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NB: Unofficial translation; legally binding only in Finnish and Swedish.¹

Motor Liability Insurance Act (17.6.2016/460)

In accordance with the decision of the Parliament, the following is enacted:

Chapter 1

General Provisions

Section 1 (Act 3.5.2024/218)

Scope of the act

This Act stipulates provisions on the compensation for personal injuries and property damage caused by

the use of a motor vehicle in traffic and the motor liability insurance taken out to cover such damages.

When assessing whether a motor vehicle is used in traffic as referred to in this Act, the characteristics of the motor vehicle, the location where it is used, or whether the motor vehicle is stationary or in motion are irrelevant.

A motor vehicle is not in traffic use as referred to in this Act when:

1. it is used in a location separate from traffic routes essentially for purposes other than transporting people or goods;

¹ This document is an unofficial translation of the original Finnish text and is provided solely for informational purposes. The Finnish Motor Insurers' Centre assumes no responsibility for any losses or damages resulting from its use and disclaims all liability in other respects. In the event of any discrepancies, the original Finnish version shall take precedence.

2. it is being stored, repaired, serviced, or washed in a location separate from traffic routes.

Section 2 (15.1.2021/92)

Definitions

For the purposes of this Act:

- 1) Vehicle means a motor vehicle that travels on land by mechanical power but not on rails, and has a maximum structural speed of over 25 kilometers per hour or a maximum net weight of over 25 kilograms, and regardless of weight, a rented electric scooter, as well as a connected or separate trailer, excluding an electric-assisted bicycle referred to in Section 28, subsection 1 of the Vehicle Act; (3.5.2024/218)
- 2) Directive means Directive 2009/103/EC of the European Parliament and of the Council relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability
- 3) Insurance company means an insurance company or other insurance institution that has been authorized to conduct insurance business referred to in the Directive;
- 4) policyholder means a party that has made an insurance contract with an insurance company;
- 5) insured party means the party in whose benefit the insurance policy is in force;
- 6) traffic accident means a personal injury or material damage incurred due to the use of a vehicle in traffic;
- 7) register refers to the traffic register referred to in the Act on Transport Services (320/2017); (4 May 2018/333) [HE 145/2017]

- 8) vehicle holder means the registered holder of the vehicle, or if the vehicle needs not be registered, the person to whom the possession of the vehicle has been permanently assigned;
- 9) territory in which the vehicle is normally based means the territory of the state of which the vehicle bears a registration plate, insurance plate or distinguishing sign in the vehicle, or if these are not required, the territory of the state in which the vehicle holder has a permanent place of residence, or if there is no registration plate or it is false or illegal, the state in which the traffic accident took place;
- 10) decommissioning from traffic use means the temporary removal of a registered vehicle from traffic use and the registration of this information;
- 11) final deregistration means the final removal of a registered vehicle from traffic use in Finland and the registration of this information;
- 12) EEA State means a state that is a member of the European Economic Area;
- 13) third country means a state other than an EEA State;
- 14) national bureau means the professional organisation which is constituted in accordance with Recommendation No 5 adopted on 25 January 1949 by the Road Transport Sub-committee of the Inland Transport Committee of the United Nations Economic Commission for Europe and which groups together insurance undertakings which, in a State, are authorised to conduct the business of motor vehicle insurance against civil liability;
- 15) green card system means the international insurance system administered by the national insurers' bureaus;
- 16) green card means an international certificate of insurance issued on by an insurance company in accordance with the recommendation referred to in item 14;

17) compensation body refers to a body liable for the payment of compensation referred to in Article 10 of the Directive;

18) temporary motor liability insurance refers to a fixed-term motor liability insurance policy issued for a transfer permit referred to in Section 66 f of the Vehicles Act;

19) traffic route refers to a public or private road, street, road marked in a building plan, snowmobile route, marketplace or another area intended for general traffic or generally used for traffic.

20) Data Protection Regulation means the Regulation (EU) 2016/679 (General Data Protection Regulation) of the European Parliament and Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;

21) Authority responsible for the organization of social and health care means the welfare areas referred to in Section 5 of the Act on Welfare Areas (611/2021) and the welfare areas of Uusimaa, the city of Helsinki, and the HUS group, to the extent that they organize social and health care in accordance with the Act on the Organization of Social and Health Care and Rescue Services in Uusimaa (615/2021);

22) Rented electric scooter means a two-wheeled vehicle with an electric motor, controlled standing on a deck and equipped with handlebars, referred to in paragraph 1, whose structural speed does not exceed 25 kilometers per hour, which is rented to the public for the purpose of transporting persons in commercial operations. (3.5.2024/218)

Section 3

Mandatory provisions

Any contractual term deviating from the provisions of this Act to the detriment of the policyholder, insured party, injured party or other party entitled to compensation shall be null and void.

Section 4

Finnish Motor Insurers' Centre

Provisions on the Finnish Motor Insurers' Centre and the funding of its operations and its administration are laid down in the Act on the Finnish Motor Insurers' Centre (461/2016).

The provisions laid down in Sections 9, 11, 12, 14, 15, 20, 24, 25, 33–39, 49–52, 55–68, 73, 79–85 and 95 below in relation to an insurance company shall also apply to the Finnish Motor Insurers' Centre. (17.4.2020/244)

Section 4 a (22.8.2019/951)

Application of Insurance Contracts Act

Section 3, section 4 b(1), section 5(1, 3, 4), sections 5 a and 5 b, section 5d(1), sections 7–9, section 9(1), section 11(2–5), sections 12, 18, 19 and 22, section 26(1–2), section 35(1, 2, 4), sections 38, 44 and 69, section 70(2), as well as sections 71 and 72 of the Insurance Contracts Act (543/1994) apply to motor liability insurance policies, unless otherwise specified in this Act.

Chapter 2

Taking out insurance and insurance premium

Section 5

Vehicles that require insurance

A vehicle that is normally based in Finland shall be insured in accordance with this Act unless otherwise prescribed below.

An export registered vehicle exported from Finland to another EEA State can also be insured in the destination country.

Section 6

Parties with an obligation to take out insurance and commencement of the obligation to take out insurance

The owner and holder of a vehicle are obligated to insure the vehicle as of the day on which its ownership or possession is transferred. If there are more than one parties with an obligation to take out insurance, they are jointly liable for taking out insurance.

Notwithstanding subsection 1 above, the obligation to take out insurance for a vehicle imported to Finland from another EEA State commences immediately when the buyer of the vehicle has accepted the delivery of the vehicle by way of an agreement, even if the vehicle has not yet been registered in Finland.

Section 6 a (3.5.2024/218)

Bringing a vehicle from another EEA state

If a vehicle is brought to Finland from another EEA state, the buyer of the vehicle can choose whether to insure the vehicle in the member state where the vehicle is registered or in Finland.

Section 7

Frontier motor liability insurance

A party that imports a vehicle that is normally based in a third country to Finland for temporary use shall take out frontier motor liability insurance for the vehicle.

However, a frontier motor liability insurance policy is not required for a vehicle with a valid green card or if the Finnish Motor Insurers' Centre has undertaken liability for any accidents caused by its use in traffic.

Personal injury caused to the driver of the vehicle is compensated for under the frontier motor liability insurance of the vehicle only if the loss event took place in Finland, Sweden or Norway.

Section 8 (3.5.2024/218)

Exceptions to the obligation to take out insurance

Motor liability insurance need not be taken out for:

- 1) a motor-powered working vehicle or tractor that needs not be registered and whose maximum structural speed does not exceed 15 kilometres per hour;
- 2) a combine harvester or other motorised agricultural motor-powered working vehicle intended for harvesting that needs not be registered;
- 3) a trailer that needs not be registered;
- 4) an electric wheelchair or similar lightweight vehicle intended exclusively for use by handicapped persons that needs not be registered;
- 5) a vehicle that needs not be registered and is not used in traffic;
- 6) a vehicle whose owner or holder is the State of Finland;
- 7) a vehicle in case another state or its compensation body is liable for any traffic accidents caused by said vehicle;
- 8) a vehicle that has been decommissioned from traffic use and is not used in traffic;
- 9) a vehicle that has been finally deregistered.

However, the owner and holder of the vehicle have the right to insure a vehicle referred to in subsection 1 items 5, 6, and 8.

Section 9 (23.11.2018/983)

Disclosing information to the Finnish Transport and Communications Agency

The insurance company is obligated to report to the Finnish Transport and Communications Agency for registration:

- 1) a new insurance policy taken out for a vehicle insured by the insurance company within seven days of the start of the validity of the new insurance policy;
- 2) default on the premium of an insurance policy taken out for a vehicle;
- 3) termination of an insurance policy for a decommissioned vehicle

Section 10

Identification of the vehicle in the insurance contract

The vehicle shall be identified in the insurance contract.

It is possible to deviate from the requirement for identifying the vehicle by agreement if the policyholder is an entity with a business ID referred to in the Business Information Act (244/2001).

If a registered vehicle is not identified in the insurance contract and the transfer of the ownership or possession of such a vehicle to the policyholder has not been registered within seven days of the change taking place, the insurance company's liability expires at the end of said prescribed time. If the change notification is submitted to the register at a later time, the liability of the insurance company recommences once the notification is submitted.

Section 11

Insurance policy and terms and conditions of insurance

After the conclusion of an insurance contract, the insurance company shall, without undue delay, provide the policyholder with a document containing the key content of the contract (insurance policy) and the terms and conditions of insurance.

The insurance company shall inform the Financial Supervisory Authority of the terms and conditions of insurance one month before their adoption.

Section 12

Period of validity of insurance

The liability of the insurance company commences, unless another point of time is separately agreed with the policyholder, when the insurance company or policyholder accepts or sends an approving answer to an offer made by the other contractual party. The commencement of the insurance company's liability cannot be advanced from this by way of agreement.

The liability of the insurance company continues for one insurance period at a time, unless the policyholder terminates the contract. The first insurance period is a maximum of 13 months and subsequent periods 12 months.

Notwithstanding subsection 2 above, frontier and transfer motor liability insurance policies can be fixed term.

Section 13

Geographical coverage of insurance policies and legislation applied to certain traffic accidents

An insurance policy is valid in all EEA States based on a single insurance premium.

A traffic accident that has occurred in a transit area in a state not covered by the green card system in case of a direct journey from one EEA State to another EEA State will also be compensated for to a citizen of an EEA State under this Act.

The insurance policy covers the insurance coverage under the legislation of the EEA State in which the accident occurred or the insurance coverage under this Act if it is better than the former.

An injured party who lives in Finland can choose that personal injury incurred due to the use of a vehicle insured in accordance with this Act elsewhere in the EEA than Finland is compensated under Finnish law when the accident would be compensated for under legislation other than Finnish law according to the connecting factor rules.

