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Preliminaries

All mentions made in the Policy of a specific term refer to the definition that appears in the appropriate place in the General Conditions of the Insurance Contract or these

Specific General Conditions and always means the same thing.

Terms

In this policy, the following definitions are accepted:

Actual value: This is understood to be the as-new replacement value, as defined here, once depreciation for use, state of preservation and any other circumstances has been deducted.

Alarm system: Installation intended to detect and indicate alarm situations caused by intrusions on the premises and made up, as a minimum, by one or more automatic detection devices together with manual activation, a central signalling and control unit with the corresponding power supply, switching or control elements, self-protection circuits and optical and/or acoustic alarm signalling devices.

For an Alarm System to be considered as such it must be effectively activated.

Annexe buildings: Garages, pavilions, cellars, store rooms and others, provided they are on the same property as the insured dwelling and are specifically isolated and closed off for the Insured Party's exclusive, private use.

Anti-riot or anti-disturbance glass: Unit made up of 2 panes, each 6 millimetres thick, joined by a layer of polyvinyl butyral.

Anti-theft glass: Unit made up of 3 panes, each between 4 and 6 millimetres thick, joined by a layer of polyvinyl butyral.

As-new replacement value: Form of insurance consisting of insuring property for the sum that would be required to purchase it new, either identical or with similar features if there was nothing identical on the market, without applying depreciation for usage, state of preservation or any other similar circumstance.

Base Index: Corresponding to the last Retail Price Index published by the National Statistics Institute, or any body that may replace it, on the date the Policy is issued and which is established in it as a revaluation coefficient.

Bullet-proof or reinforced glass: Set made up of 4 panes, each 6 millimetres thick or by 3 panes of 8, 10 and 8 millimetres joined by sheets of polyvinyl butyral.

Other combinations of 3 panes of thicknesses other than those previously indicated are allowed under this definition, provided the joint diameter is equal to or greater than 24 millimetres and similar resistance to penetration is guaranteed.

Capital compensation: If, when the loss occurs, there is an excess sum insured under one or more of the headings insurable at total value, such an excess may be applied to the other headings insurable at total value which, although they are insured, are insufficiently insured, provided that the premium resulting from applying the premium rates, with any surcharges or discounts, of this new division of sums insured does not exceed the premium paid for the current year.

Cash value of a car: Value resulting from reducing 100% of the retail sale price of a vehicle, including taxes, transport and registration, on the day of the loss by a monthly 1% for every month from the date when it was first registered. This value may not be lower than 100% of the value that it is worth on the second-hand market for sales professionals, considering those of the same make, age and model.

Central Alarm Unit: Post permanently staffed by the Police or a Security Company intended to receive alarm signals and from where the measures necessary to prevent a crime against property being committed can be put into effect.

Compensation limit: Maximum benefit, expressly agreed in these Specific General Conditions or in the particular conditions of the Policy, which the Company is obliged to pay as the sum of all compensation and additional costs deriving from damage caused by a loss that affects a particular risk, guarantee and/or cover.

Compensation limit per claim and insurance period: Maximum benefit, expressly agreed in these Specific General Conditions or in the particular conditions of the policy, and which the Company is obliged to pay for the sum of all the compensations and additional costs deriving from damage occurring in the course of the same insurance period, regardless of whether such damage is attributable to one or more claims, in such a way that the amount of the compensation limit is reduced as it is used up by one or more claims throughout the insurance period.

For such purposes, the insurance period is understood as one between the date the policy comes into effect and the date the premium first becomes due or the date the contract expires, or between two successive annual expiries or between the last annual expiry and the extinction or cancellation of the insurance.

Compensation sublimit: Maximum benefit expressly agreed in these Specific General Conditions or in the particular conditions of the Policy for the sum of all compensation and additional costs that the Company is obliged to pay for each

risk, guarantee or cover identified in the policy, which is lower than or is expressed as a percentage of the compensation limit per claim for all cover within the risk, guarantee or cover referred to.

Compensation sublimit per victim: Maximum benefit, expressly agreed in these Specific General Conditions or in the particular conditions of the Policy which the Company is obliged to pay for each risk, guarantee or cover identified in the policy, for the sum of all compensation and additional costs, for each victim of a loss or its causes, always up to a maximum compensation limit sum per claim given in the policy for the case of the same damaging event affecting several victims within the risk, guarantee and/or cover referred to.

Connected and activated alarm system: This is an Alarm System which, as well as the normal elements, has devices for transmission to a Central Alarm Unit, either by fixed and/or mobile telephone or radio, and which is effectively connected to it.

Cover: Commitment accepted by the Company under which it takes responsibility, up to the limit and under the conditions stipulated in the Insurance Policy, for any financial consequences deriving from a loss resulting from a particular risk.

Detached house: House that is isolated or without adjoining ones, with all outside walls.

Development not similar to an urban centre: Group of buildings belonging to different owners in a development that does not show the characteristics fixed in the definition of Urban Centre or similar development.

Equity rule: When the circumstances of the risk are other than those known by the company because of inaccuracy in the Policy Holder's declarations or because of subsequent worsening of the risk without notification to the Company, the compensation will be proportionally reduced by the difference between the agreed premium and that which would have applied had the true nature of the risk been known (Article 10 of the Insurance Contract Act).

Event leading to a claim: All damage caused by a sudden, accidental or unforeseen event within the period when the policy is valid, whose consequences are totally or partially covered by it.

Excess: Sum expressly agreed in the Specific Policy Conditions which is the Insured Party's responsibility and which will be deducted from what would be the compensation corresponding to each claim once the policy's conditioning factors, such as limits, sublimits, first risk, under-insurance and/or equity rules, have been applied.

Exclusion period: This is the time when, although the Insurance is valid, a loss occurring is not covered.

Expiry Index: The last Retail Price Index published by the National Statistics Institute and body that may replace it before the bill is issued when the Policy expires every year.

Family unit: Group of people linked with the Insured Party by a blood relationship or entered as his/her partner in a public register who live in the insured dwelling for at least three months a year.

First risk: Form of insurance consisting of insuring a certain value up to which the insured interest is covered, regardless of its total value.

Fixed accessories of a vehicle: All elements of a vehicle included as standard by the manufacturer for that model and version.

Gardens: Terraces, gardens and porches, provided they are on the same property as the insured dwelling and are duly closed or fenced off for the exclusive use of the dwelling.

Ground-floor flat: Dwelling in a building with more than one dwelling or with adjoining dwellings and with windows or balconies at less than three metres from ground level.

Guarantee: Grouping of a certain number of covers under a single name or title.

Habitual dwelling: Dwelling place of normal residence.

High flat: Dwelling in a building with more than one dwelling and with windows and balconies at more than three metres above ground level and which is not a top-floor flat.

Key: Instrument used for opening or closing a lock; magnetic or perforated cards and remote controls, or similar instruments, are considered as keys.

Ordinary glass: Single-layer pane, regardless of its thickness.

Personal injury: Physical injury or death caused to individuals.

Property damage: Destruction, harm or disappearance of an item. For trees, plants and animals, property damage is understood only as destruction or harm caused to them.

Proportional rule: If, when a loss occurs, the sum insured is lower than the value of the interest insured, the Company will pay compensation for the damage caused to it in the same proportion as the sum insured covers the interest insured (Article 30 of the Insurance Contract Act).

Risk: Possibility of a fortuitous event capable of causing damage occurring. It also represents a grouping of a certain number of Guarantees under a single name or title.

Safe: Secure box intended for the preservation and protection of property of particular value and which meets each and every one of the following specifications:

- As a closed item, it has a lock and/or combination, all activated, acting on the latch to block the opening of the box.
- The door, as well as all the sides, top and bottom, are entirely made of tempered steel and reinforced concrete or have a composition which, because of its characteristics, offers at least similar resistance to penetration and fire.
- It is anchored to the wall or built into it or, if it is not, its weight exceeds 500kg on a ground floor or 150kg on a higher floor.

For a safe to be considered as such it must be properly activated.

Safety glass: Unit made up of 2 panes, each 4 millimetres thick, joined by a layer of polyvinyl butyral.

Second dwelling: Dwelling place of that is not a normal residence.

Sum Insured: Value attributed by the Policy Holder or Insured Party to each of the insurable headings covered by the Policy, appearing in its particular conditions, and whose amount is the maximum sum the Company is obliged to pay in the case of a loss affecting the item, as a sum of all compensation and additional costs.

Surveillance service: Surveillance service carried out, on site, by private security staff employed by a Security Company.

Terraced: House that shares a wall (not garden wall, hedge or fence) with another building.

Third party: Any individual or organisation other than:

- a) The Policy Holder and the Insured Party.
- b) The spouse or common-law spouse, parents, grand-parents, descendants and relatives of the Policy Holder and Insured Party to the second degree of blood ties.
- c) Those making up the family unit.

Top-floor flat: Dwelling on the top floor of a building with more than one dwelling, and set back with respect to the vertical alignment of the façade.

Total value: Form of insurance requiring that the sum insured under an insurable heading corresponds to the entire interest insured corresponding to it. If it is less, the Insured Party will be considered as its own insurer for the difference and, as such, in the case of a claim, will share proportionally in losses and damage.

Unity of loss: A single loss will be considered to be an event or series of damaging events due to the same original cause, unless there is no causal relationship between several identical causes.

Unoccupied: Situation of a building or buildings that do not form part of an urban centre or development similar to an urban centre, or of a development not similar to an urban centre.

Urban centre or development similar to an urban centre: A set of buildings belonging to different owners in the same developed area, understood as being somewhere with public networks for lighting and water.

Article 1. Subject of the insurance

1. The Company is obliged to repair damage, replace goods or pay the corresponding compensation and benefits, whichever it considers most appropriate, for damage to property suffered by the Insured Party as a result of a loss covered by this Policy and to pay the compensation and/or benefits corresponding to third parties, according to the provisions of the Insurance Contract Act (Act 50/1980 8 October, published in the B.O.E. on 17 October; amended by Act 30/1995 8 November, published in the B.O.E. on 9 November), with an extract in the General Conditions of the Insurance Contract and by the agreements in the Specific General Conditions and Particular Conditions of this contract.
2. The Risks and Guarantees in this Policy are effective in the territorial area indicated in article 2 of these Specific General Conditions.
3. The Property, Risks, Guarantees and cover insured may be, at the request of the Policy Holder, one or more of those described in articles 3 and 4, respectively, of these Specific General Conditions, with their cover or exclusion determined in the Particular Conditions of the Policy.

