

Employment Accidents Insurance Act (20.8.1948/608)

## **Chapter 1. General provisions**

Section 1 (28.12.1962/677)

1. A person who by contract and for remuneration undertakes work for another as an employee, under the employer's direction and supervision, is entitled to compensation for an employment accident in accordance with the provisions of this Act. The concept of remuneration covers any benefit of financial value.

2. Compensation payable under this Act for an employment accident sustained by an employee also includes benefits to his/her dependants and funeral allowance.

3. Paragraphs 1 and 2 also apply to a person holding a leading position in a limited-liability company or other enterprise or corporation, except in the case that he/she, either alone or together with his/her family members, holds more than half the capital stock in the limited-liability company in question or is considered to have equivalent authority in the other enterprise or corporation in question. Paragraphs 1 and 2 also apply to employees who have as a work team collectively undertaken to carry out a specific job under the direction and supervision of the employer, and also to assistant employees engaged by the said team with the consent of the employer.

4. Those entitled to compensation for an employment accident under this Act are also entitled to compensation for an occupational disease, in accordance with provisions issued separately.

Section 1a (22.12.1993/1470)

This Act also applies to an employee temporarily posted abroad by a Finnish employer to work for the same employer.

The same also applies to an employee posted abroad by a Finnish enterprise as employer to work for a foreign parent or subsidiary enterprise included in the same economic entity as the said Finnish enterprise.

#### Section 2 (10.7.1981/526)

1. An employee is, however, not entitled to compensation for an employment accident if he/she permanently resides in the same household as the employer and is the employer's or the employer's spouse's relative in the direct line of descent or ascent, the employer's adopted child or adopted parent, or the spouse of any of the said persons.

2. This Act does not apply to employment giving entitlement to compensation under the Act on Farmers Employment Accident Insurance (1026/1981), unless otherwise provided in the said Act. (19.4.1985/329)

3. Nor does this Act apply to sports. Insurance coverage for sports accidents must be provided in accordance with special further provisions issued by decree, taking into account the types of sport and the athlete's annual income. (17.3.1995/374)

#### Section 3

1. What this Act provides about employers and employees also applies to the parties of a civil service relationship governed by public law. However, if one of the parties is the State or an Evangelical Lutheran parish, other special provisions shall be observed.

2. If studying at a school, an institution or on a training course involves a significant accident risk, it may be provided by decree that an accident sustained by the person receiving instruction otherwise not compensable under this Act is compensable as an employment accident and that the provisions of this Act concerning employers apply to the

party which runs the school or institution or the organizer of the course.

3. Notwithstanding paragraph 2, an accident sustained by a person receiving training referred to in the Act on Adult Labour Market Training (763/1990) is compensable as an employment accident under this Act and the insurance coverage for such a trainee is the same as for an employee under this Act. In the case of such training, the provisions of this Act concerning an employer apply to the producer of the training services. (30.12.1992/1642)

Section 3a (3.4.1992/314)

What is provided in this Act about employer and employee applies to the parties to a commission agreement under the Family Carers Act (312/1992).

Section 4

1. For the purposes of this Act, an employment accident means any accident causing injury or illness sustained by the employee (10.7.1981/526):

- 1) in the course of his/her employment;
- 2) in circumstances arising from employment: a) at the workplace or in an area pertaining to it; b) while commuting from his/her residence to the workplace or vice versa; or c) while attending to business for the employer elsewhere; or
- 3) while attempting to protect or save the employer's property or, in connection with his/her employment, human life.

2. An injury sustained by the employee in circumstances referred to in paragraph 1, arising within a short period of time not exceeding twenty-four hours and not compensable as an occupational disease, can be considered to be caused by an employment accident in accordance with provisions issued by decree.

3. An accident arising from war or armed conflict sustained by the employee in circumstances referred to in paragraph 1 is also considered an employment accident.

4. A significant ~~aggravation of deterioration in~~ an injury or illness originally caused by factors other than an employment accident is considered a compensable consequence of an employment accident if the deterioration is likely to have been caused by an employment accident. In such cases, compensation is paid for as long as the deterioration in the injury or illness persists. (29.12.1988/1344)

Section 4a (30.12.1992/1642)

What is provided in this Act and elsewhere in the law concerning an employment accident also applies to an injury or illness sustained by an employee because of an assault or other intentional act committed by another in circumstances referred to in section 4, paragraph 1, subparagraphs 1-3. Daily allowance and accident pension can, however, be denied or reduced for a specified period or for the present, if the employee by his/her own behaviour immediately before the said intentional act significantly contributed to the occurrence of the injury or illness.

Section 5 (20.12.1968/695)

1. No compensation is paid for an injury or illness deliberately caused by the employee to himself/herself. (10.7.1981/526)

2. Daily allowance and accident pension can be denied or reduced either for a specified period or for the present (10.7.1981/526):

- 1) if the accident occurred while the employee was committing a crime and the offence cannot be considered minor;
- 2) if the accident was caused by the employee's intoxication or gross negligence; or
- 3) if the accident occurred while the employee was acting

contrary to regulations or work rules commonly observed and duly approved or to a superior's directions given for the purpose of preventing accidents and posted at the workplace or otherwise demonstrably announced.

Section 6 was repealed by Act No. 948/1992.

Section 7 was repealed by Act No. 948/1992.

Section 8

1. To cover the liability for compensation, the employer shall take out an insurance policy with an insurance institution licensed to underwrite insurance policies complying with this Act, unless otherwise provided in section 9, 10, or 12.

2. If an employee has several employers in respect of one and the same job, the said employers are jointly and severally liable to discharge an employer's duties under this Act.

Section 9

The duty to take out insurance under this Act does not apply to the State, but the State shall pay compensation out of State funds in accordance with this Act for an employment accident occurring in State employment.

Section 10 (23.12.1971/956)

1. An employer is exempted from the duty to take out insurance until the total number of workdays performed for the employer during the same calendar year exceeds 12. Furthermore, an employer which is not a corporation or foundation and whose municipal tax was last assessed for an income not exceeding FIM 3,400 is exempted from the duty to take out insurance until the number of workdays performed for the employer during the same calendar year exceeds 30.

2. The Federation of Accident Insurance Institutions is liable to compensate for an employment accident sustained by an employee of an employer referred to in paragraph 1 in accordance with this Act, taking into account the provisions of section 12, paragraphs 2 and 5. (20.12.1996/1204)

Section 11 (20.12.1996/1204)

If an employment accident occurs to an employee of an employer who has neglected the duty to take out insurance, the Federation of Accident Insurance Institutions is liable to pay compensation under this Act. Besides the charge referred to in section 36, the Federation of Accident Insurance Institutions is entitled to claim from the employer the compensation payments imposed on the Federation on the grounds referred to here, although this compensation may not exceed FIM 1,000 per accident.

Section 11a (20.12.1996/1204)

If, in connection with matters other than a claim, doubts arise whether this Act is applicable to the work in question, and the matter is important in principle, the Federation of Accident Insurance Institutions decides the matter on application by the employee, employer or insurance company in question.

Section 12

1. An employer under a duty to take out insurance must himself pay out compensation up to the amount of FIM 100 per any employment accident, unless the insurance policy is voluntarily extended to cover this liability, too. It must always be stated in the insurance policy whether or not the employer is liable to pay a deductible. (20.12.1996/1204)

2. An employer who is exempted from the duty to take out insurance under section 10 is nevertheless liable to pay compensation in accordance with paragraph 1 up to FIM 50 per any employment accident. (23.12.1971/956)

3. If the employer defaults payment of compensation under paragraph 1 or if a dispute arises on the amount of such compensation, the employee's insurer is liable to pay out the said compensation in accordance with the law. A similar duty applies to the Federation of Accident Insurance Institutions if employers referred to in paragraph 2 default on their duty. (20.12.1996/1204)

4. The insurance institution and the Federation of Accident Insurance Institutions are entitled to reclaim the compensation paid under paragraph 3 from the employer. (20.12.1996/1204)

5. An employer under paragraph 2 of this section can, however, be exempted from the said liability on the grounds of lack of means established using criteria approved by the Ministry.

Section 13 (10.4.1981/260)

Exceptions to the provisions of this Act arising from a reciprocal agreement with a foreign state may be enacted by decree. The Ministry of Social Affairs and Health may issue further provisions on the implementation of such an agreement.

## **Chapter 2. Accident compensation**

Section 14

1. Compensation for an injury or illness caused by an employment accident covers (23.10.1992/948):

1) in the case of the employee, medical treatment, daily allowance, accident pension and handicap allowance, including any relevant supplements to these, compensation for costs incurred from home help and loss of income arising from physical therapy included in medical treatment under section 15 of this Act or in rehabilitation under section 2 of the Act on the Care of Invalids Receiving Accident

Compensation (592/1963); (20.2.1987/192)

2) survivors' pension on the death of the employee; and  
(23.10.1992/948)

3) funeral allowance according to provisions given below.  
(10.7.1981/526)

2. In addition to what is provided in paragraph 1,  
compensation paid to an injured person covers rehabilitation  
in accordance with provisions issued separately.  
(27.1.1991/627)

3. The compensation also covers spectacles, hearing aids,  
dentures, orthopaedic dressings, back braces and artificial  
limbs or organs used by the injured person and damaged in  
connection with the employment accident. (19.12.1969/812)

4. Notwithstanding what is provided in paragraph 1, the  
employee is compensated for justified and necessary costs  
incurred from a medical examination and obtaining of  
necessary information on the employee's working conditions  
to determine if the illness is work-related, for the purpose  
of providing evidence as referred to in section 41,  
paragraph 5, on an injury suspected to be caused by an  
employment accident or for the purpose of verifying an  
occupational disease, even if the injury or illness is  
subsequently not found to be caused by a compensable  
employment accident or to constitute an occupational  
disease. In the case of a suspected occupational disease,  
these costs are reimbursed on condition that the evidence  
presented is based on a medical assessment by a physician  
familiar with occupational health care and information about  
the working conditions of the person examined.  
(29.12.1988/1344)

## Section 15

1. Medical treatment covers:

1) appropriate treatment given or prescribed by a physician  
or, if such treatment is not available, treatment given by a

trained nurse or other necessary treatment;

- 2) medication prescribed by a physician and necessary disinfectants and dressings;
- 3) use or acquisition of necessary artificial limbs and other aids, and their repair and replacement whenever reasonable in view of the circumstances; and
- 4) on a discretionary basis, use of a guide dog by a blind person.

2. Medical treatment also covers permanent care in a special institution for an injured person reduced to a state of helplessness.

