

General Conditions

# **Generali ON COMMUNITIES AND BUILDINGS**



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SUMMARY OF COVER

A. BASIC WARRANTIES AND COVER	SUM INSURED
<b>Material damage or losses sustained by the building and/or communal furniture</b>	
A.1. Fire, explosion and lightning	100%
A.2. Malicious acts or vandalism	100%
A.3. Electrical damage	100%
A.4. Risks caused by natural events	100%
A.5. Flooding	100%
A.6. Smoke	100%
A.7. Impacts	100%
A.8. Sonic booms	100%
A.9. Spillage or accidental leakage from automatic fire extinguishing devices	100%
A.10. Damage to underground pipes	5%
A.11. Partnerships	100%
A.12. Demolition and debris removal expenses	10%
A.13. Fire extinguishing expenses	10%
A.14. Expenses for replacement documents	€ 3,000
A.15. Forced eviction	10%
A.16. Community assistance	Included
A.17. Legal defense	€ 6,100
A.18. Public liability and bail bonds	€ 300,000

## INFORMATION STATEMENT

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The Member State in charge of controlling the company's insurance activities is Spain, and the controlling authority is the Directorate General of Insurance and Pension Funds, which forms part of the Ministry of Economy.

The legislation that applies to the contract is Spanish; specifically, the Law on Insurance Contracts (Act 50/80 of 8 October) and the Law on the Regulation, Supervision and Solvency of Insurers (Act 20/2015 of 14 July) and its implementing regulations.

**Generali Seguros y Reaseguros, S.A.U.** has a **Customer Service Department** and a **Customer Ombudsman** to handle and resolve complaints and claims arising from actions by the Company itself or by banking and insurance operators, in accordance with the procedure set forth in Order ECO 734/2004 of 11 March.

Policyholders, insured parties, beneficiaries, affected third parties and their entitled dependants may submit their complaints and claims to:

- The Generali **Customer Service Department**, by writing to Paseo de las Doce Estrellas, 4, 28042 Madrid, Spain, or by email: **reclamaciones@generalion.es**
- Secondly, to the Generali **Customer Ombudsman**, by writing to C/ Velázquez 80, 28001, Madrid, Spain, or by email: **reclamaciones@da-defensor.org**

All complaints and claims submitted by customers shall be handled and resolved within a maximum period of one month from submission.

In the event the claimant disagrees with the resolution made by any of the aforementioned bodies or receives no response within a period of one month, the claimant may submit their complaint or claim in writing to the Claims Service of the Directorate General of Insurance and Pension Funds at Paseo de la Castellana, 44,

28046 Madrid (Spain), or via the website [www.dgsfp.mineco.es/reclamaciones](http://www.dgsfp.mineco.es/reclamaciones)

In addition to the methods for placing claims listed above, disputes may be brought before the relevant judges and courts by legal means.

The **Customer Ombudsman Regulations**, which outline the procedures for handling complaints and claims, are available to customers at all Generali offices. These Regulations are also available at **www.generalion.es** or from your insurance agent.

The registered offices of the insurance company **Generali Seguros y Reaseguros, S.A.U.** are located at **Paseo de las Doce Estrellas, 4, 28042 Madrid, Spain.**

The company has the legal status of a joint stock company.



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## PRELIMINARIES

## DEFINITIONS

For the purposes of this contract, the following definitions apply:

■ **Insurer:** The insurance company is **Generali Seguros y Reaseguros, S.A.U.**, which signs the policy alongside the insurance policyholder and undertakes, through collection of the relevant premium, to pay the benefit for each cover included in the policy schedule, subject to the limits and conditions set forth in the policy.

■ **Insurance policyholder:** The individual or legal entity that, together with the insurer, signs this contract, and to whom the obligations resulting therefrom correspond, except when, due to their nature, they must be met by the insured.

■ **Insured:** The individual or legal entity who owns the insured interest and who, in the absence of the insurance policyholder, assumes the obligations and rights stemming from this contract, unless these must be met by the insurance policyholder due to their nature.

■ **Policy:** The document containing the regulatory conditions of the insurance contract. The policy is made up of the following: the general conditions; the schedule; the special conditions and supplements or appendices that are issued with the policy to complement or modify it as well as the application form/questionnaire which serves as the basis to issue the insurance.

■ **Premium:** The price of the insurance. The invoice will also include the legally applicable surcharges and taxes.

■ **Insured sum:** The sum established for each policy cover, which constitutes the maximum limit on indemnity to be paid by the insurer in the event of a claim.

■ **Excess:** The sum, percentage or any other amount agreed in this policy to be deducted from the indemnity amount and paid by the insured in the event of a claim.

■ **Claim:** Any event with consequences producing damage that is totally or partially guaranteed by the covers included in this policy. **All damages derived from a single cause or event shall be construed as a single claim.**

■ **Material damage:** The destruction, deterioration or disappearance of the insured property in the place described in this policy.

■ **Salvage expenses:** Those incurred through the use of means to lessen the consequences of the claimable event.

■ **Term of the insurance:** The period of time between the inception date and first renewal date of the policy, or between two annual renewal dates or between the last annual renewal date and the policy's cancellation.

■ **Replacement-as-new insurance:** The insurance method by which the insured property is guaranteed at the value of its replacement with new items, without any reduction in its worth due to age, use or obsolescence.

■ **Real value:** The value obtained upon deducting the costs for damage or depreciation due to condition, use or age from the value as new.

■ **First loss insurance:** The insurance method by means of which a specific insured sum is guaranteed, up to which the risk is covered, regardless of the full value thereof, and where it is agreed not to apply the rule of proportionality.

## 1

## OBJECT OF THE INSURANCE

For this insurance the insurer undertakes to pay the benefits guaranteed in the case of a claim occurring that is covered by the policy cover.

The property insured by this Community and Buildings insurance is:

### **Building**

The following is construed as the building:

- The foundations, structure, interior and exterior walls, floors, ceilings and roofs which make up the building described in the specific policy conditions.
- The building's fixed installations for services such as water, electricity, gas, heating, cooling, telephone, aerials, solar panels, lifts, hoists, intercom, fire safety equipment such as detectors, sprinklers and fire hoses.
- Any transmission and distribution power lines that are not intended to supply electricity to the insured, as well as those that are not the property thereof or are located outside the insured enclosure, shall not be considered part of the building.
- Common areas, that is, annexes to the insured building that are also owned by the insured, such as garages, storage rooms, recreational or sports areas, swimming pools, fencing, enclosures, gates, roads and other asphalt and tiled or paved surfaces that form part of the property for registration purposes, regardless of its location or the manner in which the aforementioned areas are spread out around the building and main facilities, and which are used to access the building and/or its subsidiary buildings.

In the cases in which the contract type for the insurance for the community of property owners refers solely to common areas, this means only those that are located outside, such as leisure or sports areas, swimming pools, fencing, enclosures, gates, roads and other asphalt surfaces, as well as outdoor garage spaces. The landings, stairs, porches and garages or storage rooms that are located inside the building are not included.

- Permanently incorporated elements originating from the building or its annexes, such as parquet, carpets, wallpaper and other decorative items.
- In the case of a property governed by the horizontal property regulations, the common elements with other communities or individuals are covered under the joint ownership coefficient corresponding to the insured building.
- Commercial outlets within the building **provided that they are specified in the terms of the policy schedule.**
- Alterations, improvements, changes, substitutions made and elements included individually by the owners or users of the properties and outlets that make up the insured building shall be considered as included in the cover. Should such alterations, improvements, changes or substitutions not be considered similar to those used in the original construction in their class, quality and value, **the insurer shall deduct the cost difference between materials used by the insured and those of the original building from the compensation to which the insured is entitled due to a claim covered by this policy.**
- The flats or homes that are owned by the community of property owners and located in the insured building, the original purpose of which, (regardless of what they are being used for currently), was to be the homes of employees — concierges, porters — that maintain or have previously maintained a working relationship with the insured community of property owners.
- In general all property which cannot be separated from the building without breaking or damaging the same.

The murals and overlays on façades which have specific artistic value that correspond to buildings that are listed as being historical are not considered to be a building or premises.

## Communal furniture

The following are considered included in the sum insured as building:

All furniture, decorative objects, tools and devices used in and owned by the insured community of property owners, installed and distributed within the common areas of the building, including the sanitary wear that corresponds to the common areas.

If there are goods that are the property of the community of property owners amongst the communal furniture/belongings such as motor vehicles, trailers, boats, paintings, tapestries, rugs, artworks, gym apparatus, etc., the unit value of which is greater than 1,200 euros, they must be expressly declared and authorised by the company.

**Furniture owned individually by each joint owner within the community does not form part of the communal furniture.**

## Gardens

Consisting of the property listed below, located on the same plot as the insured building, properly fenced/gated for the exclusive use of the building community. Trees and plants, garden ornaments, fixed watering systems and garden furniture.

**Gardens are only covered for fire, explosion and lightning as well as the cost of mud removal, debris removal and fire services.**

**The indemnity limit for this cover shall be a maximum of 30,000 euros with an additional sub-limit of 600 euros per tree/plant.**

## A. BASIC COVER

### MATERIAL DAMAGE OR LOSSES SUSTAINED BY THE BUILDING AND/OR COMMUNAL FURNITURE

Pursuant to the cover conditions of the policy and the limit of the insured sum stipulated in the schedule, material damage and/or losses sustained are guaranteed when as a result of:

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#### A.1. Fire, explosion and lightning

##### Fire

■ **Definition:** Combustion and burning due to a flame able to propagate itself from one object to another when these objects are not intended for burning in the place and at the time at which the fire occurs.

Direct material damage caused to the insured building by fire and material losses arising as an inevitable consequence of the fire when it was started by accident, unknown individuals or negligence on the part of the insured or of the individuals for whom he/she is liable is covered.

##### Explosion

■ **Definition:** The sudden and violent pressurising or depressurising of gas or steam.

Those caused by the following shall not be construed as explosions:

- Electric arc.
- The breakage of containers or pipes due to freezing.
- Sonic booms.
- The breakage of safety valves or disks, rupture disks or safety plugs.

Direct material damage caused to the insured building by explosion are guaranteed, even when no fire ensues, whether this originates in the building itself or in its vicinity. Likewise, the internal explosion of boilers, water heaters, steam apparatus and accessories, fixed installations and piping is included.

## Lightning

■ **Definition:** Violent discharge produced by a disturbance in the atmosphere's electric field.

Direct material damage caused to the insured home through the direct action of lightning, even when no fire ensues, is guaranteed.

