



State Indemnity for
Art Exhibitions

Guide for applicants

*State Indemnity Board
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State indemnity scheme for art exhibitions and the application procedure

1. CONTENT OF THE ACT AND THE DECREE

The purpose of the state indemnity scheme is to promote high-standard international and Finnish exhibitions and cultural exchange. It is based on the Act on State Indemnity for Art Exhibitions (411/1986, 639/1991 and 382/2009) and the Decree on State Indemnity for Art Exhibitions (445/1986, 640/1991 and 528/2009) supplementing the Act.

The **Act** contains provisions on the scope of application of the state indemnity scheme, the general conditions for granting state indemnity, the subsidiarity of state indemnity, the granting procedure, the damage to be compensated and the right of recourse.

The **Decree** contains provisions on the composition and tasks of the State Indemnity Board, the application and compensation procedures and the deductible to be borne by the organiser.

Respective roles of the Ministry of Education and Culture and the State Indemnity Board:

The **Ministry of Education and Culture** receives applications, obtains the State Indemnity Board's opinion on applications, submits state indemnities in excess of 50 million euro to the Cabinet Finance Committee, decides whether to grant state indemnity, receives claims for compensation, obtains the Board's opinion on claims, decides on compensation, and sees to the exercise of the right of recourse.

The **State Indemnity Board** is an expert body chaired by a Ministry of Education and Culture official. It issues opinions on all applications and claims, and, where necessary, imposes conditions and limitations on the granting of indemnity.

2. GUIDING PRINCIPLES

State indemnity is largely based on advanced risk management. The guiding principle is that damage is prevented by means of detailed safety regulations and good contractual practice. The onus of carefulness resting on the organiser stems from the nature of the scheme: with possible damage being paid from state funds, the exhibition organiser is relieved of the responsibility of arranging insurance. On the other hand, exhibits are often unique cultural property the loss of which cannot be compensated with money. Thus the state indemnity scheme makes it possible to hold high-quality national and international exhibitions without incurring insuperable expenses.

2.1. Exhibitions of great national or international importance are eligible for state indemnity

The Act applies to exhibitions of art and cultural history. The general condition is always that the exhibition is of particular significance in terms of art or cultural history or that it promotes international cultural exchange. Exhibitions of a commercial nature are not eligible for indemnity.

Only exhibitions organised by Finnish public corporations and other non-profit organisations may be approved for indemnification. State indemnity is available for exhibitions organised in Finland and abroad.

2.2. State indemnity is discretionary

State indemnity is granted on the basis of a case-by-case consideration of expediency. It is based on general cultural and art policy considerations, as well as the security arrangements and risks involved in the mounting of the exhibition.

Since the aggregate state indemnity commitment may not exceed 1000 million euro at any one time, this may be a reason for refusing indemnification.

2.3. State indemnity may be granted as partial coverage, and indemnification may be subject to conditions and limitations

State indemnity may be restricted to cover only part of the exhibition, part of the exhibition period, part of the exhibition venue or part of shipping. The decision indicates the start and closing dates of state indemnity.

The decision may impose various conditions on the applicant, often in regard of security arrangements. As a general rule, failure to observe these conditions means that consequent damages will not be compensated. State indemnity may also be granted for only part of the proposed insurance value, in which case the exhibition organiser must take out insurance on the uncovered liability.

2.4. The amount of state indemnity may not exceed the insurance value of the exhibits

In the event of damage, the insurance value is the absolute limit for compensation. Even if the value of a damaged object should exceed its insurance value at the time of damage, compensation paid from state indemnity will not exceed the agreed valuation.

Should it transpire after the event that the insurance valuation of a damaged object is too high, the value is determined on the basis of the actual value at the time the damage occurred.

Where the insurance valuation is given in a foreign currency, the applicable exchange rate is the European Central Bank reference rate prevailing at the time.

2.5. The object of indemnification and the applicant

State indemnity is granted against damage to exhibits on the exhibition organiser's application and on the basis of information supplied by the organiser. Compensation is paid to the applicant for state indemnity – not directly to the owner or lender. Any conditions imposed in the indemnification decision and the consequences of their non-observance relate to the applicant for state indemnity.

State indemnity does not create a direct contractual relationship between the lender and the State of Finland.

2.6. State indemnity is subsidiary to insurance and other guarantees

In case the exhibition organiser takes out a commercial insurance on the exhibits, the insurance takes precedence over state indemnity. This means that damage is primarily compensated from insurance or security, and only secondarily from state indemnity insofar as full compensation for damage cannot be obtained from other insurance.