3. Medical treatment also covers necessary travel expenses incurred for the purpose of obtaining treatment.

4. Medical treatment shall be given in a manner to avoid unnecessary expenses, in so far as this does not endanger the injured person's state of health. The injured person is not obliged to receive treatment necessary on account of the employment accident outside Finland unless special reasons warrant it. (20.12.1996/1204)

#### Section 16 (23.12.1971/956)

1. The amounts of daily allowance, accident pension and survivors' pension are determined as follows (23.10.1992/948):

- 1) the amount of daily allowance for a four-week period after the occurrence of the accident, excluding the day of occurrence, is determined in accordance with section 16a, after which the sum is 1/360 of the employee's annual earned income; (30.12.1992/1642)

- 2) the maximum annual accident pension is 85% of the employee's annual earned income until the employee turns 65, after which it is 70% of the annual earned income; (30.12.1992/1642)

- 3) the maximum annual survivors' pension is 70% of the employee's annual earned income and the amount of pension is

determined in accordance with sections 24 and 24a-24c.  
(23.10.1992/948)

2. The annual handicap allowance is 60% of the minimum annual earned income under section 28, paragraph 6.  
(30.12.1992/1642)

3. The funeral allowance is FIM 17,900. (23.10.1992/948)

4. As an exception to the above, if a fatal employment accident occurs abroad, funeral allowance may be paid according to actual and reasonable funeral expenses.  
(10.7.1981/526)

Paragraphs 5 and 6 have been repealed by Act No. 1642/1992.

Section 16a (30.12.1992/1642)

1. If the employee received sick pay under section 28 of the Employment Contracts Act (320/1970) on the basis of the accident, daily allowance for this employment relationship equals the pay received for the sick pay period, though not for a period exceeding the four weeks under section 16, paragraph 1.

2. If the employee did not receive sick pay based on the accident, the daily allowance for the period of disability during the period under paragraph 1 is determined according to the employee's earned income from this employment relationship for a period of up to four weeks preceding the accident, or if the employment relationship had lasted a shorter period, for the period of employment.

3. If the sick pay based on the accident did not cover the whole period of disability during the period under paragraph 1, daily allowance for the period excluded from sick pay is determined according to paragraph 2.

4. If the sick pay based on the accident under section 28, paragraph 1, of the Employment Contracts Act is only part of the employee's normal pay, or if sick pay is paid for reduced working hours due to lay-off or similar reasons, the daily allowance for the whole period of disability during the period under paragraph 1 is determined in accordance with paragraph 2. (23.5.1997/462)

5. If the employee had two or more parallel employment relationships at the time of the accident, the daily allowance for the period under paragraph 1 is determined separately for each such employment relationship. If the employee engaged in farming or other self-employment at the time of the accident, the daily allowance for such self-employment is  $1/360$  of the annual earned income under section 11 of the Accident Insurance for Farmers Act or of the annual income from self-employment as determined in accordance with the Self-Employed Persons Pensions Act (468/1969).

6. If the full combined daily allowance under this section is lower than the sum calculated on the basis of annual earned income under section 28, paragraph 6, the daily allowance for the period under paragraph 1 is determined on the basis of the said annual earned income.

#### Section 17

1. Daily allowance is paid from the occurrence of the accident, exclusive of that day, for each day including Sundays and public holidays until the person in question has recovered from the injury or illness caused by the accident, though not for a period in excess of one year from the day of the accident. Daily allowance is only paid, however, if the injured person was partly or completely incapable of performing his/her own work for a period of at least three consecutive days, excluding the day of the accident.

2. If the injured person is completely incapable of performing his/her own work, the amount of daily allowance is determined in accordance with section 16 or 16a.

(30.12.1992/1642)

3. If the employee is only partly disabled, the amount of daily allowance is the proportion of the amount under section 16 indicated by the decrease in working capacity, unless otherwise provided in section 16a. The daily allowance is, however, only paid if the accident causes the employee's working capacity to be reduced by at least 10% and his/her earned income to be reduced by at least one-twentieth of the minimum annual earned income under section 28, paragraph 6. (30.12.1992/1642)

Paragraph 4 was repealed by Act No. 286/1950.

Section 17a (30.12.1992/1642)

1. If the employee is prevented from performing work during physical therapy considered as medical treatment under section 15 of this Act or as rehabilitation under section 7 of the Act on Rehabilitation Compensable under the Employment Accidents Act (625/1991), he/she is indemnified for loss of income for a period of up to 30 days during the same calendar year. Such compensation is not paid for days for which the person in question receives full daily allowance or accident pension based on the accident.

2. Such compensation equals the amount the employee would have earned as pay or comparable income during the time spent in physical therapy and travelling to and from the place of treatment.

Section 18 (10.7.1981/526)

1. Accident pension is paid to the employee from the first day after the daily allowance period ends or, if daily allowance has not been paid, from the day after the occurrence of the accident, at the earliest.

2. Accident pension is paid on condition that the employee's working capacity is estimated to be reduced by at least 10% because of the injury or illness caused by the accident. A further condition is that the accident reduces the employee's annual earned income by at least one-twentieth of the minimum annual earned income under section 28, paragraph 6. The decrease in the employee's working capacity is assessed taking into account the employee's remaining capacity to earn an income through such available employment as can reasonably be demanded of him/her to perform, considering his/her qualifications, earlier activities, age, living conditions and other similar factors.  
(30.12.1992/1642)

3. For the purpose of assessing the decrease in working capacity, the causal relationship between the decrease in earned income and the injury or illness caused by the accident shall be determined by obtaining necessary evidence of, for example, the insured's work and state of health and earned income before and after the accident.

4. Accident pension equals the amount laid down in section 16 if the employee is completely incapable of performing work as referred to in paragraph 2. In other cases, the amount of accident pension is the proportion of the said full pension indicated by the decrease in working capacity.

Section 18a (10.7.1981/526)

1. Handicap allowance is paid to an employee no longer entitled to daily allowance who suffers a general permanent handicap because of the injury or illness caused by an accident. A handicap is considered permanent if the state of the injury or illness, according to medical opinion, is no longer likely to improve. (30.12.1992/1642)

2. General handicap under paragraph 1 means a condition other than reduced working capacity. For the purpose of

assessing the handicap, the Ministry of Social Affairs and Health classifies injuries and illnesses causing general handicap into 20 handicap classes.

3. The amount of handicap allowance paid to the employee is determined by handicap class of the injury in accordance with the table below.

Handicap class	Amount as a percentage of minimum annual earned income	Handicap class	Amount as a percentage of minimum annual earned income
1	1	11	13
2	2	12	16
3	3	13	19
4	4	14	22
5	5	15	25
6	6	16	32
7	7	17	39
8	8	18	46
9	9	19	53
10	10	20	60

Paragraphs 4-6 were repealed by Act No. 1642/1992.

Section 18b (30.12.1992/1642)

1. Handicap allowance for injuries and illnesses in handicap classes 1-10 is paid as a lump sum. Handicap allowance for injuries and illnesses in handicap classes 11-20 is either continuous or lump sum compensation, according to the choice of the employee.

2. In the case of injuries and illnesses which, according to medical experience, are characterized by rapid deterioration in the state of the injury or illness leading to death, the amount of compensation equal to that for class 10 is paid as a lump sum. If the handicap class is higher than 10, continuous compensation is paid in accordance with the class

which, according to medical experience, is foreseeable taking into account the deterioration of the injury or illness. In such cases the capital value of the lump sum handicap allowance is not deducted from continuous compensation.

3. Lump sum compensation equals the capital value of the handicap allowance considering the employee's age according to criteria approved by the Ministry of Social Affairs and Health. If necessary, the Ministry of Social Affairs and Health issues further instructions on how to calculate the lump sum handicap allowance.

4. If the handicap class subsequently rises by at least two categories due to aggravation of the injury or illness, the employee is entitled to handicap allowance in accordance with the changed circumstances. In such cases, however, an amount to cover capitalized handicap allowance previously paid out as a lump sum is deducted from subsequent compensation, except in cases referred to in paragraph 2.

5. If the employee later wishes to exchange continuous handicap allowance for a lump sum, he/she is entitled to do so, except in cases referred to in paragraph 2. In these cases continuous compensation is exchanged for its capital value.

#### Section 19 (30.12.1992/1642)

1. If accident pension is no more than 20% of the pension under section 16, paragraph 1, subparagraph 2, the injured person may, on special grounds and with the consent of the insurance company, exchange continuous pension for the capital value of the pension. If the employee's working capacity is subsequently reduced on the basis of the injury or illness caused by the accident, and the change is significant, accident pension will be reinstated in accordance with the changed circumstances. In such cases, an appropriate amount to cover the pension previously paid out

as a capital sum is deducted from the subsequent pension payments.

Section 20 (10.7.1981/526)

1. If the injury or illness sustained by the employee reduces him/her to such a state of helplessness that he/she cannot manage without another person's help or if a severe injury or illness otherwise causes him/her exceptional difficulties, he/she may be granted a handicap supplement of up to [FIM 14] per day for the period during which the said criteria are met. Handicap supplement is, however, not paid for a period during which the injured person is treated in a hospital or other institution.

2. A supplementary allowance of up to [FIM 2.80] per day may be paid to an employee whose clothes suffer extra wear and tear because of an artificial limb or other aid or who employs a guide dog.

3. An employee rendered incapable of maintaining his/her own home due to the injury or illness caused by the accident can be paid a reasonable compensation for the necessary additional expenses incurred for this reason, though not for any period in excess of one year from the occurrence of the accident.

4. If accident pension is exchanged for its capital value, the supplements referred to in paragraphs 1 and 2 of this section must also be exchanged for their capital value.

Section 21 (10.7.1981/526)

If payment of compensation to the employee is suspended under section 22, paragraph 1, or section 51, paragraph 1, the employee's spouse, child or both jointly are paid 70%, or, if such persons do not exist, other dependants jointly on a discretionary basis are paid an aggregate of 50%, of the daily allowance or accident pension which would have been paid to the employee for the period of suspension.

Section 22 (20.12.1996/1204)

1. The employee is obliged to submit to treatment prescribed by a physician for the purpose of improving his/her working or functional capacity. This obligation does not apply to a measure which involves risk of death nor, unless special reasons warrant it, treatment given outside Finland. The same applies to rehabilitation in accordance with provisions issued separately. If the employee refuses to undergo said treatment or rehabilitation, the daily allowance, accident pension and handicap allowance payments to the employee in question can be suspended.

2. If an injury is aggravated or recovery from an illness is delayed due to circumstances within the injured person's control and not caused by the compensable injury or illness, compensation payable to the employee can be withheld either altogether or in part for a specified period.

3. The insurance institution must issue a decision on suspension or withholding of compensation under paragraph 1 or 2.

Section 23 (23.10.1992/948)

1. Survivors' pension and funeral allowance are payable if the employee dies as a result of the accident. Survivors' pension comprises surviving spouse's pension and child's pension.

