

This is a translation of the original Finnish insurance Terms and Conditions 'Kiinteistön ja huoneiston omistajan oikeusturvavakuutus'. In case of discrepancy, the Finnish wording prevails.

The content of the legal expenses cover for the owner of a flat or real estate comprises the policy document, these insurance terms and conditions, and the General Terms and Conditions.

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1 Insured persons and validity of insurance

The insured person is the policyholder and any other owners of a real estate or flat specified in the policy document with respect to the ownership, management or maintenance of said real estate or flat.

The insurance is valid in Finland.

2 Purpose of the insurance and competent courts

The purpose of this insurance is to cover expenses incurred from the use of a lawyer in matters relating to the ownership, management or maintenance of a real estate or flat specified in the policy document.

The Insured person's representative must be an attorney or legal professional who, in the country within the territorial limits of the insurance where the legal proceedings are to take place, is authorised under applicable law to act as a legal representative or counsel. If the Insured does not use a representative at all, or if the representative does not hold a degree that qualifies them for the position of a judge as specified above, no compensation is payable under the insurance.

The insured person can use the insurance to cover expenses incurred from a matter that be immediately submitted for consideration by a district court.

This insurance does not cover expenses arising from matters that are dealt with by administrative authorities or special courts, such as an administrative court, the Insurance Court or the Supreme Administrative Court. Nor does the insurance cover expenses arising from matters that are dealt with by the European Court of Human Rights, the European Court of Justice or the European Court of First Instance.

3 Insurance coverage

The insurance includes those covers that are indicated in the policy document.

3.1 Legal expenses cover

The insurance covers the insured person's necessary and reasonable legal and litigation expenses incurred from the use of legal assistance in disputes and criminal cases relating to the ownership, management or maintenance of the real estate or flat specified in the policy document.

3.2 Extensive legal expenses cover

The insurance covers the insured person's necessary and reasonable legal and litigation expenses incurred from the use of legal assistance in disputes and criminal cases relating to the ownership, management or maintenance of the real estate or flat specified in the policy document.

This cover also reimburses the legal expenses incurred by the opposing party that the insured person has been ordered to pay in accordance with clause 5.2.1.

4 General exclusions

This insurance does not cover expenses incurred by the insured person concerning a matter

- 1) that is of minor importance to the insured person
- 2) where the claim cannot be shown to be contested
- 3) relating to the insured person as other than the owner, possessor or manager of the real estate or flat specified in the policy document
- 4) arising from construction, repair or demolition work on the real estate or its buildings, the planning of these, or agreements, guarantees or securities affecting these, commencing before the insurance became valid
- 5) relating to a guarantee, pawning or other security commitment for a loan or the commitment security of another person for their business or other gainful activity
- 6) relating to a loan granted to another person for their business or other gainful activity
- 7) where those insured under this insurance or living in the same household are opposing parties. The address entered in the register of the population register authority is considered the insured person's place of residence.
- 8) relating to an amount receivable or a claim transferred to the insured person, unless two (2) years have elapsed since the transfer when the dispute arises
- 9) that involves opposing a summary penal order in a court of law
- 10) relating to a claim for damages or other claim brought against the insured person on the basis of an act that is excluded under section 5.1.4.2 of the insurance terms and conditions
- 11) relating to bankruptcy proceedings
- 12) relating to execution proceedings, an enforcement dispute within the meaning of the Enforcement Code or the enforcement of execution proceedings
- 13) that involves the restructuring of a business, a proceeding under the laws on the debt restructuring of private individuals or the voluntary debt restructuring of a farmer pursuant to the Rural Industries Act
- 14) relating to a claim for damages directed at the insured person, if the liability insurance covers the risk of payment of damages

- 15) where the expenses incurred by the insured are covered by a legal expenses insurance relating to a motor vehicle insurance
- 16) that involves class action litigation
- 17) that involves determining whether some or all of the expenses resulting from an insurance claim filed by the insured person should be reimbursed under this legal expenses insurance policy.

5 Compensation

5.1 Grounds for compensation

5.1.1 Insured event

Compensation can be sought for matters that involve prosecution or a disputed claim. A claim is deemed to be disputed if either the validity or the amount of the claim has been expressly challenged.

If two (2) or more persons insured under this policy are on the same side of a civil proceeding, a criminal proceeding or a petition, or if the insured person(s) is/are involved in several civil proceedings, criminal proceedings or petitions that are based on the same incident, circumstance, legal transaction or infringement of rights, or if the matter comes down to the same or similar claim, albeit based on different grounds, these constitute one (1) insured event.

5.1.2 Timing of the insured event and validity of the insurance

Only losses that are incurred while the policy is in force are covered.

In case of a dispute or petition, the insured event has occurred when the claim presented is specifically disputed regarding either its grounds or amount.

In a criminal case, the insured event has occurred when the case has been instituted, either when the office of a lower court receives an application for a summons from the prosecutor or the complainant, or when the prosecutor has served the summons.