When applying for state indemnity, the exhibition organiser must declare any other insurance covering the exhibits. This obligatory notification concerns insurances known to the exhibition organiser as well as those taken out in addition to state indemnity.

2.7. The exhibition organiser bears a deductible

The excess/deductible increases incrementally: the lowest is 20,000 euro (for insurance value below 50 million euro), the next 40,000 euro (for insurance value between 50 and 100 million euro), the next 60,000 euro (for insurance value between 100 and 200 million euro), the next 100,000 (for

insurance value between 200 and 500 million euro) and the highest 200,000 euro (for insurance value in excess of 500 million euro).

The purpose of the excess/deductible borne by the exhibition organiser is to emphasize their primary overall responsibility. Similarly, it is appropriate that the primarily responsible exhibition organiser, possibly together with an insurance company, should undertake to handle and recompense minor, more frequently occurring breakages. The state indemnity scheme covers more serious damage. The amount of the deductible is indicated in the indemnification decision. Exhibition organisers can take out insurance to cover the deductible.

The Ministry of Education and Culture charges a fee for its decision in accordance with the decision on fees for the Ministry of Education and Culture's services.

2.8. Damage compensated from state indemnity

State indemnity provides compensation for:

- repair costs, mainly the cost of conservation and its documentation
- other direct costs due to damage, such as inspection and appraisal of damage
- depreciation or
- the value of a destroyed or lost object.

The exhibition organiser has a duty to immediately notify the Ministry of Education and Culture of any damage or loss. This duty concerns all damage, including one seemingly within the deductible borne by the exhibition organiser. The notification form can be found at the Ministry's webpages.

The claim for compensation, addressed to the Ministry of Education and Culture, must include an account of the damaging event, the amount of damage and the party who has suffered damage. The essential principle in the Act is that it is the exhibition organiser's duty to inspect the damage and give an opinion as to the amount of damage.

The Ministry must obtain the Board's opinion regarding the claim. According to the Act, the Ministry of Education and Culture makes the decision on the compensation.

If the Ministry of Education and Culture and the Board find that the claim is payable from state indemnity under the Act, the deductible will be subtracted from the compensation paid to the applicant. When compensations are denominated in a foreign currency, the general rule is to use the exchange rate of the date on which the notification of claim is made.

3. STATE INDEMNITY AND COMMERCIAL EXHIBITION INSURANCE

How does the state indemnity scheme work in the event of a compensation, compared to a typical commercial insurance?

The terms of state indemnity and commercial insurance are similar as far as the essential principles of compensation for damage are concerned. In the event of damage, the situation for the damaged party (the owner of the object) is mostly the same whichever scheme pays the compensation. In practice, the damage compensated is determined in the same way. For example, the so-called principle of prohibition of unjust enrichment applies under both schemes. According to it, only real damage is compensated, regardless of any insurance value declared by the applicant which proves to be incorrect. The principles governing the duty to prevent and limit damage and to observe agreed safeguards are similar.

The most important difference is that an insurance company usually pays compensation directly to the damaged party, while state indemnity is always paid to the exhibition organiser. Therefore, a lender who has suffered damage can only claim compensation from the exhibition organiser. The lender nearly always secures their position in the exhibition contract by setting terms that obligate the exhibition organiser to compensate all damage to the exhibit.

The Act on State Indemnity for Art Exhibitions contains no provisions excluding damage caused by war, earthquakes or terrorism, while exhibition insurances often contain such exclusion clauses. All special limitations and conditions imposed on the applicant are set out in the indemnification decision made by the Ministry of Education and Culture. For the time being, it has not been seen necessary to limit coverage in this way. In this respect, state indemnity coverage may be even broader than commercial insurance.

In the case of state indemnity, compensation is not payable in cases of loss or damage caused by failure to observe the security arrangements set out in the application or the conditions and limitations specified in the indemnification decision. Under most insurance contracts, the outcome is the same when a policy holder or an insured party fails to take security measures stipulated in the insurance contract. In both cases, this conduct is considered comparable to deliberate damage. One insurance policy principle is that compensation is not paid, at least not in full, if the damage is due to gross negligence on the part of the insured party.