In this way, the cover in this policy extends only to

the Risks and Guarantees expressly included in the Particular Conditions of the Policy.

4. The risks and damage not covered by the Company, as well as those excluded in the Risks, Guarantees and cover in these Specific General Conditions or in the Particular Conditions of the Policy, are determined in article 5 of these Specific General Conditions.
5. The valuation criteria for the insured goods, valuation of damage occurring and assessment of compensation are regulated by article 6 of these Specific General Conditions.
6. The automatic revaluation conditions for sums insured, together with their sphere of application and the annual premium amendment conditions depending on the Subsequent Charges System, will be determined by article 7 of these Specific General Conditions.
7. Cover for extraordinary and catastrophic risks to persons and items, described in article 8 of these Specific General Conditions, is assumed by the Insurance Compensation Consortium.

Article 2. Territorial area

The Risks, Guarantees and cover in this policy are effective in the insured dwelling, its annexe buildings and gardens, except for insurable items and guarantees for which the territorial scope of cover is indicated below:

1. The cover contracted for parked Vehicles, whose area extends to a parking space belonging to or rented by the Insured Person and situated on the property where the insured dwelling is.
2. Cover contracted for Property in annexe buildings, whose scope extends to the annexe buildings belonging to or

rented by the Insured Party and located on the property where the insured dwelling is situated.

3. Cover for Robbery outside the home and Travel in Guarantee Four of Risk Two (Extension of cover), whose scope includes the whole world outside the insured dwelling, its annexe buildings and gardens.
4. Cover for Theft from the boot in Guarantee Four of Risk Two (Extension of cover), whose scope includes the whole world, starting at a distance of ten kilometres from the insured dwelling.

5. Cover for Fraudulent use of cheques and credit cards in Guarantee Four of Risk Two (Extension of cover), whose scope extends to the whole world.
6. Cover in the Risk Three (Civil Liability), whose scope of cover is specified as the liability deriving from damage caused to third parties on the territory of the European Union and Andorra (unless Private Family Civil Responsibility is extended for temporary stays abroad enjoying cover) and

claimed before their courts.

In all cases, compensation and costs arising from this insurance will be paid in euros in Spain.

7. The cover in Risk Five (Legal Defence), whose scope extends to insured events occurring on Spanish territory coming under the competence of Spanish Courts or the Spanish administration.

Article 3. Insurable property

Whenever a Sum Insured is agreed, without prejudice to the exclusions and limitations established for each Risk, Guarantee and cover, the property corresponding to the following insurable headings will be covered:

Buildings at Total Value: Group made up of:

- a) The construction units, such as foundations, structure, walls, ceilings, floors, roofs, doors, windows and sanitary fittings of the dwelling itself, its annexe buildings and gardens, excluding the land value.
- b) The fixed installations, such as water, gas, electricity, telephony, up to their connection with the public service or Community networks, electronic or video door control, lifts and cargo lifts, heating and cooling installations, together with the apparatus and fixed elements necessary for the operation of these installations, such as boilers, heaters, accumulators, radiators, heat pumps, air conditioning devices and fans permanently fixed in the building.
- c) Radio and television aerials, including dish aerials, solar energy panels, lights, masts and other similar elements permanently fixed to the building.
- d) Paint, parquet flooring, carpets, wallpaper, tapestries, wood, shutters, sunshades and other decorative elements permanently incorporated into the dwelling or its annexe buildings, such as built-in cupboards.
- e) Glass, windows and skylights permanently fixed in the building.
- f) The walls, fences and other elements enclosing or containing the land belonging to the property.
- g) Paths and other asphalted, tiled or paved surfaces forming an integral part of the building and used for access to it.
- h) The swimming pools, ponds, wells and their corresponding

equipment, such as purifiers, water pumps and similar items.

- i) Pelota and tennis courts and other fixed sports facilities.
- j) Trees and plants, fixed outdoor watering equipment, greenhouses, lamps, masts, statues, fountains, jets, built-in barbecues and other, similar fixed elements in gardens. *This property is covered only by cover for Fire, Explosion and Implosion, Lightning Strike and Secondary Effects of Guarantee One of Risk One (Fire and Miscellaneous Perils).*
- k) The alarm system and other protection installations.
- l) In general, all property that cannot be separated from the building without breakage or damage to it.

In the case of property under the horizontal system, the communal elements will be included in accordance to the co-ownership coefficient corresponding to the insured dwelling.

Alteration works: Set of alteration, refurbishment and adaptation works carried out on the dwelling by the Insured Party.

Buildings at First Risk: Group made up of the same elements .

Total Buildings: Sum of the insurable headings of Buildings at total value, Alteration works and Buildings at First Risk.

Movable property: Group made up of:

- a) The furniture of the dwelling itself, including fixed furniture, such as that in the kitchen.
- b) Domestic items, such as bed linen, tablecloths, towels.

- c) Personal items, such as clothes, accessories, books, records, compact discs.
- d) Domestic appliances including heaters, air conditioning equipment and fans not permanently fixed to the building, image and sound reproduction equipment, personal equipment and other electronic equipment.
- e) Food and supplies; in the case of a country house or farmhouse, this includes forage, grain and feed provided it is not intended or used for a commercial livestock operation.
- f) Glass, mirrors, decoration and unfixed decorative elements.
- g) The tools and materials required for domestic repairs, do-it-yourself and gardening; in the case of a country house or farmhouse, the implements and tools for agriculture and livestock farming when these are not intended or used for a commercial livestock operation, except for tractors, insurable as Parked Vehicles, *and excluding other self-propelled agricultural machinery, which must be insured in a separate policy.*
- h) Bicycles, skateboards, wheelchairs and other self-propelled vehicles for disabled people (whether or not self-propelled) and similar items.
- i) Domestic animals; in the case of a country house or farmhouse, farm animals when they are not part of a commercial livestock operation. *This property is covered only by cover for Fire, Explosion and Implosion, Lightning Strike and Secondary Effects of Guarantee One of Risk One (Fire and Miscellaneous Perils).*
- j) The furniture and other property deposited in gardens. *This property is covered only by cover for Fire, Explosion and Implosion, Lightning Strike and Secondary Effects of Guarantee One of Risk One (Fire and Miscellaneous Perils).*
- k) Jewellery outside a safe, including all objects whose composition includes gold, platinum, precious stones or pearls in any proportion of the whole object when they are not inside an activated safe or one whose keys are not in the personal custody of the Insured Party or another member of the Family Unit, *are covered to up to 10% of the Sum Insured under the Movable Property heading, with a maximum capital sum of 1,500 euros.*
- l) Personal items belonging to third parties, such as clothes, accessories, books, records and compact discs, will be understood to be included in movable property, *to a maximum capital sum of 1,500 euros.*

Jewellery (except concerning Jewellery outside a safe mentioned in section k), Valuable Objects, Property in annexe buildings and Professional property, included under the corresponding insurable headings, are excluded.

Professional property: group made up of professional property and tools when professional activity is carried on in the insured dwelling, with express indication in the Particular Conditions of the Policy and provided the dwelling is used principally as a dwelling.

Property in annexe buildings: Group made up of the same items as for Property situated in annexe buildings, *with the exception of Jewellery outside a safe and Money in cash, which are not covered under this heading.*

Jewellery in a safe: Including all objects whose composition includes gold, platinum, precious stones or pearls in any proportion of the whole object, while they are inside an activated safe and while its keys are in the personal custody of the Insured Party or another member of the Family Unit.

Extension of Jewels outside a safe: Including all objects whose composition includes gold, platinum, precious stones or pearls in any proportion of the whole object, while they are not inside an activated safe or while its keys are not in the personal custody of the Insured Party or another member of the Family Unit. This item acts in excess of the capital insured for Jewellery outside a safe in section k of the Movable Property item.

Valuable objects: Including all goods detailed below, provided their unit value, individually or as a group of objects naturally forming a set, is equal to or greater than 2,000 euros. It includes the following property:

- a) Clocks, watches and fountain pens.
- b) Musical instruments.
- c) Silver objects.
- d) Leather items.
- e) Works of art, understood as being paintings, drawings and graphic works, including frames, sculptures, ceramics and porcelain with a specific value recognised on the art market.
- f) Philatelic and numismatic collections, not including gold.
- g) Rugs and tapestries.
- h) Antiquities, understood as objects more than 100 years old.

Jewellery is excluded under the insurable heading Valuable Objects and is included under the corresponding insurable headings.

Parked Vehicles: Including the vehicles detailed below, while they are parked in a parking space belonging to or rented by the Insured Party and located on the property where the insured dwelling is:

- Saloon, commercial (vans and trucks) and mixed (saloon and commercial) vehicles.
- Motorcycles, mopeds and similar.
- Caravans and dormobiles.
- Pleasure boats.
- Aircraft.
- Jet-skis.
- Trailers or semi-trailers.

- In the case of a country house or farmhouse, tractors, when these are not intended or used for a commercial agricultural or livestock operation, *excluding other self-propelled agricultural machinery, which must be the subject of a separate policy.*

Parked vehicles are covered only by the cover in Guarantee One of Risk One (Fire and Miscellaneous Perils). In any case, all cover will be understood as being in excess of any other vehicle insurance.

Total Content: Sum of the insurable items Movable Property, Professional Property, Property in annexe buildings, Jewellery in a safe, Extension of jewellery outside a safe, Valuable Objects and Parked Vehicles.

Article 4. Risks and Guarantees that can be covered by the Company at the Policy Holder's request

In Particular Conditions, the Risks and Guarantees taken out are listed as "Contracted", together with those not taken out as "Not contracted". Failure by the Policy Holder to expressly take out these Optional Risks and Guarantees

freees the Company from any financial liability, payment of benefit or action in the event of any loss covered by these.

Risk One (Basic)

Guarantee One (Fire and Miscellaneous Perils)

1. Material damage suffered by the property insured at the place described in the Policy is covered if it happens as a direct consequence of:

1.1. Fire, understood as being combustion and burning by a flame capable of propagating itself of an object or objects not intended to be burned in the place and at the time this occurs.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.2. Explosion and Implosion, understood as being the sudden and violent action of pressure or depressurisation of gas or vapours.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.3. Lightning strike, understood as being the impact caused by the violent electrical discharge produced by a disturbance in the electrical field of the atmosphere.

Damage and harm caused to electrical installations, electrical or electronic equipment and their accessories are excluded.