In addition, the following is also included:

- Damage to insured property resulting from the measures required and adopted by the insured or the authorities to stop or extinguish the fire and prevent its spread.
- Expenses incurred by the insured transporting the insured property or any other measures taken to save them from the fire.
- Damage to any objects saved by the circumstances described in the preceding two paragraphs.
- The value of items missing as a result of the incident, **provided that the insured can attest their preexistence and unless the insurer proves that they were stolen or taken without damage.**
- The costs of rebuilding the garden of the building damaged during fire suppression, protection or rescue.
- The damage caused by power surges or inductions occurring as a result of lightning.

**The indemnity limit for these covers shall be 100% of the sum insured.**



### **THE FOLLOWING IS NOT COVERED:**

- a. Damage to electrical appliances and machinery and their accessories from any cause inherent in their operation, short circuit or self-combustion, provided that there is no fire.**
- b. Any damage caused when there was no fire involved, by the simple action of heat, by direct or indirect contact with devices for heating, air conditioning, lighting, fireplaces, due to a domestic or smoking accident, or when insured objects fall into the fire, unless this occurs due to an actual fire or due to the causes set forth herein.**
- c. The explosions of devices, installations or substances other than those known and habitually used in domestic services.**

### **A.2. Malicious acts or vandalism**

Any direct damage sustained by the insured property as a result of vandalism or acts of ill intent is guaranteed if:

- Committed individually or collectively by individuals other than the policyholder, the insured, their family members, employees or the people living with them, as well as other users of the building, or,
- Derived from riotous acts that occur during meetings and demonstrations carried out in accordance with current legislation, as well as during the course of legal strikes, **except when the aforementioned actions can be classified as rebellions or popular uprisings.**

**The indemnity limit for this cover shall be 100% of the sum insured.**

### **THE FOLLOWING IS NOT COVERED:**

- a. Losses from theft, damages from burglary, robbery, larceny or misappropriation of the insured items.
- b. Broken windows, glass, mirrors and signs, unless the relevant optional cover has been taken out.
- c. Any damages or expenses of any nature caused to the insured items as a result of graffiti, scratches, inscription and fly posting.
- d. Actions considered as rebellions or popular uprisings, domestic riots, sabotage or terrorism.
- e. Damage caused by the building tenants or occupants, whether legal or illegal.

### **A.3. Electrical damage**

Direct material damage suffered by the electrical installation and appliances or equipment connected to it for the operation of the facilities of the insured building as a result of abnormal or short-circuit currents in the network or lightning is covered.

### **THE FOLLOWING IS NOT COVERED:**

- Damage that may occur to such appliances or equipment as a result of their malfunction.
- Damage to devices or equipment for private use.

The indemnity limit for this cover shall be 100% of the sum insured.

### **A.4. Risks caused by natural events**

Material damages directly caused by the action of rain, wind, hail, snow, hurricanes, storms, tornados and objects projected by any of these meteorological phenomena are guaranteed, **provided that they are not considered extraordinary events according to applicable law and that they occur abnormally for the time and place in question.**

The abnormal nature of these atmospheric phenomena shall primarily be verified by the reports issued by the relevant official bodies or, in their absence, through the proof provided by the insured. For such purposes, proof of these events will be that other buildings near the insured property with solid construction features have been affected by the same atmospheric phenomena.

In case of disagreement, the procedure outlined in Article 19 of the general conditions shall apply.

In addition, damage by rainwater leaks through roofs and walls of the building are covered, provided that the causes of the accident have been repaired. **The cost of the repair of the origin of the damage is expressly excluded.**

**The indemnity limit for this cover shall be 100% of the sum insured.**

### **A.5. Flooding**

Material damage directly caused to the insured property is guaranteed, when such damage is due to the direct action of water moving over the ground surface as a result of:

- The flooding or accidental diversion of the course of lakes without natural outlets, reservoirs, rivers, streams, canals, irrigation ditches, swamps or other man-made surface channels.
- Breakage or overflow or failure of sewers, collectors, public water mains and other similar pipework.

This includes damages from liquid spills, other than water, which originate by bursting, accidental breakage or sudden overflow of tanks that are part of the insured building.

In addition, any costs incurred in the clearing and removal of mud as a result of any circumstances included in this cover are guaranteed.

**The indemnity limit for this cover shall be 100% of the sum insured.**

## **THE FOLLOWING IS NOT COVERED BY GUARANTEES**

### **A.4. AND A.5.:**

- a. Damage to the property insured by water, leaks, rust or damp and those produced by snow, sand or dust that enters through doors, windows and other openings that have not been closed or whose closure was faulty.
- b. Damage caused by frost, cold, ice, snow avalanches, waves or tides, even when these phenomena occurred due to the wind.
- c. Damage directly caused by the tides and water coming from the sea.
- d. The costs for repairing, replacing or unclogging drains or similar piping, as well as the damage sustained by the distribution piping itself or downspouts, plumbing or deposits.
- e. Damage caused to panels, solar energy installations and advertisements of any kind.
- f. Damage caused to plants, trees, other garden elements and, in general, any property left outside, even when protected by flexible materials, canvases or plastic, or when found inside other open structures.
- g. Damage from what is considered an extraordinary event in accordance with current legislation.

### **A.6. Smoke**

The material damage directly sustained by the insured home due to the direct action of smoke or soot, whatever its origin, is guaranteed, both when the cause of the claim is in the insured building and when it is in the near vicinity.

**The indemnity limit for this cover shall be 100% of the sum insured.**

**THE FOLLOWING IS NOT COVERED:**

**Damage to the property insured by the continuous action of smoke.**

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**A.7. Impacts**

Material damage caused by the following is covered:

- The collision or impact against the insured property, of land vehicles, and/or animals, as well as of the goods transported by them.

When this damage is caused by the policyholder, insured, employees or people that reside in the building and provided that it comes from the outside.

- Falling aircraft, spaceships, satellites or parts or objects thereof that become detached.
- Falling trees, flagpoles and radio, television or mobile telephone antennae.

**The limit on the indemnity for this cover shall be 100% of the insured capital.**

**THE FOLLOWING IS NOT COVERED:**

**Damages caused inside the garages or indoor areas and/or premises of the insured community of property owners when the vehicles, ships, animals or aircraft are the property of, or were driven or flown by the policyholder, insured, employees or persons residing in the building.**

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**A.8. Sonic booms**

Material damage caused by aircraft, spaceships and/or satellites that cross the sound barrier is guaranteed.

**The indemnity limit for this cover shall be 100% of the sum insured.**

### **A.9. Spillage or accidental leakage from automatic fire extinguishing devices**

Material damage caused by spills, lack of water tightness, leaks, rupture, falls, failure or accidental runoff of water or any other substance used as a fire extinguisher is guaranteed.

**The indemnity limit for this cover shall be 100% of the sum insured.**

#### **THE FOLLOWING IS NOT COVERED:**

- a. Damage to the extinguishing system itself or its parts.**
- b. Damage caused by the use of the system for purposes other than fire fighting.**

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### **A.10. Damage to underground gas and electricity pipes**

The cost of repairing accidental damage to underground gas and electricity pipes extending from the building to general public access is guaranteed whenever the insured becomes responsible for the repair of such damage.

**The indemnity limit for this cover shall be 5% of the insured sum for the building.**

### **A.11. Partnerships**

In those cases where the building(s) insured is/are part of a larger body, homeowners' association or similar set up for the use and enjoyment of gardens, pools, playgrounds and/or sports areas, common services and facilities, this guarantee shall be extended to the compensation exacted from the community specified in the policy schedule, in their quality as partner in these associations, in those claims with risks covered by the guarantees provided in this policy. The scope of coverage is expanded and adapted to the elements and persons within the abovementioned body or homeowners' association.

**■ Insured sum:** Sum insured attributed as the value of the participation ratio that the insured community has in these

areas and items of property and community use and up to 100% of the insured.

### **A.12. Demolition and debris removal expenses**

Any necessary costs incurred from demolishing or removing debris as a result of an accident covered by this policy are guaranteed.

**The indemnity limit for this cover shall be 10% of the insured sum.**

### **A.13. Fire extinguishing expenses**

Expenses arising from the necessary measures taken by the authorities, by the insured or a third party, to extinguish a fire or prevent its spread are guaranteed as well as the payment for services of a fire department from any municipality.

**The indemnity limit for this cover shall be 10% of the insured sum.**

### **A.14. Expenses for replacement documents**

Expenses for the reconstitution of records, files, titles, securities, plans and other similar documents, as a result of a claim covered by the basic cover are guaranteed, provided these records, files or titles are related to the insured community of property owners.

■ **Insured sum:** On a first loss basis, 3,000 euros per claim.

### **A.15. Forced evacuation**

The payment of expenses incurred by the uninhabitable nature of the home(s) or the commercial outlet(s) as a result of an accident covered is guaranteed, with the costs including moving furniture, linens, fittings and/or goods and renting an apartment or premises with similar characteristics to that owned by the evacuated person(s).

**When the affected apartment or outlet is occupied by a tenant, the amount of rent paid for the same will be deducted from the indemnity.**

The indemnifiable period will be determined by the loss adjustor, **and shall be limited to a maximum of one year from the occurrence of the incident.**

These also include the hotel, restaurant and laundry expenses incurred by the insured or members of the family unit habitually living with him or her in the damaged home during the period in which the home is uninhabitable as a result of a claim covered under the policy, where renting a provisional home is not necessary or until it is rented, up to a maximum of 10 days. These expenses are limited to a maximum of 3,000 euros and a sub-limit of 100 euros per person per day for these purposes.

**The indemnity limit for this cover shall be 10% of the insured sum.**

## **A.16. Community Assistance**

For the purpose of this cover, the following definitions shall apply:

■ **Insured:** The individual and/or legal entity who figures as policyholder, as well as each and every co-owner who forms part of the insured community of property owners.

■ **Claim:** Any accidental event occurring in or relating to the insured community of property owners that is beyond the control of the insured and addressed in this additional cover.

## **ASSISTANCE COVER**

### **1. Sending professionals**

In the event of a claim covered under the policy, the insurer shall send a qualified professional to perform the necessary operations and limit and control the scope of the damage until the loss adjuster arrives.

At all times, the insurer shall bear the cost of transporting the professional to the insured community of property owners, **while the insured shall bear any other expenses incurred**, except in



the case of services arising from a claim covered under the policy and the instances set out below.

**When the damage exceeds the limits set out in the policy, the insured shall bear the cost of the labour and materials relating to this excess, or if their contract includes an excess, if the damage does not exceed this amount.**

## **2. Surveillance service**

If the insured building becomes uninhabitable and, as a result of a claim covered under the policy, its access points are left unprotected, the insurer shall arrange for and bear the cost of its surveillance for **up to a maximum of 96 hours**.