If exhibits are covered by commercial insurance or by the indemnity of another country or other public corporation, these forms of insurance or indemnity always serve as the primary indemnification coverage before state indemnification. Sometimes the owner of exhibits has insured the object and wants to keep this insurance in effect. An object thus insured can

have subsidiary cover under state indemnity, and in the event of damage, compensation is primarily claimed on the insurance. However, if the damage or loss is not covered by the terms of the insurance, compensation may be claimed from state indemnity.

If the exhibition organiser has taken out a commercial exhibition insurance in order to cover the excess/deductible, the contract usually provides not only for insurance cover, but also for the insurance carrier's security inspections and advice, as well as help in determining damage after it has occurred.

4. CHECKLIST FOR STATE INDEMNITY APPLICATION

- Check and make sure that the exhibition meets the criteria for state indemnity (notably that the applicant must be a Finnish non-profit or other public utility organisation and the exhibition must be non-commercial and of particular artistic or cultural-historical significance).
- Your application should arrive at the Ministry of Education and Culture no later than 3 months before indemnity is required, and it must contain all the information needed to process the application. Note that if you need the indemnification decision in advance, for instance at the request of the lender, the application must be submitted at a correspondingly earlier date.
- Please note that in some countries you need approval from authorities for the export licence. In such cases the lender might need to have a decision on state indemnity at an earlier date than normally.
- If the insurance value of the exhibition exceeds 50 million euro, you should notify the Ministry of Education and Culture in advance, no later than 6 months before the exhibition opens.
- A police escort must be arranged for haulage items whose value exceeds 50 million euro.
- Start contractual negotiations with the lender as early as possible. Please note that where the exhibition organiser is someone other than the owner(s) of the exhibit, the number of contracts can be more than one. In such cases a contract on the exhibition arrangements must be made with the exhibition organiser and separate contracts on the loan of each individual exhibit need to be made with the owners of the items. Check the requirements of the state indemnity scheme concerning the terms of the contract. Negotiate a contract for transport and, if necessary, for conservation services.

- Try to negotiate realistic insurance values in time.
- Invest in safety and security during handling and transportation because damage through breakage nearly always occurs in transit, packing or unpacking. If the consignment is especially valuable, request a police escort in time, at least one month before the transportation.
- Get an inspection report of the intruder detection system that backdates no further than 12 months by the end of the exhibition. Obtain layout descriptions on fire safety and rescue service equipment in the exhibition venue and intermediate storage facilities.
- Obtain a report on emergency plans.
- Get the most recent fire safety inspection report for the exhibition venue and intermediate storage facilities and an inspection report on the incipient fire-fighting equipment.
- Get inspection reports on the automatic fire alarms for the exhibition venue and intermediate storage facilities that backdate no further than 36 months by the end of the exhibition, and, where applicable, on automatic fire extinguishers that backdate no further than 24 months by the end of the exhibition.
- Obtain report on action taken to fix any defects detected in connection with the most recent fire safety inspection or in the inspection of the automatic fire alarms or fire extinguishers.
- Get a report on the monitoring of the transmission routing of the automatic fire alarms/fire extinguishers.
- Get a report on measures taken to fix any recurring false alarms caused by fire alarms, if they have been invoiced using ERHE fees.
- Enclose a budget estimate for the exhibition with the application.
- Make the application carefully, following the instructions, in order to "get it right the first time", and date all appendices.
- Do not disclose information about the exhibition security arrangements or insurance values to outsiders.

5. APPLICATION PROCEDURE

Make sure you examine this guide thoroughly and carefully consider the information required for the application form before applying for state indemnity.

State indemnity is granted on the exhibition organiser's application. The application, which is submitted on the form available at the Ministry's webpages, should be addressed to the Ministry of Education and Culture (PO Box 29, FI-00023 Government).

Any supplementary documents to be supplied in the course of the application procedure should be sent to the Secretary of the State Indemnity Board to the address specified by the Secretary.

5.1. Application form

By completing the form meticulously you will expedite the processing of the matter. The idea is to get the application completed properly right from the start, thereby allowing the organiser to concentrate on the exhibition itself. Incomplete and unclear applications need to be processed several times, causing delays for both the applicant and the Ministry of Education and Culture. This means a long period of uncertainty about indemnification.

5.2. Deadlines – three and six months

Under the Decree, the application must be submitted to the Ministry of Education and Culture no later than three months before the indemnity is required (NB: this means before the beginning of the state indemnity period and not the opening of the exhibition). If the application is not submitted by the deadline, state indemnity still only enters into force three months from the date the application arrived at the Ministry of Education and Culture. This means that if the application is not submitted in time, the applicant must take out commercial insurance to cover the period for which state indemnity cannot be granted.

