests and plot forest.

Commercial forest refers to a forest, the main purpose of which is production of timber for the forestry industry. The insurance also covers timber owned by the policyholder and stored in the farm area, which originates from the insured commercial forest.

Forest on a plot refers to a forest whose seedling stand or stand has forestry value, but is not intended for forestry use. The

trees must be located on a plot of no more than three hectares, and the main building of the farm must be located on the same plot.

The policy can also be extended to cover loss of expected profits from the insured forest.

Select a suitable level of coverage

Select a suitable level of coverage for your business needs. The limited level of Forest Insurance only provides cover against fire damage. The basic level covers both fire as well as storm and snow damage. In addition to the above, the extensive level also covers damage caused by rodents and, in many cases, insects.

Validity of the insurance

Forest insurance is a continuous and automatically renewed policy. This way, insurance cover remains valid throughout the year, even the risks vary in different seasons, from storm damage in the autumn to snow damage in the winter and fire and insect damage in the summer.

The forest estate or street address of the forest covered by the insurance policy is stated in the Policy Document in addition to the municipality where the forest is located.

What is compensated and how?

Unlike other types of property insurance, forest insurance reimburses an agreed sum in euros per hectare, and the trees

remain the property of the policyholder. The amount of compensation can be selected from four levels. The insurance has separate amounts of compensation for seedling stands (euros per hectare), trees and timber (euros per m³), and fire and other damage. The amounts of compensation for fires are slightly higher, as the usability of trees after a fire is poorer than after a storm, for example. The insurance does not cover the costs of extinguishing fires, clearing or planting.

When the loss of the expected value of the forest is insured, the insurance covers both the agreed amount of compensation as well as the value which the forest would have had without the damage, taking into account the age of the trees as shown in the table below. The expected value is a percentage of the compensation amount and depends on the age of the trees.

LEVELS OF COVERAGE OF FOREST INSURANCE	EXTENSIVE	BASIC	LIMITED
Fire damage as a result of an uncontrolled fire	✓	✓	✓
Losses resulting from storm and snow damage	✓	✓	
Losses resulting from rodent damage	✓		
Losses resulting from insect damage	✓		

COMPENSATION AMOUNTS OF FOREST INSURANCE	Trees and timber (m ³)	Seedling stand (hectares)
Level 1	Fire damage EUR 15 Other damages EUR 12	EUR 840
Level 2	Fire damage 25 EUR Other damages 16 EUR	EUR 1,200
Level 3	Fire damage 35 EUR Other damages 21 EUR	EUR 1,560
Level 4	Fire damage 40 EUR Other damages 30 EUR	EUR 2,400

COMPENSATION AMOUNTS OF EXPECTED VALUE IN FOREST INSURANCE	AGE OF TREES IN YEARS
100 %	25-35
50 %	36-45
25 %	46-55

The rules for evaluating and compensating for losses and damage are listed in chapter 10 of the terms and conditions.

A deductible is applied to the compensation

Each damage comes with a deductible, which is the amount of money deducted from the compensation and which your company must pay. You can choose the deductible from several options. With a higher deductible, you pay expenses arising from smaller loss or damage yourself, while we cover larger claims that involve more substantial financial losses. The amount of deductible also affects the price of your insurance.

In addition to the deductible, damage to seedling stands of less than half a hectare is not compensated. In case of storm damage, a 24-hour period is regarded as one and the same storm, and only one deductible is deducted from the amount of damage occurred during the said period, even if the damage occurred in several places of insurance. In case of damage caused by snow, the damage occurred during one winter season are regarded as one insured event.

The amount of the deductible may be adjusted by our company due to general cost developments by notifying the policyholder.

Exclusions

Not all losses are compensated. The coverage level shows which events are and are not covered by each insurance cover.

In general, losses are not compensated if the damage is caused by, for example:

- to forest property by a defect of design, handling or workmanship, by neglect of forest management or as a result of a long-term process developing slowly into damage
- by frost, ice, freezing, rain, drought, heat, frost heaving, subsidence of land or other similar, gradually occurring phenomenon
- by a variation in water levels, waves or the movement of ice
- by contamination of air, water or soil, or fungal diseases
- by nematodes, such as pine wood nematodes
- by species of deer other than roe deer.

The insurance also does not cover loss of forest growth, for example.