## **3. Transferring messages**

The insurer shall undertake to deliver any urgent messages that the insured, any member of the Board of Owners or the property manager who represents this board has for the other absent co-owners who shall be directly affected as a result of a serious claim occurring in the community.

## **EMERGENCY COVER**

In the event of a claim that is not covered under the policy's other cover conditions, the company shall only bear the cost of the first two hours of labour and the first call-out in the case of the following causes and professionals:

1. **Emergency plumbing** to re-establish the community water supply.
2. **Emergency glazing** for broken windows that leave the insured building unprotected against meteorological phenomena.
3. **Emergency locksmith** to open an access door to the building when there has been a malfunction in the locking system which prevents access.
4. **Entryphone system**, if it experiences a malfunction or prevents the automatic opening of the door from the homes.

5. **Emergency electricity** to re-establish the electrical supply to the insured building.
6. **Emergency repairs in the event of theft with violence.** If, as a result of theft with violence or attempted theft with violence, the access points to the insured building are left unprotected, rendering the building easily accessible from the outside, the insurer shall arrange for workers to be sent urgently to make the necessary temporary repairs and prevent such accessibility, and shall bear their travel costs.

## **ADDITIONAL BENEFITS**

For the purposes of this section, the following definitions shall apply:

- **Claim:** Any accidental, violent, sudden and external event that is beyond the control of the insured.
- **Insured:** Staff dependent on the community of property owners.

### **1. Sending a doctor in the event of a serious accident involving a community employee**

If a community employee under contract is injured as the result of a serious accident while working, the insurer shall send a doctor as urgently as possible, so that they may take the appropriate professional decisions after examining the injured party or parties.

This service shall be provided regardless of whether the accident occurs on community property or while travelling from home to their place of work or vice versa, in the fulfilment of their working day.

The insurer shall only bear the professional fees and travel expenses for the first visit.

### **2. Medical transportation in the event of a serious accident involving a community employee**

If, in the opinion of the doctor sent by the insurer in the previous case, the injured party or parties require hospitalisation, the

insurer shall arrange for and bear the cost of transporting them in an ambulance to the medical centre closest to the place of the accident, where they may be treated.

Both in this instance and that mentioned in the previous section, the insurer shall undertake to deliver any urgent messages that the injured parties may have for their family members.

## **Conditions for requesting the Assistance Service**

To receive the Assistance cover, the insured must immediately report the claim and circumstances surrounding the case to the insurer by telephone. As all cover in this section concerns the provision of services, the insurer shall not reimburse the insured for any sums that they may have paid, except in cases in which the insurer has given its express, prior consent.

### **1. Instructions for requesting services**

Urgent services corresponding to the Assistance cover may be requested 24 hours a day, including Sundays and public holidays, and shall be provided as quickly as possible.

Non-urgent services should be requested on working days between 9 am and 6 pm.

To receive these services, the insured must immediately dial the telephone number provided in the contract schedule or on the assistance card and provide the following information:

- Name, address and contact telephone number.
- Number of this contract.
- Type of service required and degree of urgency.

### **2. Cover for services**

In cases in which the service provided includes work by professionals, the insurer shall cover the work performed under these conditions for six months and shall bear the following costs:

- Transport required to perform the repairs.
- Worker transport.

- Labour costs.
- Materials used.

## **PEST CONTROL IN COMMUNITIES (DDD)**

The Pest Control in Communities of Property Owners (DDD) service shall involve:

- Fumigation service in the event of an infestation.
- **Two annual call-outs** to inspect the infested areas. This service includes fumigation during the first call-out and a second control call-out 15 days later to remove any bait or possible animal remains if necessary.
- **Covered pests: cockroaches, rodents and the elimination of wasp nests.**
- This service only covers the communal areas of the buildings.
- A **report** on each intervention shall be drawn up, with information on the incidents detected and the measures taken, together with details of the condition of all areas susceptible to infestation. A plan with the location of bait stations and the surfaces where insecticides have been applied shall also be provided. Additionally, a certificate for all services performed by specialised technicians shall be issued, which shall list the product names, their active ingredients and the relevant public health records, as well as the techniques used.

The telephone hotline shall be available 24 hours a day. The first call-out performed as part of the service shall be carried out on working days between 8 am and 7 pm and within a maximum period of 48 hours after the insured or manager of the community of property owners requests it.

The company shall undertake to eliminate the infestation inside the building (provided that there are no deficiencies that affect the degree of infestation), which includes all products necessary to eliminate and control the pests. These products are chosen according to guidelines issued by the Ministry of

Health and Consumer Affairs, the Ministry of Agriculture and the Environmental Agency.

If another type of pest must be eliminated or additional private services are necessary, the community of property owners may benefit from preferential conditions when taking out the services in relation to the market prices set by the supplier.

## **TECHNICAL INSPECTION OF BUILDINGS (ITE) SERVICE**

The Technical Inspection of Buildings service is an unlimited expert customer service helpline that helps customers resolve any general or specific questions about any building in any municipality in Spain with regard to the following issues:

- Content of the inspections.
- Description of the process.
- Legal consequences of non-compliance with the regulations.
- Information on time limits, rates, forms and local variations.
- Questions about property maintenance, lift facilities, the removal of architectural barriers, access to local or regional subsidies, etc.

The insured may also be eligible for mandatory Technical Building Inspection services (ITE or ITC), which include the mandatory revision, performed by a specialised architect, in accordance with current regulations, and a report drawn up with the official form, submitted to the municipal council, with all formalities included. By taking out this product, the insured parties guarantee compliance with their obligations to maintain the building as specified under the regulations applicable in their municipality or Autonomous Community. If the insured takes out the service, they may receive preferential conditions in the form of a discount on the set rate.

With a view to adapting to forthcoming regulations, as part of the service, the Building Evaluation Report (IEE), which is replacing the ITE by extending and supplementing it, shall be offered at a discount price. As this competence has been

transferred to Autonomous Communities and municipalities, its degree of application remains irregular: while in certain areas it is not required, in some it is replacing the ITE and in others, supplementing it.

This document is required for all collective residential buildings in Spain over 50 years old, as well as for those for which subsidies and aid are being sought for their renovation, although they are below this age limit.

The insured shall bear the costs of production, quotes and execution, and undertake all the necessary formalities with the local governments, all at a discount price.

### **Service provision request**

For the purposes of requesting the service, the insured may request information Monday to Friday, 9 am to 6 pm.

#### **THE FOLLOWING IS NOT COVERED:**

- **All repairs that are not specific to the service that is due to be performed.**
- **All repairs and/or modifications and/or alterations to the building of the risk insured and/or restitution for all damages caused to the insured contents.**

## **A.17. Legal Defence for Communities of Property Owners**

### **1. Definition**

#### **1.1. Preliminary clause**

The following shall be considered insured parties: The community of property owners of the urban building, as listed in the policy schedule, established in accordance with the current regulations on commonhold property. The property manager or secretary-property manager of the community shall also be regarded as insured, even if not an owner, when acting as a member of the Board of Owners of the property described in the schedule.

For the purposes of this cover, the term claim or event shall be taken to mean any unforeseen incident that causes injury to the interests of the insured or alters their legal status. In the case of criminal offences, the claim or event shall be construed as having happened at the time the punishable event occurred. In cases of claims not arising from contractual relations, the claim or event shall be construed as having occurred at the time the damage was caused.

In lawsuits over contractual matters, the event shall be construed as having occurred at the time the insured, opponent or third party first breached or allegedly breached the contractual regulations.

## **1.2. Object of the cover**

This cover, when indicated as taken out in the policy schedule, guarantees the protection of the interests of the community of property owners of the urban building described in the schedule, in relation to the exercise of the rights indicated below and the content specified in the description of each of the risks insured.

**The limit on expenses covered for defence and claims, including any bail bonds required in criminal proceedings, is €6,100.**

## **2. Cover**

### **2.1. Criminal defence**

This cover includes only the criminal defence of the insured in proceedings brought against them due to recklessness, incompetence or negligence as member of the Governing Board of the property listed in the policy schedule.

### **2.2. Rights relating to the building, its annexes, communal elements and parking areas**

This cover includes the protection of the interests of the community of property owners of the listed urban building, located in Spain, in the following cases **only**:

- Claims against immediate neighbours over rights of way, lights, views, distances, boundaries, dividing walls or due to non-compliance with the legal regulations on smoke and gas emissions.
- Claims for damages **not resulting from contractual relationships**, caused by third parties to fences, walls and doors within the building that are independent therefrom, **provided that they are part of the property in which the insured building is located.**
- Claims for damages **not resulting from contractual relationships**, caused by third parties to common elements of the building, furniture and devices owned by the community.

**Damages caused by any type of vehicle, boat or animal are not included.**

## **2.3. Rights relating to insurance and rental service contracts**

### **2.3.1. Service contracts**

This cover includes claims for breaches of the following rental service contracts, provided that they affect the community of property owners and the community of property owners is holder and final user:

- Private surveillance and security services.
- Cleaning services.
- Lift maintenance and upkeep services.

**Utility contracts, such as water, gas, electricity or telephone, are not covered hereunder.**

### **2.3.2. Insurance contracts**

This cover includes the defence of and claims regarding the interests of the community of property owners in relation to breaches of contract on the part of other private insurers in policies that cover the property or community elements located in communal parts of the building, **provided that the breach**



is attributable to the insurer, excluding claims against the Generali Group.

## **2.4. Municipal administrative matters**

This cover includes the defence of the community of property owners in proceedings brought by municipal authorities in matters within their competence, such as ordinances and other provisions relating to no-parking zones, facilities, cleaning, construction, parking areas, lifts, fire prevention and others.

**The defence covered under this policy only includes administrative proceedings and therefore does not include contentious administrative proceedings, where appropriate.**

## **2.5. Purchase of goods**

This includes claims for breaches of contracts relating to the purchase or sale of decorative objects and furniture (**except in the case of furniture that is over 100 years old**), supplies, devices and facilities, when purchased by the community of property owners for use thereby.

## **2.6. Legal assistance by telephone**

Under this cover, the insurer shall provide the president of the community of property owners with a lawyer, who shall provide information via telephone regarding the prevention of lawsuits, the scope of the community's rights, in general, and the best way to defend itself.

Cover is provided for consultations that may be resolved verbally, **but not for actions for which fees must be paid.**

## **2.7. Employment contracts**

This cover includes the defence of the community of property owners as defendant in direct relation to an industrial dispute, of individual character, prompted by one of its employees, who must be **duly registered with the Social Security system**, and

which must be substantiated before the Conciliation Bodies, Labour Courts, High Courts or Supreme Court.