2. Paragraph 1 also applies if a person in a seamen's employment relationship has disappeared and in cases where other evidence concerning the death is not available but it is likely that the accident caused the employee's death. The criteria for considering a person in a seamen's employment relationship to have disappeared are given in section 59. In cases referred to in this paragraph the survivors' pension can be granted for a specified period.

3. The death of an employee in handicap class 18 or higher is considered to be caused by the accident unless it can be considered likely that the injury or illness caused by the accident did not significantly contribute to the employee's death.

Section 23a (23.10.1992/948)

1. The employee's spouse is entitled to surviving spouse's pension.

2. A person who permanently cohabited with the deceased employee in conditions resembling marriage without entering into matrimony and who has or had a child with the deceased employee or has an agreement with the deceased employee on joint maintenance of a child is entitled to surviving spouse's pension on application submitted in accordance with paragraph 3. The right to pension also arises in similar cases where the common child was born after the employee's death.

3. The person referred to in paragraph 2 is entitled to surviving spouse's pension if the employee was not married at the time of death. If, at the time of death, the employee cohabited in conditions resembling marriage with a person referred to in paragraph 2 while being separated from his/her spouse and an application for a divorce was pending, the person referred to in paragraph 2 is entitled to surviving spouse's pension instead of the spouse.

Section 23b (23.10.1992/948)

1. A child of the employee who was under 18 years of age at the time of the employee's death is entitled to child's pension. A child of the employee who was aged 18 or more is also entitled to child's pension if he/she studies full time or is in vocational training, or at the time of the employee's death was unable to support himself/herself due to the disability arising from illness, defect of injury for

as long as the said criteria are met, though no later than until the child turns 25.

2. A child of the spouse or person referred to in section 23a, paragraph 2, entitled to surviving spouse's pension on the employee's death, is also entitled to child's pension on the employee's death under paragraph 1 if he/she was supported by the deceased employee.

3. A child is always entitled to child's pension on his/her parent's death. However, child's pension is not paid on the death of more than two persons at the same time.

#### Section 23c (23.10.1992/948)

1. If the marriage dates from after the employment accident which subsequently caused the employee's death, the spouse is not entitled to surviving spouse's pension unless a child is born from the marriage or the marriage has lasted for at least three years. Similarly, the person referred to in section 23a, paragraph 2, with whom the deceased employee continuously cohabited in conditions resembling marriage, is not entitled to surviving spouse's pension if the cohabitation began after the employment accident, unless a common child was born after the cohabitation began or if the cohabitation in conditions resembling marriage had continued for at least three years. If the spouse or the person referred to in section 23a, paragraph 2, is not entitled to surviving spouse's pension on the above grounds, his/her child is not entitled to child's pension on the employee's death.

#### Section 23d (23.10.1992/948)

1. The right to survivors' pension begins on the day after the day of death or disappearance, or later when the criteria laid down in section 23b, paragraph 1, are met.

2. The right to surviving spouse's pension ends when the person entitled to such pension enters into marriage or

continuously cohabits in conditions resembling marriage with another person in the same household as referred to in section 23a, paragraph 2, and the criteria laid down in the said paragraph for the right to surviving spouse's pension are met.

3. The right to child's pension ends when the criteria for receiving pension laid down in section 23b, paragraph 1, are no longer met, or if before that the child is adopted by a person other than the one who received surviving spouse's pension on the employee's death or his/her spouse.

#### Section 24 (23.10.1992/948)

1. Surviving spouse's pension relative to the employee's annual earned income is:

- 1) 40% if the person entitled to surviving spouse's pension is the sole beneficiary;
- 2) 35% if the beneficiaries comprise the person entitled to surviving spouse's pension and one person entitled to child's pension;
- 3) 30% if the beneficiaries comprise the person entitled to surviving spouse's pension and two persons entitled to child's pension;
- 4) 20% if the beneficiaries comprise the person entitled to surviving spouse's pension and three persons entitled to child's pension; and
- 5) 15% if the beneficiaries comprise the person entitled to surviving spouse's pension and four or more persons entitled to child's pension.

2. When determining the amount of surviving spouse's pension, the earned or pension income of the person entitled to surviving spouse's pension is taken into account in accordance with section 24b.

3. The aggregate amount of child's pension relative to the employee's annual earned income is:

- 1) 25% if one person is entitled to child's pension;

4) 40% if two persons are entitled to child's pension;  
3) 50% if three persons are entitled to child's pension; and  
4) 55% if four or more persons are entitled to child's pension.

4. The aggregate amount of child's pension is divided evenly between the beneficiaries. If there are orphans without both parents among the beneficiaries, a further 15% of the employee's annual earned income is added to the aggregate child's pension, though not exceeding an amount which makes the aggregate amount of child's and surviving spouse's pension equal to the maximum amount of survivors' pension. The additional amount is divided evenly between the said fully orphaned beneficiaries.

5. If the number of beneficiaries entitled to survivors' pension changes or a child entitled to child's pension loses the remaining parent, the amount of survivor's pension and its division between the beneficiaries will be revised from the beginning of the month following the change of circumstances, also taking into account section 24c, paragraph 2.

6. In the case of a child entitled to child's pension under the Survivors' Pension Act (38/1969), the basic child's pension under the said Act is deducted from the child's pension paid under this Act. The deduction is equal to the basic child's pension under the Survivors' Pension Act at the beginning of the year during which the right to pension under this Act arises.

Section 24a (23.10.1992/948)

The person entitled to surviving spouse's pension whose right to pension ends under section 23d, paragraph 2 on the grounds of marriage or cohabitation in conditions resembling marriage under section 23a, paragraph 2, receives a lump sum payment of an amount equal to his/her pension benefits for a period of three years. The amount is derived from the

monthly pension last paid. However, if the person entitled to surviving spouse's pension is entitled to survivors' pension under section 8, paragraph 5, of the Employees' Pensions Act based on the same death in spite of the new marriage or cohabitation, the lump sum payment will only equal the amount exceeding the said survivors' pension over a period of three years.

Section 24b (23.10.1992/948)

1. When the amount of surviving spouse's pension is determined, the earned or pension income of the person entitled to surviving spouse's pension is taken into account through income adjustment. Income adjustment means that the surviving spouse's pension under section 24 is reduced if the earned or pension income of the person entitled to surviving spouse's pension exceeded the threshold of income adjustment at the time of the employee's death. The reduction is 30% of the difference between the earned or pension income and the threshold amount. The threshold is 2.15 times the employee's minimum annual earned income under section 28, paragraph 6, at the time of the employee's death.

2. For the purpose of income adjustment, an assessment is made of the earned or pension income of the person entitled to surviving spouse's pension at the time of the employee's death. The provisions of section 28, paragraphs 1-5 concerning the employee's annual earned income apply as appropriate to the assessment of earned income. Pension income to be taken into account includes the types of continuous pension referred to in section 8, paragraph 4, of the Employees' Pensions Act and comparable survivors' pension; reduced farm closure pension under the Farm Closure Pension Act (16/1974), and continuous accident pension, annuity, survivors' and assistance pension under this Act, Accident Insurance for Farmers Act (1026/1981), Military Accidents Act (1211/1990), Military Injuries Act (404/1948) and other Acts under which compensation is determined in

accordance with the Employment Accidents Insurance Act, and comparable compensation under the Third Party Motor Liability Insurance Act (279/1959). However, survivors' pension or comparable compensation to which the person with a right to receive surviving spouse's pension is entitled based on the death concerned is not taken into account in income adjustment. If the person entitled to surviving spouse's pension received less than the full amount of pension or other comparable compensation based on disability, the full amount of such a benefit is used in income adjustment.

3. If the person entitled to surviving spouse's pension receives survivors' pension, assistance pension or continuous annuity referred to in paragraph 2 or pension under the Act on Change-of-Generation Pension for Farmers (1317/1990) or Farm Closure Pension Act, his/her earned income or pension income based on disability is also taken into account in income adjustment, contrary to what is provided in paragraph 1.

4. A benefit paid by another State comparable to the above may also be taken into account as pension income on the same grounds as Finnish pension benefits.

#### Section 24c (23.10.1992/948)

1. Surviving spouse's pension payments are income-adjusted from the beginning of the thirteenth month after the employee's death. However, if the person entitled to surviving spouse's pension supported one or more children entitled to child's pension on the employee's death, surviving spouse's pension payments are income-adjusted only after all such children's right to child's pension has ended.

2. If child's pension is reinstated on the grounds of the child taking up studies or vocational training after the surviving spouse's pension was income-adjusted, the

surviving spouse's pension for this period too equals the amount of income-adjusted pension last paid before the child's studies began for as long as such child's pension is paid, though not exceeding an amount which makes the aggregate sum of child's and surviving spouse's pension equal to the maximum amount of survivors' pensions under section 16, paragraph 1.

3. The reduction to the surviving spouse's pension caused by income adjustment is adjusted in accordance with the index rate at the time of the accident using the criteria laid down in section 9 of the Employees' Pensions Act to derive the actual amount to be deducted.

#### Section 25 (23.10.1992/948)

1. A funeral allowance as laid down in section 16 is paid to the deceased's estate if the funeral expenses were paid out of the estate. Otherwise the funeral expenses incurred are paid to those who arrange the employee's funeral, though not exceeding the amount that would have been payable to the estate.

2. If the funeral cannot be arranged due to disappearance, the funeral allowance is paid to those who would be considered parties to the deceased's estate.

#### Section 26

1. If the employer has paid the employee sickness benefits based on the accident in the form of pay or advance or other payments for the period during which, under this Act, the employee is entitled to daily allowance, accident pension or compensation under section 17a of this Act, the employer is entitled to deduct the amount paid from the compensation payable by the employer in question under section 12 and, concerning the remainder, recover directly from the insurance company by balancing the accounts for the amount of compensation the insurance company would have been liable to pay to the employee for the same period. If two or more

employers paid the employee sick pay or other benefit referred to above, the sum to be credited to the employer for a certain period is divided between the employers in question in proportion to the benefits they paid for the same period. However, the employee's annual holiday benefits are not counted as such payments. (30.12.1992/1642)

2. Under the conditions laid down in paragraph 1, a municipality is entitled to recover the subsistence benefit which was granted to the injured person on the grounds laid down in section 38 of the Social Welfare Act (710/1982). (30.12.1992/1642)

3. The insurance company must render an account to the employee about compensation payments withheld under paragraphs 1 and 2.

Section 27 was repealed by Act No. 893/1994.

Section 28 (30.12.1992/1642)

1. Annual earned income refers to income the employee was likely to have earned over a period of one year at the income level he/she was earning at the time of the accident.

2. If the employee's earned income at the time of the accident was, for exceptional reasons, higher or lower than his/her established earned income level, the annual earned income is assessed in accordance with the established earned income level.

