

## **LEASEPLAN INSURANCE, GENERAL CONDITIONS OF MOTOR LIABILITY INSURANCE**

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## **1 SCOPE OF APPLICATION OF INSURANCE TERMS**

The insurance terms apply to vehicle specific motor liability insurance policies issued for a motor vehicle operated on the road when the policyholder has at the inception of the policy a corporate registration number envisaged in the Business Information Act (244/2001).

## **2 THE AREA OF VALIDITY OF INSURANCE**

An insurance policy issued for a motor liability is valid in all states belonging to the European Economic Area (EEA). In states outside the EEA that have joined the Green Card Convention, the policy is valid as a liability insurance based on a green card issued by the insurer, or without the green card, whenever this is not required. The indemnity paid for a road accident occurring in these states is determined pursuant to the legislation of the country where the loss occurred.

## **3 CONTENTS OF THE INSURANCE**

The motor liability insurance covers personal injuries and property losses caused by operating the motor vehicle on the road in Finland pursuant to the provisions of the Motor Liability Insurance Act.

The insurance also covers a road accident caused by the insured vehicle in another European Economic Area member state according to laws in force in these states on insuring road accidents, or according to the Finnish Motor Liability Insurance Act, whichever gives higher protection. Similarly, a road accident caused by an insured motor vehicle in a state that is not a member of the EEA is covered when travelling through this state is necessary to proceed from one EEA state to another, whenever a vehicle that has a permanent place of residence in an EEA state is involved in the incident.

## **4 INSURANCE POLICY**

### **4.1 Duty of disclosure of the policyholder before concluding an insurance policy**

Before being issued insurance, the policyholder must give correct and full replies to questions put by LeasePlan Insurance or their representative, which may have a bearing on assessing LeasePlan Insurance ' liability. Additionally, the policyholder must during the insurance period without undue delay correct any information they have given to LeasePlan Insurance and found incorrect or deficient.

### **4.2 Circumstances that change during the insured period**

The policyholder must without delay inform LeasePlan Insurance of any changes in the circumstances of which LeasePlan Insurance was informed when issuing the insurance policy or cited in the insurance policy during the insured period. The policyholder must inform LeasePlan Insurance of such a change no later than in association with the following payment of the insurance premium.

## **5 INCEPTION OF LEASEPLAN INSURANCE ' LIABILITY**

If no other inception date has been agreed between the parties, LeasePlan Insurance ' liability starts as LeasePlan Insurance or the policyholder has submitted or dispatched a reply accepting the other party's offer. The inception date of LeasePlan Insurance ' liability cannot be transferred to an earlier date by way of an agreement.

In case the policyholder has submitted or sent a written insurance application to LeasePlan Insurance and if it is obvious that LeasePlan Insurance would have accepted the application, LeasePlan Insurance will also be liable for an insured incident that occurred after the application was submitted or dispatched.

The insurance application or a reply accepting the offer that the policyholder has submitted or dispatched to a representative of LeasePlan Insurance will be regarded as having been submitted or dispatched to LeasePlan Insurance .

Unless information on what time of the day the reply or application was submitted or dispatched is available, this will be regarded as having taken place at 12 midnight.

For particular reasons, however, including previous non-payment of premiums by the policyholder, the liability of the insurer may only start once payment for the first insured period has been made.

## **6 INSURED PERIOD**

The length of the first insured period is no more than 13 months. The duration of the following insurance periods is one year.

## **7 PERIOD OF VALIDITY OF THE INSURANCE POLICY**

Unless otherwise specified below, the insurance policy is valid one insured period at a time, until the duty to insure of the owner or possessor of the vehicle regarding the vehicle in question ends, even if the insurance premium had not been paid by the due date.

## **8 INSURANCE PREMIUMS**

### **8.1 Basis of insurance premium**

The insurance premium is calculated based on the basis of premium applied by LeasePlan Insurance and pursuant to Section 18.3 of the Motor Liability Insurance Act. This law prescribes that the interest of the insurers be safeguarded when calculating the premiums, so that the premiums are in a reasonable proportion to the costs arising from the insurance policies and that the premiums usually are larger for policies out of which indemnity has been paid.

