



Movable Property Insurance

Product guide, valid as of 1 October 2023

If's Movable Property Insurance covers damage to the company's movable property. Take care of your company's risk management and insure your company's fixed assets and inventories.

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
- **Business movables, 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

Movable property insurance solutions and their differences

It is possible to insure the company's movable property in various ways. Typically, movable property is insured at the maximum amount of compensation. In addition to replacement costs, the sum insured of the machinery and equipment must cover possible transport and installation costs. The sum insured of inventories must also cover handling costs. In productive sectors, the sum insured of current assets must also cover the sales margin based on the assets' degree of completion.

However, depending on your industry, it may be possible to insure movable property either on the basis of turnover or the floor area of the business premises.

The most important machines needed for the company's operations are usually insured individually with an extensive level of coverage. Individual insurance ensures that the insurance solution for machinery and equipment is appropriate and that the insurance premium is accurate and in line with risk.

If's Movable Property Insurance automatically includes insurance for the cost of recovering files and non-digital archives, money and valuables stored in business premises and employees' personal belongings. Art and valuables, on the other hand, must be insured separately and are not automatically included in the company's Movable Property Insurance.

Select a suitable level of coverage

Select a suitable level of coverage for your business needs. The limited level of Movable Property Insurance provides cover against fire damage. The basic level also covers damage caused by natural phenomena, crime and water damage from pipe leaks. In addition to the above, the extensive level also covers other loss events, such as external breakages, and can also be extended to cover internal breakdowns.

You can extend the coverage to cover spoiling caused by heat in the case of food products, for example. If you wish, you can also insure against cleaning costs in case of losses resulting from an epidemic.

LEVELS OF COVERAGE OF MOVABLE PROPERTY INSURANCE	Extensive	Basic	Limited
Fire, soot and smoke damage	✓	✓	✓
Water damage to the building caused by leakage and breakdown of HPVAC technology	✓	✓	
Natural phenomena include storm wind, hail, flooding of waterways and exceptionally heavy rain	✓	✓	
Criminal damage includes burglary, robbery and vandalism	✓	✓	
Other insured events	✓		
OPTIONAL EXTRAS			
Change in temperature of refrigerated products as a result of property damage	✓	✓	
Costs of cleaning contaminated soil as a result of property damage	✓	✓	
Breakage of glass windows and doors	✓	✓	
Internal breakdown of a machine or equipment	✓		

Territorial Limits

Movable Property Insurance is valid at the place of insurance, unless otherwise stated in the Policy Document. It is possible to extend the scope of Movable Property Insurance to also cover damage during transport to up to 20,000 euros. Property of greater value than this can be insured separately for the duration of transport for the entire sum insured. If a piece of equipment is operated in different locations as part of normal business, it is advisable to insure the equipment separately.

Mobile phones, laptops, various measuring instruments and similar items are insured as portable property with territorial limits covering the Nordic countries, Europe or the whole world depending on your choice.

What is compensated and how?

The insurance covers sudden and unforeseen property damage in accordance with the level of coverage you have selected. The loss event must be verifiable: what, how, where and when it has occurred, what caused the loss or damage.

In addition to direct damage to property, the insurance covers costs incurred in preventing damage.

Amount of compensation

The amount of compensation is based on the value or price of the damaged or lost property. Damage to used property is compensated primarily by having the property repaired or by acquiring an equivalent piece of property to replace the damaged one. If the property is repaired, the decrease in value of the property is not covered. The amount of compensation is reduced if the property is in poor condition. If the technical value of the property prior to the damage is less than half of the value of the new equivalent, the insurance will cover no

more than the technical value. As property ages, its breakage is no longer considered entirely unforeseeable, nor does its value correspond to the value of a new equivalent. Because of this, age deductions are applied in case of breakage damage.

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

Age deductions

As a rule, an annual deduction of 5% based on the age of the insured property is applied when calculating the amount of compensation. The age deduction will not apply during the three calendar years following the first year of use. The deduction is calculated by multiplying the deduction percentage by the number of calendar years following the aforementioned twenty calendar years. This means that in practice, no age deductions are applied in the event of breakdown damage to a machine under 4 years old.