**It excludes lawsuits related to the National Institute of Social Security, even when social jurisdiction proceedings are required once administrative channels have been exhausted.**

## **2.8. Claims against owners due to non-payment of expenses**

This cover includes the protection of the interests of the community of property owners in out of court or judicial claims, where appropriate, against owners who are not up to date with payment of the general expenses that, according to their participation share, must be fulfilled to adequately maintain the property, its services, taxes, charges and liabilities, **provided that they are not susceptible to individualisation.**

Claims for the payment of expenses incurred in the execution of new facilities, services or improvements may also be brought, **provided that these have been validly agreed and the defaulting owner is legally required to pay.**

**Cover of such claims is contingent on the following requirements:**

- **The claim must be validly agreed by the Board.**
- **The default giving rise to the claim must have first occurred after the entry into force of this cover.**
- **There must be sufficient documentary evidence to substantiate the debt in court.**

## **2.9. Advance for legally claimed expenses**

When a claim is brought against an owner due to non-payment of expenses payable to the community of property owners, and the accumulated debt corresponds to a minimum of six monthly instalments, regardless of the amount thereof, the company shall advance to the community, following the signing thereby of the relevant document acknowledging the debt, a maximum amount

of €600 for each defaulting owner against whom a legal claim must be brought. The community is required to reimburse the company for the advanced sums in the moment the debtor pays the amount agreed out of court or recognised in a legal ruling.

The community of property owners is also required to reimburse the company for the advanced sum in the moment they withdraw their claim or a judgement of acquittal is issued.

## **2.10. Claims for the illegal occupation of community property**

Cover shall be provided, up to a limit of €6,100, for expenses incurred in the defence of the interests of the community of property owners in disputes brought in relation to the illegal occupation of buildings owned by the community by people who are not direct or indirect members thereof, nor residents or owners of other buildings in the building listed in the policy schedule.

Cover shall be provided in the following cases:

- Claims for the amount of damage caused to illegally occupied community buildings, provided that the perpetrators are identified and have not been declared insolvent and that the amount of damage is greater than €300.
- The legal eviction procedure until possession of the community buildings is regained.

## **3. Rules for selecting a lawyer for the Legal Protection cover**

The insurer assumes, on behalf of the insured, the expenses arising from any amicable or legal claims brought against third parties who are liable for damages produced in accordance with the aforementioned cover.

If the insurer obtains an amicable settlement from the liable party or their insurance company and does not believe that a legal claim would markedly improve this result, the insurer shall notify the insured accordingly. **If the insured does not accept the amicable**

settlement, they may continue with a legal claim at their own expense, in which case the insurer's involvement shall have concluded. The insurer is required to reimburse the insured for any expenses arising from the legal proceedings, lawyer and solicitor in the event the claim is successful and the settlement is higher than the amicable settlement.

If the insured decides to process the claim through legal channels using lawyers and/or solicitors of their own choice, the insured shall immediately notify the insurer and indicate the names and addresses of the designated professionals. **The insured is liable for any expenses incurred as a result of selecting professionals who do not reside in the legal jurisdiction in which the lawsuit is filed.**

The fees for the lawyer who defends the interests of the insured shall be borne by the insurer, subject to regulations set to this effect by the respective Bar Associations, **which shall be considered the maximum limit** of the insurer's obligation.

**The fees of the solicitor, when their involvement is required, shall be paid according to the tariff or scale.**

The insurer shall pay up to €6,100 in fees for professionals freely selected by the insured, including any bonds required in criminal proceedings.

#### **4. Disagreement with the processing of the claim**

If the insurer decides not to bring a lawsuit because it holds that there are no reasonable chances for success, it must notify the insured. The insurer also has the power to make decisions regarding the filing of appeals.

The insured may settle any pending matter, **but must obtain written authorisation from the insurer in that which affects the expenses or costs chargeable thereto.**

In any case, the insurer shall reimburse the insured for expenses incurred in lawsuits and appeals processed at

**variance with the insurer, when a beneficial outcome is obtained, in accordance with the limits set out in the policy.**

## **5. Covered payments**

The insurer shall bear the expenses resulting from the legal defence of the interests of the insured, **up to the aforementioned limits**, as detailed below:

- The rates and fees resulting from the processing of the covered proceedings, provided that they have been imposed on the insured in a legal ruling.
- Lawyer fees and expenses, **when their involvement is required.**
- Solicitor fees and advance payments, **when their involvement is required.**
- Notary expenses for granting powers for lawsuits.
- The fees and expenses of all loss adjusters that are necessary **or authorised by the insurer.**

In criminal proceedings, the bonds required to cover the temporary release of the insured up to the limits indicated in section 3, **excluding those that cover the responsibilities of the insured for payment of fines or civil damages.**

## **6. Elimination periods**

The elimination period is the time between when the insurance comes into effect and potential claims start to be covered.

**With regard to contractual matters, the elimination period shall be three months from the date on which the insurance comes into effect.**

**Cover shall not be provided if, upon formalisation of this policy, or during the elimination period, the contract giving rise to the lawsuit is terminated by one of the parties, or if its termination, cancellation or modification is requested.**

## **7. Exclusions of the different types of legal protection cover**

### **UNDER NO CIRCUMSTANCES ARE THE FOLLOWING EVENTS COVERED UNDER THIS POLICY:**

- Those arising from or related to the planning, construction or demolition of the building or facilities in which the risk is located or those resulting from quarries, mining explosions or factory facilities.
- Those related to motor vehicles and their trailers, which are the responsibility of the insured under this policy.
- Those occurring or resulting from the industrial or commercial activities of the insured community.
- Any claims which may be brought between community members insured under this policy.
- Legal matters relating to urban planning, land consolidation or expropriation or those arising from contracts with regard to clauses benefitting the insured.
- The accrued expenses from the legal proceedings, regardless of jurisdiction, when the matter is won with taxation costs to the opposing party.
- Expenses, of any kind, incurred from the accumulation of shares or legal counterclaims, when the accumulation or counterclaim relates to matters not included in the policy cover.
- Fines and indemnity for any expenses resulting from penalties, monetary obligations or convictions imposed on the insured by administrative or judicial authorities, as well as indemnity for public liability and interests, except the bond which should be formed in criminal proceedings.
- The payment of fines or criminal sanctions, whether administrative or legal. Monetary obligations imposed on

the community of property owners as a sentence in any legal or administrative resolution.

- Taxes and other fiscal payments resulting from the submission of public or private documents to official bodies.
  - Court costs in the event the decision is unfavourable to the insured and they are sentenced to pay.
- 

### **A.18. Public liability and bail bonds**

The following definitions are provided for the purposes of this cover:

■ **Third parties:** Any individual or legal entity other than:

- The policyholder or the insured.
- Family members of the insured or policy holder which include: the spouse (or registered partner), natural or adopted ascendants or descendants, to the third degree of blood or legal relation, provided that they habitually live with them or are financially dependent on them.
- People who habitually live at the insured building, yet receive no economic benefits from their relationship.
- Partners, executives, wage earners and individuals who are, legally or in fact, dependent on the policyholder or the insured, while acting in the sphere of said dependency.
- Legal entities, affiliates or parents of the insured or those in which the policyholder or the insured maintain a controlling stake in its ownership.

When the insured is a community of property owners, the following shall be considered injured parties: co-owners, tenants and users of the building and the people who live with them.

If the building has only one sole owner, the tenants of the aforementioned community shall be considered third parties before them.

■ **Limit per claim:** The maximum sum the insurer undertakes to pay for all indemnities and expenses corresponding to a single claim, independently of the number of injured parties.

■ **Limit per victim:** The maximum sum the insurer undertakes to pay to the injured party or to his/her assignees for all of damages caused.

In the event that as a result of a single accident several parties are injured, the limit set in the policy for each of the victims shall apply, with the limit per claim being that which is established in the policy for this purpose.

■ **Bodily injury:** Physical injuries or death caused to individuals.

■ **Damage:** The economic loss directly stemming from a bodily injury or material damage indemnifiable by the policy.

### 1. Insured sum

**The limit for this cover is set at 300,000 euros per claim. Different sums insured may be agreed in the schedule.**

### 2. Territorial scope of the cover and jurisdiction

This coverage extends and is limited to responsibilities occurring in Spain and claimed and/or recognized by the Spanish courts.

### 3. Temporary scope of the cover

This policy covers liability derived from damage sustained during the valid term thereof, **when claims are made during said valid term or within a period of twelve months after this policy has been terminated or cancelled.**

### 4. Claim

The insurer assumes the compensation if payable by the insured as civilly liable based on Article 1.902 and the following of the Civil Code, for property damage and personal injury, caused involuntarily to third parties for acts arising out of the ownership of the insured building and community facilities. In addition, claims made to the community of property owners as the contractor are



covered on a subsidiary basis, in cases involving minor works, which are those that do not affect structural elements of the community of property owners itself.

#### **THE FOLLOWING IS NOT COVERED:**

##### **Claims arising from:**

- a. Industrial, commercial or professional activities.**
- b. Goods entrusted or hired to the insured community.**
- c. The breach of legal or official regulations.**
- d. Personal sanctions, fines or any kind of criminal responsibility, as well as the consequences of their non-payment.**
- e. Damage and/or injuries that must be covered by compulsory insurance.**
- f. Damage caused by the facilities and community and/or privative water pipes, as well as for failing to turn off taps, stopcocks and valves.**
- g. Claims based on contractual obligations of the insured.**
- h. Damage to the property insured by the policy.**
- i. Injuries suffered by the party who caused the claim, as well as other persons who live with the insured.**
- j. Claims arising from construction work, repairs or conversion of the insured building, excluding minor works, without prejudice to the subsidiary civil liability that may correspond to the contracting individual and/or entity.**
- k. Contamination of the soil, water or atmosphere, notwithstanding the terms of the public liability cover for accidental pollution.**
- l. Damage caused to documents of monetary value. Indemnity shall be limited to the cost of replacing the aforementioned documents, not to the value thereof.**

- m. The possession and/or use of any motor vehicle, boats of all kinds and firearms.**
  - n. Claims for material damage resulting from an observable lack of maintenance.**
  - o. Damage caused by lifts or freight lifts when the existing regulations concerning their upkeep and maintenance have not been observed and, at all times, liability is attributable to the companies entrusted with their maintenance and upkeep.**
- 

## **5. Benefits from the insurer**

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In accordance with the provisions of the general conditions and schedule of this policy, the insurer guarantees the insured up to the limits agreed for payment of compensation required to meet civil liability for personal injury, property damage and direct damages caused involuntarily to third parties and occurred during the term of the policy, for acts arising out of the ownership of the insured building.