The insurance premium can be set at a different level for various policyholder groups using a basis of premium that corresponds to the risk of loss. The basis of premium and insurance premiums can be adjusted to correspond to the risk of loss based on statistics on insurance policies and losses.

## **8.2 Application of the bonus system**

To motor liability insurance applies the Decree by the Ministry of Social Affairs and Health on the grounds of drawing up statistics on insurance policies and losses pursuant to the Motor Liability Insurance Act and system of discount on insurance premiums due to incident-free years applicable to insurance premiums and increases made based on losses.

The bonus system will not be applied to the insurance policy if the insured vehicle is a vehicle not subject to the duty of registration, a vintage vehicle, light motorcycle, quad, trailer, self-propelled machine or a tractor.

The bonus system is not applied to the insurance policy when the policyholder has at the inception of the policy a corporate registration number envisaged in the Business Information Act (244/2001) es (Y-tunnus) and the insurance is subject to special terms of motor liability insurance.

## **8.3 Storage and transfer of data**

LeasePlan Insurance will keep the data of the insured period and losses under the policy for five years after the termination year of the policy to enable the claims history data to be handed over to the policyholder if necessary and, by consent of the policyholder, transmitted to another insurance company, unless otherwise agreed by the policyholder and insurer.

## **8.4 Payment of insurance premiums**

The insurance premium must be paid within one month of LeasePlan Insurance sending out the invoice to the policyholder. The first premium need not be paid, however, before the inception of LeasePlan Insurance ' liability, nor the later payments before the start of an agreed premium period or insured period. Situations described in paragraph 5 of Article 5, in which the payment of the premium concerning the insured period is a precondition for the inception of the insurer's liability are an exception.

In case the payment made by the policyholder is not adequate to meet all overdue payments to LeasePlan Insurance the policyholder is entitled to decide which overdue insurance premiums the payment is used to pay off.

The minimum for premium charged for first insurance period is EUR 15.

## **8.5 Delayed payment of premiums**

For an insurance premium that has not been paid by the due date, an annual overdue interest is charged pursuant to the Interest Act. The insurance premium including the overdue interest can be collected by recovery proceedings without a court judgement or decision pursuant to the legislation on recovery proceedings of taxes and payments.

Before measures of execution are taken, the policyholder is notified of the payment to be collected and basis of premium, as well as of the fact that measures of execution will be implemented unless

the policyholder has within 14 days disputed his/her liability to pay in writing. If the liability to pay is disputed, implementation is conditional to a decision by a court.

## **8.6 Refunding of the premium**

The policyholder is entitled to a refund of the premium over the period for which the vehicle has not been on the road. If the vehicle is taken off the road until further notice, the Vehicle Register must be notified in advance following the relevant regulations in force.

The car must be taken off the road for a minimum of one day in order for a premium refund to be payable.

No refunds for the period off the road will be given for the premiums of LeasePlan Insurance Full Comprehensive insurance product issued through financing companies, nor the insurance premium for vehicles with yellow test plates.

The following vehicles can not be declared inoperative or taken off the road and are not subject to a premium refund:

- light motorcycles
- snowmobiles
- light and heavy trailers
- vintage vehicles
- all self-propelled machines
- tractors
- vehicles registered for importation.

Unregistered vehicles, which however are operated in the sense intended in the Motor Liability Insurance Act, cannot be taken off the road until further notice or declared inoperative, nor can the insurance premium be refunded for this period.

If the vehicle is used during the period that it is off the road or inoperative, consequences stated in Finnish legislation will apply.

In case the insurance is terminated before the agreed date, LeasePlan Insurance is only entitled to the insurance premium for the period over which their liability was effective. Other parts of a premium already paid shall be refunded to the policyholder.

The premium to be returned is 1/360 of the annual premium for each day.

The premium will not be refunded separately, however, if the premium to be refunded is less than EUR 8.

For a delayed amount of insurance premium refund, LeasePlan Insurance shall pay an annual interest on overdue payments pursuant to the Interest Act. The interest on overdue payment will be paid from the time when a month has elapsed after the reception by a company of a justified claim for a refund from a customer.