However, there are exceptions, and the insurance terms and conditions list a number of devices for which age deductions begin earlier and are greater in amount. For these devices, the age deduction will not apply for the calendar year following the first year of use, and the annual age deduction percentage is 15%.

Detailed information on age deductions can be found in section 7 of the terms and conditions.

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

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 your deductible from several alternatives. 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. The deductible is deducted separately for each property location. The deductible is not, however, deducted from costs arising from limiting or preventing a loss, with the exception of the cost for coding locks.

Some losses are subject to higher deductibles, which are described in more detail in chapter 7 of the terms and conditions.

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:

- wear, corrosion, spoiling or other gradually occurring phenomena
- damage to property that has been incorrectly designed, constructed or installed or not used according to instructions
- a manufacturing defect or defective materials

Nor does the Insurance cover:

- misplacing or losing property
- fraud or embezzlement
- theft without burglary or robbery.

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.

Section 2.1 of the General Terms and Conditions also contains certain general restrictions which, among other things, completely exclude damage caused by certain causes from coverage.

Take care – safety regulations

Property insurance also involves 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.

Safety precautions include regulations on

- fire safety
- crime prevention
- data security of software and files

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, both of 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.

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 small fire breaks out in the electrical switchboard of a corner grocery store as a result of a short circuit. The fire is put out quickly before the rescue department arrives.

However, the fire caused electricity to be cut off in the store, shutting down all electrical appliances. As a result, products on the refrigerated shelf warmed and spoiled. The store had supplemented its insurance with additional cover against temperature changes in cold storage products, which covered the costs of replacing the spoiled products. Damage to property stored in a cold storage room is subject to special deductibles and covered only if insured separately with additional cover against temperature changes in cold storage products. In this example, the deductible chosen by the company was higher than the special deductible, so the deductible chosen by the customer was applied to the amount of compensation.

The store was a tenant in the building, so the owner of the building and the owner's insurance were responsible for handling the damage caused by the fire.

DAMAGE EXAMPLE

A manufacturing company owns a few machines that are critical to the business and valuable as investments. One of the machines undergoes monthly cleaning, and a tool used in the cleaning falls inside the machine without the employee noticing. When the machine is restarted, the foreign object breaks the machine.

It is possible to protect machinery against internal breakdowns with individual, extensive property insurance supplemented by insurance against breakdowns. Fortunately, the company had done just this, and thus the breakdown of the machine due to the accident was covered by insurance. The machine in question had been purchased new ten years ago. Although the machine had been serviced and some parts replaced over the years, the age deduction is applied according to the actual age of the machine. As the machine was not particularly rapidly aging, the annual age deduction was 5%. Age deductions are applied after three exempt years following the first year of use, so the deduction for the machine in the example is 30% of the compensation. The amount of compensation is reduced by the deductible chosen by the company.

In addition to property insurance, the company had prepared for business interruptions with machinery breakdown interruption insurance.

DAMAGE EXAMPLE

The company's consultant was leaving for a customer meeting and while driving out of the office parking lot, heard the laptop, phone and camera left on the roof of the car fall on the ground. The impact was enough to damage each of the items.

That damage is covered by insurance against other insured events, which is only included in the extensive coverage which the consultancy firm had selected. The damaged equipment ages rapidly, so the age deduction is 15% per year after the full calendar year following the first year of use. The phone had been taken into use in the same year as the accident occurred, so no age deductions were applied. Both the laptop and camera were four years old, meaning that an age deduction of 30% was applied to the amounts of compensation for both. The deductible selected by the company was applied to the amount of compensation.

DAMAGE EXAMPLE

A warehouse worker at an electronics store was unloading a load onto the shelves in the store's warehouse using an unregistered forklift. The employee accidentally hit one of the shelves, causing it to tip over and bring down another shelf. The warehouse is used to store the company's inventories, which are moved over to the storeroom as products are sold.

As a result of the accident, various household appliances and electronics fell violently to the floor, resulting in damages of €15,000 to the inventory. The loss event was covered by insurance against other insured events, which is included in the extensive level of movable property insurance. The company was compensated according to the purchase price of the property damaged in the accident, minus the deductible chosen by the customer.



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