Compensation limit: Up to 100% of the Sum Insured

under each insurable heading.

1.4. Secondary effects, understood as being the action of smoke, vapour, dust, soot and any other similar consequence deriving from an event involving fire, explosion or implosion or lightning strike covered by the Policy.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.5. Total ruin of the insured dwelling as a direct consequence of works carried out by Third Parties on adjoining properties or buildings or due to public works carried out in adjacent streets or underground. This cover acts in excess of or in the absence of ten-year construction damage cover.

The Company grants cover for damage caused as a result of works carried out while the policy is valid and unknown to the Insured Party within the validity period for a period of up to twelve months after the insurance has been terminated.

Damage caused to insured property originating from actions carried out by Third Parties before the date this policy came into effect is excluded, even though it may be discovered while the policy was valid.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.6. Rain, wind, hail or snow, provided that, concerning rain, precipitation of more than 40 litres per square metre per hour is recorded; concerning wind, speeds of more than 96 kilometres per hour are recorded, and, concerning hail or snow fall, whatever the intensity.

If it is not possible to obtain data providing information about the wind speed or the precipitation that has occurred in the form of rain, they will be understood to have exceeded the measurements given if, having occurred abnormally both for the time of year and in terms of their intensity, such phenomena have destroyed or damaged other well-constructed buildings in the same town, village or geographical area similarly to the way insured property has been damaged.

Exclusions:

- a) *Damage to walls without foundations, boundary walls, fences and other independent elements containing or enclosing the land belonging to the property.*
- b) *Damage caused to the property forming part of the Contents in the open air or contents inside open constructions, even when they are protected by flexible materials (tarpaulins, plastic, inflatable constructions or similar).*
- c) *The damage caused to the insured property by leaks through walls, roofs, terraces and ceilings as well as repairs to them, whatever the cause, and those caused when the doors, windows or other openings have been left open or, when open, allow water inside the dwelling.*
- d) *Damage caused by the accumulation or movement of rainwater on the surface of terraces.*
- e) *The damage caused by the overflow of outdoor conduits intended to collect rainwater.*
- f) *Damage caused by frost, cold, ice, waves or tides, even when these phenomena have been caused by wind, snow or a combination of both phenomena.*

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.7. Roof leaks, understood as water seeping through the roofs, flat roofs and terraces of the property where the insured dwelling is located or its adjoining properties as a result of rain, hail or snow, regardless of their intensity.

Repairs of the roof leaks or seepage are excluded.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.8. Seepage through walls, understood as water seeping through walls as a result of rain, hail or snow, regardless of its intensity.

Repairs of roof leaks or seepage are excluded.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.9. Water leaks, originating from the bursting, breaking, overflow or accidental and sudden blockage to distribution or drainage pipes, channels and conduits collecting and/or removing rainwater or waste water, automatic fire extinguishers, taps and stopcocks, fixed tanks and equipment, provided they form part of the insured dwelling or adjoining ones and they are not underground installations and are connected to the pipe network, as well as those caused by failure to turn off taps and stopcocks.

Exclusions:

- a) *The damage caused to the goods insured by seepage through walls and ceilings, as well as repairs to them, unless they originate from a loss covered by this cover.*
- b) *Damage caused by failure to take the most basic precautions, such as emptying water installations and tanks in places where freezing temperatures are habitually reached, is excluded.*
- c) *Damage originating in underground installations, underground pipes, drains, sumps and any kind of conduit or underground channel.*

Compensation limit: Up to 100% of the Sum Insured under each insurance heading, *except in the cases of corrosion or general deterioration of the dwelling's pipes or installations, in which the Company's obligation will be limited to paying compensation for repairing the section of conduit or pipe causing the damage to the dwelling. If there are subsequent losses and the necessary repairs have not been carried out, it will be considered that the Insured Party is seriously culpable and the Company, in accordance with the worsening of the risk, will therefore be freed from all its obligations deriving from this cover.*

1.10. The location of a malfunction causing a loss covered by Water leaks.

Compensation limit: Up to 10% of the Sum Insured for Total Contents.

1.11. Flooding, understood as being the accumulation or

movement of water on the outside floor surface, as a result of:

- a) The breakage, flooding or malfunction of sewerage pipes, mains, the public water supply network and other man-made underground water courses.
- b) Flooding or accidental diversion of the normal course of lakes without natural outlets, canals, irrigation ditches and other man-made surface watercourses.

Exclusions:

- a) *Damage to walls without foundations, boundary walls, fences and other independent elements containing or enclosing the land belonging to the property.*
- b) *Damage caused to the property forming part of the Contents in the open air or contents inside open constructions, even when they are protected by flexible materials (tarpaulins, plastic, inflatable constructions or similar).*
- c) *The damage caused to the insured property by leaks through walls, roofs, terraces and ceilings, as well as repairs to them and those caused when the doors, windows or other openings have been left open or, when open, allow water inside the dwelling.*
- d) *Damage caused by the accumulation or movement of rainwater on the surface of terraces.*
- e) *Damage caused by the flooding or breakage of dams or containing dykes.*

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

- 1.12. Spillages of liquids**, understood as being spillages of liquids other than water originating in the bursting, breakage, overflow or accidental and sudden flooding of tanks forming part of the insured dwelling or adjoining ones.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

- 1.13. Impact**, which includes:

- a) A collision involving land vehicles or the goods transported in them.
- b) Snow avalanches and rock falls.
- c) Sonic waves caused by spacecraft and aircraft.

- d) Falling spacecraft, aircraft or parts or objects falling from them.

Damage caused by vehicles owned or in the possession or under the control or responsibility of the Insured Party, members of the Family Unit or their employees.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

- 1.14. Smoke**, understood as that caused by fires originating outside the insured dwelling and by sudden, abnormal leaks in fireplaces or heating or cooking systems in the insured dwelling or adjoining ones, provided they are connected to chimneys or smoke extraction systems by appropriate conduits.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

- 1.15. Electrical damage**, covering damage suffered by electrical installations and equipment in the insured dwelling as a result of short circuits, mains power surges, the formation of voltaic arcs, induction through lightning strike or other similar electrical phenomena.

Exclusions:

- a) *Damage covered by the installer's, manufacturer's or supplier's guarantee.*
- b) *Damage originating from maintenance operations or mishandling.*
- c) *Damage suffered by screens, tubes, valves, bulbs and lighting equipment.*
- d) *Damage suffered by equipment with as-new unitary replacement value of less than 100 euros.*
- e) *The damage suffered by electrical appliances more than 10 years old.*

Compensation limit: Up to 25% of the Sum Insured under each insurable heading.

- 1.16. Heat damage**, covering damage suffered in the insured dwelling by the insured property forming part of the Content as a consequence of the sudden, accidental action of a heat source on nearby objects.

Exclusions:

- a) *Damage suffered by objects in direct contact with*

the heat source.

b) Damage suffered by Valuable Objects.

c) Damage caused by "smoker's accidents."

Compensation limit: Up to 25% of the Sum Insured for Total Contents.

1.17. Refrigerated or frozen foods, covering food stored in refrigerators or freezers forming part of the Insured Property rendered unusable as a result of a malfunction of the equipment or the electrical mains system or of failures in the public electricity supply.

Damage caused when the fridge or freezer is more than 10 years old is excluded.

Compensation limit: Up to 1% of the Sum Insured for Total Contents.

1.18. Measures by the authorities, understood as being those adopted by the public authorities or services such as the Police, Fire Service or Civil Protection in order to limit the consequences of a loss covered by this Guarantee One (Fire and Miscellaneous Perils).

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.19. Salvage measures, understood as being attempts to salvage the insured property from a loss covered by this Guarantee One (Fire and Miscellaneous Perils).

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

2. The **costs** that must be paid by the Insured Party for the following, due to a loss covered by this Guarantee One (Fire and Miscellaneous Perils), are covered.

2.1. The intervention of the **Fire Service**.

Compensation limit: Up to 10% of the Sum Insured under each insurable heading.

2.2. The salvage of the insured property by moving it to another place.

Compensation limit: Up to 10% of the Sum Insured under each insurable heading.

2.3. The clearance and transfer of the remains of insured property destroyed in the loss to the nearest tip.

Compensation limit: Up to 10% of the Sum Insured under each insurable heading.

2.4. Landslide or mudslide as a result of flooding.

Compensation limit: Up to 10% of the Sum Insured under each insurable heading.

2.5. Renting a provisional dwelling with similar characteristics to the insured dwelling when it is uninhabitable for the Insured Party and members the Family Unit, during repairs of the damage and for a maximum period of six months, without taking into account delays due to the action of the Insured Party, with any rental sum corresponding to the lost dwelling deducted, as appropriate.

Compensation limit: Up to 10% of the Sum Insured for Total Contents.

2.6. Loss of Rent, that is, the rent not received by the Insured Party as owner of the insured dwelling, while the damage is repaired and for a maximum period of six months, applying when the dwelling is rented to a third party on the day of the loss, the tenants of the dwelling are obliged to move out temporarily and the rental agreement is legally suspended.

Compensation limit: Up to 10% of the Sum Insured for Total Contents.

2.7. Repair of water conduits of the Insured Buildings causing a loss covered by Water Leaks cover.

Exclusions:

a) Repairs to taps, stopcocks, tanks and equipment such as boilers, water heaters, accumulators, flasks, radiators, cisterns, washing machines and others.

b) Repairs to exposed conduits and those for which it is not necessary to carry out work to locate the problem.

Compensation limit: Up to 10% of the Sum Insured for Total Contents.

Guarantee Two (Theft and vandalism)

1. Material damage suffered by the property insured at the place described in the Policy is covered if it happens as a direct consequence of:

1.1. Burglary, understood as the seizure with a view to gain of insured property, carried out at the insured dwelling by third parties using force in order to gain access to the place where this property is or violence or intimidation to people, provided the doors, windows and other openings through which entry could be gained were properly protected with all the protections declared in the Particular Conditions.

For the purposes of this guarantee, it is considered that there has been burglary with forced entry only when at least one of the following circumstances is involved:

- a) A difference in levels of more than three metres has been climbed.
- b) Breakage of a wall, ceiling, floor, door or window.
- c) Use of false keys, considered as:
 - Jemmies and other similar instruments.
 - Legitimate keys obtained by means constituting a criminal offence.
 - Any others not intended by the owner to open the lock that has been breached.
- d) Deactivation of specific alarm systems.