The provisions laid down in subsections 1–4 in relation to the validity of insurance and insurance coverage shall be applied to the liability of the State Treasury when a vehicle of the state is used in traffic in an EEA State.

Section 14

Neglect of the duty of disclosure

If a policyholder has wilfully or through gross negligence failed to observe the duty of disclosure laid down in section 22 of the Insurance Contracts Act (534/1994) and the insurance company would have increased the premium had it had the true and fair information in its possession, the insurance company has, after having been informed of the failure, the right to charge a higher premium retroactively, but not for a period longer than the current year and the five previous calendar years. If the insurance company would have granted the insurance policy for a lower premium than the one agreed, the excess payments need not be refunded. (22 August 2019/960)

If a person that is not obligated to take out insurance according to the Act is incorrectly registered as the policyholder due to gross negligence concerning the duty of disclosure

referred to in subsection 1, the party with the obligation to insure the vehicle under Section 6 is liable for the insurance premium in addition to the policyholder.

The insurance company may terminate the insurance policy in a case referred to in subsection 2 within 14 days of being informed of the false procedure.

Section 15 (22.8.2019/960)

Neglect to report an increase in risk

If a policyholder has willfully or through negligence that cannot be considered to be slight failed to comply with the obligation to report an increase in risk pursuant to section 26(1,2) of the Insurance Contracts Act and the insurance company would have increased the premium had it had the true and fair information in its possession, the insurance company has, after having been informed of the negligence, the right to charge a higher premium retroactively, but not for a period longer than the current year and the five previous calendar years.

Section 16 (23.11.2018/983)

Policyholder's right to terminate an insurance policy and specific notifications comparable to a notice of termination

A policyholder whose obligation to insure has not ceased has the right to terminate the insurance policy for a registered vehicle only if the policyholder has taken out an insurance policy from another insurance company or the vehicle has been stolen and the police and the insurance company have been notified of the theft. In other respects, section 12 of the Insurance Contracts Act shall apply to the policyholder's right to terminate an insurance policy.

A notification submitted by the Finnish Transport and Communications Agency, the Finnish Motor Insurers' Centre or another insurance company shall also be considered to be a notice of termination, provided that the notification states that

- 1) the vehicle has been definitively decommissioned;
- 2) the vehicle has been transferred to a new owner or holder other than the policyholder's death estate or bankruptcy estate by means of a legal act;
- 3) possession of the vehicle has been transferred back to its owner or to a new owner if the vehicle holder was the sole policyholder;
- 4) an insurance policy has been taken out from a different insurance company. In a case pursuant to subsection 2 above, the validity of the insurance policy shall end on the date specified in the notification.

Section 17

Insurance company's right and obligation to issue insurance and green card

An insurance policy pursuant to this Act can be issued by an insurance company authorised to conduct insurance business pursuant to non-life insurance class 10 referred to in Section 6 of the Act on Insurance Classes (526/2008) under the Insurance Companies Act (521/2008) or the Act on Foreign Insurance Companies (398/1995).

An insurance company that exercises motor liability insurance business may not refuse to issue and uphold an insurance policy applied for that concerns a vehicle for which the company has the right to issue insurance under its licence and ratified articles of association.

The provisions of subsection 2 do not apply to frontier and transfer motor liability insurance.

The insurance company is obligated to issue a green card to the policyholder by request.

Section 18

Change of owner and holder

If the insurance policy is terminated due to a transfer of the insured vehicle to a new owner other than the policyholder as the result of a legal act or if the holder is the sole policyholder after the transfer of the possession of the vehicle or its return to its owner, an accident caused within seven days of the transfer of the right of ownership or change in the possession of the vehicle or its return to its owner is also compensated for under the terminated insurance policy, unless the next owner or holder of the vehicle has taken out insurance within said time. The provisions laid down in subsection 1 shall also apply to the State Treasury when the transfer of ownership or possession of the state's vehicle is concerned.

Section 19

Claims history data

A policyholder has the right to receive a certificate of the period of validity of the insurance policy, the vehicles covered by it and claims based on which compensation has been paid from the insurance (claims history data) from the insurance company that issued the policy. The insurance company shall provide the certificate to the policyholder within 15 days of the request. However, the insurance company is not obligated to issue a certificate for an insurance policy that expired more than five years earlier.

The insurance company must provide claims history data using the insurance and claims history certificate form, whose format and content are defined by the Commission's implementing regulation issued under Article 16, paragraph 6 of the directive.

(3.5.3034/218)

Claims history data can also be provided by the Finnish Motor Insurers' Centre.

(3.5.3034/218)

When an insurance company takes insurance and claims history certificates into account, it must not discriminate against policyholders or increase their premiums based on their nationality or previous country of residence. If an insurance company considers insurance and claims history certificates when determining premiums, it must treat certificates issued in other member states equally to those issued in Finland, including when applying any potential discounts. (3.5.3034/218)

The insurance company must publish a general description of the principles it follows in using insurance and claims history certificates to calculate premiums. (3.5.3034/218)

Section 20

Bases of calculation of insurance premiums

An insurance company shall have bases of calculation of insurance premiums (bases of premiums) indicating how the insurance premiums are determined. The bases of premiums shall be applied equally to all policyholders.

The bases of premiums shall be prepared so that the insurance premiums are in reasonable proportion to the capital value of expected costs arising from the insurance policies. In determining the insurance premiums, it must be ensured that the best interests of the injured party and the insured party and the risk of a traffic accident are considered.

The bases of premiums shall specify the effect of claims history data on the insurance premium for a vehicle or vehicle with similar type and use regarding an insurance policy for a passenger car, van, mobile home, lorry, bus or motorcycle. However, the effect of claims history can be ignored due to a special reason. The bases of premiums may also specify that the claims history data of the policyholder's other vehicles have effects on the premium for the vehicle, or that the claims history data of a single vehicle is used for pricing several vehicles.

The provisions laid down in subsection 3 do not apply to frontier motor liability insurance, transfer motor liability insurance, insurance policies whose policyholder has a business ID referred to in the Business Information Act, or insurance policies issued for veteran vehicles.

Section 21 (22.8.2019/960)

Transferring claims history data to another insurance company

When the owner or holder of a vehicle referred to in Section 20(3) or a vehicle of a similar type and use takes out an insurance policy from another insurance company and has claims history data for such vehicles in another insurance company, the insurance company shall, by request of the policyholder, submit the claims history data to the insurance company that issued the new insurance policy without delay, however not later than 15 days after the request.

Section 22

Increased premium for a vehicle used during decommissioning from traffic use

If an insured vehicle has been used in traffic during the period when it was registered as decommissioned from traffic use, the policyholder shall pay the insurance company an increased premium specified in the terms and conditions of insurance, which may not be more than triple the original premium. The increased premium is charged for the period between the start date of decommissioning from traffic use and use in traffic, unless there are particularly weighty reasons for deviating from this.

Section 23

Refund of insurance premium at the termination of insurance

If the insurance is terminated earlier than the agreed point of time, the insurance company is entitled to insurance premiums only for the time during which its liability

was valid. The rest of the premiums already paid shall be refunded to the policyholder. The terms and conditions of insurance must determine how the insurance premium to be refunded is calculated.

If the refunded amount is less than eight euros, it need not be refunded separately. This amount can be adjusted by way of a Ministry of Social Affairs and Health Decree in accordance with changes in the value of money.

Section 24

Penalty interest

Annual penalty interest will be charged for an insurance premium that has not been paid on the due date in accordance with the interest rate referred to in Section 4(1) of the Interest Act (633/1982) for the delay period.

The insurance company shall pay annual interest on a delayed refund of insurance premiums in accordance with the interest rate referred to in Section 4(1) of the Interest Act. The penalty interest shall be paid as of one month of the account entitling to refund being received by the insurance company.

Section 25

Continuation of liability and distrainability of premiums

The liability of the insurance company does not cease even if the insurance premium is not paid on the due date. The insurance premium with penalty interest is directly distrainable. Provisions on its collection are laid down in the Act on the Collection of Taxes and Charges (706/2007).

Section 26

Falling of premium receivables under the statute of limitations

A premium receivable falls finally under the statute of limitations five years after the end of the calendar year following the one during which it was stipulated or debited. If no invoice has been sent, the premium receivable falls under the statute of limitations five years after the end of each insurance period.

Section 27

Fee corresponding to the insurance premium

A party that has neglected the obligation to take out insurance under Section 6 shall pay a fee corresponding to a reasonable insurance premium for the time concerned by the neglect, however not for a longer time than the current and five preceding calendar years.

The provisions laid down in Section 20(1) and (2), Section 24, Section 25(2) and Section 26 in relation to insurance premium shall also apply to the premium referred to in this Section.

Section 28

Penalty premium

A party that has neglected the obligation to take out insurance under Section 6 shall pay a penalty premium that is not more than three times the amount of the fee corresponding to the insurance premium. The duration of the negligence, intent of the neglect and its recurrence, as well as whether the vehicle has been used in traffic are taken into consideration in determining the multiplier of the penalty premium.

The obligation to take out insurance shall not be considered neglected during the period when the insurance of the previous owner of the vehicle was in force under Section 18.

The provisions laid down in Section 24, Section 25(2) and Section 26 in relation to insurance premium shall also apply to the penalty premium.

Section 29

Setting the fee corresponding to the insurance premium and penalty premium

If the Finnish Motor Insurers' Centre declares that the owner or holder of a vehicle has neglected their obligation to insure, the Finnish Motor Insurers' Centre shall submit a proposal to the State Treasury on the ordering of a payment corresponding to an insurance premium and a penalty fee.

The State Treasury shall determine the payments referred to in subsection 1 above and obligate the vehicle owner or holder who has neglected their obligation to insure to make the payments to the Finnish Motor Insurers' Centre. The penalty fee may be omitted only for a special reason. The vehicle owner or holder has the right to appeal the decision in the manner laid down in the Administrative Judicial Procedure Act (586/1996). A decision of an Administrative Court may only be appealed based on a leave to appeal granted by the Supreme Administrative Court. (22 August 2019/960).

If the vehicle has an owner and a holder, the payments referred to in subsection 1 above shall be ordered for the holder of the vehicle insofar as the payments involve their holding period. Payments for the said period of time shall be ordered for the owner of the vehicle only after the vehicle holder has been deemed to be indigent during recovery proceedings to collect the payments.

The Finnish Motor Insurers' Centre shall send an invoice for the payments referred to in subsection 1 above and collect the payments from the vehicle owner or holder. The Finnish Motor Insurers' Centre does not have the right to collect the payments until the decision of the State Treasury has become legally valid. (22 August 2019/960)

The Administrative Judicial Procedure Act (586/1996) has been repealed by the Act on Judicial Procedure in Administrative Matters (808/2019).