The levels of coverage of each insured interest are listed in the Policy Document. Covered events and exclusions related to each level of coverage and type of loss can be found in chapter 5 of the insurance terms and conditions.

Take care – safety regulations

The terms and conditions of forest insurance involve safety precautions. By following the safety regulations, loss or damage can be prevented and the extent of damage suffered can be mitigated. If safety precautions are ignored, the compensation due may be reduced or refused.

The safety regulations include, for example, regulations on open fire and removing fallen or felled trees to prevent the spread of fungal diseases and pest insects.

Please read the safety regulations you received with your insurance in section 8 of the terms and conditions and act accordingly. Please note that the safety precautions for hot work found on our website are part of the safety regulations, even though they are not supplied with the Policy Document.

General safety regulations

- Laws, decrees and regulations issued by the authorities must be followed
- Instructions for storing, handling, operating and servicing machinery and equipment must be followed
- Fire, flammable liquids and gases, explosives and other hazardous substances must be handled with care so that there is no danger of loss.
- In the event or under immediate threat of a loss or damage, the policyholder or other party entitled to compensation shall immediately take protective and rescue measures, as well as otherwise prevent or limit the event as far as possible.

Insurance is a contract

Insurance is based on an insurance contract. The policyholder must provide accurate and complete information when entering into the contract. The contract determines the scope of coverage and the amount of the deductible which form the basis of the compensations payable when the damage occurs. The main content of the insurance contract is stated in the Policy Document.

Read more:
[if.fi/en/
commercial](https://if.fi/en/commercial)

Insurance premium and its payment

Depending on the Insured Interest, the insurance premium is based on, among other things

- the policyholder's line of business, location of the office, insurance and claims history
- the properties and the purpose of use of the Insured Interest
- the scope of cover and the amount of deductible.

The insurance remains valid if the insurance premium is paid no later than the date due. If the insurance premium has not been paid, it will terminate the insurance, effective at the earliest 14 days from the date of dispatch of the notice of termination.

Changes to and expiry of the insurance contract

The insurance is valid for one agreed insurance period at a time and is automatically renewed for the next period unless changed or agreed for a fixed term. During the period of validity of the insurance, the policyholder must immediately report any changes or errors in the information concerning the policyholder or insured interests to our company.

The insurance company may amend the insurance terms and conditions and adjust premiums at the turn of the insurance period as provided in the terms and conditions. We notify you of any amendments in advance.

Your insurance can expire:

- at a previously agreed date
- if you notify our company of termination in writing
- upon the insurance company's decision during the insurance period if the insurance premium has not been paid
- upon the insurance company's decision in other circumstances specified in the insurance terms and conditions and legislation

DAMAGE EXAMPLE

A storm wind is felling trees on a plot with non-commercial forest. After the storm subsides, the damaged area is found to be one hectare in size.

Storm and snow damage is compensated under extensive and basic forest insurance. The amount of compensation is not standard, but depends on the level of coverage as well as the levels 1 to 4 at which the company has insured its forest. The company in the example has selected basic insurance at coverage level 2. This means that the company is compensated for a pre-agreed amount of euros per cubic meter, which in the case of storm damage at level 2 is €16 / m³. In addition to the insurance payment, the damaged trees remain the property of the forest owner. The deductible chosen by the company owning the forest is applied to the amount of compensation.

DAMAGE EXAMPLE

Hikers brew a pot of coffee on the campfire before continuing on their journey. The campfire was not fully extinguished and continued to smoulder after the hikers departed. A gust of wind throws a spark to the dry moss, which catches fire. The fire slowly begins to spread in the 40-year-old forest, and help arrives only when hikers notice the smoke and call the emergency services. A fortunately timed rainstorm, together with the rescue services, put out the forest fire. All in all, five hectares of forest were damaged in the fire, as well as a cubic metre of timber from the commercial forest which was being stored in the area.

Fire damage is covered under limited, basic and extensive insurance. In fire damage, the compensation per cubic metre is higher than in other types of losses as the timber is difficult or impossible to use if it has been damaged by fire. In this example, the owner had insured the forest with extensive coverage, compensation level 3, and supplemented the insurance with cover for expected value. Thus, the total compensation per cubic meter was €52.5 / m³. The deductible chosen by the company owning the forest is applied to the amount of compensation.



if.fi/en/commercial
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