3. The annual earned income of a student, trainee or other young person is assessed in accordance with the income he/she would have been likely to earn after completing his/her studies or training.

4. If, at the time of the accident, the employee was engaged in farming as defined in the Accident Insurance for Farmers Act or professional or business activities as defined in the Self-Employed Persons' Pensions Act, the income from such

self-employment on the grounds laid down in the said Acts is taken into account in the assessment of annual earned income.

5. Compensation is calculated on the basis of annual earned income rounded to the nearest FIM 100. If it is equally appropriate to round the sum upward or downward, the sum is rounded upward.

6. Annual earned income totalling less than [FIM 5,500] is raised to [FIM 5,500]. However, the amount is not raised if the employee at the time of the accident was entitled to full disability pension granted for the present under the National Pensions Act (347/1956) or Section 8, paragraph 4, of the Employees' Pensions Act or full accident pension granted for the present in accordance with this Act, or comparable compensation under the Third Party Motor Liability Insurance Act (279/1959), or if the employee had already turned 65 at the time of the accident and received old-age pension under the National Pensions Act or pension under section 8, paragraph 4, of the Employees' Pensions Act.

#### Section 28a (30.12.1992/1642)

For the purpose of assessing annual earned income under section 28 and daily allowance payable for the period of four weeks under section 16, paragraph 1, subparagraph 1, earned income means monetary pay subject to withholding tax or other benefit considered as remuneration for work done and subject to tax. However, fringe benefits are only taken into account when assessing annual earned income. Earned income paid from work abroad is taken into account even if it is not subject to withholding tax in Finland.

### **Chapter 3. Insurance institutions and legal relationships between them and policyholders**

Section 29 (20.12.1996/1204, enters into force on January 1, 1999)

1. An insurance company under the Insurance Companies Act (1062/1979) which is licensed to underwrite insurance referred to in indemnity insurance category 1 under Decision No. 858/1995, section 1, subparagraph 1, of the Ministry of Social Affairs and Health concerning insurance categories applied to Finnish insurance companies and insurance associations and foreign insurance companies operating in Finland and which has submitted the notification referred to in paragraph 2 about launch of operations is entitled to underwrite insurance in Finland under this Act and function as an insurance institution referred to in section 8. The same applies to a foreign insurance company under the Foreign Insurance Companies Act (398/1995) which is entitled to underwrite insurance in the said compensation insurance category in Finland.

2. An insurance company which intends to underwrite insurance under this Act in Finland must notify the Ministry and the Federation of Accident Insurance Institutions at the latest two months before launch of operations for the purpose of discharging the statutory obligations of such insurance institutions.

3. The Insurance Companies Act and the Foreign Insurance Companies Act, respectively, apply to a Finnish and a foreign insurance company underwriting insurance under this Act unless otherwise provided in this Act.

Section 30

1. In cases where the State is liable to pay compensation for an employment accident or occupational disease, the compensation is paid by the State Treasury. In such cases, the provisions of this Act concerning insurance institutions apply to the State Treasury as appropriate. Paragraphs 2 and

4-6 of section 46b do not apply to the State Treasury.  
(20.12.1996/1204)

2. If a state accident insurance institution is established, the Council of State has the power to transfer duties of the State Treasury under this Act to the said institution.

Section 30a (20.12.1996/1204)

1. The Federation of Accident Insurance Institutions deals with functions requiring cooperation between insurance institutions underwriting insurance under this Act and other functions as provided in this or other Acts or by decree. The Federation of Accident Insurance Institutions also deals with functions assigned to an insurance institution according to domicile or residence by an international agreement binding on Finland.

2. The organs of the Federation of Accident Insurance Institutions comprise the General Assembly and Board. In addition, an Employment Accidents Compensation Board operates under the Federation.

3. The Board of the Federation of Accident Insurance Institutions comprises up to 13 regular members, of which no more than seven represent member institutions of the Federation of Accident Insurance Institutions, three the employers' and three the employees' leading central organizations. The Board elects a chairman from among its members and the election is approved by the Ministry. The Board further includes up to five deputy members, of whom one represents the employers' and one the employees' leading central organizations and one the leading organization representing farmers' economic interests.

4. Further provisions concerning the functions and administration of the Federation of Accident Insurance Institutions are laid down in its regulations. Such regulations are issued by decree on a proposal to the

Ministry by the Federation of Accident Insurance Institutions.

5. All insurance institutions underwriting insurance under this Act must join the Federation of Accident Insurance Institutions and contribute to its expenses as provided in this Act. The State Treasury and the farmers' accident insurance institution as referred to in the Accident Insurance for Farmers Act are also members of the Federation of Accident Insurance Institutions. The State Treasury takes part in the activities of the Federation of Accident Insurance Institutions and contributes to its expenses only in so far as they are related to the implementation of duties of the State Treasury under this Act. Provisions concerning participation of the farmers' accident insurance institution in the activities of the Federation of Accident Insurance Institutions and contribution to its expenses are issued separately.

6. Acts or decrees applying to insurance institutions under this Act also apply to the Federation of Accident Insurance Institutions, as appropriate, when it deals with functions under paragraph 1.

Section 30b (20.12.1996/1204)

1. The Employment Accidents Compensation Board operates under the Federation of Accident Insurance Institutions for the purpose of promoting uniform practice concerning claims. The Compensation Board comprises a chairman, three lawyer members, four labour market members, five medical experts, and a necessary number of deputies, all of whom are appointed by the Ministry for a period of up to three years at a time. The members must be familiar with statutory accident insurance. The chairman and the lawyer members must have a master's degree in law. The medical experts must be physicians licensed in Finland and familiar with insurance medicine.

2. A representative of the Ministry is appointed chairman of the Accident Insurance Claims Board. The lawyer members and two of the medical experts are appointed on a proposal by the Federation of Accident Insurance Institutions. Two of the labour market members are appointed on a proposal by the employers' leading central organizations, and two on a proposal by the employees' leading central organizations. One of the labour market deputies is appointed on a proposal by the employers' leading central organizations, and one on a proposal by the employees' leading central organizations. One of the medical experts is appointed on a proposal by the employers' leading central organizations, and one on a proposal by the employees' leading central organizations. The proposals for the lawyer members and the medical experts other than those appointed on a proposal by the labour market organizations must include twice as many candidates as members to be elected. The Board, which may also operate in sections, elects the necessary vice chairmen from among its lawyer members.

3. If the chairman or a member, medical expert or deputy of the Employment Accidents Compensation Board becomes permanently prevented from attending to his/her duties, the Ministry appoints a replacement chairman, member, medical expert or deputy for the remaining period of office, taking into account what is provided in paragraph 2.

4. Regulations of the Employment Accidents Compensation Board are issued by decree. On application by the Claims Board, the Ministry approves matters on which an insurance institution must request an opinion from the Claims Board.

Section 31 (20.12.1996/1204, enters into force on January 1, 1999)

1. An insurance institution cannot reject an application for an insurance policy under this Act nor refuse to maintain it.

2. Upon granting an insurance, the insurance institution must provide the policyholder who is under a duty to take out insurance with a written certificate that the insurance policy in question meets the requirements for compulsory insurance under this Act. The certificate must be marked on the insurance policy and the notification referred to in section 65. If insurance coverage is restricted contrary to this Act, the insurance does not fulfil the obligation to take out insurance in compliance with this Act.

Section 32 (20.12.1996/1204, enters into force on January 1, 1999)

1. The insurance contract is made out for an insurance period. The insurance period is a calendar year, unless the insurance policy enters into force during a calendar year, in which case the first insurance period ends at the end of the year following its entry into force. Subsequently the insurance continues for one year at a time unless the policyholder gives written notice of termination at the latest three months before the insurance period ends.

2. A notice of termination of a compulsory insurance policy under this Act is valid only if it is shown in conjunction with the notice that a new insurance policy underwritten by another insurance institution enters in force when the old insurance policy ends.

3. An insurance policy may also be taken out for a specified period to cover a specific job or work contract. Such an insurance policy ends without separate notice and the insurance period equals the period of validity of the insurance. However, if the work lasts longer than the time specified in the insurance policy, the insurance is considered valid until the work ends. The policyholder must notify the insurance institution of the continuation of the work before the period marked in the insurance policy expires.

4. If work other than that referred to in paragraph 3 ends, or the enterprise closes down or the duty to take out insurance otherwise ends, the policyholder must notify the insurance institution in writing at least one month before the end of the insurance period. If the policyholder neglects to notify, he/she is liable to pay the insurance institution a reasonable compensation for expenses incurred because of this negligence.

5. If, in an attempt to levy an outstanding insurance premium in execution, the policyholder is found without means or the executive authority, too, is unable to determine the policyholder's place of residence, the insurance policy is considered to have expired from the moment of the said finding.

6. If an employer holding an insurance policy under this Act is declared bankrupt, the employer's liabilities based on the policy are transferred to the bankrupt's estate from the beginning of bankruptcy. The bankrupt's estate pays the insurance premiums for the period of bankruptcy.

Section 32a (20.12.1996/1204, enters into force on January 1, 1999)

An insurance institution must submit the terms and conditions of a compulsory insurance policy under this Act to the Ministry in writing two months before their entry into force. As necessary the Ministry can demand that the insurance company provide it with an account of the bases for insurance premiums and the forms and other documents used in operations under this Act.

Section 33 (20.12.1996/1204)

1. The insurer's liability is considered to begin at the time the insurance institution or its agent demonstrably received the insurance application, unless for special reasons a later time is agreed on for the beginning of

liability. The beginning of liability must be stated in the insurance policy.

Section 34 (22.12.1993/1470)

1. An insurance policy taken out by an employer for an enterprise or self-employment is considered to cover all the employer's employees unless a separate insurance policy is taken out for a particular section of the enterprise or particular work. If the employer demonstrates that the work done abroad by an employee referred to in section 1a is no longer temporary, the insurance institution may on application by the employer confirm that this employee is no longer covered by the employer's insurance policy after the work done abroad has lasted more than two years. Such a decision enters into force at the beginning of the calendar year after it has become legally final.

Section 35 (20.12.1996/1204, enters into force on January 1, 1999)

1. An insurance institution underwriting insurance under this Act must use calculation base which specifies how the insurance premiums are calculated.

2. The calculation base for insurance premiums must be such that the premiums are in reasonable proportion to the costs arising from the insurance, taking into account the risk of accident and occupational disease involved in the employment concerned. If the insurance premium or the compensation payments based on the policy are sufficiently high, the policyholder's own accident statistics shall also be taken into account in the calculation of premium ('special-rate policy'). The Ministry issues orders on risk categories, rating of premiums according to the risk involved in a profession or job, and how the policyholder's own accident statistics shall be taken into account in the calculation of premium. Provisions on what kind of earned income is included in the total payroll used as the basis for premium are issued by decree.