Section 30

Prohibition of use of the vehicle

The use of a vehicle that has not been insured in accordance with the obligation to take out insurance in traffic is prohibited. Provisions on the powers of authorities in supervising the prohibition of use are laid down in Section 84 of the Vehicles Act.

Chapter 3

Compensation for traffic accidents

Section 31

Compensation for traffic accidents regardless of liability for damages

Unless otherwise prescribed below, traffic accidents are covered by the motor vehicle's motor liability insurance policy even when no one has a personal indemnity liability as per using the vehicle in traffic.

Section 32

Liability to compensate in case of a traffic accident

The insurance company is liable for a traffic accident caused during the validity of an insurance policy for the vehicle, unless otherwise prescribed by Section 18.

The State Treasury is liable for a traffic accident when the owner or holder of the vehicle is the state of Finland at the time of the accident and no motor liability insurance has been taken out for the vehicle, and when the state of Finland has undertaken to compensate for damage caused by a vehicle owned by another state.

The provisions set forth in Sections 33–39, 39a, 49–62, 62a, 63, 64–68, 73, and 79–83, as well as in Section 84, subsection 1, and Section 85, regarding insurance companies, also apply to the State Treasury.

The Finnish Motor Insurers' Centre is primarily liable for a traffic accident caused in Finland by a vehicle which is normally based outside Finland. The Finnish Motor Insurers' Centre is liable for damage compensable under this Act other than those referred to above in this Section as prescribed below.

Section 33

Liability in traffic accidents involving two or more vehicles

When a vehicle has caused damage to another vehicle, a railway vehicle used on rails or persons or property in such a vehicle, the damage will not be compensated for from the insurance of the former vehicle unless the accident was caused by:

- 1) negligence of the vehicle owner, holder, driver or passenger;
- 2) the vehicle moving or being located in violation of traffic rules; or
- 3) inadequate condition or improper loading of the vehicle.

If the party to which the harm was caused was also negligent or under a condition referred to in subsection 1, items 1–3, the liability will be allocated between the parties involved, taking into consideration all of the factors that influenced the accident.

Notwithstanding subsections 1 and 2, compensation for personal injury will be paid to the injured party entirely from the insurance for the vehicle in which the injured party was a passenger or driver, and to other injured parties, based on the insurance of an involved vehicle of their choice. After this, the allocation of liability between the insurance companies is determined in accordance with Section 51

Section 34

Compensation for personal injury

Compensation for personal injury will be imposed in accordance with Chapter 5, Sections 2, 2 a–2 d, 3, 4, 4 a, 4 b, 7 and 8 and Chapter 7, Section 3 of the Tort Liability Act (412/1974), unless otherwise provided in this Act. There is no right to compensation for pain and suffering and other temporary capacity if the personal injury is of a minor nature. Compensation for personal injury to the driver of a rented electric scooter is provided for in Section 34a of this Act.

Additional provisions on compensation for the costs of medical care are laid down in Chapter 4 and the Act on Rehabilitation Compensated According to the Motor Liability Insurance Act (626/1991).

A lump sum settlement corresponding to the total capital value may be paid in lieu of continuous compensation due to loss of income or loss of support only for a particularly weighty reason. A non-recurring compensation shall correspond to the capital value of an annuity, considering the statistically estimated expected lifetime of the injured party at the time of the road accident or at the time when an annuity is replaced with a non-recurring compensation. The calculation basis for the capital value shall be an estimate based on public statistics on the expected lifetime of persons included in a specific age and year of birth cohort. The interest rate used in the calculation of capital values shall be an estimate of the future longer-term risk-free interest rate. (22 August 2019/960)

Provisions on the bases of calculating the lump sum settlement paid in lieu of continuous compensation due to personal injury are laid down by a Ministry of Social Affairs and Health Decree

Section 34 a (3.5.2024/218)

Compensation for personal injury to the driver of a rented electric scooter

Compensation for personal injury to the driver of a rented electric scooter is covered by the insurance of the rented electric scooter only for the medical expenses referred to in the Motor Liability Insurance Act.

Section 35

Index adjustment of continuous compensation

Continuous compensation paid under this Act and the Act on Rehabilitation Compensated According to the Motor Liability Insurance Act will be adjusted once every calendar year in accordance using the earning-related pension index referred to in Section 98 of the Employees Pensions Act (395/2006).

The earnings for different years for determining the loss of income and loss of support will be adjusted once every calendar year to the level of the year of the loss event using the wage coefficient referred to in Section 96 of the Employees Pensions Act.

Section 36

Integration of indemnities with certain indemnities for occupational accidents

If the owner, holder or driver of a vehicle has the right to compensation for personal injury resulting from the use of a vehicle owned or driven by them in traffic under the Occupational Accidents, Injuries and Diseases Act (459/2015), the Occupational Accidents, Injuries and Diseases Act for Farmers (873/2015) or the Act on Accident and Pension Provision for Athletes (276/2009), only the part of the damage not compensated under the abovementioned Acts will be compensated from the motor liability insurance of said vehicle.

Section 37

Compensation for material damage

Compensation for material damage is determined in accordance with Chapter 5, Section 5, of the Tort Liability Act unless otherwise prescribed in this Act.

Cost of repair or a corresponding amount will be compensated as damage to a vehicle. No compensation will be paid due to impairment of the value of the vehicle. If the vehicle has been destroyed or cannot be repaired at a reasonable cost, the fair value of the vehicle immediately before the loss event is compensated as material damage. In this case, the ownership of the damaged or destroyed vehicle is transferred to the insurance company.

Damage caused to an animal other than reindeer that has been unsupervised on a traffic route will not be compensated, unless the damage was caused by the intent or gross negligence of the vehicle owner, holder, driver, or passenger.

Section 38

Maximum amount of compensable material damage

A maximum of EUR 5,000,000 may be paid as compensation for material damage per each motor liability insurance liable for the damage.

If the maximum amount referred to in subsection 1 is not sufficient for full compensation, the compensation to be paid is allocated in proportion to the magnitude of the damage to be compensated. If it turns out after the claims have been resolved that a party that has not yet received compensation has the right to it, they will be compensated for the damage even if the maximum amount of compensation would be exceeded. However, the amount of compensation may not exceed the relative proportion of compensation that the party entitled to compensation would have received had they originally been among the indemnitees.

Section 39

Damage caused due to helping an injured party

If someone is in a state that requires immediate first aid or transport to care as a result of a road accident, the insurance company liable for the traffic damage is liable to compensate the injured party for the direct personal injury and material damage caused to the person that helped the injured party. However, damage caused to a person engaged professionally in rescue services or property related to such operations will not be compensated.

Section 39 a (3.5.2024/218)

Damages caused by combination vehicles

If a traffic accident is caused by a combination vehicle consisting of one or more trailers and the vehicle towing them, the insurance company that insured the towing vehicle is liable for the damage, unless the damage is due to a defect in the trailer, in which case the insurance company that insured the trailer is liable for the damage.

If a traffic accident is caused by a combination vehicle consisting of one or more trailers and the vehicle towing them, and the towing vehicle cannot be identified, the insurance company that insured the trailer or the insurance companies that insured the trailers are jointly liable for the damage.

If a traffic accident is caused by a combination vehicle and the maximum amount of compensable property damage specified in Section 38 of the insurance responsible for the damage is exceeded, the excess amount is compensated from the insurance of the other part of the vehicle combination.

Section 40

Certain types of material damage not eligible for compensation

Damage caused to the vehicle, another vehicle coupled to it or property in them is not compensated from the insurance for the vehicle.

Furthermore, damage caused to other property of the owner, holder or driver of the vehicle than was in the vehicle or otherwise in their possession is not compensated from the insurance for the vehicle. However, damage caused to clothes and personal belongings worn or held by a passenger other than the owner or holder of the vehicle will be compensated from the insurance policy.

The provisions laid down in subsection 2 do not apply to damage caused by another vehicle owned or held by the owner, holder or driver of the vehicle.

Section 41

Compensation for damage after the validity of the insurance policy has expired due to theft

Unless otherwise prescribed by Section 49, the Finnish Motor Insurers' Centre compensates for traffic damage when it has been caused by a vehicle whose owner or holder has terminated the insurance policy under Section 16(1) due to the theft of the vehicle.

Section 41 a (3.5.2024/218)

Damages sustained by drivers participating in competitions

The insurance of a vehicle participating in a competition or training event does not cover damages sustained by the driver of that vehicle, provided that traffic regulations were not required to be followed during the activity.

Section 42 (3.5.2024/218)

Damage caused during certain types of work performance

Damage or injury shall not be compensated if it occurred during loading, unloading or during other work activities:

- 1) to the owner, holder or driver of a vehicle, or another person who was performing the work referred to in this section while the vehicle was not moving;
- 2) the property on which the work was performed or another vehicle contributing to the work activities.

In addition to what is stated in subsection 1, no compensation is provided for property damage caused by digging.

Section 43

Accidents caused by a vehicle exempted from the obligation to take out insurance

The Finnish Motor Insurers' Centre compensates for traffic accidents caused in Finland by the use of a vehicle which is normally based in Finland and for which motor liability insurance is not required in accordance with Section 8(1) items 1–4 in traffic.

(3.5.2024/218)

The Finnish Motor Insurers' Centre compensates for traffic accidents caused in Finland by a vehicle which is normally based in an EEA State other than Finland and for which insurance is not required in the state in question.

Section 44

Accident caused by an unknown vehicle

The Finnish Motor Insurers' Centre compensates for personal injury, material damage to an ungulate and other material damage caused in connection with major personal injury caused in Finland by the use of a vehicle that remains unknown in traffic.

Section 45

Compensation for certain traffic accidents that have occurred outside Finland

The Finnish Motor Insurers' Centre compensates for traffic accidents caused by the use of a vehicle referred to in Section 43(1) in traffic when the accident occurred in an EEA State other than Finland, unless the owner or holder of the vehicle is the State of Finland.

If the loss event caused by the use of an unknown vehicle in traffic has taken place in an EEA State other than Finland, an injured party whose permanent place of residence is in Finland may present the claim to the Finnish Motor Insurers' Centre.

An injured party with a place of residence in Finland may present a claim to the Finnish Motor Insurers' Centre for a traffic accident caused in another EEA State or state belonging to the green card system than Finland and it was caused by the traffic use of a vehicle which is normally based in an EEA State other than Finland and the insurance company liable cannot be determined within two months of the loss taking place.