Exclusions:

- a) *Burglary in which access has been gained via doors and windows not effectively protected with all the protections declared in the Particular Conditions.*
- b) *Damage caused to the property forming part of the Contents in the open air or contents inside open constructions, even when they are protected by flexible materials (tarpaulins, plastic, inflatable constructions or similar).*
- b) *Theft of parked vehicles, their engines, unfixed equipment and accessories, as well as property that may be stored in them.*
- d) *Theft of Jewellery, Valuable Objects and money in cash when these are in annexe buildings or the gardens of the dwelling.*
- e) *The theft of Jewellery outside a safe (both that insurable in Movable property and that insurable as Extension of Jewellery outside a safe) and Jewellery in a safe if this is not activated with all its protection measures, and money in cash when the insured dwelling remains uninhabited for more than thirty consecutive days. For this purpose, the dwelling is considered to be uninhabited when overnight stays are not made there.*

f) Theft and simple loss or mislaying or any other illegal removal not defined under this cover.

g) Losses not reported to the Police authorities.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading, *with a compensation sublimit for money in cash of 1% of the Sum Insured for the Total Contents.*

1.2. Damage, understood as being harm caused to the insured property on the occasion of a burglary covered by the Policy or an attempt to carry one out, either to get inside the dwelling or to open furniture, safes and other locked and sealed objects in which the property removed was kept.

Losses not reported to the Police Authorities are excluded.

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.3. Replacement of the keys and locks of the access doors to the insured dwelling with others of similar characteristics, if the keys are **stolen** by force either inside or outside the dwelling.

Losses not reported to the Police Authorities are excluded.

Compensation limit: Up to 25% of the Sum Insured under each insurable heading.

1.4. Replacement of the keys and locks of the access doors to the insured dwelling with others of similar characteristics if the keys are **stolen or lost** either inside or outside the dwelling.

Losses not reported to the Police Authorities are excluded.

Compensation limit: Up to 25% of the Sum Insured under each insurable heading.

1.5. Acts of vandalism, understood as acts committed intentionally by third parties against insured property with intent to destroy, not those by legal or illegal tenants or occupants.

Exclusions:

- a) *Damage caused by legal or illegal tenants or occupiers of the insured dwelling.*
- b) *Damage caused by painting, inscription, sticking of posters and similar acts to outdoor parts of the Insured Buildings.*
- c) *Damage caused to the property forming part of the Contents in the open air or contents inside*

open constructions, even when they are protected by flexible materials (tarpaulins, plastic, inflatable constructions or similar).

d) *Losses not reported to the Police authorities.*

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.6. Measures by the authorities, understood as being those adopted by the public authorities or services such as the Police, Fire Service or Civil Protection in order to limit the consequences of a loss covered by this Second Guarantee (Theft and vandalism).

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

1.7. Salvage measures, understood as being attempts to salvage the insured property from a loss covered by this Second Guarantee (Burglary and vandalism).

Compensation limit: Up to 100% of the Sum Insured under each insurable heading.

2. The **costs** that must be paid by the Insured Party for the following because of a loss covered by this Guarantee Two (Theft and vandalism) are covered:

2.1. The intervention of the Fire Service.

Compensation limit: Up to 10% of the Sum Insured under each insurable heading.

2.2. The salvage of the insured property by moving it to another place.

Compensation limit: Up to 10% of the Sum Insured under each insurable heading.

2.3. The clearance and transfer of the remains of insured property destroyed in the loss to the nearest tip.

Compensation limit: Up to 10% of the Sum Insured under each insurable heading.

2.4. Landslide or mudslide as a result of flooding.

Compensation limit: Up to 10% of the Sum Insured under each insurable heading.

2.5. Renting a provisional dwelling with similar characteristics to the insured dwelling when it is uninhabitable for the Insured Party and members the Family Unit, during repairs of the damage and for a maximum period of six months, without taking into account delays due to the action of the Insured Party, with any rental sum corresponding to the lost dwelling deducted, as appropriate.

Compensation limit: Up to 10% of the Sum Insured for Total Contents.

2.6. Loss of Rent:, that is, the rent not received by the Insured Party as owner of the insured dwelling, while the damage is repaired and for a maximum period of six months, applying when the dwelling is rented to a third party on the day of the loss, the tenants of the dwelling are obliged to move out temporarily and the rental agreement is legally suspended.

Compensation limit: Up to 10% of the Sum Insured for Total Contents.

Risk Two (Additional Guarantees)

Guarantee One (Breakage)

Material damage caused to the following insured property, because of breakage or fragmentation, is covered:

- a) Glass and mirrors.
- b) Vitro-ceramic hobs for cooking.
- c) Sanitary fittings attached to the Buildings.
- d) Work tops.
- e) Large planters and pots, provided they measure at least 50 centimetres across their widest part.
- f) Methacrylate furniture and screens.

Costs which must be paid by the Insured party for the transfer, fitting and assembly of the property replacing that lost because of an event covered by this Risk are covered, together with the clearance and transfer of the remains of the property lost to the nearest dump.

Exclusions:

- a) *Damage suffered by receptacles, fish tanks, terrariums, ashtrays, bottles, glassware, crockery and general homeware, lamps, neon tubes or bulbs of any kind, framed pictures, sheets or photographs, optical glass, glass in imaging and/or sound equipment and electrical appliances, decorations and hand-held objects.*
- b) *Damage suffered by slabs of marble, granite or other natural or artificial stone fitted in floors, walls, ceilings or on the outside of the insured dwelling.*
- c) *Damage caused by scratches, scrapes, cracks, chips and other causes leading to simple surface wear or defective appearance.*
- d) *Damage suffered by objects made of materials intended to replace glass.*

Compensation limit: Up to 100% of the Sum Insured under Risk One.

Guarantee Two (Frost damage)

Material damage suffered by the insured property in the place described in the Policy as a direct result of Frost Damage is covered when water conduits are broken, even if there is no water damage.

Exclusions:

a) *Leaks and overflows due to the obvious poor condition of the exposed installations in the care of the Insured Party.*

b) *Flooding caused by the sea, rivers, lakes and other natural watercourses, as these are covered by the Insurance Compensation Consortium.*

c) *Repairs to equipment and taps, such as boilers, flasks, stopcocks, washing machines and similar items.*

Compensation limit: Up to 100% of the Sum Insured belonging to Risk One.

Guarantee Three (Damaged Appearance)

Costs the Insured party has had to pay to restore the initial harmonious appearance of the interior elements of the Insured Buildings is covered, provided the damage is actually repaired, when this is caused by a event covered by the Risk One (Basic) or Guarantee One of Risk Two (Breakage), if contracted in the Policy, and it is not possible to repair or replace them with others without damaging the harmonious appearance of the time before the loss happened because there are no items of the same design and/or colour on the market.

Restoration is limited to items forming part of the same

construction unit as those damaged by the event and the room or building where they are. In order to achieve this, materials with similar characteristics and qualities to the originals will be used.

Material damage resulting from a loss covered by Accident All-Risk cover is excluded.

Compensation limit: Up to 100% of the Sum Insured under Risk One.

Guarantee Four (Extension of cover)

1. Material damage: suffered by the insured property as a direct consequence of the following is covered:

1.1. Theft, understood as being the seizure for gain of insured property carried out in the insured dwelling by third parties or domestic staff against the will of the owner, without the use of force, violence or intimidation against persons.

Exclusions:

a) *Damage caused to the property forming part of the Contents in the open air or contents inside open constructions, even when they are protected by flexible materials (tarpaulins, plastic, inflatable constructions or similar).*

b) *Theft of parked vehicles, their engines, unfixed equipment and accessories, as well as any property stored in them.*

c) *The theft of jewellery and money in cash.*

d) *Theft in annexe buildings or in the gardens of the dwelling.*

e) *Simple loss or mislaying.*

f) *Losses not reported to the Police authorities.*

Compensation limit: Up to 100% of the Sum Insured under Extension of cover to First Risk.

1.2. Robbery outside the home, understood as the seizure for gain of insured property forming part of the Content in the Possession of the insured party or those making up the Family Unit, carried out outside the insured dwelling by third parties using violence or intimidation against persons.

Losses not reported to the Police Authorities are excluded.

Compensation limit: Up to 50% of the Sum Insured for Extension of cover to first risk, with the application of the following specific compensation sublimits for:

a) *Jewellery: Up to 20% of the Sum Insured under Extension of cover to first risk.*

b) *Valuable objects: Up to 40% of the Sum Insured under Extension of cover to first risk.*

c) *Money in cash: Up to 5% of the Sum Insured under Extension of cover to first risk.*

1.3. Travel, understood as cover for the same events covered by Risk One (Basic), with the application of its exclusions, for the insured property forming part of the

Total Content which is in the possession of the Insured Party or those making up the Family Unit while they are outside the insured dwelling for the purposes of travel involving staying the night away from the habitual dwelling, provided the damage occurs:

- a) Inside the means of public transport used by the Insured Party during the transfer.
- b) Inside hotels, similar establishments and other dwellings during the stay.
- c) During transport as checked in luggage and in left luggage stores.

In all cases, all cover will be understood to be in excess of any other insurance covering the loss.

Exclusions:

- a) *Vehicles, their engines, unfixed equipment and accessories and any property housed inside them.*
- b) *Jewellery and money in cash except when this is in other dwellings or in activated safes in hotels and similar establishments.*

Compensation limit: Up to 100% of the Sum Insured for Extension of cover to first risk, with the application of the following specific compensation sublimits for:

- a) *Jewellery: Up to 40% of the Sum Insured under Extension of cover to first risk.*
- b) *Valuable objects: Up to 80% of the Sum Insured under Extension of cover to first risk.*

- c) *Money in cash: Up to 10% of the Sum Insured under Extension of cover to first risk.*

1.4. Theft from the boot, understood as theft of insured property, coming under the insurable headings Movable Property and Valuable Objects, in the boot of a saloon-type vehicle located at a distance of more than ten kilometres from the insured dwelling for the purposes of travel involving the Insured Party and/or those making up the Family Unit, staying the night away from their habitual dwelling.

Exclusions:

- a) *Theft of unfixed accessories from vehicles.*
- b) *Theft of jewellery and money in cash.*
- c) *Losses not reported to the Police authorities.*
- d) *The theft of property located in the boot once the final or intermediate destination point (hotel, dwelling or similar) where the night is to be stayed has been reached.*

Compensation limit: Up to 50% of the Sum Insured for Extension of cover to Risk One with a compensation sublimit for Valuable Objects of 40% of the Sum Insured for Extension of cover to Risk One.