3. When a special-rate policy is transferred from one insurance institution to another, the receiving insurance institution is entitled to accident and payroll information covering the previous five calendar years for the insurance policy in question.

4. The insurance premiums referred to in paragraph 1 include an amount equal to 2% of the employer's insurance premium excluding insurance referred to in section 57 to be used to promote health and safety at work in accordance with the Work Environment Fund Act (407/1979). The insurance institution pays this amount to the Federation of Accident Insurance Institutions, which credits it to the Work Environment Fund as provided by decree.

Section 35a (20.12.1996/1204, enters into force on January 1, 1999)

The insurance premium for an insurance period comprises an advance premium and an equalization premium. The advance premium for an insurance period must be paid by the date stipulated by the insurance institution. If the actual premium for an insurance period is higher or lower than the advance premium, the difference will be charged from or repaid to the policyholder as an equalization premium at a time stipulated by the insurance institution, though no later than within a year from the end of the insurance period, unless otherwise provided in section 37. The said time limit does not apply to special-rate policies if so agreed with the policyholder. The insurance institution can in its insurance terms stipulate a minimum amount for an equalization premium to be charged or repaid. Such an amount may be fixed at no more than FIM 50.

Section 36 (20.12.1996/1204)

An employer whose employees must be insured but who is found to have neglected his/her duty to take out insurance is liable to pay the Federation of Insurance Institutions a

charge which is no more than four times the reasonable insurance premium for the period of such negligence, though for no longer than the current and three previous calendar years.

Section 37 (20.12.1996/1204, enters into force on January 1, 1999)

If the insurance institution could not determine the insurance premium imposed on the employer in accordance with the actual liability because the policyholder provided false information or neglected to provide the information necessary for fixing the premium, the insurance institution is entitled to estimate the scale of the liability for the insurance period in question and to claim up to four times the amount of insurance premium for the proportion affected by the false information or negligence.

Section 38 (20.12.1996/1204)

1. An insurance premium payable by the employer can be levied in execution without a judgement or decision as laid down in the Act on Recovery of Taxes and Fees by Recovery Proceedings (367/1961).

2. Legally final decisions of the Insurance Court, Accident Insurance Appeal Board, insurance institution and the Federation of Accident Insurance Institutions on compensation and other payments imposed on the employer are enforceable in the same manner.

3. If a premium is not paid within the time limit under section 35a, interest on arrears must be paid for the period of delay at the annual interest rate under section 4, paragraph 3, of the Interest Act (633/1982). (Enters into force on January 1, 1999.)

4. If an insurance premium is recovered by execution proceedings, the premium is increased by a 10% non-recurring surcharge. Upon requesting execution for the outstanding

insurance premium the insurance institution may, however, opt to claim interest on arrears at the rate referred to in paragraph 3 instead of this surcharge. The insurance premium and the surcharge or the alternative interest on arrears are enforceable without judgement or decision under paragraph 1. (Enters into force on January 1, 1999.)

Section 38a (20.12.1996/1086)

Compulsory insurance policies under this Act expire within one month from the day the policyholder is informed that the insurance company is being placed in liquidation or declared bankrupt and that the policyholder's duty is to take out another insurance policy within this period. If the policyholder does not take out an insurance policy within the said period, he/she is considered to have neglected his/her duty to take out insurance in compliance with this Act. The special receivership and, in the case of foreign insurance companies, the Federation of Accident Insurance Institutions must notify policyholders promptly in writing of their duty to take out an insurance policy from another insurance institution.

Section 38b (20.12.1996/1086)

1. If the liability for compulsory insurance policies under this Act remains unsecured in part or in total because of liquidation or bankruptcy of the insurance company after the obligation to contribute possibly imposed on the policyholder under chapter 10, section 7, of the Insurance Companies Act is implemented, an obligation to pay a supplementary accident insurance premium may be imposed on the policyholder in accordance with this section. This section does not apply to a consumer or anyone in business whose position as the insurer's contracting party, considering the scale and nature of his/her business and other circumstances, is comparable to that of a consumer.

2. The duty to pay a supplementary premium can be imposed on a policyholder who on the basis of ownership or otherwise

has exerted a major influence on the administration of the insurance company, if the provisions or orders governing insurance business have been neglected to a significant extent in the insurance operations under this Act or if such operations have been run in a manner that constitutes a criminal offence which cannot be considered minor. The supplementary premium imposed on a policyholder under this paragraph equals the financial benefit gained by the policyholder in question.

3. If the supplementary premium under paragraph 2 is insufficient to cover the unsecured part of the liability and the average insurance premiums for compulsory insurance under this Act have been unreasonably low as compared to the costs arising from the insurance policies, and this is considered to have significantly influenced the placing of the insurance company in liquidation or bankruptcy, a supplementary premium may be imposed not only on the policyholders referred to in paragraph 2 but also on other policyholders who can be considered to have benefited from the excessively low premiums. The supplementary premium imposed on any policyholder under this paragraph may not exceed the financial benefit gained by the policyholder in question on account of the excessively low premiums during a period of three years before the insurance company was placed in liquidation or declared bankrupt.

4. Imposition of a supplementary premium under this section, its amount and the payment procedure are decided on by the Federation of Accident Insurance Institutions. As necessary, the Ministry issues further orders on the application of this paragraph. Interest on arrears at the rate under section 4, paragraph 3, of the Interest Act is charged on a due and payable supplementary premium which is not paid by the due date. The outstanding supplementary premium and the interest on arrears can be levied in execution without judgement or decision in accordance with the Act on Recovery of Taxes and Fees by Recovery Procedures (367/1961).

Section 38c (20.12.1996/1086)

1. If the liability for compulsory insurance under this Act remains in part or altogether unsecured because of liquidation or bankruptcy of the insurance company after the policyholders' duty to pay supplementary premiums is implemented, the insurance companies underwriting said insurance are jointly accountable for the liability or part of it. The portion remaining unsecured is financed by collecting an annual joint guarantee payment from all insurance companies underwriting compulsory insurance under this Act the year the payment in question is imposed. The insurance company may finance the cost increase arising from the said joint guarantee payment out of future accident insurance premiums.

2. The amount of the guarantee payment is determined in proportion to premium income actually received by the insurance company from compulsory insurance under this Act or premium income the company is estimated to receive considering the risk covered by such insurance. The payment may not exceed 2% of the said premium income each year. The Ministry issues further orders on the application of this paragraph as necessary.

3. Interest on arrears at the rate under section 4, paragraph 3, of the Interest Act is charged on a due and payable payment or advance thereto not paid by the due date. The payment and a relevant advance payment and the interest on arrears may be levied in execution without judgement or decision as provided in the Act on Recovery of Taxes and Fees by Recovery Procedures.

4. In the event of liquidation or bankruptcy of a Finnish insurance company, the Federation of Accident Insurance Institutions sees to compensation payments after the insurance portfolio and the corresponding assets have been transferred to the Federation, and deals with other

functions referred to in chapter 15, section 14, of the Insurance Companies Act and section 49 of the Foreign Insurance Companies Act (398/1995). However, in the case of liquidation or bankruptcy of a foreign insurance company domiciled in a member country of the European Economic Area, the Federation becomes liable for compensation payments as of the date stipulated by the Ministry. When the Federation pays out compensation to the party incurring loss, that person's right to compensation from the receivership or bankrupt's estate transfers to the Federation to the extent that compensation was paid by the Federation.

Section 38d (20.12.1996/1086)

After an insurance company is placed in liquidation or declared bankrupt, the Federation of Accident Insurance Institutions is entitled to any information on the receivership or bankrupt's estate necessary to deal with its functions under this Act.

#### **Chapter 4. Applying for, determination and payment of accident compensation**

Section 39

1. When an employee sustains an employment accident, the event must be notified immediately to the employer or the employer's representative, who must, on demand, certify receipt of the notification. The employer must promptly notify the insurance company of an employment accident for which the insurance institution is likely to incur a liability to pay compensation. The notification must be provided using the form approved by the Ministry which, in conjunction with giving its approval, may order that the form also be used to provide the authorities with other information besides that which is necessary to account for the accident and to determine the compensation.

(30.12.1966/738)

2. If an employment accident caused death or severe injury, the employer must immediately notify the accident to the police, who must promptly conduct an investigation at the scene of the accident and send a certified copy of the investigation record without charge to the insurance institution. (7.4.1995/495)

3. The Insurance Court, Accident Appeal Board and insurance institution are entitled to demand a police investigation on other accidents, too, besides those referred to in paragraph 2. (10.7.1981/526)

#### Section 40

1. An employment accident occurring abroad must be notified either to the insurance institution or to that Finnish consulate which can be reached with the least delay. The consulate shall ensure that the case is properly investigated and send the documents to the insurance institution.

2. If an employment accident occurs on board ship, the accident notification must be sent to the insurance institution from the nearest possible port and the notification referred to in section 39, paragraph 2, made to the police in the Finnish port where the ship is at the time of the accident or arrives first after the accident or, if the ship first arrives at a foreign port where a Finnish consulate is located, to this consulate.

#### Section 41

1. Compensation under this Act must be applied for from the insurance institution, or the insurance institution must be notified of the accident within a period of one year from the day of the occurrence, or, if the accident caused the death or disappearance of a person in a seamen's employment relationship, within the same period from the day of death or the day considered the day of disappearance under section 59, excluding that day. If an unreasonable delay occurs

before the claim becomes pending for reasons due to the employee, the employee may be denied compensation for the period of the delay, though not for the year preceding the date the claim becomes pending. Further provisions about how to apply for compensation can be issued by decree.

(30.12.1992/1642)

2. An accident notification made to the insurance institution, consulate or, in cases referred to in section 39, paragraph 2, or section 40, paragraph 2, to the police is considered an application, except for types of compensation specifically provided to be payable on application.

3. The accident notification and application for compensation is also considered to have been made to the insurance institution if given to an agent of the insurance institution or, if the application concerns State employment, to the injured person's immediate superior.

4. The accident notification and application for compensation is considered to have been made within the time limit if the notification or application is posted to the insurance institution before the period expires.

5. Payment of compensation requires that the insurance institution is provided with a medical statement on the injury or illness issued by a physician. If so ordered by the insurance institution for the purpose of ascertaining the injury or illness, the employee is also obliged to submit to an examination by a physician or in a hospital appointed by the insurance institution, though not outside Finland unless special reasons warrant it. The costs of such an examination are borne by the insurance institution. On request, the employee is also obliged to report to the insurance institution on other matters having a bearing on the compensation. If the employee does not provide the documents required within a reasonable time and does not

give an acceptable justification for neglect, the case can be suspended until the necessary documents are provided. The insurance institution must issue a decision about suspension on such grounds. (20.12.1996/1204)

Section 41a (29.12.1988/1344)

1. Upon receiving an application or notification concerning an employment accident or an investigation record referred to in section 39, paragraph 2, the insurance institution must see to it that all the documents necessary for making a decision on the case are at its disposal as soon as possible, though taking into account what is provided in section 41, paragraph 5, about a medical statement.