Should you need a decision (e.g. one month) before the beginning of the indemnification period, please indicate this on the application form and submit the application at a correspondingly earlier date.

The Ministry of Education and Culture requests that exhibition organiser give a written advance notice of any exhibition valued at over 50 million euro at least six months before the state indemnity is required. Such an advance notice does not guarantee that state indemnity will completely cover the proposed insurance value, but it makes it easier for the Ministry of Education and Culture to anticipate the situation so that the maximum limit of aggregate state indemnity commitments will not prevent indemnification.

5.3. Supplementing the application

For the latest submission date to have any significance, the application and its appendices should be as complete as possible, so that they provide all the information needed for a decision on indemnification. However, certain essential information regarding major exhibitions in particular, such as the final list of works, the lenders and the overall insurance value, are not always available at the time the application is to be submitted. In such a case, the applicant should provide a maximum insurance amount and a list of works expected to be included, as well as the date by which definite sums and lists will be provided.

If all the loan contracts for works of identical content have not yet been signed at the time of application, it is enough to enclose one model contract and to indicate that an identical contract will be made with the other lenders. However, all contracts and the missing information must reach the Ministry by the date indicated by the applicant and before the date when the state indemnity is to enter into force. If the contracts are identical, it is sufficient to include one copy of a contract and a list of lenders with whom identical contracts have been concluded.

5.4. Minor changes and state indemnity

Sometimes there are valid reasons why the times and details of transport change at a very late stage and even after indemnity is granted. If there are no changes in the submitted transport plan itself and only transport dates are affected, the Ministry of Education and Culture need not be notified.

However, the Ministry of Education and Culture must be notified if the duration of the exhibition is prolonged and it runs longer than the state indemnity period. Extending the indemnification period requires an additional application.

Where there are minor decreases in the insurance amount, for example if one or two listed works are not included in the exhibition after all or if a work is replaced by another, and the insurance amount slightly decreases as a consequence, it is sufficient to notify the Ministry in writing. On the other hand, even a small increase in an indemnified insurance value will require an additional decision.

5.5. Confidentiality of the procedure

The application is public, but the indemnification value is confidential. The information given on the application form concerning security ar-

rangements, insurance values and ownership of the works will be treated as confidential information by the Ministry of Education and Culture and the State Indemnity Board. For security reasons, the applicant should also ensure that as few people as possible are privy to such information. For security reasons, this information should not be sent via e-mail.

6. INSURANCE VALUE

The amount of state indemnity cannot exceed the insurance value of the exhibits. The insurance valuation of exhibits of artistic nature or of cultural-historical importance is sometimes an estimate provided by the lender at the applicant's request. This does not always mean that the exhibit is in fact insured or even insurable for the value given. Insurance values given by the lender tend to be maximum amounts. The exhibition organiser should appraise the given value judiciously.

The relation of insurance value to current market value, for example, is sometimes problematic. However, it is in the exhibition organiser's own interest to verify the accuracy of the insurance values they approve and present to the Ministry of Education and Culture and find out whether an art insurance company would insure the exhibit for the value in question.

For some unique exhibits it is impossible to give a relevant monetary value. In such cases the only valuation applicable in the event of damage is probably a jointly agreed, realistic insurance value.

As it would be impossible to verify the value of every exhibit on the basis of a written application, the Ministry of Education and Culture does not take a position on the insurance values provided by the applicant in the indemnification process. This means that the applicant is responsible for the accuracy of the values. However, the Ministry may request further clarification in cases of obviously incorrect valuation.

In compensation, the principle is always that only real damage is compensated. In the event of damage or loss, the compensation will not exceed the amount needed to cover it. This means that the actual compensation sum is not always equivalent to the insurance value.

If there are grounds to suspect that the insurance value given for a work in the indemnity application does not correspond to the current market value of the work, but the applicant or the owner still considers it accurate, the juridical rules concerning burden of proof will apply. *A priori*, the burden of proof rests with the party claiming that the work has been fraudulently or inexpertly over-valued.

7. EXHIBITION CONTRACT

Where the exhibition involves a separate, broader contract on collaboration for exhibitions, for instance a joint contract for organizing the exhibition with another museum, the contract must be included in the application for state indemnity. The contract may detail the start and end dates for state indemnity.

Another condition in the state indemnity system is that a written agreement must be made with each lender for each work/object for exhibition. The agreements or agreement forms must be appended to the application form.