1.5. Replacement of documents, conditional on their actual replacement, such as National Identity Cards, Passports, Driving Licences and share certificates, securities and their corresponding policies or documents proving ownership, that have suffered material damage due to a loss covered by the Policy, in as far as they have become invalid.

Guarantee Five (Accident All Risk)

Material damage in the insured dwelling suffered by the insured property as a direct result of any other accidental cause, understood as that occurring suddenly, casually and against the will of the Insured Party is covered, other than that defined in the other Risks and Guarantees of these Specific General Conditions and not expressly excluded in this guarantee, in the other risks, guarantees and articles of these Specific General Conditions or in the Particular Conditions of the Policy.

Exclusions:

- a) *Damage caused by scratches, scrapes, cracks, chips and other causes leading to simple surface wear or defective appearance.*

- b) *Damage through deterioration or wear and tear inherent in the use of the property, such as mechanical, electric or electronic malfunctions.*
- c) *Quantitative or qualitative changes in the insured property due to evaporation, rotting, mould, dampness or dryness of the atmosphere, extreme temperatures and exposure to light.*
- d) *Damage caused by rodents, termites, worms, moths or any other kind of insects.*
- e) *Damage caused by failures in the water, gas and electricity supplies.*
- f) *The loss or disappearance of property without known cause.*

g) *Damage suffered by property with a unit value of less than 100 euros in accordance with the valuation criteria specified in point 6.2.2 of Article 6, Valuation.*

Compensation limit: Up to 100% of the Sum Insured under Risk One.

Risk Three (Civil Liability)

1. Subject of the Risk

Under the terms and conditions established in this Risk, the Company takes responsibility for any extra-contractual civil liability that may derive for the Insured Party and, as appropriate, the members of the Family Unit, in accordance with the applicable laws as a consequence of material and personal damage, together with financial losses as a direct consequence of these, caused involuntarily to third parties by virtue of the Guarantees contracted in Particular Conditions.

2. Risk Guarantees

2.1. Guarantee One: Basic, covering:

2.1.1. Private Family Civil Liability, as a direct consequence of the progress of the activities of the Insured Party and other members of the Family Unit in the family and private sphere or the progress of not-for-profit extra-professional activities under the extra-contractual civil liability defined in articles 1902, 1903 and 1910 of the Civil Code.

2.1.2. Civil Liability of Domestic Employees, as a consequence as the acts of staff employed in the home in the exercise of their functions, under the provisions of article 1903 of the Civil Code. In addition, employer's civil liability that may derive for the Insured Party and other members of the Family Unit for the physical damage suffered by such staff in the exercise of their functions.

2.1.3. Property-related Civil Liability as owner of the insured dwelling, under the provisions of the articles 1907 and 1908 of the Civil Code. In addition, any civil liability corresponding to the Insured Party as co-owner of the community as a consequence of damage caused by communal elements of the building is included, in accordance with the co-ownership coefficient corresponding to the insured dwelling.

2.1.4. Civil Liability as Tenant regarding the Owner of the Insured Dwelling for material damage suffered by this as a consequence of a loss for Fire or Explosion and Implosion, under the provisions of article 1563 of the Civil Code.

2.2. Guarantee Two: Civil Liability as Owner of Domestic Animals (dogs, cats or similar) living in the insured

dwelling and whose ownership corresponds to the Insured Party or another member of the Family Unit, provided they comply with the provisions laid down by the Administration, especially concerning the compulsory calendar of vaccinations, under the provisions of article 1905 of the Civil Code.

For the purposes of this Guarantee, animals that are traditionally known as "pets" are considered as domestic animals, always excluding domesticated wild animals, horses and draught animals, together with any other animal becoming to a commercial livestock, fish-farming or industrial operation.

In addition, dogs considered as dangerous, hunting dogs, guard dogs and defence dogs, such as pit bulls, dogos, rottweilers, dobermanns, boxers, bull mastiffs, American Staffordshire terriers, pit bull terriers, Brazilian filas, Neapolitan mastiffs, Canary Island hunting dogs, Mallorcan hunting dogs ("ca de bou"), Staffordshire bull terriers and others included in any regulations promulgated for the purpose are not covered, including any first-generation crosses with any of these breeds.

2.3. Guarantee Three: Extension of Private Family Civil Liability for temporary stays abroad, covering temporary stays for private purposes by members of the Family Unit outside the territory of countries of the European Union, not exceeding six months in a single year for each Insured Party.

2.4. Guarantee Four: Extension of Tenant's Civil Liability as regards the Owner, for material damage suffered by property and dwellings other than the Insured Dwelling as a result of a Fire or Explosion and Implosion loss, by virtue of the provisions of article 1563 of the Civil Code.

3. Company Benefits

The following will be the Company's responsibility, always within the Compensation Limit fixed for this Risk in the Particular Conditions:

- Payment to injured parties or their successors of compensation arising from the extra-contractual civil liability of the Insured Party and/or members of the Family Unit.
- The establishment of legal bonds required by Judges and Tribunals to guarantee civil or criminal liability and, as

appropriate, the provisional liberty of the Insured Party and/or members of the Family Unit.

- The payment of fees to Lawyers, Counsel and Experts appointed by the Company, such as costs deriving from work done to clarify the loss and the legal costs accruing, except for the payment of fines or penalties and the consequences of non-payment of them.

4. Compensation limit for all guarantees under the Risk

The benefits of the insurance, together with compensation for damages and costs accessory to a loss are limited to the Compensation Limit fixed for this Risk in the Particular Conditions after the lodging of the Compensation claims against the Insured Party and other members of the Family Unit, whatever the Guarantees affected by any loss and regardless of the number of claimants or claims lodged. For the purposes of determining the benefits per claim, the provisions of the Denominations will be taken into account in relation to the concept of unity of loss.

The Company's benefits for all losses occurring during the insurance period will be limited to the sum stipulated as a Compensation Limit per claim and insurance period.

Costs of expert reports, legal defence inside and outside court and the establishment of bonds is included under additional costs, not including the general costs of the Company's staff and administration.

The following sublimits per loss will apply for all guarantees under this Risk, up to the compensation limit per loss indicated above:

- a) *Per victim: 150,000 euros, constituting the maximum sum to be paid by the Company for each victim of a loss.*
- b) *For providing bonds in criminal cases: 150,000 euros.*
- c) *For professional fees for the defence of the Insured Party when the Insured Party decides to assume this: 3,000 euros.*

The sums and percentages agreed in the Particular Conditions as excesses will be the responsibility of the Insured Party. The excess will be deducted from the compensation sum to be paid to injured third parties, from legal bonds and from additional costs.

5. Time limit for Risk

Losses occurring during the validity of the Policy are covered by this Risk.

In the case of a loss made up of a series of damaging events due to the same original cause, the date of the occurrence

of the loss will be considered to be the time when the first of these events has taken place, regardless of the actual date when these occurred.

Concerning the damage caused as a result of losses occurring while the policy is valid and unknown to the Insured Party within this validity period, the Company grants cover up to twelve months after the insurance has been terminated.

6. General exclusions from this Risk

The following civil liabilities are excluded:

- 6.1. *For damage deriving from the running of an industry or business, from the exercise of a job, profession or service, whether or not this is remunerated, and of a responsibility or activity in any kind of association, even when the position is an honorary one.*
- 6.2. *For damage suffered by the property of third parties who, for whatever reason (deposit, use, handling, custody, transport or any other) is in the possession of the Insured Party or of persons for whom he/she is responsible, save for the provisions of the Tenant's Civil Liability Cover regarding the Owner of the Insured Dwelling if this is contracted under the Extension to Tenant's Civil Liability Cover regarding the Owner.*
- 6.3. *For risks or activities that must be subject to cover by compulsory insurance or compulsory contracting under current legislation.*
- 6.4. *Deriving from the use and circulation of motor vehicles or items towed by them or incorporated into them.*
- 6.5. *Deriving from damage caused by any device, ship or aircraft intended to navigate or be maintained in the air or on water.*
- 6.6. *Deriving from participation in official sporting competitions.*
- 6.7. *Deriving from the practice of hunting or from damage originating from the possession or private use of knives or sharp instruments and firearms involved in sporting trials or competitions. However, damage caused by the accidental firing of legitimately possessed firearms is included.*
- 6.8. *Deriving from construction, alteration and repair work on the insured dwelling or on the building when this is not considered minor work or when its budget exceeds 60,000 euros. Should it be considered minor work, or if the budget does not exceed 60,000 euros, the cover will apply to the Insured Party's subsidiary civil responsibility with respect to the company carrying out the work.*

6.9. For damage caused as a result of any persistent action which, because of its characteristics and circumstances, could have been avoided or reduced.

6.10. Any kind of financial loss not a direct consequence of prior material or personal damage.

7. Claims processing

The company will take charge of all procedures concerning the claim, acting in the name of the Insured Party to deal with Injured Parties and their successors or claimants.

For its part, the Insured Party pledges to provide his/her co-operation for everything necessary to determine the causes and circumstances of the loss, together with the assessment of the existence of liability or other factors affecting this, and not to adopt positions or to take responsibilities aside from those agreed with the Company, and to keep any remains and debris.

8. Defence of the Insured Party

Examination and technical/legal classification of claims drawn up against the Insured Party are the responsibility of the Company, as is the determination of the most appropriate defence, by mutual agreement with the learned counsel appointed.

In any legal proceedings deriving from a claim covered by the Policy, the Company will take charge of the legal direction of the case against the claim of the Injured Party, save for express agreement to the contrary, appointing the lawyers and counsel to defend and represent the Insured Party in any civil or criminal legal proceedings that may follow in order to claim extra-contractual civil liability covered by this Policy and assuming the payment of court and other costs not constituting a personal penalty or fine, even when such claims prove to be unfounded but are nevertheless based on an alleged event be covered by the Policy, or if an attempt is made to involve the Insured Party in events which, while affecting him/her directly or indirectly, exclusively originate

from an act by a third party.

The Insured Party must provide the co-operation necessary for such a defence and pledges to provide the Company with all the information and personal assistance it may require, while at the same time granting the powers for any necessary lawsuits and pledging not to prejudice the right to subrogate any possible repeat actions.

Whatever the judgment or result of the legal proceedings, the Company reserves the right to exercise the legal rights to appeal that may correspond to it against any decision or result, or to accept it.