2. If the insurance institution is notified of an accident in a manner other than that referred to in paragraph 1 for which the insurance institution may be assumed to incur a liability to pay compensation, the institution must take the necessary steps for a claim to become pending under this Act.

3. When an insurance institution considers a case concerning the duty to take out insurance, a claim or reclaim or similar issues, the interested party must be provided with an opportunity to be heard if it is obviously necessary in order to represent his/her interests. Otherwise the principles laid down in sections 4, 6, 9-11, 16, 21, 23 and 24 of the Administrative Procedure Act (598/1982) shall be followed as appropriate. However, notwithstanding what is provided in section 10, paragraph 1, subparagraphs 4 and 5, of the Administrative Procedure Act, an official of an insurance institution may deal with a case concerning the insurance institution as employer. (14.10.1994/893)

Section 41b (20.12.1996/1204)

1. The insurance institution must issue a decision on a claim promptly and at the latest within three months from receiving the documents referred to in sections 39, 41, 41a,

44 and 46. However, the insurance institution must issue a decision on the effect that the earned or pension income of the person entitled to surviving spouse's pension has on the amount of the said pension within a period of one year from receiving the application for compensation on death or disappearance.

2. If the insurance institution does not issue a decision within the time limit under paragraph 1, and the delay is not due to processing of the case by an appellate body or the Accident Insurance Claims Board, the processing of the claim is transferred to the Federation of Accident Insurance Institutions to the extent concerned. The Federation must ensure that the claim is processed properly and pay out the compensation in accordance with the law.

3. Unless otherwise provided under section 47, the insurance institution must pay out the compensation granted by it within a period of 14 days from the decision, and the compensation awarded by an appellate body within a period of 30 days from the insurance institution receiving the documents referred to in paragraph 1 and the decision gaining legal force.

4. If the insurance institution fails to pay compensation in compliance with paragraph 3, the Federation of Accident Insurance Institutions pays out the compensation.

5. The case becomes pending in the Federation of Accident Insurance Institutions for the procedure referred to in paragraphs 2 and 4 on application by the interested party. The insurance institution must promptly provide the Federation of Accident Insurance Institutions with information requested by the Federation for decision-making purposes and the case documents held by the institution. If the information and the documents are not provided within a reasonable time limit set by the Federation of Accident Insurance Institutions, the insurance institution may on

such grounds also be considered to have neglected its duty concerning decision-making or payment of compensation. The Federation of Accident Insurance Institutions must promptly issue a decision on the application.

6. When the Federation of Accident Insurance Institutions takes on a case, it is entitled to reclaim the compensation paid by it under this section and reasonable administrative expenses from the insurance institution in question, plus a penalty fee the amount of which is approved by the Ministry. The Ministry also approves the basis for calculating the administrative expenses on application by the Federation of Accident Insurance Institutions. To the extent that the compensation and administrative costs reclaimed plus the penalty fee do not cover the costs incurred by the Federation of Accident Insurance Institutions, insurance institutions must contribute to cover the costs in accordance with section 58.

Section 41c (20.12.1996/1204)

1. The insurance institution has a duty to provide the employee with advice and service concerning a claim as required under this Act in the employee's own language, either Finnish or Swedish. The employee is also entitled to use this language in dealing with the insurance institution.

2. If the insurance institution does not comply with paragraph 1, the Federation of Accident Insurance Institutions must provide the employee with the service and advice referred to in the said paragraph.

Section 41d (20.12.1996/1204)

If the claim processed by the insurance institution concerns assessment of a medical circumstance, a licensed physician must participate in the procedure and have his/her opinion recorded in the case documents.

Section 41e (20.12.1996/1204)

1. The insurance institution must promptly send the decision to the person concerned or to his/her dependant at the address provided by them. The decision must be written in Finnish or Swedish depending on the language of the employee or, if the case concerns a dependant, in his/her language.

2. The insurance institution must mark the date of reception in a reliable way in any appeal, accident notification, medical statement or other document or report received by the institution.

3. The insurance institution must store the documents and information related to an insurance policy or claim under this Act as stipulated in detail by the Federation of Accident Insurance Institutions in accordance with guidelines issued by the Ministry. After the period laid down in the guidelines, however, the said documents and information may be stored by such methods approved by the Ministry which reliably preserve the content of the original documents and information without the need to store the originals. Records stored in this manner are considered equal to the originals, unless proven otherwise.

Section 42 (10.7.1981/526)

If the interested party in a claim cannot himself/herself manage his/her affairs due to age, illness or other reasons and does not have a guardian, then a close relative or other person mainly caring for the person concerned and acceptable to the insurance institution, or the welfare committee can use the right of action of the person concerned to represent his/her interests in a claim under this Act.

Section 43 (10.7.1981/526)

1. If an insurance institution has been notified of an employment accident and the right to compensation is not contested, but the insurance institution maintains that the liability to pay compensation rests with another insurance

institution, the former institution has a duty to promptly remit to the interested party an advance payment approximately equal to the actual compensation on behalf of the other insurance institution. If it cannot be agreed which insurance institution is liable to pay compensation, this issue must be referred to the Accident Insurance Appeal Board. The decision by the Accident Insurance Appeal Board cannot be appealed. (23.10.1992/948)

2. Upon reaching agreement on which institution is liable to pay the compensation or upon a decision on the issue by the Accident Insurance Appeal Board, the insurance institution which is liable to pay the compensation must promptly repay the advance sum paid out under paragraph 1 to the insurance institution in question and the advance sum must be deducted from the final payment.

Section 44 (10.7.1981/526)

If the development of the illness or injury or the resulting decrease in working capacity cannot be estimated with sufficient certainty, the compensation must be granted for a specified period and a duty to provide evidence on circumstances having a bearing on the amount of compensation must be imposed on the recipient as a necessary requirement for receiving continued benefits. Necessary costs incurred from obtaining the evidence are borne by the insurance institution.

Section 45 is repealed by Act No. 1204/1996.

Section 46

1. If the circumstances having a bearing on the amount of accident pension, handicap allowance or supplements thereto change materially, the amount of compensation can be adjusted accordingly. (23.10.1992/948)

2. For the purpose of examining the injury or illness which has a bearing on the amount of compensation, the recipient of compensation is obliged to submit to an examination by a physician or in a hospital appointed by the insurance institution if ordered by the insurance institution and at the institution's expense, though not outside Finland unless special reasons warrant it. The employee is also obliged to comply with the insurance institution's request to report on other matters having a bearing on the amount of compensation within a reasonable period of time. If the employee does not comply with the examination order or request for information without providing an acceptable justification for neglect, processing of the case can be suspended until the order or request is complied with. The insurance institution must issue a decision on suspension on such grounds.

(20.12.1996/1204)

3. If the insurance institution demands a medical examination, it must pay the costs incurred from this examination and from obtaining other necessary evidence.

#### Section 47

1. Daily allowance and the supplements thereto are paid retrospectively at least once a month, though not more often than once a week. Accident pension and continuous handicap allowance and the supplements thereto and survivors' pension are paid once a month in advance, unless the parties agree otherwise. If the amount to be paid each month would be less than FIM 100, payments may be remitted at longer intervals, though at least once a year. (30.12.1992/1642)

2. Unless the parties agree otherwise, the insurance institution must, at its own cost, arrange for the compensation to be paid to a Finnish financial institution appointed by the recipient to be kept at the disposal of the recipient. If a financial institution is not appointed, the payments shall be kept at the recipient's disposal at the recipient's local post office. A payment lower than FIM 10

shall be kept at the recipient's disposal at the insurance institution. (30.12.1992/1642)

3. Compensation to a person injured in state employment may, however, be paid through the authority for whom the employee was working when the accident occurred.

#### Section 48 (23.12.1971/956)

1. If an employee sustains an employment accident considered severe and the injured person or his/her dependant is obviously entitled to compensation, the employer is obliged to pay out advance compensation on request by the recipient, covering

- 1) the necessary travel expenses arising from seeking medical care, and
- 2) a sum necessary to secure the recipient's maintenance, though not in excess of FIM 200.

2. The advance sum paid out under paragraph 1 is deducted from the actual compensation in accordance with section 26.

#### Section 49 (23.10.1992/948)

If payment of accident pension, handicap allowance or compensation for costs incurred from home help is to be terminated or suspended or the amount reduced for an unexpected reason, the change must be implemented from the earliest possible day.

#### Section 50 (10.7.1981/526)

1. If a due and payable compensation sum or other payment is not withdrawn within a period of three years, the right to the payment in question is forfeited.

2. If payment of compensation is re-introduced after suspension for reasons due to the employee, compensation sums for a period longer than one year are not payable retroactively, unless special reasons warrant it.

## Section 51

1. Daily allowance, accident pension, any supplements thereto or survivors' pension are not paid to a recipient sentenced to prison, held in remand or placed or accepted in a general penal or similar institution in so far as the period spent in prison, in remand to the extent acceptable as a reduction to a prison sentence, or in an institution exceeds three months, unless special reasons warrant it. (10.7.1981/526)

2. If the insurance institution was not aware of the circumstances referred to in paragraph 1 and therefore could not suspend the compensation payments in accordance with the said provisions, the institution is entitled to deduct the amount of excess payments from possible subsequent payments.

## Section 52

The Ministry can issue further instructions and orders to insurance institutions concerning the processing of claims.

## **Chapter 5. Appeal**

### Section 53 (10.7.1981/526)

1. The appellate bodies dealing with accident insurance cases are the Accident Appeal Board, the Insurance Court and the Supreme Court.

2. The Accident Insurance Appeal Board comprises a full-time chairman, at least two vice chairmen, at least three lawyer and three physician members, and at least six labour market members. The chairman, vice chairmen and other members act with judicial responsibility, and they have personal deputies. If the chairman already holds another civil service office or post, he/she is exempted from attending to those duties during his/her period of office as chairman.

3. The Council of State appoints the chairman, vice chairmen, other members and their deputies for a period of three years at a time. At least three of the labour market members must be appointed on a proposal by the leading employers' central organizations, and at least three on a proposal by the leading employees' central organizations. The chairman, vice chairmen and lawyer members are required to have a degree qualifying them for the office of judge and a good knowledge of accident insurance. The physician members shall be licensed physicians familiar with insurance medicine. To deal with its functions the Board may be divided into sections.

Paragraph 4 was repealed by Act No. 893/1994.

5. The costs of the Accident Insurance Appeal Board are paid by the insurance institutions in proportion to the number of matters brought before the Board, though each insurance institution is liable to pay at least FIM 2,000.