## **6. Defense and bail bonds**

In case of loss covered by this guarantee and within its limits, it is agreed that:

- The insurer shall bear all legal representation costs to contest the injured party's claim, appointing, where necessary, legal representatives and solicitors to defend and represent the insured in any legal actions that might be brought against him or her, even when the claims are unfounded.
- Upon consent of the defendant, the insurer will undertake the defence in criminal proceedings, even after civil liability is extinguished.
- It will also provide bail bonds that may be required of the insured to guarantee financial responsibilities or to ensure bail, **excluding fines and penalties.**

In the event that there is a conflict of interest between the insured and the insurer stemming from obligations to uphold contrary interests in the claim, the insurer shall duly inform the insured, without detriment to the execution of procedures that, due to their urgent nature, may be necessary for the defence. **In this case, the insured may opt to allow the insurer to continue to manage his/her legal affairs or entrust his/her own defence to another person. If the above occurs, the insurer will be obliged to pay the said legal representation expenses up to a limit per claim that is identical to that which would be applied if the insurer were to assume responsibility for the legal representation.**

### **7. Liability of the governing board**

Required of members of the Governing Board of the community insured for damages they may be caused to the community, due to errors, acts or omissions in the performance of their duties and management of building conservation and government tasks as well as for breach of agreements or performing acts contrary to decisions taken at the General Meeting of the Homeowner's Association.

#### **DAMAGES CAUSED BY THE FOLLOWING ARE EXCLUDED:**

- a. Professional activities of personnel providing services to the insured under any contract, without a prior working relationship.**
- b. The performance of the administrator, lawyer or solicitor in the community as well as the conclusion or intervention in contracting insurance policies or resolution outside the established time limits or that set by the community. Cash deficits, payment errors or infidelity of those comprising the Governing Board.**

## 8. Employer's liability

### Scope of the cover

The insurer guarantees the liability which could be incurred by the insured in accordance with current regulations, for personal injuries suffered by workers in the service of the home owners' community, provided that the accident was caused during the normal course of their work.

■ **Insured sum:** The maximum limit on the indemnity per claim is 150,000 euros per victim.

### THE FOLLOWING IS NOT COVERED:

Claims arising from:

- a. Events not deemed to be work-related accidents or that are excluded from the cover provided by Occupational Accident Insurance.
- b. Employees who have not been registered for Mandatory Occupational Accident Insurance.
- c. Breaches of work and social welfare obligations, whether contractual or legal, that fall under the competence of Social Jurisdiction.
- d. Indemnities for accidents derived from events related to the use and circulation of vehicles, aircraft or boats.
- e. Indemnities and medical care expenses for occupational illnesses or for illnesses contracted by employees as a result of carrying out their job, as well as for heart attacks, thrombosis, cerebral haemorrhage and any other illnesses with similar causes or origins.
- f. Fines and sanctions imposed on the insured, as well as surcharges on the benefits established under current legislation for punitive reasons.
- g. Material damage caused to property owned by the insured's employees.

- h. Liabilities derived from behaviour classified as serious violations in a work inspection, as well as fraudulent or repeated breaches of occupational safety and hygiene regulations.
  - i. Liabilities attributable to contractors and subcontractors not construed as the insured under this policy.
  - j. Moral harassment in the workplace or any condition related to bullying, discriminatory treatment or unfair work practices.
- 

## 9. Public liability for accidental pollution

### Scope of the cover

Public liability of the insured for damages caused by contamination and pollution shall be covered.

Damage caused by pollution is covered under the condition that:

- It is the result of an accidental, sudden and unexpected event.
- It takes place while the policy is in force.
- It is reported within 72 hours of the first emissions.
- Environmental legislation is complied with.

■ **Insured sum:** A limit of €300,000 is set, unless a lower sum is covered in the schedule.

### THE FOLLOWING IS NOT COVERED:

#### Claims arising from:

- Damage caused by installations meant for the storage, treatment or recovery of the toxic and hazardous waste listed in the Law and Regulation on Toxic and Hazardous Waste.
- Damage caused by pollution that did not happen accidentally, but gradually and slowly.
- Prevention expenses, as well as decontamination expenses that lead the insured to undertake the clean-up,

treatment or neutralisation of the contaminating or polluting substances or elements.

- Damage due to deliberate non-compliance with environmental legislation.
  - Damage caused by installations that continuously or repeatedly exceed authorised emissions levels.
  - Damage caused by installations that are in poor condition or state of repair.
  - Genetic damage to people or animals.
  - Environmental liability, as described and regulated by Law 26/2007, of 23 October (Office State Gazette No. 255), transposing the European Parliament and European Council Directive 2004/35/EC, of 21 April 2004, is expressly excluded from this policy's cover.
- 

## 4

## RISKS EXCLUDED FROM ALL COVERS

In addition to that set forth in each cover, in general, the following are not guaranteed by this insurance:

- a. Damages caused where the accident occurred due to the willful misconduct of the insured, policyholder, family or persons living with him.
- b. Accidents directly caused by the mechanical, thermal or radioactive effects of transmutations or nuclear reactions, regardless of the cause thereof.

The loss of value or use of the property as a result of the above mentioned.

Expenses for the decontamination of damaged goods.

- c. Impairment or indirect losses caused by the accidents, except as provided for civil liability guarantee.

- d. **Damage due to construction faults and/or flaws or stemming from a lack of maintenance or repair to the building or its installations.**
- e. **Damage caused as a result of building or repair work to the insured building**, except in the case of minor work included in the public liability cover regulated in section 3 of Article A.18.
- f. **Claims due to fermentation, fragmentation, oxidation and manufacturing and construction defects and/or flaws.**
- g. **Damage caused by contamination, corrosion or pollution**, except in the case of damage covered under Article A.6. Smoke.
- h. **Claims produced as a result of political or social acts, civil commotion, riots, strikes, internal disturbances or sabotage** (notwithstanding the terms of Article 3.A.2.) **in civil or international wars, even when they have not officially been declared, armed conflicts, civil or military uprisings, insurrections, rebellions, revolutions and war operations of any kind, including military manoeuvres in peacetime.**
- i. **Damage produced due to phenomena classified as extraordinary under current legislation. Under no circumstances shall the insurer advance any sum as indemnity for a claim covered by the Insurance Compensation Consortium.**
- j. **Deductions and excesses applied by the Insurance Compensation Consortium.**
- k. **Damage classified by the Nation's Government as a "national catastrophe or disaster".**
- l. **Any liability resulting from the existence, exploitation, handling, transformation, manufacture, sale, distribution, storage or use of pure asbestos, asbestos products and/or products containing asbestos.**
- m. **Liability for any direct or indirect damage due to disturbances in the natural state of the air, ground, maritime or**

subterranean waters, soil and subsoil and, in general, the environment, caused by:

- Emissions, dumping, injections, deposits, leaks, discharges, run-offs or spills of contaminating agents which occur gradually.
  - Radiation, noise, vibrations, smells, heat, changes in temperature, electromagnetic fields or any type of waves.
  - Toxic or contaminating fumes stemming from a fire or explosion.
- n. Those extraordinary events not covered by the Insurance Compensation Consortium listed in section 29: INDEMNITY CLAUSE, Summary of legal regulations, point 2. Excluded risks.
- o. Communicable diseases. Any loss, damage, liability, claim, cost or expense of any kind that is related, whether directly or indirectly and in full or in part, to a communicable disease or the suspicion or threat thereof shall be excluded.

A communicable disease is taken to mean one that can be transmitted through a substance or agent from one organism to another organism where:

- The substance or agent includes, but is not limited to, a virus, bacteria, parasite or other organism or any variation thereof, whether considered living or not; and
- The transmission method, whether direct or indirect, includes, but is not limited to, transmission via the air, transmission via bodily fluids, transmission from or to any surface, object, solid, liquid or gas, or between organisms; and
- The disease, substance or agent may cause harm to human health or well-being or may cause damage, impairment, loss of value, loss of business opportunity or loss of use of the property.



- p. **Cyberattacks.** Under no circumstances shall this insurance cover losses, damage, liabilities or expenses that are related, whether directly or indirectly, to the use or operation of any computer, IT system, computer software program, malicious code, virus, IT process or any other electronic system as a means to inflict damage.
- q. **Internet operations.** Any personal injuries and material damage and/or losses that may be directly or indirectly attributable to “Internet operations” are expressly excluded. This exclusion does not constitute an extension to any of the cover provided by the policy.
- “Internet operations” shall be taken to mean the following:
- The use of e-mail systems by the insured’s employees, including part-time and temporary staff and other personnel involved in the insured’s activity.
  - The accessing of any kind of public Internet site via the insured’s computer network on the part of the individuals specified above.
  - The accessing of the insured’s intranet via a public Internet network for the insured’s customers or other third parties unconnected to the insured. “Intranet” shall be taken to mean the insured’s internal data and IT resources.
  - The operation and maintenance of the insured’s website.
- r. **Damage caused by moths, termites or any other kind of insect, as well as rodents.**
- s. **The following risks are not insured:** -building made of flammable materials, -building with commercial premises with high value goods or hazardous activities, -building used for commercial activities, -public garage building, -building under construction or undergoing major building work, -building listed as historical, -building over 50 years old that has not been completely renovated or has

not passed the ITE with a favourable outcome, -building with one sole owner that is uninhabited in a percentage exceeding 50%.

## 5

## AUTOMATIC REVALUATION

### 1. Concepts to which it applies

The effects of the adjustment are applicable solely to the sums insured and, thus, **do not apply to the fixed amounts established as limits of cover, nor to percentage limits or deductibles.**

The insured sum corresponding to **building** cover shall be modified at each expiry date. The applicable capital appreciation index shall be the last year-on-year consumer price index published by the National Statistics Institute as of 30 September of the previous year.

### 2. Waiver of automatic adjustment

The policyholder may oppose automatic adjustment by providing prior notice to the insurer in writing, at least two months before the policy's annual renewal.

# BASIS OF THE CONTRACT

## 6

### DECLARATIONS OF RISK

- The proposal form and questionnaire filled out by the policyholder, as well as the insurer's proposal, where applicable, together with this policy, constitute a single whole, the foundation of the insurance, which only covers the risks specified therein within the agreed limits.
- Should the policy's content differ from that of the insurance proposal form or the established clauses, the insurance policyholder may, within one month from the date on which the policy is handed over, claim against the insurer to rectify the existing discrepancy. Should said period elapse without any claim having been placed, the terms of the policy shall apply.
- The insurance agreement and its modifications must be formalised in writing.