However, should there be any conflict between the Insured Party and the Company caused by the latter having to maintain interests in the claim potentially contrary to the Insured Party's defence, the Company will inform the Insured Party, without prejudice to it having to carry out procedures which, because of their urgent nature, may be necessary for the latter's defence. In this case, the Insured Party may opt to maintain the Company in charge of the direction of the case or to entrust his/her defence to another person. *In this case, the Company will be obliged to pay the costs of such legal direction, up to a limit of 3,000 euros.*

9. Damages claims

As a complement to the above benefits, and under identical terms, the Company covers in- and out-of-court claims for damages suffered by the Insured Party or those making up the Family Unit, provided they have no contractual origin or were caused by the negligence of third parties under the same circumstances as the civil liability covered by the above sections of the Risk and provided they are not covered by Risk Five (Legal Defence).

Compensation limit: Up to 10% of the Compensation Limit for Risk Three.

Risk Four (Home Assistance)

Guarantee One (Home Assistance)

1. Cover

The Company takes on the provision of the following services:

1.1. Dispatch of professionals

In the case of material damage as a consequence of a loss covered by Risk One (Basic) or by Guarantee One of Risk Two (Breakage), and if the corresponding Risk and/or Guarantee is contracted in the Policy, the

Company will make urgent arrangements to send the professionals required for repairing the damage caused or for containing it until the Adjustor can arrive.

1.2. Hotel search and expenses

When the dwelling is uninhabitable as a result of a loss covered by Risk One (Basic) or by Guarantee One of Risk Two (Breakage), and the Risk and/or the Guarantee is contracted in the Policy, the Company will organise and

take responsibility for accommodation for the Insured Party and members of the Family Unit in a hotel near their home while repairs to the damage are going or until a similar dwelling to the above can be rented and for a maximum of 48 hours, and with a compensation limit of 50 euros per person per day.

1.3. Furniture and furniture storage costs

Should the dwelling be uninhabitable as a result of a loss covered by Risk One (Basic) or by Guarantee One of Risk Two (Breakage) and should the corresponding Risk and/or Guarantee be contracted in the Policy, the Company will organise and take responsibility for expenses for moving the Contents designated by the Insured Party to the provisional dwelling within the Insured Party's municipality of residence.

If the circumstances so require, the Company will also take responsibility for the expenses inherent in transferring and storing this furniture or property at storage centres in the same municipality for a maximum period of six months.

Compensation limit: Up to 10% of the Sum Insured for Total Contents.

1.4. Surveillance of the dwelling

If, as a result of a loss involving material damages covered by Risk One (Basic) or by Guarantee One of Risk Two (Breakage), and if the corresponding Risk and/or Guarantee is contracted in the Policy, the dwelling is easily accessible from the outside, the Company will organise and take responsibility for the services of a sworn security guard until the furniture and property can be moved or until it can be made secure, for a maximum of 48 hours counted from the security guard's arrival at the dwelling.

1.5. Replacement of television and/or video

When, as a result of a claim for material damage covered by Risk One (Basic) or by Guarantee One of Risk Two (Breakage), and if the corresponding Risk and/or Guarantee are contracted in the Policy, television and/or video equipment disappears, is destroyed or becomes unusable, and there is no possibility of immediate repair, the Company will provide and will take responsibility for replacing the equipment lost with other similar equipment, until it can be definitively replaced or repaired, for a maximum period of fifteen days.

1.6. Early return because of serious loss

If the Insured Party has to interrupt a trip because there is a serious loss covered by Risk One (Basic), the Company will organise his/her urgent return from wherever he/she is to the habitual dwelling. For this purpose, the Company will provide and take responsibility for a train or aeroplane

ticket or a maximum of two tickets, if the Insured Party is accompanied by another member of the Family Unit.

1.7. Transmission of urgent messages

At the request of the Insured Party, the Company will take responsibility for transmitting to relatives any urgent message necessary because of a loss covered by the Policy.

1.8. Service for sending professionals, information and connections

The Company, at the request of the Insured Party, will send to the dwelling, provide information about or place in contact with him/her the professionals dedicated to the following activities:

- Builders
- Television/video hire
- Aerial contractors
- Varnishers
- Metal carpentry
- Carpenters
- Locksmiths
- Glaziers
- Chimney sweeps
- Electricians
- Electrical appliances
- Carpet fitters
- Plasterers
- Plumbers
- Gardeners
- Window cleaners
- Messengers
- Removals
- Parquet floor fitters
- Shutter fitters
- Painters
- Automatic door control
- Television/video repairs
- Upholsterers
- Security guards

For this service, the cost of the fees, both for labour and materials, call-outs and any other cost that may arise, will be paid by the Insured Party, with the Company taking on only the task of searching for and/or sending the professional.

The jobs or repairs carried out by the professionals provided by the Company are guaranteed for a period of three months, counted from the end of each job.

2. Use and provision of services

For the Company to take on the provision of services, it will be an indispensable condition that they are requested using the telephone number provided for such a purpose in the Particular Clauses of the Policy, indicating the following

information:

- Name of Insured Party
- Policy Number
- Location of risk
- Contact telephone number
- Cause of loss, damage caused and/or services requested

The Insured Party may request the Company's intervention 24 hours a day, including Sundays and public holidays. For

non-urgent cases, we suggest that you request services between 9am and 6pm on working days.

Urgent services will be provided as quickly as possible. Other services requested will be dealt with during normal working hours.

The Company will not be responsible for any delays and failures to provide the service due to force majeure.

Guarantee Two (Medical Guidance Service)

The Company guarantees the provision of the telephone Medical Advice Service 24 hours a day, every day of the year, which will attend and give a response to any kind of request for medical information made by telephone.

1. Cover

This Guarantee includes the following cover:

- Direct access by phone line to a medical team made up of medical professionals duly accredited, in accordance with current legislation.
- Support and guidance to insured parties on taking decisions concerning their health, including:
 - a) Medical information concerning diseases, treatments and health prevention.
 - b) Information concerning interactions and use of medicines.
 - c) Advice on preparing for diagnostic tests.
 - d) Advice on understanding laboratory reports, medical terminology, evaluation of reports and diagnoses.
 - e) Advice concerning the most appropriate centre and type of specialist for resolving a particular health problem.
 - f) Home delivery service for any medication prescribed to the Insured Party by his/her doctor. *The Insured Party is responsible for paying the cost of the medi-*

cation. The delivery address will be the one given by the insured party in the policy.

- g) Information on vaccination programmes and advice in the case of trips abroad.

Costs arising as a result of health, medical, surgical or hospital care do not form part of this Guarantee and are therefore expressly excluded. Simply as a guideline, costs arising from doctors' home visits, nurses' home visits, ambulances and medical emergency centres, doctors or hospitals of any kind used by Insured Parties as a result of the Medical Advice Service are excluded.

2. Use and provision of services

The Insured Party, his/her Family Unit and any other person habitually living with him/her in the insured dwelling will be considered as users of this service.

For the Company to guarantee provision of the services expressly included in this Guarantee, it will be an indispensable condition that the user requests them using the telephone number provided for such a purpose in the Particular Clauses of the Policy, giving the following information:

- Name of Insured Party
- Policy Number
- Location of Risk (dwelling)
- Contact telephone number
- Service/s requested

Risk Five (Legal Defence)

In accordance with the Third Additional Provision of the Organisation and Supervision of Private Insurance Act 30/1995, 8 November, adapting Spanish law to directive 87/344/EEC concerning Legal Defence Insurance, the management of Legal Defence Insurance Claims will be entrusted to the specialised company indicated in the Particular Clauses of the Policy.

1. Guarantees

The Company takes on the provision of the following services:

1.1. Criminal Defence

This guarantee includes the Criminal Defence of the Insured Party in his/her private and family life for offences or misdemeanours of carelessness, lack of skill or negligence.

1.2. Protection of rights relating to the dwelling

This Guarantee includes the protection of the interests of the insured party in relation to the dwelling located on Spanish territory and designated in the Particular Conditions as the habitual residence of the Policy Holder, in the following circumstances:

- a) Claims for damage caused by third parties to the insured property for carelessness or malice, except those deriving from the construction of the building.
- b) Claims for nuisance caused by neighbours because of smoke or gas emissions.
- c) Claims for defective repairs or maintenance to the dwelling by third parties.
- d) Claims in disputes concerning easements, boundaries and common walls.
- e) Claims for injuries caused to persons, both inside and outside the dwelling, except injuries relating to motor vehicles.
- f) Disputes with the Community of Owners, except those concerning contributions owing.
- g) Disputes deriving from Rental Contracts when the Insured Party is the Tenant of the dwelling, except in the case of a claim against him/her for non-payment of Rent.
- h) Defence in the case of Criminal Responsibility as a member of the Committee of Joint Owners for the Community where he/she is joint owner of the building.

1.3. Services Contract

This Guarantee includes a Claim for breach of the following Service Provision Contracts affecting the Insured Party's private life and those for which the Policy Holder is the Holder and end user:

- Services from qualified professionals
- Medical and hospital services
- Travel, tourist and hotel and catering services
- Teaching and school transport services
- Cleaning services
- Removal services

1.4. Claims: Contracts covering Movable Property

This Guarantee includes Claims in legal cases concerning breach of contracts covering movable property to which the Insured Party is party, such as those for purchase/sale, deposit, exchange, pledge and other similar ones. Movable property is understood to be exclusively items of decoration and furniture (except antiques), electrical appliances, personal possessions and food, provided these are the property of the Insured Property and are for his/her personal use. Pets are included as movable property.

1.5. Domestic Service

This Guarantee includes the defence of the Insured Party's interests against claims by providers of his/her Domestic Service, provided they are registered with Social Security.

1.6. Tax Law

This Guarantee includes the defence of the Policy Holder's interests in claims directly related to the Declaration by Individuals of Income Tax and Assets, and consists of lodging the relevant appeals against the corresponding Administration.

1.7. Supply Contracts

This Guarantee includes Claims for Damages and Loss caused to the Insured Party in relation to guaranteed activity for breach of Contracts to supply Water, Gas, Electricity or Telephone Services.

2. Definition of loss

For the purposes of contracted Legal Defence guarantees, a loss is considered to be any unforeseen event or occurrence damaging the interests of the Insured Party or which alters his/her legal position.

Concerning criminal or administrative offences, the loss or insured event will be considered to have occurred at the time when the punishable act takes place or is alleged to have taken place.

In the event of a claim for non-contractual culpability, the loss occurs at the very moment when the damage was caused.