6. Further provisions on the Accident Insurance Appeal Board and its costs are issued by decree.

Section 53a (10.7.1981/526)

1. An interested party not satisfied with a decision of the insurance institution may appeal to the Accident Insurance Appeal Board by submitting a written appeal at the latest on the 30th day after being notified of the decision. In spite of an appeal, the decision of the insurance institution must be observed until the matter has been resolved by a legally final decision. (14.10.1994/893)

2. A person not satisfied with a decision of the Accident Insurance Appeal Board may appeal to the Insurance Court by submitting a written appeal within the time limit under paragraph 1 from being notified of the Board decision.

3. An interested party who considers a charge imposed under this Act to be in breach of law or contract, may submit a written material appeal to the Accident Insurance Appeal Board within a period of two years from the beginning of the year after the liability or charge was imposed. If such an appeal is made in respect of levy in execution, the provisions of the Act on Recovery of Taxes and Fees by Recovery Procedures (376/1961) concerning material appeal shall also be observed. (14.10.1994/893)

4. A person not satisfied with a decision of the Accident Insurance Appeal Board in a case referred to in paragraph 3, may appeal to the Insurance Court by submitting a written appeal within the time limit under paragraph 1.

5. A decision by the Accident Insurance Appeal Board or an insurance institution is equally enforceable as a legally valid judgement in a civil case. (14.10.1994/893)

Section 53b (10.7.1981/526)

1. A ruling by the Insurance Court on whether an injury, illness or death confers a right to compensation under this Act or who is liable to pay the compensation, and its ruling on a material appeal can be appealed to the Supreme Court if the Supreme Court grants leave of appeal under chapter 30, section 3, of the Code of Judicial Procedure.

Paragraph 2 was repealed by Act No. 893/1994.

3. The provisions of chapter 30 of the Code of Judicial Procedure concerning appeal against a ruling of a court of appeal apply as appropriate to the procedure concerning appeal against a decision of the Insurance Court. The time limit for requesting leave of appeal and submitting a petition of appeal is 60 days from the day the appellant was notified of the decision of the Insurance Court.

Section 53c (14.10.1994/893)

1. When an interested party appeals against a decision of an insurance institution or the Accident Insurance Appeal Board on cases other than a material appeal, the petition of appeal must be submitted to the insurance institution in question within the time limit under section 53a, paragraph 1. If the insurance institution fully admits all the claims presented in the petition of appeal, it must issue a new decision on the case. The new decision can be appealed under section 53a.

2. If the insurance institution cannot change the decision appealed under paragraph 1, it must refer the petition of appeal and its opinion to the Accident Insurance Appeal Board or, if a decision of the Accident Insurance Appeal Board is appealed against, to the Insurance Court, within a period of 30 days from the end of the appeal period. In such cases the insurance institution may issue an interim decision to change its original decision to the extent that it admits the claims presented in the petition of appeal. If the matter has already been referred to the appellate body, the insurance institution must promptly notify the appellate body of the new decision. The interim decision of the insurance institution cannot be appealed.

3. An exception to the time limit under paragraph 2 above can be made if this is justified for the purpose of obtaining necessary further evidence related to the appeal. In such cases the obtaining of further evidence must be promptly notified to the appellant. The petition of appeal and opinion must, however, always be submitted to the appropriate appellate body at the latest within a period of 60 days from the end of the period of appeal.

4. What is provided in section 42 about right of action in a claim under this Act also applies to appeal against a decision of an insurance institution, the Accident Insurance Appeal Board or the Insurance Court.

5. The Accident Insurance Appeal Board and Insurance Court must provide an opportunity to be heard to persons whose interests are affected by the decision.

6. Unless proven otherwise in conjunction with the appeal, the appellant is considered to have been notified of the decision on the seventh day from the day the decision was posted to the address given by the appellant.

Section 53d (14.10.1994/893)

1. If a legally valid decision of an insurance institution, the Accident Insurance Appeal Board or the Insurance Court in a case under this Act is based on incorrect or insufficient evidence or is obviously contrary to the law, the Insurance Court may on a proposal by the insurance institution or an application by an interested party, after providing other interested parties an opportunity to be heard, declare the decision void and order the case to be reconsidered. Upon presenting the said proposal, the insurance institution may, until a new decision is issued on the case, suspend payments temporarily or pay out compensation in accordance with its proposal. Section 53b applies to appeal against a decision by the Insurance Court under this paragraph.

2. Extraordinary appeal under chapter 31 of the Code of Judicial Procedure is also applicable.

Section 53e (14.10.1994/893)

If new evidence is presented in a case concerning granting of compensation previously denied or increase of compensation previously granted, the insurance institution must reconsider the case. Despite a previous, legally valid decision, an insurance institution may grant compensation previously denied or increase the amount of compensation granted. The Accident Insurance Appeal Board and the

Insurance Court may also make a similar decision on an appeal.

Section 53f (14.10.1994/893)

1. If the decision of an insurance institution is based on clearly incorrect or insufficient evidence or obviously erroneous application of the law, the insurance institution may, with the consent of the interested parties, declare its earlier decision void and reconsider the case.

2. If a decision by an insurance institution contains an obvious misprint or miscalculation, the insurance institution must correct the error. However, the error must not be corrected if correction would result in an unreasonable outcome from the point of view of the interested party.

3. Corrections must be marked on the copy of the decision deposited with the insurance institution. The interested party must be sent a corrected or a new decision. If an appeal against the decision is pending, the insurance institution must notify the appellate body when it begins to consider a correction and subsequently submit the decision it made on the correction to the appellate body.

4. A decision by an insurance institution to reject a claim to correct an error cannot be appealed.

Section 53g (14.10.1994/893)

1. If anyone has received more than he/she is entitled to in compensation under this Act, the compensation paid without justified cause must be reclaimed.

2. Compensation paid without justified cause need not be reclaimed in part or in full if this is considered reasonable and the compensation payment is not considered to be caused by deceitful action on the part of the applicant or his/her agent, or if the amount to be reclaimed is minor.

3. Compensation paid without justified cause can also be reclaimed by debiting it against future payments other than those referred to in section 63, paragraph 1, second sentence. However, no more than one-sixth of the remainder of any payment after withholding tax under the Prepayment Act (418/1959) or, in the case of non-residents, tax at source under the Act on Taxation of Non-Residents' Income and Capital (627/1978), may be deducted from each compensation payment without the consent of the recipient.

Section 53h (20.12.1996/1204)

What is provided in this chapter concerning a decision of an insurance institution applies to a decision of the Federation of Accident Insurance Institutions under this Act, as appropriate. However, an insurance institution is not entitled to appeal against a decision of the Federation of Accident Insurance Institutions or an appellate body under section 41b, paragraphs 1-4.

Section 54 (10.7.1981/326)

1. If an application or notification to be submitted to an insurance institution within a time limit is received after its expiry, this fact does not prevent granting of compensation if there were weighty reasons for the delay.

2. If a petition of appeal or other statement to be submitted to the Accident Insurance Appeal Board, the Insurance Court or the Supreme Court within a time limit is received after its expiry, the case may nevertheless be examined on conditions laid down in paragraph 1.

Section 54a (17.1.1958/15)

1. For the purpose of hearing cases under this Act, the Insurance Court shall have two employers' and two employees' representative members and a necessary number of deputy members to act as lay members referred to in the Act on the

Insurance Court. They must be familiar with working conditions and, in hearings of the Insurance Court, one employers' and one employees' representative from among them shall simultaneously act as members of the Court.

(10.7.1981/526)

2. The Council of State appoints the employers' and the employees' representative members and the deputy members for a period of three years at a time. Before appointment, the leading central organizations of the employers' unions and the employees' unions must be provided with an opportunity to submit their proposal on members representing them.

(10.7.1981/526)

3. The lay members shall act as members of the Court in a hearing if the issue to be decided is whether an injury, illness or death confers a right to compensation or if specifically provided in the Act on the Insurance Court.

## **Chapter 6. Penal provisions**

### Section 55

An employer or an agent of an employer who neglects a duty under this Act, a decree issued under this Act or other legal order or guideline concerning the investigation of an accident, shall be liable to pay a fine.

### Section 56

A person who deliberately provides false information or refuses to disclose information required under this Act shall be liable to pay a fine unless a more severe punishment is provided for the act elsewhere in the law.

### Section 56a (22.1.1988/39)

1. A person who discloses information concerning another's financial situation or state of health or a policyholder's trade secret which the person in question has learned while performing a function under this Act shall be liable to pay

a fine for violation of professional secrecy under the Employment Accidents Insurance Act, unless a more severe punishment is provided for the act elsewhere in the law.

2. A public prosecutor is entitled to prosecute a crime under paragraph 1 only if the injured party reports the crime for prosecution.

## **Chapter 7. Voluntary insurance**

Section 57 (18.6.1971/512)

1. A person resident in Finland is entitled to take out an insurance policy to cover himself/herself, his/her family members and other persons employed by him/her not covered by compulsory insurance under this Act and thereby secure them the benefits under this Act in the event of an employment accident. The amount considered the annual earned income of the insured must be agreed on when applying for the policy. (22.12.1993/1470)

2. An employer is also entitled to take out an insurance policy to cover a person insured under this Act against accidents other than those covered under this Act.

3. In the case of other accidents referred to in paragraph 2, an employer is also entitled to take out an insurance policy for which compensation, conditions for compensation and persons entitled to compensation under it are laid down by decree. The said insurance policy does not give entitlement to compensation if the same accident according to another Act confers a right to compensation determined in accordance with this Act.

4. A Finnish employer is also entitled under paragraph 1 to take out an insurance policy to cover an employee posted abroad who is employed by a parent or subsidiary company belonging to the same economic entity as the employer or by a company where the employer has authority and who is not

covered by compulsory insurance under section 1a. The amount considered the insured person's annual earned income must be agreed on when applying for the policy. (22.12.1993/1470)

5. Insurance policies under paragraphs 1-4 are considered to be covered by this Act. Furthermore, provisions concerning an insurance policy under section 8 of this Act, as appropriate, apply to insurance policies under paragraphs 2 or 3. However, an insurance institution is not entitled to recover compensation under section 61 paid on the basis of an insurance policy under section 3 from third party motor liability insurance, nor is the said compensation taken into account when assessing the compensation to be paid out under the Act on Third Party Motor Liability Insurance on the grounds of the same accident. (22.12.1993/1470)

Section 57a (20.12.1968/695)

1. The Council of State has the power to determine whether or not an employment accident as referred to in section 57, paragraph 2, sustained by a person in State employment is indemnified from State funds in accordance with the provisions laid down for an insurance policy under paragraph 3 of the said section.

2. Otherwise the claims shall be processed and compensation paid in accordance with provisions concerning employment accidents occurring in State employment.