Section 46

Compensation for damage in cases of neglect of the obligation to take out insurance

The Finnish Motor Insurers' Centre compensates for a traffic accident if the vehicle did not have valid insurance at the time of the accident even though the vehicle should have been insured under this Act or the legislation of another EEA State.

Accidents referred to in subsection 1 above will not be compensated for if the injured party is the owner or holder of the vehicle who was a passenger in the car or the driver of the car, and the Finnish Motor Insurers' Centre can prove that they were aware that the vehicle was uninsured.

Section 47

Causing a loss event and contributing to one

If someone has intentionally caused personal injury to themselves, compensation will be paid only to the extent that other conditions would have contributed to the accident. If someone has contributed to the occurrence of a personal injury to themselves through gross negligence, the compensation can be lowered or rejected, depending on what is reasonable considering the circumstances.

A reduction referred to in subsection 1 is not made to compensation pursuant to the Act on Rehabilitation Compensated According to the Motor Liability Insurance Act. If compensation is rejected completely, rehabilitation is not compensable either.

Compensation paid due to material damage can be reduced or compensation rejected based on contribution by the injured party as reasonable, taking into consideration the degree of guilt of the injured party and other circumstances.

Section 48

Impact of the use of alcohol or another intoxicant on compensation

If the injured party was, at the time of the occurrence of injury, driving a vehicle in such a condition that their blood alcohol concentration during or after driving was at least 0.12 percent or if there was at least 0.53 milligrams of alcohol in one litre of exhaled air, or if their capacity to perform the required tasks was considerably worsened due to the effects of an intoxicant other than alcohol or due to the combined effect of alcohol and

another intoxicant, their personal injuries shall only be compensated insofar as other conditions contributed to the injury. (22 August 2019/960)

If the injured party was, at the time of the occurrence of damage, driving a vehicle in such a condition that their blood alcohol concentration during or after driving was at least 0.05 percent or if there was at least 0.22 milligrams of alcohol in one litre of exhaled air, or if their capacity to perform the required tasks was worsened due to the effects of an intoxicant other than alcohol or due to the combined effect of alcohol and another intoxicant, the compensation shall be lowered based on their contribution to the injury. (22 August 2019/960)

A reduction referred to in subsections 1 and 2 is not made to compensation pursuant to the Act on Rehabilitation Compensated According to the Motor Liability Insurance Act. If compensation is rejected completely, rehabilitation is not compensable either.

Section 49

Compensation for damage to a person who was in a vehicle in unauthorised use

If the traffic accident was caused while the injured party was in a vehicle taken into use without authorisation and the insurance company can prove that the person was aware of the use of the vehicle being unauthorised, compensation is paid to the injured party from the insurance for the vehicle only for a specific reason. Unauthorised use means the punishable acts referred to in Chapter 28, Sections 9a– 9c of the Criminal Code (39/1889).

Section 50 (22.8.2019/960)

Irresponsibility and state of necessity

The insurance company does not have the right to plead the regulations of sections 47– 49 to be freed from its liability or to limit its liability if the injured party was younger than twelve years of age when causing the occurrence of damage or if the injured party was

in a state of mind where they could not have been sentenced for a crime, or if they were acting in order to prevent injury or property damage under circumstances where the neglect or action was defensible.

Section 51

Allocation of liability between insurance companies

If two or more insurance companies are liable for the same traffic accident, the insurance companies are jointly liable for the compensation according to what is considered reasonable with regard to the negligence and other factors that influenced the accident. However, if the accident was caused exclusively due to the insufficiency, incorrect loading, or negligence on the part of a specific vehicle, the insurance company that issued the insurance policy for said vehicle is liable for compensation.

Section 52

Allocation of responsibility between motor liability insurance and the Rail Traffic Liability Act

If the injured party is entitled to compensation due to the same loss event under both this Act and the Rail Traffic Liability Act (113/1999), the liability between the insurance company and the party liable under Rail Traffic Liability Act is allocated according to what is deemed reasonable, considering the degree of negligence and other factors that influenced the accident. However, if the accident was caused exclusively due to a factor referred to in Section 33(1) of this Act or Section 5 of the Rail Traffic Liability Act, the party that caused the accident is solely liable for compensation.

If the motor liability insurance company has paid compensation exceeding its own share, it has the right to charge the party liable under the Rail Traffic Liability Act for what it has paid.

Chapter 4

Compensation for medical treatment provided in Finland

Section 53

Preconditions for compensation for medical treatment

Compensation for the costs of medical treatment required due to the accident requires that the treatment is provided as public health care under the Primary Health Care Act (66/1972), Act on Specialised Medical Care (1062/1989) or Health Care Act (1326/2010), service referred to in the Private Health Care Act (152/1990) or as independent practice of a profession referred to in the Health Care Professionals Act (559/1994) as prescribed below.

The Private Health Care Act (152/1990) has been repealed as of 1 January 2024 by the Act on the Supervision of Social and Health Care (741/2023).

Section 54

Compensation for medical treatment provided in public health care

The client fee determined under the Act on Client Fees in Social Welfare and Health Care (734/1992), hereinafter referred to as the Act on Client Fees, for medical treatment provided in public health care due to the accident is compensated to the injured party.

If a service voucher referred to in the Act on Service Vouchers for Social Welfare and Health Care (569/2009) has been issued for the medical treatment, the customer's responsibility referred to in Section 3(4) of said Act is compensated to the injured party.

Section 55

Right of municipalities or joint municipal authorities to claim the fee for actual costs of medical treatment (8.7.2022/566)

If the injured party is entitled to claim compensation for medical treatment, the insurance company shall pay the fee for the actual cost of medical treatment to the municipality or the joint municipal authority providing the treatment. This is conditional upon the public health care unit that provided the medical treatment to have complied with its reporting requirement laid down in Section 56. (8.7.2022/566)

The fee for actual cost of medical treatment is not paid for long-term institutional care arising from the damage. Long-term institutional care refers to treatment and care administered after the therapeutic effect of the treatment and care that was administered after the therapeutic effect of the treatment of the injury or illness has been achieved, but no later than when a permanent disability can be determined. Institutional care cannot be considered long-term until the treatment has continued for an uninterrupted period of at least three months.

The fee for actual cost of medical treatment is equal to the amount that the municipality or joint municipal authority responsible for the provision is required to provide compensation under section 58 of the Health Care Act for the cost of treatment of a patient who is not a resident of the municipality operating the unit or of a member municipality of the joint municipal authority for the hospital district, less the client fee paid under the Client Fees Act by the injured party for the care. If a service voucher referred to in section 54(2) has been given for the medical treatment, the fee for the actual cost of medical treatment shall be equal to its value. (8.7.2022/566)

The insurance company must issue a decision on the fee for actual costs to the municipality or joint municipal authority if the question concerns the amount of fee for actual costs payable based on care entitling to compensation and the insurance

company makes the payment at an amount lower than that specified in the invoice or claim of the municipality or joint municipal authority or the payment has been rejected due to the municipality or joint municipal authority not having fulfilled its obligation to notify laid down in Section 56. A decision is also issued if the municipality or joint municipal authority requests a decision from the insurance company. (8.7.2022/566)

Section 56

Reporting requirement of a public health care unit

To receive full-cost reimbursement, the public healthcare unit must provide the insurance company with patient information referred to in Chapter 5 of the Act on the Processing of Client Data in Social and Health Care (703/2023), notwithstanding confidentiality provisions and other restrictions on access to information, for the purpose of determining liability for compensation and paying the full-cost reimbursement, to the extent necessary for resolving the matter. This information must be provided promptly after the injured party seeks treatment due to the incident. The insurance company must also be informed of the identification details of the vehicle involved in or causing the traffic accident, which the public healthcare unit obtains from the injured party. This information may also be included in the notification referred to in subsection 2. (14.4.2023/718)

If, during the course of seeking treatment or a medical visit, a decision is made on a procedure for which a plan is prepared according to section 4a of the Act on the Status and Rights of Patients or for which a decision is made in another manner, the healthcare unit must send the plan or decision to the insurance company within four working days from the date the patient record entries must be made according to the regulations issued under the Act on the Status and Rights of Patients. If no plan has been made, a medical statement or patient record describing the decided treatment must be sent to the insurance company. If the authority responsible for organizing social and healthcare intends to arrange the treatment as a purchased service or using a service voucher, this

must also be notified to the insurance company. If it is not possible to make the notification within the aforementioned time due to a major accident, disease epidemic, or other comparable force majeure, the notification must be made as soon as the said obstacle has ceased. (8.7.2022/566)

The notification obligation referred to in subsection 2 does not apply to:

- 1) urgent medical treatment, meaning the need for immediate treatment assessment and treatment that cannot be postponed without substantial aggravation of the injury or illness;
- 2) appointment at a public health care unit and an X-ray examination, ultrasound examination and other comparable minor examination and medical interventions carried out during the appointment.

If the injured party or the health care unit has not been informed of the insurance company that had insured the vehicle, the notification is submitted to the Finnish Motor Insurers' Centre in order to find out the liable insurance company.

Section 57

Right of the insurance company to designate a treatment unit for the injured party

The insurance company is entitled to use a payment commitment to designate a treatment unit for the injured person for the treatment referred to in Section 56(2). The treatment unit must be able to provide the injured party with the treatment required by the compensable road accident.

The injured party shall be issued a decision on the payment commitment promptly and a notice of the same shall be given to the health care unit that submitted the treatment notification to the insurance company, and to the public health care unit where the injured party has been transferred or is due to be transferred for treatment in accordance with the aforementioned notification.

If the treatment is given in a public health care unit, even when the insurance institution has used a payment commitment to designate a private health care unit for the injured person, the insurance institution is only obliged, notwithstanding the provisions of section 55, to compensate for the client fee referred to in Section 54(1).

Section 58

Compensation for the costs of medical care provided without a financial commitment in private health care

Reasonable costs incurred by the injured party due to care provided in private health care without a financial commitment will be compensated for in case of:

- 1) urgent medical care, which refers to the evaluation of the need for immediate care and care that cannot be postponed without an essential exacerbation of the injury or disease;
- 2) a visit and radiological examination, ultrasound examination and other comparable minor examination and treatment procedure performed in connection with it.

Notwithstanding on-disclosure regulations and other restrictions limiting the disclosure of information, the private provider of health care services shall provide the insurance company with information referred to in Section 12 of the Act on the Status and Rights of Patients for the treatment visit referred to in subsection 1.

Section 59

Compensation for the costs of medical treatment requiring a payment commitment in private health care

The costs incurred by an injured party due to treatment other than that referred to in Section 58 provided in private health care are compensated for, provided that the insurance company has issued a payment commitment for treatment to the injured

person. The insurance company has the right to refer the injured party to a place of treatment of its choice by way of a payment commitment. The place of treatment must be such that the injured party can receive the treatment required by the injury.