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## 7

### WITHHOLDING AND INACCURACIES IN INFORMATION WHEN TAKING OUT INSURANCE

- This policy has been arranged based on the declarations made by the policyholder, according to the proposal form and questionnaire submitted to the insurer and which were used for the latter's acceptance of the risk, the undertaking of the contractual obligations derived from this agreement and the setting of the premium.
- In the event of withholding or misrepresentation by the insurance policyholder, the insurer may terminate the policy through a statement addressed to the insurance policyholder or the insured within one month counted from the time it learns of the withholding or misrepresentation. As soon as the insurer makes this statement, it shall keep any premiums corresponding

to the period underway, unless wilful misconduct or serious fault may be attributed to the insurer.

- Should a claim occur before the insurer has made the statement explained in the previous paragraph, the benefits provided by the insurer will be reduced based on the proportional difference between the premium listed in the policy and that which actually corresponds to the true nature of the risk. When the withholding or misrepresentation is due to wilful misconduct or serious fault by the policyholder, the insurer shall be released from its obligation to pay any benefits.

## 8

## INFORMATION AND EXPERT ASSESSMENTS

- The policyholder or the insured are obliged to inform the insurer in advance of the existence of any other policies they have taken out with other insurers that cover any of the same interests for an identical period of time.
- The insurer reserves the right to assess the insured risk throughout the valid term of the policy. The insured undertakes to allow the people assigned by the insurer for this purpose to enter said insured risk and to provide them with any data, information and documents they might request.

## 9

## IN CASE OF AN INCREASE IN RISK

If any changes or alterations occur in relation to the information or circumstances declared by the policyholder in the questions asked of them by the insurer prior to entering into the contract, and which increase the level of risk or are of such a nature that, had they been known to the insurer when it was drawing up the contract, it would not have entered into the contract or would have established stricter conditions, the insurer must be informed of these changes or alterations as soon as possible.

- If the insurer is informed of an increase in risk during the term of the policy, it may propose a modification of the conditions of the agreement within a period of two months as from the day on which it receives notice of the aggravating circumstance. In this case, the policyholder shall have fifteen days, upon receipt of this proposal, to accept or reject it.
- In case of rejection or silence on the part of the policyholder, once said period has elapsed, the insurer may terminate the agreement providing prior notice to the policyholder and giving him/her a new period of fifteen days to respond, following which, and within the next eight days, it shall inform the policyholder of the definitive termination of said agreement.
- In addition, the insurer may terminate the policy notifying the insured of this decision in writing within one month from the day on which it received notice of the increase in risk.

- Should an accident occur when no declaration of an increase in risk has been made, the insurer shall be released of its obligation to provide benefits if the policyholder of the insurance or the insured has acted in bad faith. Otherwise, the benefits provided by the insurer will be reduced proportionally according to the difference between the agreed premium and that which would have applied had the true magnitude of the risk been known.
- In case of an increase in the risk during the valid term of the policy giving rise to a higher premium, when the agreement is terminated for this reason, if said increase is attributable to the insured, the entirety of the collected premium shall correspond

to the insurer. If the aggravating circumstance is the result of causes beyond the control of the insured, he/she shall be entitled to the reimbursement of the portion of the paid premium corresponding to the period of the annuity underway yet to elapse.

## **12** | IN THE EVENT OF A DECREASE IN RISK

- The insurance policyholder or insured may, over the valid term of the agreement, inform the insurer of any circumstances that decrease the risk and are of such a nature that, had they been known by the latter when the agreement was drawn up, it would have been executed under more favourable conditions for the policyholder.
- At all times, upon finalisation of the insurance period covered by the premium, the insurer shall reduce the cost of the future premium by the corresponding proportion, and, should it not, the policyholder shall be entitled to cancel the policy and to receive a reimbursement of the difference between the paid premium and that which would have corresponded to him/her to pay from the moment when the insurer was informed of the decrease in the risk.

## **13** | IN THE EVENT OF TRANSFER

- In case of transfer of the insured object, the purchaser subrogates, as of the moment of the alienation, the rights and obligations that corresponded to the previous policyholder.
- The insured must inform the purchaser in writing of the existence of the policy for the transferred object. Once the transfer has been verified, s/he must also inform the insurer or representatives thereof in writing within a period of 15 days.

- The purchaser and the previous holder (or if s/he dies, his/her heirs), shall be jointly and severally liable for the payment of the premiums due at the time of transfer.
- The insurer may terminate the agreement within a period of fifteen days from the day on which it is notified of the verified transfer. Once it has exercised its rights and notified the purchaser in writing, the insurer is under obligation for a period of one month from the notification date. The insurer must reimburse the portion of the premium corresponding to the insurance period for which, as a consequence of the termination, it has not borne any risk.
- The purchaser of the insured object may also terminate the agreement by providing written notice to the insurer within a period of fifteen days upon learning of its existence. In this case, the insurer is entitled to collect the premium corresponding to the period that has elapsed up to the moment of the termination of the insurance.
- The same rules apply for cases of death and insolvency proceedings on the part of the policyholder or insured.

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## DRAWING-UP AND EFFECTS OF THE CONTRACT

- The insurance agreement is drawn up by consent, as evidenced through the subscription of the policy or the provisional cover document by the parties hereto. The contracted cover and any modifications or additions made thereto shall not come into force until the receipt for the premium has been paid, unless agreed otherwise in the policy's schedule.
- In case of delay in meeting both these requirements, the obligations of the insurer shall begin as of midnight on the day on which they have been met.

- The policy cover shall take effect on the date and at the time indicated in the policy schedule.
- When the period indicated in the policy schedule expires, the policy will be extended for a period of one year and shall do so successively upon the expiry of each insurance year.
- **The parties may oppose the contract's extension through written notice to the other party, served at least one month before the conclusion of the insurance period currently in progress when the extension is opposed by the policyholder, and at least two months when it is opposed by the insurer.**

### 1. Premium amount

The amount of the premium shall, in general, be reviewed each year by the insurer based on the principles of equity and adequacy. The criteria for calculating the new contribution shall be based on actuarial studies which factor in the following:

- a. Costs of claims.
- b. Frequency of claims.
- c. Cost of processing claims.

The insurer shall inform the policyholder of the increase at least two months prior to the termination of the contract. If the insured does not accept the price increase, the insurer may refuse to renew the contract for the next period of cover.

### 2. Time of payment

The policyholder must pay the first premium or sole premium upon execution of the agreement. Any subsequent premiums shall be paid on their corresponding due dates.



In the event the policy does not take effect immediately, the insurance policyholder may delay payment of the premium until the policy is to take effect.

### **3. Place for payment**

Should no place for the payment of the premium be stipulated in the policy's schedule, it shall be understood that the payment is to be made at the policyholder's residence.

### **4. Consequences of non-payment of the premium**

If, because of the policyholder, the first premium is not paid, or the sole premium has not been paid by its maturity, the insurer shall be entitled to terminate the agreement or demand the enforced payment of the owed premium based on the policy. At all times, and unless agreed otherwise in the schedule, if the premium has not been paid before an accident occurs, the insurer shall be released from its obligations.

In case of failure to pay any of the following premiums, the insurer's cover shall be suspended one month after the date it came due. If the insurer does not demand payment within a period of six months from the date on which the premium is due, the contract shall be taken as terminated.

In any case, when the agreement is suspended, the insurer may only demand payment of the premium underway at the time.

If the agreement has not been resolved or terminated in accordance with the previous paragraphs, the policy's cover shall come into force again at midnight on the day the policyholder pays the premium.

### **1. In the event of a claim due to risks covered by the policy, except for public liability**

As soon as the claim occurs, the insurance policyholder or the insured shall employ all means at his/her disposal to salvage the insured property and reduce the effects of the claim.

The policyholder, the insured or the beneficiary shall inform the insurer that an accident has taken place within a maximum period of seven days from the date on which they become aware of the accident, unless a longer period has been agreed in the policy. The insurer may file a claim for the damages caused by any failure to make this declaration, except when it can be shown that it had knowledge of the accident by another means.

It is also necessary for the policyholder or the insured to undertake to inform the insurer about the place where the accident occurred, if necessary, the date and time of the accident, its duration, any known or presumed causes, the means used to reduce the effects thereof, the circumstances under which it occurred, the type of property that was damaged and the approximate cost of any damages derived thereof before informing the legal authorities.

The policyholder or the insured must send the insurer an authentic copy of the proceedings of the legal declaration within a period of five days, as of his/her notification, accompanied by the list of all of the insured property existing at the time of the accident and whatever was destroyed, deteriorated or salvaged, indicating its value.

### **2. In the event of a claim leading to public liability claims**

The insurance policyholder and the insured must use any means that favour their defense when faced with liability claims and must be as diligent when carrying them out as they would in the absence of insurance. Likewise, they shall inform the insurer immediately upon receipt or, at most, within a period of 48 hours,

of any legal or administrative notice that they become aware of which might bear some relation to the claim.

Neither the insured, nor the insurance policyholder, nor any other person acting on their behalf, may negotiate, admit or reject any claim without authorisation from the insurer.

Breaching these obligations will authorise the insurer to reduce the benefits provided and involve the insured as a party to the claim (to the extent that his/her behaviour has impacted the economic consequences of the claim) or, where appropriate, claim damages against him/her.

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If the breach by the insurance policyholder or the insured is carried out with the manifest intention of misleading or harming the insurer, or if they act fraudulently in collusion with the claimants or the injured parties, the insurer shall be released from its obligation to pay all benefits derived from the claim.

The insurer shall take on the management of all procedures related to the claim, acting in the name of the insured to deal with the injured parties or their entitled dependents, and the insured agrees to collaborate with it. If, due to a lack of collaboration, the possibilities of defending the claim are harmed or reduced, the insurer may place a claim for damages against the insured, proportional to the insured's blame and the harm suffered.

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## OBLIGATIONS IN CASE OF CLAIMS

- The policyholder or the insured must, in addition, provide the insurer with all sorts of information about the circumstances and consequences of the accident. In case of breach of this obligation, the right to the indemnity shall only be lost in the event of gross negligence or wilful misconduct.

If there are various insurers, this notice must be provided to each of them, indicating the names of the others.

- The insured may not totally or partially abandon the insured objects, which are in his/her care and at his/her own risk, and

he/she shall take care of any that are left after the accident, whether intact or deteriorated, as well as their related wreckage, packaging, boxes or cases, taking care not to cause any new disappearances or flaws whose cost, in this case, shall be borne by the insured.