However, if the insurance policy has been in force for less than two (2) years when the loss is incurred, the matters on which the dispute, claim or charge is based must also have arisen during the validity of the insurance cover. The validity period of the insurance includes the period during which this insurance has been continuously valid for the insured person on its own or consecutively with other legal expenses insurance policies similar in content to this one. If several legal expenses insurance policies are valid when the insured event occurs, only this insurance is included in the validity period of the insurance.

'Similar in content to this insurance' means that, in claims occurring during the first two years after the insurance has become effective, compensation is paid for those insured events that would have been compensated by insurances valid prior to this one, and in the same manner.

The insurance is also valid in losses relating to the sale of a real estate or flat if the aspects of the loss on which the dispute or claim is based occurred during the validity of the insurance and the insurance had been continuously valid for at least six months prior to the sale of the real estate or flat.

5.1.3 Shared interests

If a matter concerns an interest that is essentially not the insured person's own interest, or if the insured person is pursuing an interest shared with a person or persons other than those insured under this policy, the insurance only covers the insured person's share of the expenses incurred.

5.1.4 Compensable costs

The insurance covers the necessary and reasonable legal and litigation expenses arising from an insured event as follows:

5.1.4.1 Civil proceedings and petitions

Expenses incurred by the insured person from the use of a legal representative and the presentation of evidence.

Where the admissibility of a civil claim requires a legal transaction or a decision made by a certain body or pursuant to a certain process, the expenses incurred are covered as of the time when the matter can be submitted for consideration by a district court.

If the matter has been subject to court-assisted mediation, the insurance also covers the insured person's share of the fee and other expenses of the mediator's assistant, where applicable, calculated based on the total number of parties in the dispute.

5.1.4.2 Criminal cases

Insured person as an injured party

Expenses incurred by the insured person from the use of a legal representative and the presentation of evidence in so far as the court proceeding concerns a claim made by the insured person under private law for non-legal expenses resulting from a criminal offence.

Insured person as a defendant

Defence expenses incurred by the insured person except where the charge brought by the prosecutor concerns deliberate action, gross negligence or gross recklessness.

However, expenses can be reimbursed retroactively if the court dismisses the charge brought by the prosecutor in so far as the aforementioned deliberate action, gross negligence or gross recklessness is concerned.

No compensation is payable if the court dismisses the charge brought by the prosecutor in its entirety, as in such cases reimbursement of the defendant's expenses must be sought from the state under chapter 9 of the Criminal Procedure Act.

If the insured person is convicted in a court of appeal, upon a prosecutor's complaint, of a deliberate action, gross negligence or gross recklessness as mentioned in this clause, the defence and litigation expenses are not compensated.

5.1.4.3 Appeal to the Supreme Court

If appealing to the Supreme Court requires leave to appeal, the insurance will only cover the expenses incurred from the appeal process if leave to appeal is granted. This precondition also applies to those matters in which the Supreme Court is the first court of appeal.

Expenses incurred from pursuing additional remedies are only covered if the Supreme Court has upheld the challenge or annulment of the previous judgment or reinstated an expired time limit.

5.2 Calculation of the amount of compensation

The maximum sum insured is stated in the policy document.

The legal and litigation expenses that can be reimbursed under this insurance are provided for in the Code of Judicial Procedure and the Criminal Procedure Act.

If the court of law has not issued a pronouncement on the legal and litigation expenses, or if an agreement has been reached on the expenses or the matter has been settled through admission, the amount to be awarded will be determined taking into consideration awards previously given or paid in similar cases. However, the amount of compensation is always limited to the amount of expenses that the court orders the insured person's opposing party to pay, unless the court's ruling expressly states that the insured person must meet some or all of their own expenses.

The policy pays for a reasonable amount towards the legal representative's fee and necessary expenses. The reasonableness of the fee and expenses is determined taking into consideration the value of the disputed interest, the complexity and scope of the case, and the amount and nature of the work performed by the legal representative. However, the amount of compensation is always limited to the amount of expenses that the insured person is seeking from the opposing party.

If it is possible to put a monetary value on the disputed interest, the amount of compensation is limited to double the value of the disputed interest or the compensation ceiling specified in the policy document. If the dispute concerns a recurring payment, the amount of compensation is limited to ten times the amount of a single instalment. The value of the disputed interest is determined excluding any interest payments or legal and litigation expenses.

5.2.1 Expenses not covered by the insurance

This insurance does not cover

- 1) legal expenses incurred by the opposing party that the insured person has been ordered to pay or has agreed to pay.

Legal expenses incurred by the opposing party that the insured person is liable to pay pursuant to a final court order are, however, covered subject to the same rules as the insured person's own legal expenses

- if the insurance includes Extensive legal cover

Any expenses that the insured person has agreed to pay are not, however, covered in this case either.