If the treatment referred to in subsection 1 is provided in a place other than the place of treatment specified by the payment commitment or the insurance company has not issued a payment commitment pursuant to subsection 1, the injured party is at the most compensated for the client fee that the injured person would have had to pay for similar treatment in public health care in accordance with the Act on Client Fees.

The party providing treatment as private health care shall inform the injured person seeking treatment of the need for a payment commitment before the commencement of treatment and provide the insurance company with a plan pursuant to Section 4 a of the Act on the Status and Rights of Patients with the request for a payment commitment.

Chapter 5

Compensation procedure and right of recourse

Section 60

Presentation of a claim for damages

An injured party is entitled to claim damages directly from the insurance company.

The claim for damages shall be presented to the insurance company that is probably liable for compensating for the damage. A claim concerning personal injury can also be presented to the insurance company that issued an insurance policy for the vehicle in which the injured person was at the time of the accident. A person other than driver or passenger of the vehicle who has suffered a personal injury can present a claim for damages to any insurance company that had insured any vehicle involved in the accident.

Section 61

Time of presenting a claim for damages and falling under the statute of limitations

A claim for damages shall be presented to an insurance company within three years of the person claiming for damages became informed of the loss event and the resulting damage. The claim for damages shall in any case be presented within ten years of the occurrence of the damage.

Submitting a notification of the loss event is considered comparable to presenting a claim for damages. The claim for damages shall include information about the place and time of the accident and the injured party and their address.

If a claim for damages is not presented within the time prescribed in subsection 1, the party making the claim loses the right to compensation. For a particularly weighty reason, a claim for damages can also be processed after the time prescribed in subsection 1.

Section 62

Time limitation for the payment of compensation

The insurance company shall immediately begin to process the compensation matter, at the latest seven business days after the initiation of proceedings in the matter.

The insurance company must promptly pay the compensation or notify the claimant if compensation will not be paid, no later than one month after receiving the documents and information referred to in Section 69 of the Insurance Contracts Act, along with any other necessary evidence. The recommendation of the Traffic Accident and Patient Injury Board is not considered sufficient evidence for this purpose, even when it must be requested according to Section 66 of this Act.

If the amount of compensation is not undisputed, the insurance company is, however, obligated to pay the undisputed part of compensation within the time laid down in subsection 2.

If liability for the compensation is unclear or it has not been possible to determine the amount of compensation in full, the insurance company shall, notwithstanding the provisions laid down in subsection 2, provide a response with a statement of reasons within three months of the day on which the injured party presented their claim.

Section 62 a (17.4.2020/244)

Limitation of Data Subject's Rights

A data subject, as defined in the General Data Protection Regulation (GDPR), does not have the right under Article 18(1)(a) of the GDPR to have the insurance company restrict the processing of personal data when it is performing a task under this law, if the data subject's request to restrict processing is manifestly unfounded.

Section 63

Issuing and justifying a decision

The insurance company shall issue its decision by sending it to the recipient at the address they have specified. The provisions of Section 45 of the Administrative Procedure Act (434/2005) shall be applied to the statement of reasons of the decision of the insurance company. If a decision concerning the reduction or rejection of compensation relating to a personal injury is based on medical aspects in key respects, the statement of reasons must include the facts that primarily influenced the evaluation and the conclusions drawn on the basis of these facts.

Section 64 (22.8.2019/960)

Traffic Accident and Patient Injuries Board

Provisions on the Traffic Accident and Patient Injuries Board and its establishment, members, administration and funding of operations are specified in the Act on the Traffic Accident and Patient Injuries Board (laki liikenne- ja potilasvahinkolautakunnasta, 959/2019).

Section 65 (22.8.2019/960)

Right to request a statement from the Traffic Accident Board

An injured party, policyholder or other party entitled to compensation has the right to request a statement on a compensation case from the Traffic Accident Board within one year after the decision of the insurance company is issued.

If a final decision of the court has been issued in the compensation case, the Traffic Accident Board may not process the case to the extent that the court has decided on it.

The insurance company and the court can request the Board to issue a statement while the compensation case is being processed by them.

Section 66 (22.8.2019/960)

Obligation to request a recommended settlement from the Traffic Accident and Patient Injuries Board

Unless the claim has been resolved by a legally valid judgement or decision of a court of law or a board of appeals, the insurance company is obligated to request a recommended settlement from the Traffic Accident and Patient Injuries Board before making a decision when the case involves

- 1) continuous compensation paid on the basis of permanent loss of income or death or a lump sum settlement of the capital value paid in lieu of it;
- 2) increasing or decreasing the continuous compensation under Chapter 5, Section 8 of the Tort Liability Act;
- 3) compensation paid on the basis of incapacity if the injury is severe;
- 4) adjustment of an incorrect decision to the detriment of the party involved if the party involved does not consent to the correction of the error; however, a recommended settlement needs not be requested if the error is apparent and has been caused by the actions of the party involved or it is an apparent typographical error or error in calculation.

If the insurance company's decision deviates from the Board's recommendation to the detriment of the beneficiary, the insurance company shall append the recommended settlement to its decision and submit the decision to the Board for information.

Section 66

Obligation to request a statement from the Traffic Accident Board

The insurance company shall, unless the compensation case has been resolved by way of a legal judgement or decision of a court of law or a board of appeal, request a statement from the Traffic Accident Board before issuing its statement when the matter concerns:

- 1) continuous compensation paid on the basis of permanent loss of income or death or a lump sum settlement of the capital value paid in lieu of it;
- 2) increasing or decreasing the continuous compensation under Chapter 5, Section 8 of the Tort Liability Act;
- 3) compensation paid on the basis of incapacity if the injury is severe;

4) adjustment of an incorrect decision to the detriment of the party involved if the party involved does not consent to the correction of the error; however, a statement needs not be requested if the error is apparent and has been caused by the actions of the party involved or it is an apparent typographical error or error in calculation.

If the decision of the insurance company deviates from the statement of the Board to the detriment of the indemnitee, the insurance company shall attach the statement to its decision and inform the Board of the decision.

Despite requesting a recommendation from the Board, the insurance company must pay the undisputed part of the compensation in accordance with Section 62. (3.5.2024/218)

Section 67

Delay of compensation

If the compensation to be paid for personal injury is delayed, the insurance company is obligated to pay increased compensation for the duration of the delay ("delay increase"). Interest on arrears shall be paid in the case of delayed compensation for property damage. The delay increase and the interest on arrears shall be determined pursuant to the interest rate laid down in section 4(1) of the Interest Act. The obligation to pay increased compensation does not apply to the coordination of benefits between insurance and pension institutions which practise statutory insurance business or any payments based on right of recourse.

Interest on late payments and penalty interest must be paid starting from the day following the date by which the insurance company was required to make the payment in accordance with Sections 62 and 70. If the provided documentation is deemed insufficient only in terms of the amount of compensation, interest on late payments and penalty interest must still be paid on the amount of compensation that can reasonably be considered substantiated. For any subsequent compensation instalments paid based on the same decision, penalty interest is calculated from the due date. (3.5.2024/218)

If it has not been possible to pay the compensation due to a reason attributable to the injured party, the insurance company is not obligated to pay a penalty increase or penalty interest for a longer period than as of the day on which the obstacle ceased to exist to the knowledge of the insurance company. If the payment of compensation is delayed due to a legal provision or an interruption in general traffic or payment transactions or other similar event of force majeure, the insurance company is not obligated to pay a penalty increase or penalty interest for the period of delay caused by such impediment.

A penalty increase or penalty interest with an amount of under EUR 7.28 is not paid. The monetary amount is adjusted using the wage coefficient referred to in Section 96 of the Employees Pensions Act. The adjusted amount is rounded to the nearest cent.

Section 68

Indemnitee's obligation to notify

The indemnitee is obligated to notify the company paying compensation under Chapter 5, Section 2, 2 d, 4 and 4 b of the Tort Liability Act and the Act on Rehabilitation Compensated According to the Motor Liability Insurance Act immediately and proactively of any changes influencing the compensation, provided that this obligation has been specified in the claims decision.

Section 69

Claims representative and claims agent

If an insurance company referred to in the Insurance Companies Act or an insurance company from a third country referred to in the Act on Foreign Insurance Companies intends to engage in motor liability insurance or an insurance company referred to in the Insurance Companies Act intends to engage in insurance activities falling in non-life

insurance class 10 other than a carrier's third party insurance in other EEA States, the company shall appoint a claims representative in every other EEA State.

The claims representative has the right to represent one or several insurance companies for the purpose of processing and investigating claims and paying compensation due to damage. The claims representative must be a resident in or be located in the EEA State in which they have been appointed, and they must be able to operate in the official languages of the State in question.

The insurance company shall provide the names and contact information of its claim's representatives and changes in this information to the information centres of all EEA States referred to in the Directive without delay.

If a foreign EEA insurance company intends to engage in motor liability insurance in Finland based on the right to freely provide services from a foreign office, the company shall, in addition to what is separately laid down in relation to such activities, appoint a representative (claims agent) here to take care of the appropriate organisation of the processing of claims and payment of compensation. The claims agent shall be authorised to represent the company in matters related to compensation for traffic accident and validity of motor liability insurance. The claims agent shall have a permanent place of residence or domicile in Finland.

If the insurance company or its claims representative does not comply with the provisions of this section, the Financial Supervisory Authority may take supervisory measures against the insurance company as stipulated in the Act on the Financial Supervisory Authority (878/2008). (3.5.2024/218)

Section 70

Right to claim for damages from the claims representative

If the loss event has taken place in another EEA State or state belonging to the green card system than Finland, and the damage was caused by the use in traffic of a vehicle

which is normally based in an EEA State other than Finland, an injured party whose place of residence is in Finland may claim damages from the liable insurance company or the claims representative it has designated for Finland.

The claims representative shall, within three months of the day on which the injured party presented the claim for damages, compensate for the traffic accident referred to in subsection 1 or make an offer of compensation supplemented by a justification of its basis if the liability for accident is not denied and if the amount of damage has been specified.

If liability for compensation is partially or entirely disputed, unclear, or if the extent of the damages has not been fully determined, the insurance company or its claims representative must provide a reasoned written response to the compensation claim within the time specified in subsection 2. (3.5.2024/218)

The Finnish Insurers' Centre is not permitted to act as the claims representative in Finland for an insurance company located in another EEA country. (3.5.2024/218)

Section 71

Liability of the Finnish Motor Insurers' Centre in case of a delay in the processing of a compensation case

An injured party that has a place of residence in Finland can claim damages from the Finnish Motor Insurers' Centre due to a loss event referred to in Section 70 if the insurance company liable for the accident or its claims representative has not made a compensation offer referred to in Section 70(2) or given a response with a statement of reasons referred to in subsection 3 of said Section within three months of the presentation of the claim for damages, or if the insurance company has not designated a claims representative for Finland. However, the Finnish Motor Insurers' Centre cannot process the claim for damages if the injured party has instituted proceedings in the compensation case against the insurance company in a court of law.