Moreover, the policyholder or the insured undertakes to conserve the wreckage and remains of the accident until the valuation of the damage has concluded, except in case of justified material impossibility. This obligation shall not, under any circumstance, give rise to a special indemnity.

- The insured must provide the insurer access to the properties on which the accident occurred in order to take as many measures as reasonably necessary to lessen the consequences thereof.
- Breach of the salvage obligation set forth in this article shall entitle the insurer to reduce its benefits in accordance with the importance of the damages derived from said breach and the degree of responsibility by the policyholder or insured. If this breach occurs with the manifest intention of harming or misleading the insurer, the latter shall be released from its obligation to provide all benefits derived from the accident.
- Any costs incurred due to compliance with this obligation, providing they are not inappropriate or disproportionate to the salvaged property, shall be borne by the insurer for up to the limit established in the policy, even when said expenses have not had effective or positive results.
- It is the insured's responsibility to prove the pre-existence of the items. Nevertheless, the contents stipulated in the policy shall constitute a presumption in favour of the insured when he/she cannot reasonably provide more adequate proof.

- The insurer shall visit the place where the accident occurred, as soon as possible, through the person it designates to begin the operations to verify the causes of the accident, how it occurred, the declarations contained in the policy and the damage sustained by insured objects.
- If the parties reach an agreement on the cost and method of the indemnity, the terms of article 22 – Payment of Indemnity – shall apply.
- If the parties fail to reach an agreement within a period of forty days from receipt of the accident report, each party shall appoint a loss adjuster, whose acceptance of the post shall be recorded in writing.
- Once the loss adjusters have been appointed and have accepted their posts, which may not be renounced, they will initiate their tasks.
- Should the loss adjusters reach an agreement, this will be reflected in a joint document in which they will record the causes of the claim, the valuation of the damages, any other circumstances that might influence the calculation and proposal for the indemnity.
- If either of the parties has not appointed a loss adjuster, it must do so within eight days following the date on which it is requested to do so by the party that has appointed its own and, should it fail to do so in this final period, it shall be understood that it accepts the opinion issued by the other party's loss adjuster and shall be bound by it.
- When the loss adjusters fail to reach an agreement, the parties shall appoint a third adjuster by mutual agreement. In the absence of such an agreement, it is possible to make a request in the manner stipulated in the Voluntary Jurisdiction Law or the notarial legislation. In these cases, the loss adjuster's report shall be issued within the period indicated by the parties or,

in its absence, within thirty days following acceptance of their appointment as the third loss adjuster.

- The parties shall be immediately informed of the opinion of the loss adjusters, whether unanimous or majority, by a means beyond all doubt, and it will be binding for them, except when either of the parties legally contests it within a period of thirty days, in the case of the insurer, or one hundred and eighty days, in the case of the insured, both periods counted from the date of said notification. If the corresponding legal action is not taken in said periods, the loss adjusters' report shall be unassailable.
- Each party shall bear the fees of its own loss adjuster. Those of the third adjuster and any additional costs, including the costs incurred to remove debris that may arise from the expert appraisal, shall be borne equally by the insured and the insurer at 50% each. However, if either of the parties have made the appraisal necessary by insisting on a manifestly disproportionate valuation of the damage, this party shall be solely liable for these costs.

## 20 VALUATION OF THE DAMAGE

### Building

The building, including the foundations but not including the value of the site, shall be valued according to the value of new construction at the moment prior to the accident.

The cost of replacing the building shall be construed as including any architect or engineering fees necessary for the reconstruction, although at no time may the indemnity from the insurer exceed the insured sum in the policy for the building.

If the damaged or destroyed building is not useful for the insured or is not repaired, reconstructed or replaced on the site where it had been at the moment prior to the accident, or in case of

any significant modification of its original use, the insurer shall appraise the damages based on its real value, bearing in mind the corresponding deduction for use, age and obsolescence, except when its reconstruction cannot be carried out at the same site by legal imperative.

**At all times, the difference between the reconstruction value and the real value shall only be indemnifiable when the reconstruction of the damaged building is carried out within two years of the occurrence of the accident.**

### **Community furniture**

The furniture, machinery and facilities that are part of the content will be valued according to its new replacement value in the market at the time prior to the accident. In the absence of market, the basis for evaluation will be other assets with similar characteristics and performance.

Valuables, such as pictures, statues, and in general all kinds of rare or precious items insured in the policy for specific amounts should be appraised by their real value at the time prior to the accident.

With regard to items that are part of a set or collection, if the total loss thereof does not occur, the insurer shall not reimburse the full value of the aforementioned set or collection, but solely the cost of the damaged fraction or part and, under no circumstances may the insured try to receive any indemnity for the depreciation that may be caused to the set or collection that may now be incomplete as a result of the accident.

In case of loss covered under warranty machinery breakdown, the damage will be assessed according to the following rules:

### **Partial loss**

If the damage to the insured property can be repaired, the insurer will pay all expenses necessary to leave the goods in operating conditions as they were before the loss occurred.

The insurer will also pay the costs of installation, removal, transportation, customs duties, if any, and any other item that affects the value of the repair and would have been included in the determination of the sum insured.

**The cost of modifications, improvements or revisions that are made because of a loss covered by the policy will be entirely borne by the insured. The insurer will not indemnify the cost of temporary repairs unless they form part of the cost of permanent repairs.**

### **Total loss**

When the insured property is completely destroyed or damaged so it cannot be repaired, compensation will be provided in order to replace it. This is to be understood as the cost of replacing the property that was insured before the claim occurred with new property that is of the same type and in the same condition.

In order for this indemnity to apply it is a condition precedent that:

- The amount of indemnity regarding reinstatement of the destroyed or damaged property does not exceed the sum insured stated in the policy for that item.

**If the above requirement is not met, the indemnity will be calculated based on the value of the damaged item depending on usage and condition at the time prior to the accident, including transport costs, customs and assembly, deducting the value of the remains.**

### **Common regulations for the building and the communal furniture**

Additional costs that must be incurred by the insured in order to adapt the insured facilities or goods so that they adhere to the current regulations that are in force will be deducted from the resulting valuation.



- The sum insured for each cover represents the maximum limit on the indemnity to be paid by the insurer for each claim.
- The insurance may not be the object of unfair enrichment for the insured. To calculate the damage, the value of the insured interest at the moment immediately prior to the claim shall be used.
- If, when the claim occurs, the sum insured for each of the covers included in the policy is less than the value of the insured interest, the insurer shall indemnify the damage caused in the same proportion as said sum covers the insured interest. The parties may exclude the application of the average condition described in the previous paragraph by mutual agreement.
- If, when the accident occurs, the insured sum for each one of the covers included in the policy notably exceeds the value of the insured interest, either of the parties hereto may require the reduction of the insured sum and the premium and the insurer shall reimburse the surplus from the premium already collected. Should an accident occur, the insurer shall indemnify the damage effectively caused.

When the over-insurance is due to bad faith by the insured the agreement shall be rendered null and void.

The insurer may withhold the past due premiums and those for the period underway in good faith.

- When two or more contracts with different insurers cover the effects of the same risk on the same item for an identical period of time, the insurance policyholder or insured must, unless stipulated otherwise, inform each insurer of the other policies.

When a claim occurs, the insurance policyholder or insured must report the claim to each insurer and indicate the names of the other insurers.

The insurers shall pay the indemnity and appraisal costs in proportion to their insured sum, which under no circumstances may exceed the cost of the damage.

Subject to this limit, the insured may request the indemnity payable by each insurer, according to the respective contract.

Should the declaration of the existence of other policies be omitted as a result of wilful misconduct, the insurer will not have to pay the indemnity.

## 22 PAYMENT OF INDEMNITY

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In the event of an accident, the payment of the indemnity will adhere to the following rules:

- If the value of the damage is mutually agreed, the insurer shall pay the agreed sum within a maximum period of five days to begin from the date on which both parties signed the agreement. This shall never be done in detriment to the terms of the next point in this article concerning the obligation of the insurer to pay the minimum sum it is bound to pay.
- If the damages were appraised by agreement of the loss adjusters, the insurer shall pay the sum they indicate within a period of five days from the moment both parties agree to and accept the adjusters' agreement, which shall cause said agreement to become unassailable.
- Should the loss adjusters' report be challenged, the insurer shall pay the minimum cost of what it might owe, according to the circumstances known to it.
- If, in the period of three months following the claim, the insurer has not repaired or indemnified the damage or if, in the forty days following receipt of the claim's report, it has not proceeded to the payment of the minimum sum it might owe, the indemnity shall be increased due to the default of the insurer with the payment of

an annual interest equal to the legal interest on money in force at the time it is paid, increased by 50%.

Nevertheless, once two years have elapsed since the occurrence of the claim, the annual interest may not be less than 20%.

The date of the claim shall mark the commencement of the calculation of the sums concerned.

There shall be no indemnity for default by the insurer when the failure to pay the indemnity or the minimum sum is due to a justified cause or cannot be attributed thereto.

- The indemnity may be substituted by the repair or replacement of the damaged property when the nature of the insurance so allows and the insured gives his/her consent.
- The insurer, before proceeding to the payment of the indemnity, may require the policyholder or the insured to provide documented proof that the damaged property is free from debt.
- For accidents affecting the liability cover, the insurer, within the limits and conditions of the policy, shall pay the indemnity within a maximum period of forty days from the date on which the sum of said indemnity is set by a firm judgment or by the insurer's recognition of the liability of the insured.

## 23 SUBROGATION

- Once the indemnities have been paid, and without need for any other assignment, transfer, deed or order, the insurer is subrogated to the rights, appeals and actions that, as a result of the claim, corresponded previously to the insured, towards any individuals who perpetrated or were liable for the claim, including other insurers, if there are any, for up to the limit of the indemnity.
- The insurer may not exercise the rights it has subrogated in detriment to the insured.

- The insured shall answer to the insurer for the damages that, with his/her actions or omissions, he/she might cause to the insurer with regard to its right to subrogate.
- The insurer shall not be entitled to this subrogation against any party whose actions or omissions might lead to liability on the part of the insured in accordance with the law, nor against the party that caused the claim when said party is a direct or indirect relative of the insured, up to the third civil degree of kinship, or an adoptive parent or adopted child that lives with the insured.

The terms of the preceding paragraph shall have no effect when the liability for the claim stems from a fraudulent action or omission by the insured or when said liability is covered by an insurance agreement. In case of the latter, the subrogation shall be limited to the cover guaranteed by it.