In many cases the exhibition contracts and agreements on the works/objects for exhibition are international contracts of major financial bearing, involving complex obligations. To ensure that the contracts are properly contracted and will not generate problems later, it is recommended that the organizers bring their own experts along when drawing up contracts and ensure that those responsible for the practical arrangements of the exhibition have all the necessary information relating to the terms of contract. The contracts should be drawn up with professional assistance: e.g. municipal lawyers in municipal museums can examine individual contracts and offer further guidance in contractual matters.

Injudicious use of model contracts may be risky. Each exhibition contract should be considered and drawn up individually, and it would therefore not be practical to give a universal model of a comprehensive exhibition contract here.

However, simple loans are so similar that the contract model used by the major Finnish art museums is applicable for the purpose. A good international contract template is available on the webpages of the Network of European Museums (NEMO) at: www.ne-mo.org. In state indemnity terms, of particular importance are contractual points setting out the inspection of the condition of the work, transfer of the liability for risk, damage and loss to be compensated, and the procedure to be followed in the event of damage or loss. The wording used in the NEMO model contract is sufficiently explicit and precise. Its use will in most cases make further clarifications unnecessary.

The contract must indicate that the lender accepts state indemnification instead of commercial insurance. It is also important that the exhibition organiser compares the exhibition contract terms with the conditions and rules of state indemnity. Should these clash in any way, e.g. the contract gives the exhibition organiser a more inclusive liability for compensation than the state indemnity, the organiser is responsible for this compensation. For example, if a museum signs a contract stipulating that in case of damage to an exhibit, the museum must compensate the lender for the de-

lay in the return of the exhibit, as well as for the restoration etc., that compensation is not covered by state indemnity.

The contract or one of its appendices must always include the following points:

- the insurance value given by the lender or agreed by the borrower and lender together;
- inspection of the condition of the exhibits on arrival at the exhibition (sometimes also when the work leaves the owner on loan) and on return, as well as the method of documentation;
- when the exhibition organiser's liability for damage starts and ends (if terms like 'from nail to nail' are used, it is important to ascertain that the parties agree on the precise meaning of the terms);
- who is responsible for arranging the transport and concluding the necessary contracts (it is often advisable that the party liable for damage also assumes responsibility for all arrangements during the liability period);
- valid insurance coverage for the exhibits and its precedence/subsidiarity in respect of state indemnity;
- damage and loss to be compensated, for instance in the following form:

State indemnity shall cover reasonable conservation costs and other direct costs incurred from damage to the object and possible residual depreciation in the value of the object after conservation or the whole value of a damaged or lost object. The compensation for damage or loss shall be paid to the exhibition organiser, who is obliged to pass the compensation on to the lender. In partial damage, the indemnity shall cover real and reasonable conservation costs.

Depreciation owing to residual damage in the object after conservation shall be recompensed. If the parties fail reach agreement on the amount of depreciation, it shall be determined by an independent expert approved by both parties. (See appendix X: Act and Decree on of State Indemnity for Art Exhibitions.)

- the lender's duty to immediately notify the Ministry of Education and Culture of any damage to an object during the return transit or unpacking (lest they forfeit their right to claim compensation) and to submit a substantiated claim within a given reasonable period of time;

- international contracts must also have a clause setting out which country's legislation will apply to the contract and where and how contractual disputes will be settled. It is possible to use arbitrators in the settling of disputes;
- a reference to the Act and the Decree on State Indemnity for Art Exhibitions, which must be attached to the contracts.

8. TRANSPORT

Only the services of a specialist art transportation company or the museums' own transport equipment and personnel may be used for transport. Make sure that the transport contract contains provisions on the use of appropriate equipment and the manner in which the transported objects are to be handled (e.g. who is allowed to handle the objects, and an absolute prohibition on unpacking the objects without the presence of a courier or some other named person). Since the transportation company is responsible for their subcontractors, it must also make sure that any subcontractors it uses are reliable and aware of the terms of the transport contract. The transport company must immediately report any damage incurred.

The more valuable the transport and the more difficult the transport conditions are, the more detailed should be the contract clauses concerning communication during transport and other safety regulations, as regards for instance regular verbal communication and the use of GPS.

A police escort is required in Finland if the value of the transport is over 50 million euro. When a need for a police escort arises, you should contact the Helsinki Police Command Centre at least one month before the escort is needed and agree on how you will be exchanging information concerning the event where escort is needed (possible encrypted emails and other measures). At this point, you should never supply the police with any material or details about the event where escort is needed. You only exchange contact details and agree on how to proceed.