The Finnish Motor Insurers' Centre shall take measures to process the compensation case within two months of the injured party presenting the claim to it. The Centre may not continue claims handling in the matter if the insurance company or its claims representative issues a response with statement of reasons to the claim during the handling.

The Finnish Motor Insurers' Centre shall immediately report a claim pursuant to subsection 2 and its intention to respond to it within two months of the presentation of the claim to:

- 1) the insurance company or its claims representative;
- 2) the compensation body of the EEA State in which the insurance company is domicile;
and
- 3) the party that caused the accident, if known by the Finnish Motor Insurers' Centre.

Section 72

Right of the injured party to receive information from the Finnish Motor Insurers' Centre

The Finnish Motor Insurers' Centre shall provide an injured party living in Finland with the name and address of the owner or holder of the vehicle that caused the accident upon request.

If the road accident took place in an EEA State or a state belonging to the green card system and the accident was caused by a vehicle insured by an insurance company located in an EEA State other than Finland and the vehicle has a permanent place of residence in an EEA State other than Finland, the Finnish Motor Insurers' Centre shall, if requested, provide the injured party living in Finland with information about the insurance company and its address, number of the insurance contract and the insurance company's designated claims representative in Finland and the address of the

representative. However, the Finnish Motor Insurers' Centre is not obligated to provide information concerning traffic accident that occurred more than seven years before.

An injured party living in an EEA State other than Finland has the right to receive the information referred to in subsections 1 and 2 from the Finnish Motor Insurers' Centre if the vehicle that caused the accident is normally based in Finland or if the traffic accident took place in Finland. Furthermore, the Finnish Motor Insurers' Centre can require the injured party referred to in this subsection to prove that they have a justified reason for receiving the information referred to in subsection 1.

Section 73

Insurance company's right of recourse

The right of an injured party to claim the amount of compensation that an insurance company has paid to the injured party from a third person is transferred to the insurance company.

If the third person is a private person or an employee, civil servant or another person comparable to them under Chapter 3, Section 1 of the Tort Liability Act or the owner, holder, driver or passenger of the vehicle, the right is, however, transferred only if they have caused the loss event intentionally or through gross negligence, or if the driver has caused the accident while driving the vehicle under conditions referred to in Section 48(1).

Section 74

Finnish Motor Insurers' Centre's right of recourse

If the Finnish Motor Insurers' Centre has paid compensation to the injured party under Section 43(2), Section 44, Section 45(2) or (3) or Section 46(1), the Centre has the right to demand the compensation it has paid to be refunded if:

- 1) the vehicle has no obligation to take out insurance, from the national guarantee fund of the EEA State in which the vehicle is normally based;
- 2) the insurance company cannot be found out, from the national guarantee fund of the EEA State in which the vehicle that caused the accident is normally based;
- 3) the vehicle remains unidentified, from the national guarantee fund of the EEA State in which the accident took place;
- 4) the case concerns a vehicle which is normally based in a third country, from the national guarantee fund of the EEA State in which the accident took place or
- 5) the case concerns a vehicle for which the obligation to take out insurance has been neglected, from the national guarantee fund of the EEA State in which the vehicle is normally based.

The Finnish Motor Insurers' Centre has the right to demand the compensation it has paid under Section 71 from the compensation body of the EEA State in which the registered office of the insurance company that made the insurance contract is located. If the registered office is in Finland and the compensation body of the EEA State in which the injured party lives has paid the compensation, the compensation body of said EEA State has the right to demand the compensation it has paid from the Finnish Motor Insurers' Centre. In this case, the right of the injured party to receive compensation from the party that caused the accident or their insurance company is transferred to the Finnish Motor Insurers' Centre to the extent that the compensation body of said EEA State has paid compensation for the accident.

The Finnish Motor Insurers' Centre has the right to claim reimbursement from the insolvency body of the EEA state where the insolvent insurance company is domiciled for the compensation it has paid based on Section 91a. (3.5.2024/218)

The Finnish Motor Insurers' Centre has compensated the injured party in accordance with Section 91a due to the insolvency of an insurance company, the injured party's right

to compensation from the liquidation or bankruptcy estate transfers to the Center up to the amount it has paid in compensation. (3.5.2024/218)

Chapter 6

Pay-as-you-go system

Section 75

Pay-as-you-go system and costs covered from it

Insurance companies engaged in motor liability insurance business shall annually take part in covering the costs paid by the Finnish Motor Insurers' Centre during each calendar year referred to in subsection 2 in proportion to the insurance premium income (pay-as-you-go system income) used as the basis of funding the pay-as-you-go system as laid down in this Chapter (pay-as-you-go system). The pay-as-you-go system income is calculated by adding the customer's responsibilities paid by customers to the company to the motor liability insurance income included in the insurance company's profit and loss account.

The costs covered by the pay-as-you-go system (pay-as-you-go system costs) are:

- 1) the costs of damage for which the Finnish Motor Insurers' Centre is liable excluding the compensation referred to in items 2–6, from which amount fees pursuant to Sections 27 and 28 as well as payments of frontier and transfer motor liability insurance have been deducted;
- 2) index adjustments related to continuous compensation referred to in Section 35;
- 3) medical expenses prescribed in Sections 34, 34a, 53, 54, 58, and 59, which are paid when over nine years have passed since the beginning of the calendar year following the loss event date;

- 4) such compensation for rehabilitation referred to in Section 7 of the Act on Rehabilitation Compensated According to the Motor Liability Insurance Act which are paid when over nine years have passed since the beginning of the calendar year following the loss event date;
- 5) fee for actual costs pursuant to Section 55 when over nine years have passed since the beginning of the calendar year following the loss event date;
- 6) compensation for catastrophe as laid down in subsection 4

(3.5.2024/218)

In subsection 2, item 6 above, catastrophe refers to a temporally and geographically limited event or chain of events originating from the same cause, as a result of which over EUR 75,000,000 (catastrophe threshold) is paid in total compensation to one or more injured parties or others entitled to compensation under motor liability insurance. The fees for actual costs pursuant to Section 55 are also included in the compensation referred to above.

Compensations for catastrophe are taken into account only to the extent that this compensation exceeds the catastrophe threshold. The part of a catastrophe attributable to an insurance company is comprised of the compensation paid by the insurance company after all of the compensation paid by all insurance companies due to the same catastrophe have exceeded the catastrophe threshold. However, payments referred to in subsection 2, items 1–5 are not taken into account as compensation. Compensation received by the insurance company based on the right of resource laid down in Section 73 is deducted from the payments.

Section 76

Amount of the pay-as-you-go payment

The Finnish Motor Insurers' Centre informs the insurance companies of the ratio that determines the amount of funding portions (pay-as-you-go payments) in proportion to the pay-as-you-go system income for the pay-as-you-go year by the 31st of May of the year preceding the year on which the pay-as-you-go system costs referred to in Section 75 fall due (pay-as-you-go year). The ratio shall be based on an estimate of the amounts of the pay-as-you-go system costs and pay-as-you-go payment income for the pay-as-you-go year. In addition, the surplus or deficit (pay-as-you-go balance) of pay-as-you-go payments and pay-as-you-go system costs for the years preceding the pay-as-you-go year shall be taken into account in the ratio. More detailed provisions on taking the pay-as-you-go balance into account in determining the ratio are laid down by way of a Decree of the Ministry of Social Affairs and Health.

The pay-as-you-go payment for each insurance company is calculated by multiplying the ratio pursuant to subsection 1 by the pay-as-you-go payment income of the insurance company. The insurance company-specific pay-as-you-go balance corresponds to the same proportional share of the pay-as-you-go balance accumulated during the pay-as-you-go year and preceding years as the insurance company's pay-as-you-go balance corresponds to the pay-as-you-go payment income of all companies during the pay-as-you-go year. The insurance company-specific pay-as-you-go balance is the insurance company's debt to the pay-as-you-go system if the balance shows a surplus and the insurance company's receivable from the pay-as-you-go system if the balance shows a deficit.

The Finnish Motor Insurers' Centre makes a preliminary estimate of the amount of pay-as-you-go system costs and the amounts of insurance company-specific pay-as-you-go payments and pay-as-you-go balances by the 31st of May of the pay-as-you-go year.

More detailed provisions on the grounds of the preliminary estimate are laid down by way of a Decree of the Ministry of Social Affairs and Health.

The Finnish Motor Insurers' Centre confirms the amount of pay-as-you-go system costs and insurance company-specific pay-as-you-go payments and pay-as-you-go balances finally by the 31st of May following the pay-as-you-go year.

Section 77

Payment of the pay-as-you-go payment

An insurance company shall pay the Finnish Motor Insurers' Centre or the Finnish Motor Insurers' Centre pay the insurance company the amount pursuant to the preliminary estimate referred to in Section 76(3) and the difference of the confirmed final payment referred to in Section 76(4) and the corresponding preliminary estimate. More detailed provisions on the premium are laid down by way of a Decree of the Ministry of Social Affairs and Health.

Interest on a period of one year as of the 1st of July of the pay-as-you-go year is included in the payment resulting from the difference between the confirmed payment referred to in subsection 1 above and the corresponding preliminary estimate. The interest rate to be used is the reference interest rate referred to in Section 12 of the Interest Act on said date.

Section 78

Impact of insurance portfolio transfer or assignment on pay-as-you-go payment

If part of the insurance portfolio has been transferred from one insurance company to another as a result of demerger or insurance portfolio transfer, in drawing up the estimate under Section 76 and confirming the pay-as-you-go instalments, the actual and estimated insurance premium income from the transferred insurances and the pay-as-you-go system costs and the part corresponding to insurance of the confirmed pay-as-

you-go balance for the year preceding the pay-as-you-go year are considered to belong to the insurance company to which the insurance portfolio was transferred.

Chapter 7

Miscellaneous provisions

Section 79

Limitation of actions

A lawsuit against an insurance company regarding a decision on compensation made by the insurance company or a decision that will influence the position of the policyholder, the insured, the injured party or another party entitled to receive compensation shall, under penalty of forfeiture of the underlying right, be filed within three years of the party in question having received a written notice of the insurance company's decision and this deadline.

If the case is submitted for resolution to the Insurance Board, the Traffic Accident and Patient Injuries Board or another body resolving consumer disputes, the period for filing suit shall be interrupted for the duration of the proceedings. (22.8.2019/960)

The limitation of action is considered interrupted on the day on which proceedings in the matter end in these bodies.