- In case of concurrence of the insurer and the insured before a liable third party, any sum obtained shall be attributed to the titleholder of the respective right and, where both parties are titleholders, shall be divided between them in proportion to their respective interests.

## 24 RECOURSE

- The insurer may sue the insured for the cost of the indemnities it has had to pay as a result of the exercise of direct action by the damaged party or the entitled dependents thereof when the damage caused to the third party resulted from wilful misconduct by the insured.
- Likewise, the insurer may file a claim for damages caused to it by the insured and/or the policyholder in the cases and situations set forth in the policy and require the reimbursement of any indemnities it has had to pay to third parties damaged by claims not covered by the insurance.

- Should the insured interest or risk disappear during the term of the policy, the insurance agreement shall be terminated, and the insurer shall be entitled to the premium that has not been consumed.
- The insurance agreement shall be null and void, if, at the time of its conclusion, the risk does not exist or the claim has occurred.

The limitation for the actions derived from the insurance agreement shall be for a term of two years, with regard to insurance for damages, and five years, with regard to insurance for people.

In case of disagreement between the two parties, they may submit their differences to the judgment of arbitrators, in accordance with current legislation.

- The insurance policyholder, insured or beneficiary shall send all notices intended for the insurer to the registered offices indicated in the policy, or by e-mail to the e-mail addresses provided by the insurer for such purposes.
- Notices from the insurer to the insurance policyholder, insured or beneficiary shall be considered validly issued when they are sent to their addresses, via e-mail or to the telephone numbers provided thereby at the beginning of the contractual relationship or during the same. To do so, the owners of the postal address,

e-mail address and telephone number must immediately contact the insurer to update them. The insurer shall not be liable for any consequences resulting from a failure to update the aforementioned contact information.

- Any notices sent to the insurer by an insurance broker on behalf of the insurance policyholder shall have the same effect as if sent by the policyholder, unless otherwise indicated thereby. In any case, the insurance policyholder must provide their express consent in order to enter into a new contract or modify or cancel the insurance contract currently in effect.
- This insurance contract shall be subject to Spanish Law. Any disputes arising therefrom shall be heard by the competent court corresponding to the residence of the insured, who must designate a residence in Spain in the absence thereof.

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## INDEMNITY CLAUSE

### INSURANCE COMPENSATION CONSORTIUM INDEMNITY CLAUSE FOR LOSSES ARISING FROM EXTRAORDINARY EVENTS IN POLICIES WITH COMBINED COVER FOR DAMAGE TO PERSONS AND TO GOODS AND PUBLIC LIABILITY FOR LAND MOTOR VEHICLES

Pursuant to the revised text of the Insurance Compensation Consortium Legal Statute, approved by Royal Legislative Decree 7/2004, 29 October, the policyholder of an insurance contract that by law must include a surcharge payable to this public business entity has the power to reach an agreement for the cover of extraordinary risks with any insurance entity that meets the conditions required under current legislation.

The indemnity derived from claims resulting from extraordinary events that occur in Spain and that may affect the risks located therein and, in the case of personal injuries, also those occurring abroad when the insured have their primary residence in Spain,

will be paid by the Insurance Compensation Consortium when the policyholder has satisfied the corresponding surcharges in favour thereof and whenever any of the following situations occurs:

- a. Where the extraordinary risk covered by the Insurance Compensation Consortium is not covered under the insurance policy purchased from the insurance company.
- b. That, even if it is covered by said insurance policy, the insurance company cannot meet its obligations because it has been judicially declared bankrupt or it is subject to compulsory liquidation proceedings or such liquidation has been undertaken by the Insurance Compensation Consortium.

The Insurance Compensation Consortium shall comply with the provisions set forth in said Legal Statute, in Law 50/1980, 8 October, on Insurance Contracts, in the Regulations on extraordinary risk insurance approved by Royal Decree 300/2004, 20 February, and in all complementary provisions.

## **Summary of legal regulations**

### **1. Covered extraordinary events**

- a. The following natural phenomena: earthquakes and tidal waves, extraordinary floods (including those caused by battering of coastal waters), volcanic eruptions, atypical cyclonic storms (including extraordinary winds with gusts exceeding 120 km/h and tornadoes) and falling astral bodies and meteorites.
- b. Those caused violently as a result of terrorism, rebellion, insurrection, riots or civil unrest.
- c. Activities or actions of the Armed Forces or Security Forces and Services in peacetime.

Atmospheric and seismic phenomena, volcanic eruptions and falling astral bodies shall be certified, at the request of the Insurance Compensation Consortium, through reports issued by the State Meteorology Agency (AEMET), the National Geographic Institute and other relevant competent public bodies. In the case

of political or social events, as well as in the case of damage caused by acts or actions of the armed forces or the security forces in times of peace, the Insurance Compensation Consortium shall be able to collect information about the facts from the competent judicial or administrative bodies.

## **2. Excluded risks**

- a. Those that do not give rise to an indemnity according to the Insurance Contracts Act.**
- b. Those caused to goods insured by an insurance contract other than those in which a surcharge payable to the Insurance Compensation Consortium is mandatory.**
- c. Those due to inherent faults or defects in the insured object or an evident lack of adequate maintenance.**
- d. Those caused by armed conflicts, even when not preceded by an official declaration of war.**
- e. Those derived from nuclear energy, without prejudice to the terms of Act 12/2011, 27 May, on public liability for nuclear damage or damage caused by radioactive materials. Notwithstanding the foregoing, any direct damage caused to an insured nuclear plant shall be understood to be included where such damage occurs as a result of an extraordinary event affecting the plant itself.**
- f. Those due to the mere passage of time and, in the case of property that is fully or partially submerged on a permanent basis, those attributable to the mere action of waves or ordinary currents.**
- g. Those caused by natural phenomena other than those set forth in section 1.a above and, in particular, those caused by a rise in the water table, hillside movements, landslides or soil settlement, falling rocks and other similar phenomena, except where they are obviously caused by the action of rainwater that has, in turn, caused extraordinary**



**flooding in the area and they occur simultaneously with the flooding.**

- h. Those caused by the actions of people during the course of meetings and demonstrations held in accordance with Organic Law 9/1983, 15 July, regulating the right to assembly, as well as during legal strikes, unless such actions may be considered extraordinary events under the terms of the above section 1.b.**
- i. Those caused by bad faith on the part of the insured.**
- j. Those arising from natural phenomena that cause damage to goods or pecuniary loss when the policy issue or effective date, if later, does not precede the incident date by seven calendar days, unless it can be shown that it was not possible to take out the insurance beforehand due to non-existence of the insured interest. This elimination period shall not apply in the case of policy replacement or substitution, with the same or another entity, without any break in continuity, except for the part that was the object of increased or new cover. Nor will this apply to the portion of the sums insured resulting from the index-linked sums insured set forth in the policy.**
- k. Those related to claims which occur prior to payment of the first Premium or when, under the terms of the Spanish Insurance Contracts Act, the cover provided by the Insurance Compensation Consortium has been suspended or the insurance has been terminated due to non-payment of the premiums.**
- l. In the case of damage to goods, the indirect or direct losses resulting from direct or indirect damage, other than the pecuniary loss defined as subject to indemnity in the Regulations on Extraordinary Risk Insurance. In particular, this cover does not include damage or losses suffered as a result of an outage or alteration of the outside supply of electrical energy, fuel gases, fuel oil, gas oil or other fluids,**

or any other damage or indirect losses other than those cited in the preceding paragraph, even though these alterations may be derived from a cause included in the extraordinary risk cover.

- m. Claims that, due to their magnitude and severity, are classed by the Nation's Government as a 'national catastrophe or disaster'.
- n. In the case of public liability relating to land motor vehicles, the personal injuries derived from this cover.

### **3. Excess**

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- I. The excess payable by the insured shall be:
  - a. In the case of direct damage, in insurance against damage to goods, the excess payable by the insured shall equal 7% of the amount of the damage subject to indemnity caused by the incident. However, no excess shall apply to damage affecting homes, communities of property owners or vehicles covered by an auto insurance policy.
  - b. In the case of lost revenue, the excess payable by the insured shall equal that set forth in the policy, in time or in amount, for damage resulting from ordinary incidents involving loss of revenue. If there are several excesses for the cover of ordinary incidents for loss of revenue, those established for the main cover shall apply.
  - c. If the policy establishes a combined excess for damage and loss of revenue, material damage shall be settled by the Insurance Compensation Consortium deducting the excess applicable in accordance with the above section a., and loss of revenue deducting the excess established in the policy for the main cover, less the excess applied in the settlement of the material damage.
- II. No excess shall apply in personal insurance.

### **4. Scope of the cover**

- I. The excess payable by the insured shall be:
  - 1. The cover of extraordinary risks shall extend to the same goods or persons, and the same insured amounts that may have been

established in the insurance policies for the purposes of cover against ordinary risks.

2. Notwithstanding the foregoing:

- a. In policies covering own damage to motor vehicles, the cover of extraordinary risks by the Insurance Compensation Consortium shall cover the full insured interest, even when cover under the ordinary policy is only partial.
- b. If the vehicles only have a public liability land motor vehicle policy, the cover for extraordinary risks by the Insurance Compensation Consortium shall cover the value of the vehicle in its state at the moment immediately prior to the incident, in accordance with generally accepted market prices.
- c. With regard to life insurance policies that, under the terms of the contract and in accordance with the laws regulating private insurance, generate policy reserves, the cover of the Insurance Compensation Consortium shall refer to the sum insured at risk for each insured party; in other words, the difference between the insured sum and the policy reserves that the insurer that issued the policy must have established. The amount corresponding to the policy reserves shall be paid by said insurance company.

### **Notification of damage to the Insurance Compensation Consortium**

1. The indemnity proposal form for damage covered by the Insurance Compensation Consortium shall be lodged with the Consortium by the insurance policyholder, the insured or the beneficiary of the policy, or the person acting on behalf of and in representation of the former, or by the insurance company or insurance agent involved in the placement of the insurance policy.
2. Notification of damage and receipt of information relating to the procedure and the state of the claim may be made:
  - By calling the Insurance Compensation Consortium Call Centre (952 367 042 or 902 222 665).

- Through the **website of the Insurance Compensation Consortium (www.conorseguros.es)**

3. Valuation of the damage: The valuation of the damage subject to indemnity, in accordance with insurance legislation and the contents of the insurance policy, shall be carried out by the Insurance Compensation Consortium, without it being bound to any valuations that, if applicable, were carried out by the insurance company covering ordinary risks.

4. Payment of indemnity: The Insurance Compensation Consortium shall pay the indemnity to the beneficiary of the policy by means of bank transfer.

