CAR&EAR Insurance

Insurance Product Information Document

Company: If P&C Insurance Ltd (publ), branch in Finland **Product: Construction and installation insurance**

Complete pre-contractual and contractual information on the product is provided in the Policy Document and in the Terms and Conditions.

What is this type of insurance?

Construction and installation insurance is a type of property insurance that provides cover for buildings during construction and for tools, machinery and equipment used in construction projects. The policy can also be extended to cover other adjacent properties belonging to the client if these require additional protection during the construction works.
The construction project itself can be insured on a fixed-term basis for the duration of the works, or either a portion of turnover or the entire turnover from construction activity can be insured on an annual basis. The cover provided for construction projects complies with the general conditions for building contracts (YSE 1998).

What is insured?

- ✓ Construction and installation insurance usually provides all-risks cover. This ensures that the policy complies with the general conditions for building contracts (YSE 1998).
- ✓ The all-risks cover for construction projects covers losses incurred from sudden and unforeseen events, including external and internal breakages.
- ✓ When the entire construction project is insured, the policy covers not just the main contractor and the developer but also any works carried out by subcontractors and side contractors, if this has been agreed between the parties. Subcontractors and side contractors are also covered by annual insurance policies, but there is a compensation ceiling of 30% of the value of the main contract in respect of their works.
- ✓ Construction tools and equipment are insured under 4 categories: barracks and site facilities, own tools and equipment, rented tools and equipment, tools owned by employees. Own sum insured is needed for each chosen category.
- ✓ Uninsured existing property.

What is not insured?

- ✗ Personal injuries
- ✗ Other business assets, such as storage facilities and office furniture
- ✗ Vehicles and machinery that can be covered under motor third party liability insurance as well as towable equipment.
- ✗ Soil and water bodies
- ✗ Liability for damages towards a third party

Are there any restrictions on cover?

General exclusions include the following, among others:

- ! Losses resulting from a rise in sea level or rising water levels otherwise.
- ! Damage caused by meltwaters or surface runoff.
- ! Subsidence
- ! Damage sustained by incorrectly designed, constructed or assembled property.
- ! Forms of theft other than burglary or robbery
- ! Gradual deterioration

Compensation is subject to the following deductions:

- ! Compensation for breakages and water damage is subject to a deduction based on the age of the failed part or piece of machinery.
- ! All claims are subject to a deductible, which can be either a monetary amount or, in some cases, a percentage of the value of the loss.
- ! The amount of compensation can also be reduced if the applicable safety regulations have not been complied with. The safety regulations are designed to promote safety.

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Where am I covered?

- ✓ This insurance is valid on construction sites and storage facilities in Finland where the insured bears the risk. The policy also covers losses incurred during transport up to EUR 30,000 per insured event.

What are my obligations?

- ✓ Providing accurate and complete information when entering into the contract, including information about
  - the property and its use
  - the owners and users of the property
- ✓ Telling the insurance company promptly of any mistakes or omissions that I notice and that may have a bearing on the policy.
- ✓ report changes in the risk of the insured property, such as changes in the building's activities or any repair work being done on it.
- ✓ Paying my insurance premium on time
- ✓ Complying with any applicable safety regulations
- ✓ In the event of a loss, providing the insurance company with all the information necessary to process the claim

When and how do I pay?

- ✓ If will send an insurance premium invoice which shall be paid at the latest on the due date in the bank account given in the invoice.
- ✓ When the insurance policy is taken out, also the number of instalments and invoice delivery method are agreed upon.

When does the cover start and end?

- ✓ The policy is effective indefinitely from the date agreed between the policyholder and the insurance company.
- ✓ The policyholder can cancel the policy at any time by giving notice of termination in writing.
- ✓ The insurance company may terminate the policy if the policyholder fails to pay the premium by the due date. In such circumstances, the policy will lapse 14 days after the date on which the written notice of termination was sent.
- ✓ The insurance company also reserves the right to terminate the policy at the end of the insurance period.
- ✓ Fixed-term policies expire automatically at the agreed time.

How do I cancel the contract?

- ✓ You can cancel your policy at any time.
- ✓ Notice of termination must be given to the insurance company in writing.
- ✓ Fixed-term insurance contracts of less than 30 days cannot be terminated prematurely.