Send your first contact and later the request for police escort to the Helsinki Police Command Centre by email to johtokeskus.helsinki@poliisi.fi. When requesting a police escort, you should bear in mind that a fee determined on commercial grounds will be charged for value transport escort as well as for security and protective services under section 7 of the Act on Criteria for Charges Payable to the State (150/1992) and section 9(11) of the current Ministry of the Interior Decree on chargeable services (1484/2015).

Experience gained from the state indemnity scheme and damage statistics show that risks are at their greatest during transit and during packing, un-

packing and placing of the objects. Extreme care needs to be applied to all arrangements related to transport in order to eliminate or minimise security risks.

As a general rule, a courier knowledgeable about the handling of art objects must be present during the transport. The courier's role is to personally supervise security at all stages of transport, making sure that art objects are handled appropriately. The courier also has a duty to give advice in potentially risky situations in order to prevent and minimise damage. The best courier is a professional conservator familiar with international art transportation. His/her skill requirements depend on the nature of the works of art, the value of the shipment, the means of transport and the competence of the transport company personnel. The application must mention the courier's name and occupation. If a shipment has a value of under 100,000 euro, an exception may be made regarding the courier requirement.

The transport plan to be enclosed with the application for state indemnity must be processed as confidential and the information given in it may not be disclosed to outsiders at any point. The transport plan must indicate:

- the transport route, including rest breaks, if any
- the transport schedule (without the dates and times)
- the consignments
- the means of transport (e.g. name of the airline carrier, the sea line and, in land transport, the vehicle, which must be equipped with air suspension and designed for the transport of art)
- the transport company and the security arrangements during transit
- the courier, if any, and the party he/she represents (at least two people must be present during transit, unless it is a single shipment of low insurance value within Finland)
- possible special security guard arrangements in Finland (consignments valued at 50 million euro or more) and abroad.

The transport plan must specify who will load and unload objects, under whose responsibility, and who possibly supervises the situation. If necessary, a description of the packing methods and materials may be requested.

9. CONDITION INSPECTION AND USE OF CONSERVATION SERVICES

It is recommended that the expertise of conservators be used when organising exhibitions that fall within the scope of state indemnity right from the planning stages, so that pre-emptive measures can be appropriately put in

place. By choosing safe solutions for the handling, packing, transport, lighting and showcases of the objects, the risk of damage to the exhibits can be reduced.

The state indemnity is not in effect during actual conservation, whereas minor measures relating to the care and protection of objects of art are covered.

With a view to ascertaining damage, it is vital that the condition of damaged objects is inspected properly and that the inspection is recorded.

The indemnity application must always contain a detailed account of how the reports on the condition of the damaged object will be drawn up, including:

- the name and field of expertise of a professional conservator (for works of art, an art conservator; for cultural objects, an objects conservator, etc.)
- when and in whose presence the reports are written; inspections (those marked with an asterisk (*)) are always compulsory):

In the lending museum, prior to packing, by a conservator or a registrar

* On arrival at the exhibition venue, immediately after unpacking. This obligatory basic inspection applies to all works. A signed report on the condition of the works is a binding document verifying the condition of the object, and compensation for damages is based on the notes in the signed report. The conservator performing the inspection acts as the representative of the state indemnity applicant. Usually there is also a representative of the lender present (courier), who gives approval for the result of the inspection. In separate cases, settled case by case, the conservator can act in the capacity of the courier, but it is worth noting that even in such cases, the borrower is primarily responsible for engaging the conservator in such capacity.

* In the borrower's premises, after the exhibition has ended and prior to repacking, the applicant's conservator carries out a final inspection. The lender's representative (courier) is usually also present, and gives approval for the result of the inspection.

After the object has been returned to the lender.

The reports on the condition of objects must be dated and comparable with each other. They must record the condition of the object on arrival at the

exhibition venue and any changes that have occurred, the condition of the object on leaving the exhibition and its condition on return to the lender.

The condition on return is usually inspected by the lender's own conservator. If this inspection cannot be otherwise arranged, it is possible, for example, to agree with the lender that the object is considered to have been returned in the condition recorded in the initial inspection report before despatch, unless the lender notifies of damage in writing immediately after unpacking.

Where the applicant has no conservation services of their own, these must be procured from a professional conservator knowledgeable about the objects in question. Provided the contract is in writing and sufficiently detailed, there should be no uncertainty about the scope of the assignment or responsibilities. The contract must be enclosed with the application for state indemnity.

