

Commercial General Liability Insurance

Product guide
Valid as of 1 April 2020



This product guide provides a general outline of what Commercial General Liability Insurance covers and what the main exclusion clauses are.

Please also read the insurance terms and conditions because they define the content of the insurance. The following are applied to this policy:

- Commercial General Liability Insurance, Terms and Conditions VA 01
- General Terms of Contract YL

The insurance may also include

- sector-specific special terms and conditions 319-396 (VA 04)
- customer-specific special terms and conditions.

What does Commercial General Liability Insurance cover?

Commercial General Liability Insurance covers company's liability for losses to a third party. The losses can be material damages or bodily injuries. For example, indemnification liability can arise from a fault or neglect in work performance. Part of a company's liability for damages can be covered with Commercial General Liability Insurance.

In certain industries, typical indemnification liability risks can be covered with a variety of insurance policies, such as Product Liability Insurance, Liability Insurance for Financial Loss, Professional Indemnity Insurance or Directors and Officers' Liability Insurance. For information about these policies, see their respective product descriptions.

Commercial General Liability Insurance covers losses caused to a third party

The insurance covers, within the insured activity, material damages and bodily injuries caused to a third party, for which the policyholder is held legally liable.

Commercial General Liability Insurance also covers financial losses directly related to material damage and bodily injury. Pure financial losses that are unrelated to material damage or bodily injury are not compensated.

The insurance covers losses that occurred during the insurance period. General liability insurance covers the amount of compensation specified in the Tort Liability Act. In a case of material damage, the amount of compensation is based on the fair value of the damaged object. With respect to bodily injuries, the basis of compensation is public health care charges.

We will find out whether your company is liable to compensate for the loss.

In cases of losses which are covered by the policy and which exceed the deductible, we will find out whether your company is liable to pay indemnity. When the loss is covered by general liability insurance and the policyholder is liable to pay compensation, we will pay the compensation directly to the injured party (less the deductible).

However, if the policyholder is not liable for the loss, we will defend the policyholder against the claimant in a possible trial. Investigation and legal defence expenses are also covered.

Commercial General Liability Insurance does not cover everything your company is liable for

General liability insurance does not cover everything your business can be liable for. General liability insurance does not cover business risks, meaning that,

for example, quality flaws in workmanship or delayed deliveries are excluded from coverage. That is, general liability insurance always covers less than what the company's indemnification liability is. General liability insurance policies always include restrictions, read them carefully!

We have provided examples below showing which kind of losses are indemnified under general liability insurance and which are not. You cannot generalise these examples, because each insurance event's circumstances affect the claims settlement decision.

Examples of bodily injuries

Example

A customer fell over in the early evening next to the sweets shelves because there were sweets on the floor. The shop acting as the service provider had neglected to keep the floor clean despite requests from customers. The shop was required to pay compensation because they had failed to keep the floor sufficiently clean to ensure customers' safety. The customer's bodily injury was compensated from the shop's general liability insurance.

Example

A hairdresser left the perm reagent for too long in a customer's hair, causing the scalp to be damaged. We compensated the bodily injury from the hairdresser's general liability insurance. If the hair-styling result is not to the customer's satisfaction, doing the hair again is not compensated from the general liability insurance.

Examples of material damage

Commercial General Liability Insurance does not cover damage to property which is in the possession of or borrowed by or being used by the policyholder.

Example

The policyholder rented a machine in order to use it at a construction site and damaged the machine during the work. General liability insurance does not cover damage to rented property.

Commercial General Liability Insurance does not cover damage to property that is the object of the work nor damage to property which the policyholder is obliged to protect and prevent from being damaged, taking into account the nature of the work and its immediate effects. The obligation for protection or prevention of loss may be entered in the agreement or be based on the professional's knowledge of what areas can be typically damaged by the work.

Example

With welding, general liability insurance does not cover the area where splashing or sparks resulting from welding typically reach.

The insurance does not cover the fixing of work that was done the wrong way or any humidity damage that developed gradually.

Example

Employees of a HEPAC company installed in the spring, when working on a bathroom in the upper floor of a detached house, a new water-circulation floor heating system. The following winter it was discovered that the heating system did not work. In order to fix this, structures had to be opened up, resulting in expenses. Since this was only a case of fixing a piece of faulty workmanship, the expenses were not covered under general liability insurance.

A fault in the floor heating system in the upstairs bathroom also caused water damage in the structures downstairs. We compensated the water damage repair costs under the Commercial General Liability Insurance, less value added tax and the deductible.

If the fault in the floor heating system had caused humidity damage over a longer period, it would not have been compensated under general liability insurance. The prerequisite for compensation caused by humidity is that the damage is discovered within 12 months of the installation.

Commercial General Liability Insurance does not compensate losses for which the policyholder is responsible solely on the basis of an agreement.