The limitation of action is not considered interrupted if proceedings in the matter in a court of law or body referred to in subsection 2 is interrupted or cancelled before a decision has been made. In this case, however, the limitation of action expires one year after the end of the proceedings at the earliest. The limitation of action can be extended in this way only once.

Section 80

Hearing a compensation case in a court of law

If compensation is demanded in a court of justice pursuant to legislation other than this Act from the owner, holder, driver or passenger of a vehicle due to damage for which compensation is to be paid from a motor liability insurance policy, the compensation shall be ordered on the basis of this Act and regardless of whether they have any claims against the injured party. The amount thus ordered may be collected only from the insurance company that is responsible for the road accident, which shall be freed from its liability by paying the compensation to the injured party. The insurance company is also obligated to compensate to the injured party any legal expenses and interest on arrears arising from the processing of a claim for damages to be compensated pursuant to this Act. (22 August 2019/960)

A claim for damages referred to in subsection 1 above cannot be examined unless it is proved that the insurance company liable for the accident has refused to pay the claimed damages.

The insurance company liable for the traffic accident that has refused to pay the damages claimed from it shall be summoned to be heard in writing as is prescribed with regard to service of summons. The summons period is a minimum of 14 days.

The insurance company has the right to appeal a decision made by a district court or court of appeal.

Section 81

Right of appeal of a municipality or joint municipal authority

A municipality or joint municipal authority is not an interested party in a case concerning the right of an injured party to compensation under this Act on the basis of it having provided care to the injured party.

A municipality or joint municipal authority may appeal against a decision on a fee for actual costs as laid down in the Administrative Judicial Procedure Act.

Section 82

Right of insurance company and the Finnish Motor Insurers' Centre to receive information

An insurance company has the right, without any limitation due to a confidentiality obligation or any other limitations to access to information, to obtain

- 1) information on the employment relationships, entrepreneurship and earnings of an injured party or a party entitled to compensation, benefits paid to them and other matters necessary for the resolution of the liability to compensate from an insurance or pension institution executing statutory insurance policies, an authority or another party to which the Act on the Openness of Government Activities (621/1999) applies;
- 2) information from an employer on their employee's work, compensation paid by the employer to them and justification for the compensation paid, as well as other comparable matters; and
- 3) from a physician or another health care professional as referred to in the Health Care Professionals Act, a health care unit as referred to in section 2(4) of the Act on the Status and Right of patients, a party performing rehabilitation of an injured party or another health care unit or social service provider or nursing institution statements prepared by them and other information on patient records, state of health, working capacity, treatment and rehabilitation. (22.8.2019/960)

An insurance company has the right to receive from the Tax Administration the information specified in section 1(1) above on the earnings of an injured party, even if their taxation has not been confirmed yet. (22.8.2019/960)

The right of the insurance company to receive information referred to in subsection 1 above requires that the information is inevitably required in order to make a decision in

the insurance or compensation case in question or otherwise inevitably required to carry out the duties laid down in this Act.

Notwithstanding obligations of non-disclosure and other limitations of disclosure, the Finnish Motor Insurers' Centre has the right to receive information about uninsured vehicles from the authorities and insurance companies to carry out the duties referred to in Section 29.

Notwithstanding obligations of non-disclosure and other limitations of disclosure, the insurance company, in order to determine the insurance premium, and the Finnish Motor Insurers' Centre in order to forward said information to insurance companies, shall have the right to receive information from the authorities about:

- 1) vehicles decommissioned from traffic that have been used in traffic;
- 2) vehicles whose technical properties have been changed so that the class of the vehicle has changed; and
- 3) vehicles that have been registered for private use but have been used in professional traffic requiring a licence.

Information referred to in this Section may be retrieved via a technical connection without the consent of the party whose interest is protected by the obligation of non-disclosure.

Section 83

Technical connection

An insurance company has the right to open a technical connection to an entity engaged in statutory insurance to information in its personal data file which said entity is entitled to receive for the purpose of carrying out its duties.

The technical connection opened on the basis of this Section may also be used for retrieving confidential information without the consent of the party whose interest is protected by the obligation of non-disclosure.

Before opening the technical connection, the party requesting information shall provide the party opening the connection an account that the information will be protected appropriately.

Section 84

Right of an insurance company to disclose information

Notwithstanding provisions on non-disclosure and other limitations concerning the disclosure of information, an insurance company has the right to disclose information relating to the injured party to health care units and health care professionals providing services referred to in Section 53 that is required for issuing a payment commitment or if the insurance company requests an expert statement in order to make a decision on compensation.

In other respects, provisions on the right of the insurance company to disclose information notwithstanding provisions on non-disclosure and other limitations concerning disclosure are laid down in Chapter 30, Section 3 of the Insurance Companies Act.

Section 85

Storage of documents at the insurance company

An insurance company shall store documents as laid down in the Archives Act (831/1994). If the National Archives Service has not ordered the documents to be stored permanently, the insurance company shall store:

- 1) documents concerning the validity of insurance and personal injury for a minimum of 100 years;
- 2) documents concerning appeal for a minimum of 50 years, unless they are to be stored for a longer period under item 1;
- 3) other documents concerning the enforcement of this Act for a minimum of 10 years.

The storage period of a document concerning a compensation case begins when proceedings in the compensation case have been instituted in the insurance company. The storage period of a document relating to insurance begins when the document is received by the insurance company.

Section 86

Information centre

The Finnish Motor Insurers' Centre acts as an information centre referred to in the Directive. To safeguard the interests of injured parties, ensure the quick availability of information in cases of damage referred to in Section 70, and ensure the availability of necessary information related to the insurance obligation of vehicles imported from another member state, the Finnish Motor Insurers' Centre collects and shares information relevant to obtaining compensation and assists those entitled to receive such information.

In order to perform the task referred to in subsection 2, the Finnish Motor Insurers' Centre shall arrange for the collection and distribution of the following information:

- 1) registration numbers of vehicles registered in Finland;
- 2) numbers of insurance contracts and expiry dates of expired insurance policies;
- 3) insurance companies engaged in motor liability insurance in Finland and their designated claims representatives;

4) vehicles exempted from the obligation to take out insurance under Section 8(1) item 2 and the bodies liable for accident caused by them;

5) claims representatives designated by insurance companies operating in an EEA State other than Finland for Finland.

The Finnish Motor Insurers' Centre shall cooperate with the information centre of another EEA State to disclose information referred to in subsection 3 and Section 72 to the information centre of another EEA State or to obtain corresponding information from the information centre of another EEA State to an injured party.

The Finnish Motor Insurers' Centre has the right to receive said information from the authorities and insurance companies responsible for obtaining or maintaining information referred to in subsection 3 until seven years have passed since the vehicle was deregistered or insurance contract expired.

Section 87

Other duties of the Finnish Motor Insurers' Centre

In addition to the duties laid down in the regulations above, the Finnish Motor Insurers' Centre is obligated to act as a national bureau and national guarantee fund as laid down in the Directive, as well as prepare statistics on compensated road accidents ("road accident statistics") and statistics on compensation paid on the basis of motor liability insurance policies per vehicle group ("risk study"). A decree by the Ministry of Social Affairs and Health can be used to give more detailed regulations on the content of the risk study. (22.8. 2019/960)

The Finnish Motor Insurers' Centre may:

1) conclude international agreements related to the enforcement of motor liability insurance;

- 2) authorise a representative to take care of the duties of a claims representative based on a green card agreement made by the Centre;
- 3) issue frontier and transfer motor liability insurance policies
- 4) take care of other tasks that promote the enforcement and development of legislation on motor liability insurance or traffic safety and
- 5) conduct service tasks specified by its Board of Directors.

The Finnish Motor Insurers' Centre may not refuse to issue a frontier or transfer motor liability insurance policy applied for from it if an insurance company has refused from it.

The Finnish Motor Insurers' Centre functions in Finland as the insolvency body referred to in Article 10 a (1) and Article 25 a (1) of the Directive. For this purpose, the Finnish Motor Insurers' Centre must negotiate with the corresponding insolvency bodies of other Member States, aiming to reach an agreement on their tasks and obligations, as well as the compensation procedure referred to in Article 10 a (10) and Article 25 a (10) of the Directive. (26.8.2022/794)

Section 88

Disclosure of information to the Finnish Motor Insurers' Centre

An insurance company has the right to disclose information included in the scope of the obligation of non-disclosure to the Finnish Motor Insurers' Centre in order to exercise the right of recourse and perform the duties prescribed in Section 29.

In addition, notwithstanding provisions on non-disclosure, an insurance company shall every calendar year provide the Finnish Motor Insurers' Centre with the information required for preparing the traffic accident statistics and risk survey and information required for the statistical, research and development activities referred to in Section 4 of the Act on the Finnish Centre for Pensions (397/2006).

More detailed provisions on how and when the information required for the traffic accident statistics and risk survey shall be disclosed are laid down by a Decree of the Ministry of Social Affairs and Health.

Section 89

Statistical survey by the Financial Supervisory Authority

The Financial Supervisory Authority shall annually publish a report indicating the actual result of motor liability insurance of each insurance company at least for the five preceding calendar years.

Provisions on the classification of information to be included in the statistical survey by vehicle category or another similar way may be laid down by a Decree of the Ministry of Social Affairs and Health.

Section 90 (23.11.2018/983)

Finnish Transport and Communications Agency's duty to notify

The Finnish Transport and Communications Agency is obligated to submit without delay to the insurance company that has insured the vehicle in question the following information on a vehicle to be registered:

- 1) vehicle's definitive deregistration;
- 2) assignment of the vehicle's insurance policy to another insurance company;
- 3) changing of the vehicle owner and holder; and
- 4) commissioning and decommissioning of the vehicle.

If an insurance policy has not been taken out for a vehicle within 7 days of the start of the title to the vehicle or the changing of the vehicle's possessory title, the Finnish Transport and Communications Agency is obligated, when registering the vehicle, to

submit a notification that an insurance policy has not been taken out for the ordering of the payments laid down in sections 27 and 28.

Section 91

Responsibilities of the Customs

Customs supervises that the owner or holder of a vehicle imported to Finland for temporary use has fulfilled their obligation laid down in Section 7 to take out frontier motor liability insurance for the vehicle.

If a vehicle referred to in subsection 1 does not have a green card or frontier motor liability insurance when it is imported, Customs collects an insurance premium for the time during which the vehicle is intended to be used in Finland or another EEA State and issues an insurance certificate valid in the EEA States for the vehicle on behalf of insurance companies.

If an insurance premium has not been paid for the entire period required in subsection 2, Customs charges the insurance premium for one month upon the export of the vehicle and issues a new insurance certificate on this.