To ensure that expert help is available should there be any mishaps, it is recommended that collaboration contracts with a conservator are contracted for the whole duration of the loan/exhibition.

10. STRUCTURAL PROTECTION, FIRE SAFETY AND CRIME PROTECTION

10.1. Exhibition venue

State indemnity is only granted for an exhibition venue which is intended for permanent exhibition activities and whose structures and general standard of security satisfy the criteria for museums.

Premises are considered to be "intended for permanent exhibition activities" when they satisfy the following requirements, among others:

- 1) An up-to-date rescue plan is in place.
- 2) The intruder detection system in the premises is of class 4 according to the guidelines of Federation of Finnish Financial Services (FK), and the system is operational before the exhibition opens.
- 3) The exhibition venue is equipped with an automatic fire alarm and/or automatic fire extinguisher system.
- 4) The exhibition venue is equipped with a recording camera surveillance system conforming to the FK's guidelines
- 5) The exhibition venue must be protected at least to the extent described in FK's guidelines.

The Federation of Finnish Financial Services guidelines are found at
<http://www.fkl.fi/en/Pages/default.aspx>

Where the applicant museum has already provided a museum floor plan and elevation for the Ministry of Education and Culture and no structural changes have been made, the plans need not be attached to every application. It is sufficient to refer to the date when the plans were submitted and to indicate that no changes have been made.

An account of exhibition-specific structures must always be presented. The floor plan of the exhibition space proper, with these structures marked, must be enclosed with the application.

10.2. Fire Safety

The Rescue Act (379/2011) and the Government Decree (407/2011) on Rescue Services stipulate the maintenance of the buildings and the operational safety of equipment. Under the Rescue Equipment Act (10/2007), automatic fire alarms and fire extinguisher systems must be designed and installed so as not to cause danger for people, property or the environment. The purpose of the equipment and its use must be taken into consideration when it is being installed. This equipment must be serviced and inspected to ensure that it fulfils the stipulated criteria throughout its operating life. Hand extinguishers must be serviced and inspected in a way that guarantees security and reliability. Under the Rescue Act, rescue services may charge a fee (ERHE fee) for recurring false fire alarms.

An exhibition venue is an assembly facility where fire inspections are carried out at regular intervals as stipulated in the supervision plans of rescue services. Under the Rescue Act, rescue services may charge a fee for fire inspections stipulated in the supervision plans or for executing other tasks related to supervision.

Fire inspections may be carried out by rescue service officials only, usually by fire inspectors. Rescue equipment may only be inspected by inspection bodies approved by the Safety and Chemicals Agency (Tukes)

The applicant must provide an account of the fire safety of the exhibition venue and of temporary storage spaces, containing:

- 1) A general description of the fire safety equipment and rescue arrangements in the exhibition venue and in temporary storage spaces. It is not necessary for the applicant to present this description with every indemnity application. Unless there have been changes in the arrangements, the applicant need only indicate the date when the description was submitted to the Ministry of Education and

Culture. A new description must be submitted if the arrangements have changed.

- 2) A fire inspection report.
- 3) An incipient fire-fighting equipment inspection report that back-dates no further than 24 months by the end of the exhibition.
- 4) An inspection report of automatic fire alarm system; the report may be at most three years old at the end of the exhibition.
- 5) An inspection report of any automatic fire extinguishers; the report may be at most two years old at the end of the exhibition.
- 6) An account of the measures taken to fix any flaws in sections 2-5 detected during the most recent inspection.
- 7) An account of the monitoring of the transmission routing of the automatic fire alarms/fire extinguishers.
- 8) An account of measures taken to fix any recurring false alarms caused by the fire alarms, if they have been invoiced using ERHE fees.
- 9) The rescue plan. It is not necessary to present the rescue plan with every application to the State Indemnity Board; it is sufficient to submit it once and later refer to this date. Any changes to the rescue plan must be notified. The rescue plan is inspected by a rescue services official in connection with fire inspections.

The inspections listed above are statutory and must cover the whole building.

Staff members in the exhibition venue must be familiar with the rescue plan and must be properly trained for safety and rescue situations. There must be an appointed safety team in the organization, who are properly trained.