Example

General liability insurance does not compensate, for example, losses caused by the policyholder's subcontractor even if the policyholder was responsible for them under an agreement made with the customer. Subcontractors must always have their own general liability insurance.

Territorial validity, maximum indemnity and deductible

The insurance is valid in Europe unless otherwise stated in the insurance policy.

The maximum compensation under Commercial General Liability Insurance is entered in the policy document. The maximum compensation may concern one loss only, and there may also be a maximum compensation under general liability insurance during one insurance period. The maximum indemnity includes

not only the indemnity amount but also investigation and legal expenses and reasonable expenses incurred in preventing a risk of an impending loss.

The deductible of Commercial General Liability Insurance is recorded in the policy document. Policyholders must themselves pay the deductible amount to the injured party. In cases of losses caused by hot work, waterproofing (such as roofing jobs), vibration or lost key, the policyholder's deductible accounts for 10% of the loss amount but no less than EUR 3,000 or any higher amount specified in the policy document.

Factors affecting the premium

The insurance premium of Commercial General Liability Insurance is determined by your company's field of operation and the payroll amount. The premium is also affected by the chosen sum insured and deductible. Other factors, such as any quality assurance system, may affect the premium level in individual cases.

In the event of loss or damage

Instructions

As soon as the loss is detected, efforts must be made to limit the loss occurred and eliminate the cause of the loss. In case of fire, rapid extinguishing measures must be ensured. In case of leakage, it must be ensured that the liquid leakage does not continue. After this, you should focus on preventing subsequent losses and any further damage.

- In case of general liability losses, matters relating to the loss should be documented as well as possible as soon as the damage has taken place. It is a good idea to photograph the place of damage right after the event, if possible, and to record any eye witnesses to the damage.
- The insurance company must be notified of a loss promptly. If necessary, the insurance company will send a company specialising in surveying losses to have a look.
- In case of major losses, the surveyors must have the opportunity to inspect the loss before any repair work begins. Loss surveyors do not make claims settlement decisions during assessment visits.
- When necessary, loss surveyors or other representatives of the insurance company may give expert advice in choosing those who are to carry out the repair work relating to a loss or in the arrangement of competitive tendering for repair contracts.

How to claim indemnity under Commercial General Liability Insurance

The loss must be reported as soon as possible once information of the loss has been received or the claim has been made. The party suffering the loss cannot file a loss report on behalf of the policyholder. A loss report does not have to be filed in a specific format, and you can do it on our Internet Service or website. The loss report should be made with care in order to ensure maximum speed and correctness in the processing of the claim. A loss report must be made within one year of the loss being discovered.

Appeals

If you are not happy with the claims settlement decision, you can appeal it. See the instructions on filing a complaint or appeal appended to the claim settlement decision for instructions. For more information about appealing, go to op.fi.

Handling of personal data

Pohjola Insurance processes customers' personal data in accordance with regulations in force and in a manner described in greater detail in the Privacy Statement and the Privacy Policy. It is recommended that the customer read such privacy protection information. The Privacy Statement and the Privacy Policy are available at op.fi and the Pohjola Insurance's customer service outlets.

Insurance sales commissions

The insurance company will pay a commission that is either a percentage of the insurance premium or a fixed fee based on the number of policies sold. The commission and its amount is affected by the insurance product and sales channel. The commission is paid to the agent or insurance company employee.



Our services

Manage your insurance matters at op.fi

Login to op.fi using the user identifiers for your own bank.

Once logged in, you can

- report a loss and file claims
- make changes to your company's policies
- order a Green Card
- print out certificates of insurance

Pohjola Claim Help at your assistance 24/7

Pohjola Claim Help provides clear instructions for all types of accidents and losses. In the event of loss or damage, Pohjola Claim Help also lists the contact details of our doctor, repair shop and other partners.

Pohjola Claim Help is available at claimhelp.pohjola.fi and the OP Business mobile app.

Our telephone services

Pohjola Insurance

- Insurance and Claims Settlement 0303 0303*

Service numbers for statutory insurance**

- Motor third party liability accidents 030 105 502
- Work-related accidents 030 105 503
- Motor third party liability and occupational accident insurance 030 105 501

* From mobile phones and landline networks in Finland, EUR 0.0835 per call plus EUR 0.12 per minute. The price includes VAT.

** Call charge: local/mobile network rate (lnr/mnr).

We record customer calls to assure the quality of customer service, among other purposes.

Advice on claims and insurance policies

Our insurance and claims advisors provide personal assistance in our telephone service. You can also file a complaint or appeal an insurance or claim settlement decision with our customer ombudsman. For more information on filing an appeal, visit op.fi/filing-a-complaint

For independent advice, contact the Finnish Financial Ombudsman Bureau (FINE), tel. +358 9 685 0120, www.fine.fi/en

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Domicile: Helsinki, main line of business: non-life insurance companies

Regulatory authority: Financial Supervisory Authority, finanssivalvonta.fi/en