As part of its customs control activities, Customs also supervises that a vehicle imported from another EEA State to Finland for temporary use that has a place of residence in a third country has a valid motor liability or frontier motor liability insurance policy.

Customs renders the fees it has levied under this Section to the Finnish Motor Insurers' Centre.

Section 91 a (3.5.2024/218)

Compensation in the case of an insurance company's insolvency

An injured party residing in Finland may present their compensation claim directly to the Finnish Motor Insurers' Centre if the insurance company responsible for a traffic accident occurring in Finland or another EEA state is insolvent.

A Finnish insurance company is considered insolvent, as referred to in subsection 1, if it has been placed into liquidation or bankruptcy. The commencement of liquidation is regulated by Section 5 of Chapter 23 of the Insurance Companies Act, and the commencement of bankruptcy is regulated by Section 29 of the same chapter. If the insurance company is domiciled in another EEA state, the onset of insolvency is determined by the legislation of its home member state.

The Finnish Motor Insurers' Centre must, within three months from the date the injured party presented their compensation claim, compensate for the traffic damage or make a reasoned compensation offer if it has determined that it is liable for the damage, the claim is not disputed, and the extent of the damage has been fully or partially determined.

If the Finnish Motor Insurers' Centre finds that the insurance company is not insolvent as described in subsection 2, or if the liability for compensation is disputed or unclear, or the extent of the damage has not been fully determined, it must provide the injured party with a written, reasoned response to the points raised in the compensation claim. This reasoned response must be provided within three months from the date the injured party presented their compensation claim.

The Finnish Motor Insurers' Centre must pay the compensation to the injured party without undue delay and, in any case, no later than three months after the injured party has indicated acceptance of the compensation offer. If the amount of compensation is

disputed, the Finnish Motor Insurers' Centre must pay the undisputed portion of the compensation within the time frame specified in this subsection.

Section 91 b (3.5.2024/218)

Duties and Information Access of the Finnish Motor Insurers' Centre in Cases of Insurance Company Insolvency

If a Finnish insurance company engaged in motor insurance becomes insolvent as described in Section 91a, the Finnish Motor Insurers' Centre must promptly notify the insolvency bodies in other EEA states referred to in Article 10 a (1) and Article 25 a (1) of the Directive.

The Finnish Motor Insurers' Centre must inform the corresponding insolvency body in the insurance company's home member state of any compensation claim related to the insurance company's insolvency received by it, as well as notify the insolvent insurance company or the administrator or liquidator referred to in Article 268(1)(e) or (f) of the European Parliament and Council Directive 2009/138/EC (Solvency II) regarding the initiation and conduct of insurance and reinsurance operations.

The insurance company, its administrator, or its liquidator must inform the Finnish Motor Insurers' Centre if the insurance company pays compensation for a damage claim that has also been reported to the Finnish Motor Insurers' Centre.

If a Finnish insurance company engaged in motor insurance is insolvent as described in Section 91a, the Finnish Motor Insurers' Centre must reimburse the insolvency body of another EEA state, upon request, for the compensation paid to the injured party by that insolvency body for a traffic accident. The reimbursement must be made within a reasonable time, not exceeding six months, unless the Finnish Motor Insurers' Centre and the insolvency body agree otherwise in writing.

Notwithstanding confidentiality provisions, the Finnish Motor Insurers' Centre has the right to obtain the necessary information from the insurance company, its administrator

or liquidator referred to in subsection 2, and the Financial Supervisory Authority for performing the tasks referred to in this section and Section 91a.

Section 92

Liquidation and bankruptcy of an insurance company

An insurance policy will be terminated within a month of the policyholder having been informed of the start of the insurance company's liquidation or bankruptcy and their obligation to take out a new insurance policy by this deadline. If the policyholder fails to take out a new insurance policy from another insurance company by this deadline, they shall be considered to have neglected their obligation to take out motor liability insurance. The liquidators and bankruptcy estate or, in the case of a non-Finnish insurance company, the Finnish Motor Insurers' Centre are obligated to notify policyholders in writing without delay of the above-mentioned obligation to take out an insurance policy from another insurance company.

The Finnish Motor Insurers' Centre is responsible for paying compensation in the event of the liquidation or bankruptcy of a Finnish insurance company, even after the insurance portfolio and corresponding assets have been transferred to the Centre. Additionally, it handles other tasks specified in Section 21 of Chapter 23 of the Insurance Companies Act and Section 49 of the Act on Foreign Insurance Companies. In the case of the liquidation or bankruptcy of an insurance company domiciled in another EEA state, the insurance portfolio and corresponding assets can be transferred to the Finnish Motor Insurers' Centre if the Financial Supervisory Authority approves the transfer.

(3.5.2024/218)

After an insurance company has been placed into liquidation or bankruptcy, the Finnish Motor Insurers' Centre has the right to receive the information required for performing its duties laid down in subsection 2 and Section 93 from the liquidators and the bankrupt's estate.

Section 93

Policyholder's obligation to contribute

If compensation has not been paid at all or has only been paid in part due to an insurance company having entered into liquidation or been declared bankrupt once any obligation to contribute determined for the policyholder by virtue of Chapter 14, Section 5 of the Insurance Companies Act has been completed, the policyholder may be obligated to pay an additional premium for the motor insurance policy as laid down in this section. The regulations laid down in this section do not apply to consumers or entrepreneurs who, when taking into account the type and scope of their business and other conditions, are to be treated as a consumer in their role as the contracting party with the insurance company.

An additional premium can be imposed on a policyholder who has, by virtue of ownership or otherwise, exercised significant influence in the governance of the insurance company, if provisions and regulations concerning the business of insurance have been essentially neglected or criminal acts have been committed in the business and they cannot be considered to be of a minor nature. The amount of the additional premium equals the financial benefit received by each policyholder.

If the additional premium referred to in subsection 2 is not sufficient to cover the unsecured portion and if the premiums have been unreasonably low on average compared to the costs incurred due to the insurance policies and this can be considered to have essentially contributed to the insurance company being placed into liquidation or bankruptcy, an additional premium can be imposed in addition to the premium referred to in subsection 2 to the other motor liability insurance policyholders of the insurance company that have received essential financial benefit from the excessively low insurance premiums. The additional premium of each policyholder can be at the most equal to the financial benefit that they have received due to the excessively low

premiums during the three years preceding the insurance company being placed into liquidation or bankruptcy.

The decision on the additional premium, its amount and its payment is made by the Finnish Motor Insurers' Centre. If necessary, more detailed provisions on the amount and payment of the additional premium are laid down by a Decree of the Ministry of Social Affairs and Health. Penalty interest will be charged on an overdue imposed additional premium that has not been paid on the due date at the latest in accordance with Section 4 a of the Interest Act. The provisions laid down in Sections 25 and 26 in relation to premiums shall also be applied to the additional premium.

Section 94

Joint guarantee fee imposed on insurance companies

If compensation under this Act is partially or entirely unguaranteed due to the liquidation or bankruptcy of a Finnish insurance company, even after the policyholders' obligation to pay additional premiums has been enforced, the remaining compensation or part thereof will be covered collectively by other Finnish insurance companies engaged in motor insurance. The unsecured portion will be financed by levying an annual joint guarantee fee on Finnish insurance companies that conduct motor insurance in the year the fee is imposed. An insurance company may include the additional costs resulting from the joint guarantee fee in the premiums due for motor liability insurance. (3.5.2024/218)

The amount of the joint guarantee fee is determined in proportion to the premium income received by the insurance company from motor liability insurance or insurance premium income estimated on the basis of risks covered by this insurance. The amount of the fee can be a maximum of two per cent of the insurance premium income referred to above. If necessary, more detailed provisions on the amount of the joint guarantee fee are laid down by a Decree of the Ministry of Social Affairs and Health. The decision

on the joint guarantee fee, its amount, and its remittance is made by the Finnish Motor Insurers' Centre. (3.5.2024/218)

Penalty interest will be charged on an overdue joint guarantee fee and its advance that has not been paid on the due date at the latest in accordance with Section 4 a of the Interest Act. The joint guarantee fee and its advance and penalty interest are directly distrainable. Provisions on their collection are laid down in the Act on the Collection of Taxes and Charges.

Section 95

Liability for acts in office

An employee or member of the Board of Directors of an insurance company is subject to the provisions of criminal official liability when they perform the duties referred to in this Act. Provisions on the liability for damages are laid down in the Tort Liability Act (412/1974).

Chapter 8

Entry into force

Section 96

Entry into force

This Act shall enter into force on 1 January 2017. However, the provisions of Chapter 4 concerning compensation for the costs of medical care shall enter into force already on 1 August 2016.

Section 97

Acts and Decrees to be abolished

This Act repeals:

- 1) the Motor Liability Insurance Act (279/1959);
- 2) Act on Linking Certain Traffic Damage Indemnities to Earnings (875/1971); and
- 3) Decree on the duties of the Customs related to the motor liability insurance of motor vehicles imported for temporary use (456/1995).

Section 98

References to the previous Act

If there are references to the Motor Insurance Liability Act abolished by this Act elsewhere in legislation, this Act shall be applied in lieu of it.

Section 99

Transitional provisions

This Act shall be applied to an insurance policy that was valid when this Act entered into force as of the beginning of the insurance period following the entry force of the Act.

The provisions in force at the time of entry into force of this Act shall be applied to a loss event that occurred before the entry into force of this Act.

Notwithstanding subsection 2 above, Sections 60 and 62–68 and Section 75, subsection 2 items 2–5 shall also be applied to traffic accident that has occurred prior to the entry into force of this Act.

Sections 27–29 shall be applied to cases of neglect pending in the Finnish Motor Insurers' Centre at the time of entry into force of the Act on which a decision has not been issued at the time of entry into force of the Act.

With regard to traffic accident that has occurred prior to the entry into force of the Act for which the Finnish Motor Insurers' Centre is liable and that it has not yet fully compensated for, the Centre shall calculate the amount corresponding to the liability for damages of the insurance company under the Insurance Companies Act, and allocate it to the insurance companies that are its members in proportion to their motor liability insurance premium income pursuant for the previous calendar year shown on their profit and loss accounts. The insurance company shall record the portion allocated to it in its remuneration liability. If insurance portfolio has been transferred from one insurance company to another due to a demerger or transfer of insurance portfolio, the Finnish Motor Insurers' Centre shall determine the portion of the amount corresponding to the remuneration liability corresponding to the transferred policies at the time of the portfolio transfer. The insurance company to which the portfolio was transferred is liable for this portion.

Government Proposal 123/2015, Transport and Communications Committee Report 4/2016, Parliamentary Reply 42/2016