It is recommended that in-house fire inspections and records of inspections be made on an annual basis. There is a ready-made template on the Finnish National Rescue Association's (SPEK) webpages that can be used for this purpose at: <http://www.spek.fi>

10.3. Crime Protection

- 1) For each individual exhibition, the applicant must provide the Ministry of Education and Culture with a general description of crime protection in the exhibition venue and temporary storage

spaces. Should the arrangements be changed for any reason after the general description has been delivered, an updated description must be submitted to the Ministry without delay. There is a model of a general description on the Ministry's webpages at

- 2) Every application must include an exhibition-specific inspection record of an intruder detection system. The record can essentially backdate at most 12 months from the time the exhibition ends, but in exceptional cases the State Indemnity Board may accept records that are older than 12 months. A model inspection record can be found at the Ministry's webpages.
- 3) For each individual exhibition, the application must include an account of the monitoring of the exhibition venue and temporary storage spaces (technical supervision, manned supervision). The account must list, on a general level, the devices used in technical supervision, their number and quality and any other pertinent details. There must also be a general account of the number of guards/supervision staff, training for the manned supervision task and related experience, key operating modes and any other relevant information.

Supervision is based on the principle that every exhibition venue is comprehensively covered by CCTV supervision in such a way that there are no shadow zones in the venue. There must be at least two or more qualified guards/supervisors with at least a temporary guard's certificate or equivalent qualifications. The structure, architecture, size of exhibition and value of the objects on display are used to determine the number of supervisory staff required.

- 4) Where the value of the works in the exhibition exceed 50 million euro (consignment value), a police escort must be organized in Finland for it.
- 5) If the exhibition comprises small objects, they must be enclosed in showcases that are tamperproof as specified in the guidelines on protection against structural intrusion.

10.4. Storage

If works are stored in the storage spaces of the applicant museum before the exhibition opens or after it ends, these spaces must also be included in the accounts of fire safety and crime protection.

Where temporary storage takes place in other spaces, an account of their fire safety and crime protection must be presented, with the same information as for the exhibition.

10.5. Exhibitions organised in museums outside Finland

All the documents listed above are not available in exactly the form described above from foreign museums which house exhibitions for which state indemnity is applied. In such a case, the applicable procedure is the established practice of that country's major museums which organise international exhibitions. If necessary, the State Indemnity Board will provide more detailed instructions on the documents to be obtained.

11. FOLLOW-UP

Once the state indemnity period has expired, the organiser must send the follow-up form attached to the indemnification decision and two copies of the exhibition catalogue to the Ministry of Education and Culture. This will enable the Ministry to verify that the exhibition was realised as planned. The information contained in the form will also be used to further develop the state indemnity scheme.

12. ASCERTAINING AND COMPENSATING DAMAGES

All damage to exhibits must always be reported to the Ministry of Education and Culture.

The damage report form is available at www.minedu.fi. Make sure to also report damages that are estimated to remain within the excess/deductible, since the damage may later prove to be larger than estimated. Major damage must be reported immediately, e.g. by telephone, so that the Ministry may decide on any urgent measures to be taken in order to limit and assess the damage.

How to act in the event of damage or loss:

- 1) Limit the damage and prevent further damage;
- 2) Make sure that the damage is inspected and documented swiftly and expertly;

- 3) Report all damage to the Ministry of Education and Culture immediately;
- 4) Have the damage assessed by an expert (details depend on the contract and the case);
- 5) Arrange for conservation;
- 6) Have the final damage valued by an expert;
- 7) Submit a claim for compensation to the Ministry of Education and Culture.

In case an exhibit (e.g. one lost or stolen) is recovered after being fully compensated, the indemnitee must immediately contact the Ministry of Education and Culture in order to agree on how to return the compensation sum.

13. WHERE TO FIND HELP AND ADVICE

Many exhibitions involve issues which need to be discussed separately and which this guide has not taken up.

Questions relating to applications and damage may be addressed either to the Ministry of Education and Culture or the Board secretary.

Before the application is submitted, questions should be addressed primarily to the official at the Ministry of Education and Culture responsible for state indemnity matters. After the application has been submitted, the matter will be transferred to the State Indemnity Board, and the person to contact is the Board secretary.

At the time these guidelines were issued, state indemnity matters are handled at the Ministry of Education and Culture by

Tiina Eerikäinen, Counsellor for Cultural Affairs
email: tiina.eerikainen@minedu.fi,
tel.: + 358 9 0295 3 30081, fax + 358 9 160 77145,
address: PO Box 29, FI-00023 Government, Finland

and the State Indemnity Board Secretary is

Leea Vartia, Master of Law, Master of Arts,
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We recommend the use of email for communication.