- 2) legal expenses covered by the state under chapter 9 of the Criminal Procedure Act
- 3) expenses arising from measures taken prior to the insured event, from preliminary investigations into the matter or from investigations or handling of a disputed matter that rightfully cause the insured person to drop their claims against the opposing party. The insured is also considered to have dropped the claims when the compensation received from a settlement is less than the minimum deductible of the insurance.
- 4) expenses arising from the enforcement of a judgment or a decision or expenses incurred from injunctions. However, expenses incurred from seeking an injunction are covered if the injunction relates to a court proceeding that is in progress when the injunction is sought and is adjudicated in the same court as the main proceeding and expenses incurred from the main proceeding are covered under this policy. Expenses arising from the enforcement of the injunction are not, however, covered in these cases either.
- 5) the time spent on the case and steps taken by the insured person or any expenses resulting from the same, loss of income or earnings, or travel and accommodation expenses. Any additional expenses incurred from changing legal representatives or arising from the insured person's own actions are also not covered.
- 6) expenses incurred from seeking the opinion of a legal expert
- 7) expenses incurred from filing a police report or an investigation request or arising from pre-trial criminal investigations
- 8) arbitrators' and mediators' fees and expenses
- 9) expenses incurred from seeking public legal aid.

5.3 Manner of compensation

The insurance company agrees to reimburse the insured person for their legal and litigation expenses once a final court order has been issued or the parties have settled the case.

Any amount that the insured person's opposing party has paid towards the insured person's expenses pursuant to a court order or a settlement agreement will be deducted from the amount of compensation paid by the insurance company.

If the insured person succeeds in recouping their legal expenses, if the opposing party pays the requested amount voluntarily or if the insured person has otherwise been made whole in this respect, the insured person must refund the insurance company, with interest, in so far as the insurance company is, under the insurance terms and conditions, entitled to be made whole in this respect.

If the opposing party has been ordered or has agreed to pay an amount towards the insured person's expenses, and this payment has not been made when the compensation is credited to the insured person, the insured person must assign their right to the payment to the insurance company, up to the amount of compensation paid by the latter.

If the insured person has had to pay a part of their expenses themselves due to the compensation ceiling specified in the policy document, the insured person must pay to the insurance company any amount of the compensation paid by the opposing party that exceeds the portion of expenses that the insured person paid themselves.

5.4 Deductible and other deductions

5.4.1 Deductible

All claims are subject to a deductible specified in the policy document.

5.4.2 Impact of the insured person's actions

It is the insured person's duty to seek compensation for their legal and litigation expenses from the opposing party in the course of the court proceeding or settlement negotiations. If the insured person, without good cause, fails to seek compensation for their expenses from the opposing party, the amount of compensation can, under the Insurance Contracts Act, be lowered or the claim denied altogether.

This insurance does not cover

- 1) expenses arising from such facts or evidence that the court disregards due to their being presented too late in the proceeding
- 2) expenses incurred as a result of the insured person or their representative failing to show up in court, disregarding the court's orders, presenting an argument that they know, or should have known, to be unfounded or otherwise prolonging the court proceeding unnecessarily either by their deliberate actions or through carelessness

- 3) expenses arising from a court proceeding initiated by the insured person or their representative without the opposing party having instigated them, or expenses for a court proceeding that is otherwise unnecessary and results from the deliberate actions or carelessness of the insured person or their representative
- 4) expenses incurred from a court proceeding where the insured person's claim has been dismissed without examining its merits
- 5) expenses incurred from a court proceeding where the insured person's claim has been dismissed due to its having become time-barred, its being premature or its not having a legal basis.

The insured person must not agree on the amount payable for the handling of their case in a manner that is binding on the insurance company. The insurance company is under no obligation to take into account amounts paid by the insured person towards their legal representative's fees or expenses when it evaluates the reasonableness of the legal expenses incurred and must instead be presented with the representative's invoice in order to determine the correct amount of compensation.

5.4.3 Impact of tax laws

The provisions of tax laws are taken into consideration in the calculation of the amount of compensation.

Value added tax

If the insured person is entitled to deduct the value-added tax included in their legal representative's fee or legal expenses in their personal tax return, the amount corresponding to the tax will be deducted from the amount of compensation. The representative should be instructed to address their invoice to the insured person.

5.4.4 Order of deductions

The deductible and other deductions are taken off the amount of compensation one after the other in the following order:

- 1) tax, where applicable
- 2) deductible
- 3) deductions based on the insured person's actions, where applicable.

6 Calculating the insurance premium

Factors that affect the amount of the insurance premium include personal attributes of the policyholder, the insured persons or the holder of the insured interests, such as age, the number of insured persons, their place of residence and living environment, as well as their insurance and claims history, the objects of insurance and their purpose of use, the scope of cover and the deductible.

The insurance company reserves the right to review the premium at the end of each insurance period based on changes in the age of the insured interests, the policyholder and members of their family, the insured persons or the holder of the insured interests. In such cases, the premium is adjusted based on the change in the statistical risk of loss or damage that corresponds to the change in age.

When the effect of age on the risk of loss or damage changes, the insurance company has the right to adjust the premium so as to better reflect the level of risk.

Other circumstances in which the insurance company can review the premium are listed in the General Terms and Conditions.