## **Chapter 8. Miscellaneous provisions**

Section 58 (20.12.1996/1204)

An insurance institution is obliged to pay a special annual charge to the Federation of Accident Insurance Institutions, to be used to cover costs incurred by the Federation from employment accidents occurring in employment which is not insured, performing functions assigned to an insurance institution in accordance with domicile or residence under international agreements binding on Finland, and performing

other functions under this Act. The basis for calculating the charge is approved by the Ministry on a proposal by the Federation for a period of no more than three years at a time. An insurance institution credits the charge to the Federation of Accident Insurance Institutions in the manner laid down by decree.

#### Section 59 (19.12.1969/812)

1. A person in a seamen's employment relationship is considered to have disappeared if no information is received about him/her or about the ship in which he/she was working within a period equal to three times the period the voyage usually takes from where the ship was last known to be to the nearest destination, though not less than three months.

2. If a person in a seamen's employment relationship falls overboard or otherwise demonstrably enters a highly dangerous state in the course of the ship's journey and cannot justifiably be assumed to have been saved, the person is considered to have disappeared, though not before three months have elapsed from the occurrence.

3. The day the vessel was shipwrecked or the last day for which information about the ship or a person in a seamen's relationship was received since is considered the day of disappearance.

#### Section 60

1. The sums in FIM laid down in sections 11 and 12; section 16, paragraph 3; section 20, paragraphs 1 and 2; section 28, paragraph 6; section 35a; and section 53, paragraph 5 are adjusted each calendar year in accordance with changes occurring in the general pay level in Finland using the pay index annually approved for the application of section 9 of the Employees' Pensions Act. The adjusted sums are rounded as follows: the sum under section 20, paragraph 2 is rounded to the nearest full FIM 0.1; the sum under paragraph 1 is rounded to the nearest full FIM 1; the sums under sections

12 and 35a are rounded to the nearest full FIM 10; and the sums under section 11, section 16, paragraph 3, section 28, paragraph 6, and section 53, paragraph 5, are rounded to the nearest full FIM 100. (20.12.1996/1204, enters into force on January 1, 1999).

2. Accident pension, continuous handicap allowance and survivors' pension are index-adjusted in accordance with section 9 of the Employees' Pensions Act. (30.12.1992/1642)

3. A lump sum compensation payment is index-adjusted in accordance with the date of payment. (29.12.1983/1122)

Paragraph 4 was repealed by Act No. 1642/1992.

5. Funeral allowance and the supplements referred to in section 20, paragraphs 1 and 2, are raised each year in accordance with paragraph 1. (20.2.1987/192)

6. Insurance institutions contribute to increases under paragraphs 2, 3 and 5, and those compensation payments under section 15 which are paid after a period of nine years from the beginning of the year following the day of the accident in accordance with orders issued by the Ministry. Insurance institutions credit an equalization amount in accordance with the distribution of these increases and compensation payments to the Federation of Accident Insurance Institutions in the manner provided by decree. (20.12.1996/1204, enters into force on January 1, 1999)

7. Further provisions on the application of this section are issued by decree. (20.2.1987/192)

Section 60a (21.12.1984/940)

1. If payment of compensation under this Act is delayed, the insurance institution must pay an increased amount of compensation for the period of delay. The annual rate of increase equals the interest rate under section 4, paragraph

3, of the Interest Act. However, the duty to pay an increased amount of compensation does not apply to payments based on adjustment or right of recovery between insurance and pension institutions underwriting statutory insurance. (3.3.1995/321)

2. The increase in the compensation is calculated for each day of the period of delay, though not before three months have elapsed from the end of the calendar month during which the insurance institution received such evidence about the grounds for and amount of compensation as can be reasonably expected, also taking into account the possibility that the insurance institution could obtain evidence by itself. However, in the case of a subsequent payment based on the same decision, the increase is calculated from the due date. If the insurance institution's decision has been appealed against, the appellate body may order that the increase be calculated from a later date if the insurance institution proves that the recipient's situation has changed materially during appeal.

3. If the compensation could not be paid by the required date for reasons which depend on the recipient, the insurance institution is only liable to pay an increased amount of compensation from the date when the insurance institution knew that the obstacle was eliminated. If payment of compensation is delayed because of a statutory provision, obstruction of traffic, suspension of payment transactions or other such force majeure, the insurance institution is not liable to pay an increased amount of compensation for the period of delay caused by such obstacles.

4. An increase lower than FIM 15 is not payable. The said sum is adjusted each year in accordance with the pay index referred to in section 9 of the Employees' Pensions Act. The adjusted sum is rounded to the nearest full FIM 1.

5. If necessary, the Ministry of Social Affairs and Health issues guidelines to the insurance institutions on the application of this section.

#### Section 61

1. A person who has received compensation in accordance with this Act is entitled to compensation under other Acts for the consequences of an injury from the person who caused the injury or other party liable to compensate for it. However, the compensation payment imposed on such grounds shall not exceed the difference between full compensation and the compensation received under this Act.

2. An insurance institution which was liable to pay compensation under this Act is entitled to reclaim the amount paid from the party liable to pay compensation under paragraph 1, though not from a party who has already discharged his/her liability in good faith, nor from a party liable to pay compensation under the Product Liability Act (694/1990). However, compensation ordered to be repaid to the insurance institution cannot exceed the amount which the injured person or his/her dependants would have been entitled to receive. (8.1.1993/102)

#### Section 61a (8.8.1986/601)

1. If an employee has received unemployment allowance under the Act on Income Security for the Unemployed (602/1984) for the same period for which he/she is retroactively granted daily allowance or accident pension under this Act, the insurance institution shall, on demand by the unemployment fund or the Social Insurance Institution, remit the retroactive daily allowance or accident pension payments to the unemployment fund or the Social Insurance Institution to the extent covering the unemployment allowance paid for the same period. (8.11.1996/838)

2. If, during the time an appeal against a decision concerning accident pension was pending, the injured person

has temporarily received pension paid by the Social Insurance Institution under section 45, paragraph 2, of the National Pensions Act for the same period for which he/she is retroactively granted accident pension, the insurance institution shall remit the retroactive pension payments to the Social Insurance Institution to the extent covering the excess pension paid by the Social Insurance Institution for the same period.

3. In cases referred to in paragraphs 1 and 2, the daily allowance and accident pension in question shall only be paid to the unemployment fund or the Social Insurance Institution on condition that the notification referred to in section 45, paragraph 2, of the Act on Income Security for the Unemployed or section 45, paragraph 2, of the National Pensions Act has been submitted to the insurance institution at the latest two weeks before the due date of the daily allowance or accident pension. (8.11.1996/838)

#### Section 62

Any contract reducing the benefits a person is entitled to under this Act is null and void.

#### Section 63

1. A personal compensation granted to an injured person or his/her dependant under this Act cannot be assigned to another. Handicap supplement, helplessness supplement, handicap allowance, funeral allowance and compensation paid for medical treatment costs or costs referred to in section 14, paragraphs 3 and 4, section 20, paragraph 2 and 3, and section 44 cannot be levied in execution. (11.11.1988/945).

2. However, on a proposal by the competent welfare committee, the compensation or part of it may be ordered to be paid to the welfare board to be used for future maintenance of the person entitled to compensation or his/her dependants.

Section 64 (20.12.1996/1204)

1. The Federation of Accident Insurance Institutions maintains statistics on employment accidents and occupational diseases under this Act, the Occupational Diseases Act (1343/1988), the Accident Compensation for Civil Servants Act (449/1990) and the compensation paid for them. The same applies to accidents and occupational diseases occurring in State employment for which compensation is paid out of State funds.
2. An insurance institution underwriting insurance under this Act and the State Treasury are obliged to provide the Federation of Accident Insurance Institutions with information necessary for the statistics referred to in paragraph 1. Such information shall include data on employment accidents and occupational diseases, injuries and illnesses caused by them, types and amounts of compensation paid to each recipient and the factors influencing the amount, and also on the policyholders, their sphere of business, actual payroll and insurance premium.
3. Based on accident notifications referred to in section 39, the Federation of Accident Insurance Institutions provides Statistics Finland with such information as is necessary for the purpose of compiling statistics coming within its purview, or describing social conditions and trends.
4. As necessary, the Ministry issues further orders on the disclosure of information.

Section 64a (20.12.1996/1204)

An insurance institution or the Federation of Accident Insurance Institutions can provide the Institute of Occupational Health with information for a register on work-related diseases.

Section 64b (20.12.1996/1204)

For the purpose of levy of execution, an insurance institution or the Federation of Accident Insurance Institutions shall on request inform the competent authorities of the amount of daily allowance, life annuity, assistance pension, accident pension and survivors' pension it pays to the recipient and name any other institution which to its knowledge pays subsistence benefits to the employee.

Section 65 (20.12.1996/1204)

The employer must ensure that this Act and a statement indicating to whom to apply for compensation in the event of an accident are available for inspection in a suitable place.

Section 65a (20.12.1996/1204)

Any public authority or institution run by the State, a municipality or other public authority or corporation, a physician in a public office, a hospital, the National Pension Security Institute or an insurance or a pension institution underwriting statutory insurance is, on request and without charge, obliged to provide an insurance institution under this Act, the Federation of Accident Insurance Institutions and an appellate body with all information in its possession which has a bearing on the decision in an insurance case or a claim under consideration. The same applies to an employer or a physician in charge of occupational health care at a workplace holding evidence concerning the injured person's state of health on the basis of the said position. An insurance institution and the Federation of Accident Insurance Institutions are liable to pay a reasonable fee for a medical statement provided on the basis of the obligation laid down in this section.

Section 65b (20.12.1996/1204)

An insurance institution or the Federation of Accident Insurance Institutions can disclose information held by it concerning insurance cases or claims for the purpose of scientific research, excluding information which is covered by professional secrecy under section 56a, paragraph 1. The Ministry may, however, grant permission to disclose information referred to in section 56a, paragraph 1, for the purpose of scientific research on condition that the disclosure and use of the information does not jeopardize the interests that statutory professional secrecy is intended to safeguard. Unless otherwise stated in the permission, the obligation of secrecy laid down in section 56a, paragraph 1, applies to the holder of the permission.

Section 66

Further provisions on the implementation of this Act are issued by decree.

Section 67

1. This Act enters into force on January 1, 1949, thereby repealing the Workmen's Accident Insurance Act issued on April 12, 1935.

2. Annuity paid for an accident occurring before the entry into force of this Act shall not be reduced under section 59 of the Workmen's Accident Insurance Act or equivalent prior provision. (30.12.1948/954)

3. Until September 1, 1949, claims to be decided under prior Acts are processed in accordance with the procedure in force when this Act takes effect. From that date the procedure under this Act shall be observed, except that the Insurance Court shall finish the cases pending at the Court on August 31, 1949. (30.12.1948/954)