In legal disputes concerning contractual material or rights concerning the Insured Premises, the loss is considered to have occurred at the time when the Policy Holder, opposing party or third party began or allegedly began to infringe the contractual rules or to damage guaranteed rights.

3. Guaranteed legal costs

When the Guarantees in this Risk are contracted, the following Expenses are covered:

- a) Taxes, dues and legal costs deriving from the processing of covered procedures.
- b) Lawyers' fees and expenses.
- c) Counsel's fees, when such intervention is necessary.
- d) Notary Public's fees and the cost of issuing powers of attorney for legal cases, as well as the legal documents, requirements and other acts necessary to defend the Insured Party's interests.
- e) The fees and expenses of the necessary experts.
- f) The fees and expenses involved in technical/actuarial reports, when these are necessary for claiming compensation.
- g) The fees and expenses deriving from the processing of legal declarations of heirs when this is an essential requirement for achieving compensation for beneficiaries, should the Insured Party die as a result of an event covered by this contract.

In addition, the constitution of the bonds required of the Insured Party is guaranteed for criminal proceedings covered by this Risk in order to:

- a) Obtain provisional liberty.
- b) Ensure attendance at a trial.
- c) Respond if asked to pay court costs, other than compensation and fines.

4. Compensation limit for all guarantees under the Risk

Always within the Compensation Limit fixed in the Particular Conditions for this Risk, it will be the Company's responsibility to pay the costs involved in the legal defence of the Insured Party and the maximum level of Legal Bonds to be provided for each event.

5. Minimum sum involved in litigation for all guarantees in the Risk

A minimum sum of 300 euros is established for court litigation.

6. Exclusion period

The exclusion period is the time when, although the Policy and this Risk are valid, any loss is not covered.

Concerning rights relating to contractual and administrative material, the exclusion period will be three months, counted from the date the Insurance came into force.

There will be no cover if, when this Risk is formalised or during the exclusion period, the contract giving rise to the litigation is rescinded by one of the parties, or a request is made for it to be terminated, cancelled or amended.

7. General exclusions for all guarantees in the Risk

It is expressly agreed that Legal Defence does not cover events not defined in the Specific General Conditions and, in no case does it cover the following:

- a) *Events occurring before the date this Policy comes into effect or after it is rescinded and events declared after a year has passed following their occurrence.*
- b) *Disputes deriving from the breach of any contractual obligation other than those expressly insured in this policy.*
- c) *Those originating or related to the planning, construction, transformation or demolition of the property or installations where the risk is located and those originating from quarries, mining operations or manufacturing and industrial installations.*
- d) *Those concerning motor vehicles and trailers owned or driven by parties insured under this Policy.*
- e) *Claims made against each other by parties insured under this policy or by any of them against the Insurer.*
- f) *Those related with items considered movable property in art. 336 of the Civil Code; that is, Income or Pensions, Contracts concerning Public Services and Warrants or Certificates representing mortgage loans.*
- g) *Legal action concerning matters of intellectual or industrial property or company matters or proceedings concerning planning, development law, concentration of plots of land, compulsory purchase or that involved in Contracts covering the transfer of rights to the Insured Party.*
- h) *Events which, according to a final court judgment, were*

deliberately caused by the Insured Party.

- i) Any kind of action deriving, either directly or indirectly, from events caused by nuclear energy, genetic change, radioactive radiation, natural catastrophe, warlike action, disturbances and terrorist action, as well as that involving information technology and any effect caused as a result of IT machinery, equipment and programs not properly recognising the correct calendar date.*
- j) Legal disputes deriving or originating from strikes, lock-outs, collective employment disputes or legal procedures to reduce jobs.*

In addition, the payment of costs incurred or the costs of any other party that may be imposed on the Insured Party by judgment when the latter has begun or fought a legal case without reasonable possibilities of success, as judged by the Legal Directors of the Company specialising

in Risk Management, will not under any circumstances be covered.

8. Use and provision of services

For the Company to assume the provision of services expressing included in this Risk Five (Legal Defence), it will be an indispensable condition that they are requested using the telephone number provided for such a purpose in the Particular Clauses of the Policy, giving the following information:

- Name of Insured Party
- Policy Number
- Location of the Risk
- Contact telephone number
- Cause of the loss
- Service/s requested

The services requested will be dealt with on working days, between 9am and 8pm.

Article 5. Risks and Damage not covered by the Company

The Company does not cover the following risks and damage:

- 5.1. Damages and losses deriving from Risks, Guarantees and cover not expressly included in the Particular Conditions of the Policy other than those defined in these Specific General Conditions or expressly included in any of these Conditions.*
- 5.2. Damages and losses caused when the event originates through the malice or bad faith of the Insured Party or other members of the Family Unit.*
- 5.3. Indirect damages and losses of any kind suffered by the Insured Party on occasion of an event covered by the Policy, except for provisions in the cover for Loss of Rent in Risk One (Basic).*
- 5.4. The breaking of glass, except for the Fire, Explosion and Implosion and Lightning Strike cover in Risk One (Fire and Miscellaneous Perils) and the provisions of Guarantee One of Risk Two (Breakage).*
- 5.5. Damages or losses caused by events and phenomena covered by the Insurance Compensation Consortium or which, although they could be dealt with by the Consortium, the Body does not recognise the Insured Parties' rights because they breach one of the regulations established in the Additional Regulations and Provisions applicable on the date the incident occurred, nor when the damage caused is classified by the National Government as a National Catastrophe or Calamity.*

The Company will also not accept responsibility for differences between damage caused and sums compensated by the Insurance Compensation Consortium because of the application of excesses, exclusions, deductions, the application of proportional or equity rules or other limitations applied by that body.

- 5.6. Damage and losses resulting from any of the following causes:*
 - a) Fermentation, oxidation, condensation, inherent faults or defects involved in the manufacturing or construction of the insured interest and those which, because of their obvious or clearly visible nature, should have been noticed by the Insured Party.*
 - b) Contamination, pollution or deterioration of the environment.*
 - c) Nuclear reaction or radiation, radiation, radioactive contamination, nuclear transmutation or similar processes caused by electromagnetic waves and fields (EMF) whatever their cause.*
 - d) Settlement, subsidence, detachment, earth movement, capillarity, increase in the water table and collapse of the property insured because of loss of mechanical resistance, even though its immediate or remote cause may be covered by one of the contracted risks or guarantees.*
 - e) War, invasion, action by foreign enemies, hostility*

(whether or not war has been declared), civil war, sabotage, mutiny, terrorism, strike, labour-related disturbances, lock-outs, acts of vandalism or malice, rebellion, revolution, insurrection, capture, kidnap, detention or retention, military or usurped power or confiscation or nationalisation or requisition or seizure or destruction or damage to properties by or under the orders of any local or public government or authority or by the action of mines and other weapons of war.

In addition it is expressly declared that this insurance contract does not cover any kind of loss, damage or cost, whether directly or indirectly caused, resulting from, as a consequence of or in connection with any act of terrorism, even if any other cause has contributed in parallel or any other sequence to the liability, the loss, the damage or the cost. For the purposes of this exclusion, "terrorism" is understood to be all violent action carried out in order to destabilise the established political system or to cause fear or insecurity in the social surroundings where it occurs.

- f) *Gradual wear to the insured property.*
 - g) *Failure to carry out repairs essential to maintain the insured dwelling's installations in reasonable condition or to put right general, known wear to them.*
 - h) *When the insured dwelling is unprotected because construction, alteration or repair work is being carried out on the dwelling or the building.*
 - i) *Through the transmission of infectious disease and of Acquired Immunodeficiency Syndrome (AIDS), hepatitis B and transmissible spongiform encephalopathy (TSE) as well as any liability in the development of cancer-type diseases by passive exposure of the Insured Party to the effects of tobacco consumption.*
 - j) *The Genetic Modification of Organisms (GMO).*
 - k) *Concerning the testing, modification, acquisition, obtention, preparation, processing, manufacturing, handling, distribution, storage, application or any other use of material of any kind which entirely or partially originates in the human body (for example, but not limited to, tissues, cells, organs, transplants, blood, urine, excrement and secretions) and any other synthetic derivatives or products made from such materials.*
 - l) *Losses directly or indirectly caused by, resulting from, a consequence of or aggravated by asbestos in any form or quantity.*
 - m) *Claims for fines or financial penalties imposed by Courts and other Authorities and the consequence of failure to pay them ("Punitive and exemplary damages").*
- 5.7 *Material damage to the following property:*
- a) *Money in cash, public or private securities, trade bills and, in general, any documents or receipts representing a cash value or guarantee, except that established in the Theft cover in Guarantee Two of Risk One (Theft and vandalism) and Robbery outside the home and Travel in Guarantee Four of Risk Two (Extension of cover).*
 - b) *Property belonging to third parties, except for personal items while they are in the insured dwelling unless there is an express agreement to the contrary.*
 - c) *Tools and goods involved in commercial or industrial activities located in the dwelling.*
 - d) *Objects which are useless or unserviceable for the purpose for which they were designed, except for decorative items or objects making up collections.*
 - e) *Programs and information contained in the internal and external data carriers of personal computers and other IT equipment.*
 - f) *Trees and plants, fixed watering equipment, greenhouses, lamps, masts, statues, fountains, jets, built-in barbecues and other similar fixed items positioned in gardens together with other property deposited in them except for Fire, Explosion and Implosion, Lightning Strike, and Secondary Effects in Guarantee One of Risk One (Fire and Miscellaneous Perils).*
 - g) *These goods are covered only by cover for Fire, Explosion and Implosion, Lightning Strike, Secondary Effects, Impact and Fall of trees, posts, aerials and other objects in Guarantee One of Risk One (Fire and Miscellaneous Perils).*
 - h) *Animals, except for cover for Fire, Explosion and Implosion, Lightning Strike and Secondary Effects from Guarantee Two of Risk One (Fire and Miscellaneous Perils).*
 - h) *Vehicles, except for the provisions in the insurable section for Parked Vehicles for coverage in Guarantee One of Risk One (Fire and Miscellaneous Perils).*

Article 6. Valuation

6.1. Valuation of insured property

The Policy Holder has taken into account the following criteria when valuing the insured property under insurable headings, as expressed in the Policy's Particular Conditions concerning Sums Insured.

6.1.1. Buildings at Total Value and Alteration Work must be correctly priced at total value and according to the new-build value of the insured properties, excluding the land value.