## **9 MODIFYING POLICY TERMS AS THE INSURED PERIOD CHANGES**

LeasePlan Insurance will be entitled to modify the insurance terms, premiums and other terms as the insured period changes.

### **9.1 Terms and premiums**

LeasePlan Insurance is entitled to change insurance terms and premiums on the grounds of

- new or amended legislation or regulations by an authority
- an unpredictable change in circumstances (e.g. an international crisis, exceptional natural catastrophe, major accident)

### **9.2 Insurance premiums**

LeasePlan Insurance is entitled to change the insurance premium based on statistics on insurance policies and losses in order to safeguard an interest intended in Section 18.3 of the Motor Traffic Insurance Act to ensure that the premiums are in a reasonable proportion to the costs arising from insurance policies. The premium can also be changed in line with a change in the indemnity or cost levels or for a reason detailed below.

The insurance premium can be set at a different level for various policyholder groups using a basis of premium that corresponds to the risk of loss including the deductible of the policyholder. The basis of premium and insurance premiums can be adjusted to correspond to the risk of loss based on statistics on insurance policies and losses.

In case LeasePlan Insurance proceeds to make modifications described above in the insurance policy, LeasePlan Insurance will send to the policyholder together with the invoice a notification of how the insurance premium or other contract terms will change. This notification will make reference to the fact that the policyholder is entitled to cancel the insurance policy as in Article 10.1. The change will apply from the beginning of the next insured period following a full month from the dispatch of the notification. quads

## **10 TERMINATION OF AN INSURANCE POLICY**

### **10.1 Policyholder's right to cancel an insurance policy**

The policyholder may cancel the Motor Liability Insurance at any time during the insured period. If the cancelled insurance policy concerns a vehicle subject to the registration duty, the insurance is terminated by contracting another insurance policy pursuant to the Motor Traffic Insurance Act.

The policyholder may cancel in writing a motor liability insurance, if a vehicle that does not need to be entered in a register is destroyed or taken off the road pursuant to the Motor Traffic Insurance Act.

## **10.2 Insurance terminated without cancellation**

An insurance policy is terminated without cancellation:

- when due to court proceedings, the insured vehicle is transferred to a new owner other than the policyholder him/herself or their estate or bankrupt's estate. In the event that the motor traffic insurance policy is cancelled as the insured vehicle is transferred to a new owner other than the policyholder him/herself or, when the possessor entered in the register is the policyholder, as the possession of the vehicle has changed hands or has been recovered by the owner, a terminated insurance will also cover those losses that occurred within seven days of the transfer of title or change in the possession of the vehicle or its recovery by the owner, unless the new owner or possessor of the vehicle has taken out an insurance within this delay.
- when the vehicle is taken off the road and its license plates are returned. If the vehicle is still operated on the road in the sense intended in the Motor Liability Insurance Act, the policyholder must notify the insurance company thereof within seven days of taking the vehicle off the road to stop the policy from being terminated.

## **11 LEASEPLAN INSURANCE ' RIGHT OF RECOURSE**

In addition to what is provided in Section 20 of the Motor Liability Insurance Act on the insurance company's right of recourse towards the owner, possessor, driver or passenger of a motor vehicle, LeasePlan Insurance is entitled to demand recovery of a compensation paid out to the beneficiary from a third party if

- the damage was caused deliberately or by gross negligence
- he/she is liable for the damage regardless of negligence or
- the liability is based on the liability of an employer or a public body.

## **12 STEPS IN CASE OF AN INCIDENT**

The insured must without delay inform LeasePlan Insurance or their representative of a road accident that may lead into a claim in writing, if possible using the appropriate claim form. The insured has the duty to submit to LeasePlan Insurance all information and documents needed to process the claim.

In case a claim is made against the policyholder or other party involved in the loss, this claim should be directed to LeasePlan Insurance or the claims representative of LeasePlan Insurance.

## **13 PROCESSING OF CLAIMS DATA**

We hand over information on incidents reported to LeasePlan Insurance to the shared incident register of insurance companies.

At the same time, we check the incidents reported to other insurance companies. We only use this data in connection with processing claims in order to fight insurance fraud.



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