6.1.2. Buildings at First Risk must be correctly priced at First Risk and taking into account the new-build value of the insured property, excluding the land value.

6.1.3. Movable Property, Professional Property and Property in annexe buildings is correctly priced at total value and for its as-new replacement value.

6.1.4. Parked vehicles are correctly priced at their total value and for their total second-hand market value with respect to those of the same make, model and age.

6.1.5. Jewels in a safe and Extension to jewels outside a safe are correctly priced at First risk and for their as-new replacement value.

6.1.6. Valuable objects, with the exception of Works of Art, are correctly priced at their total value and for their as-new replacement value.

6.1.7. Works of art are correctly priced at their total value and for their value on the Art Market, unless the Policy Holder has fixed the value of certain objects by common agreement with the Company, with the express acceptance by both parties of the value assigned to each one in the appendix to the Particular Conditions of the Policy.

6.2. Damage valuation

6.2.1. Material damage to the property insured, with the exception of damage covered by All risk accidental cover, will be assessed in accordance with the value of the goods destroyed or damaged at the moment immediately before the loss, determined in accordance with the criteria set out in section 6.1 of this article.

6.2.2. Material damage covered by the All risks accidental guarantee will be assessed for its actual value at the moment immediately before the loss, if the actual value of the property lost is less than 75

per cent of its replacement value; otherwise, it will be assessed in accordance with the value of the property destroyed or damaged at that moment, determined in accordance with the criteria set out in section 6.1 of this article.

6.2.3. In all cases, in valuing the damage, the **recovery value** obtained for the property destroyed or damaged will be deducted.

6.2.4. Objects forming part of a collection or set will be assessed for the value of the damaged objects, if the loss has not affected the whole set, excluding the loss in value to the whole collection or set caused by the damage.

6.2.5. Money in cash will be assessed by examination of bank and/or savings bank statements and existing bills.

6.2.6. Expenses paid out by the Insured Party and which, under the Policy, must be reimbursed by the Company, will be assessed according to bills, except for expenses caused by the uninhabitability of the dwelling, which will be assessed as follows:

a) Renting a temporary dwelling, with similar characteristics to the insured dwelling (surface area, state of preservation, area, facilities), depending on rental costs in force at the time of the loss.

b) Loss of rent, depending on the sum of the last current monthly payment received by the Insured Party based on the rental agreement.

6.2.7. Financial losses for the fraudulent use of cheques and credit cards will be assessed by examining the information and statements from the banking institution or corresponding issuer.

6.2.8. Glass, as well as the remaining property covered by Guarantee One of Risk Two (Breakage), will be correctly priced according to the value of replacement with goods of similar characteristics.

6.3. Assessment of compensation

6.3.1. The assessment of compensation will be made in accordance with the assessment of the damage, the concept of unity of loss, the Sums Insured shown in the Particular Conditions and the Compensation Limits and Sublimits established in the Particular Conditions and the Specific General Conditions of the Policy.

6.3.2. If at the time the loss happens the value assigned by the Insurance Policy Holder, with each insurable heading taken separately, is lower than the value of the interest insured, according to the valuation criteria established in section 6.1 of this article, leading to under-insurance, the Company will pay compensation for the damage caused in the same proportion as the value assigned covers the aforementioned interest and the Proportional Rule will consequently be applied.

6.3.3. Should the sum insured be insufficient, Capital Compensation will be paid only if the application of Automatic Revaluation of Sums Insured has been agreed in the Particular Conditions, in accordance with the provisions of article 7 of these Specific General Conditions.

Capital compensation will apply only to the Sums Insured under the following insurable headings, provided they are contracted:

- a) Buildings at Total Value.
- b) Alteration Works.
- c) Movable Property.
- d) Property in annexe buildings.
- e) Professional Property.

6.3.4. The Proportional Rule will not apply to the insurable headings whose cover is established in these Specific General conditions and in the Particular Conditions under the insurance at First Risk mode.

6.3.5. In addition, should the application of Automatic Revaluation of Sums Assured have been agreed in the Particular Conditions, the Company waives the application of the Proportional Rule, provided the under-insurance does not exceed 15% of the value of the interest insured or when the amount of damage occurring (whether or not it is covered) is equal to or less than 1,500 euros, according to the valuation criteria established in section 6.1 of this article.

6.3.6. In addition, in order to determine the compensation, the possible application of the Equity Rule, based on the provisions of the Particular Conditions of this insurance and the Company's contracting regulations, will be taken into account.

6.3.7. Should an excess apply, this will be deducted from the compensation corresponding to each loss according to the provisions of previous points in this article, always independently of the assessment of the damage and the sum represented by the compensation.

6.3.8. The payment of the difference between the actual value and the as-new replacement value depends on the Insured Party reconstructing the lost Buildings.

Nevertheless, the Company, at the request of the Insured Party, will hand over sums on account of compensation at replacement as-new value as the Buildings reconstruction work goes on, such sums having been justified by the Insured Party by provision of the appropriate receipts.

Article 7. Renewal conditions

7.1. Automatic Revaluation of Sums Insured

At the expiry of each annual insurance period, the Sums Insured for the insurable headings, expressed in euros in the Particular Conditions, together with the corresponding premiums, will be automatically revalued under one of the following systems to be chosen by the Insurance Policy Holder:

- a) Variable system, depending on the changes in the Retail Price Index published by the National Statistics Institute or the body replacing it.

The new Sums Insured will be the result of multiplying those appearing in the Policy by the factor resulting from dividing the Expiry Index by the Base Index.

- b) Uniform system, depending on the percentage established by the Insurance Policy Holder in the Application and shown in the Particular conditions as a revaluation coefficient, applied on each annual expiry date to the corresponding figures for the immediately preceding year.

The Compensation Limit per claim and period in Risk Three (Civil Liability), that in Risk Five (Legal Defence), cover which has an expressly fixed compensation limit and excesses are excluded from this mode of insurance.

7.2. Annual determination of the premium

At each expiry, besides the increase in the premium involved in the automatic revaluation of the sums insured

contracted in the Policy, the new premium will be determined, in accordance with the rates appearing in the applicable Technical Note for the branch of activity, subject to the control of the Insurance General Directorate of the Finance Ministry, based on technical/actuarial calculations made by Company specialists and based on modifications to costs of compensation and of services provided, in order

to guarantee the sufficiency of the rate and enable the company to meet all obligations deriving from insurance contracts and, in particular, to establish the appropriate technical provisions in accordance with the provisions of the legal system for Organising and Supervising Private Insurance.

Article 8. Risks Covered by the Insurance Compensation Consortium

Clause covering compensation by the Insurance Compensation Consortium for losses deriving from extraordinary events occurring in Spain.

Damage to property

In accordance with the provisions of article 6 and 8 of the Legal Statute of the Insurance Compensation Consortium approved by article four of Act 21/1990, 19 December (BOE 20 December), the holder of an insurance contract which must compulsorily include a surcharge on behalf of the aforementioned Public Enterprise body mentioned in article 7 of the same legal statute, has the power to agree cover of any extraordinary risk with any Insurance Institution meeting the conditions required by the applicable legislation. The compensation deriving from losses caused by extraordinary events occurring in Spain and affecting risks there, will be paid by the Insurance Compensation Consortium when the Insured Party has paid the corresponding surcharges in its favour and any of the following situations occurs:

- a) The extraordinary risk covered by the Insurance Compensation Consortium is not covered by the insurance policy contracted with the Insurance Institution.
- b) Although they are covered by the aforementioned insurance policy, the Insurance Institute's obligations cannot be met because it has been declared legally in a state of bankruptcy (Bankruptcy Act 22/2003, 9 July) or because, when the Insurance Institution is in a situation of insolvency, it is subject to forced liquidation procedures or this is assumed by the Insurance Compensation Consortium.

The Insurance Compensation Consortium will act according to the provisions of the aforementioned legal Statute (amended by the Private Insurance Organisation and Supervision Act 30/1995, 8 November, the Financial System Reform Measures Act 44/2002, 22 November, and by Act 34/2003, 4 November, amending and adapting Spanish legislation to Community regulations covering private insurance), in the Insurance Contracts Act 50/1980, 8 October, in Royal Decree 300/2004, 20 February, approving the regulation of extraordinary risk insurance and additional provisions.

I. Summary of legal regulations

1. Covered extraordinary events

Extraordinary events are understood as:

- a) The following natural phenomena: earthquakes and undersea quakes, extraordinary flooding (including freak waves), volcanic eruptions, exceptional cyclonic storms (including extraordinary winds gusting above 135km/h and tornados) and bodies falling from space and from the air.
- b) Those caused violently as a result of terrorism, rebellion, sedition, mutiny and popular tumult.
- c) Events or actions involving the Armed Forces or the Security Forces in peacetime.

2. Risks excluded

In accordance with article 6 of the extraordinary risk insurance regulations, the Insurance Compensation Consortium will not pay compensation for the following damage or losses:

- a) *Those not giving rise to compensation according to the Insurance Contract Act.*
- b) *Those caused to property insured under an insurance contract other than one with a compulsory surcharge in favour of the Insurance Compensation Consortium.*
- c) *Those due to faults or defects in the item insured, or due to clear lack of maintenance.*
- d) *Those caused by armed conflict, even when there has been no official declaration of war.*
- e) *Those deriving from nuclear energy, without prejudice to the provisions of Act 25/1964, 29 April. Notwithstanding*

the above, all direct damage caused to an insured nuclear installation will be understood to be included when this is the result of an extraordinary event affecting the installation itself.

- f) That due to the mere action of the weather and in the case of property that is permanently totally or partially submerged, that attributable to the mere action of waves or ordinary currents.*
- g) Those caused by phenomena other than those indicated in article 1 of the extraordinary risk insurance regulations and, in particular, those caused by a rise in the water table, movement of slopes, settlement or landslide, rock fall and similar phenomena, unless they are clearly caused by the action of rainwater which, in turn, has caused extraordinary flooding in the area and they happen at the same time as such flooding.*
- h) Those caused by tumult occurring during the course of meetings and demonstrations occurring in accordance with the provisions of Organic Act 9/1983, 15 July, and during the course of legal strikes. unless such actions can be classified as extraordinary events in accordance with article 1 of the extraordinary risk insurance regulations.*
- i) Those caused by the bad faith of the insured party.*
- j) Those deriving from losses occurring during the exclusion period established in article 8 of the extraordinary risk insurance regulations.*
- k) Those corresponding to losses occurring before the payment of the first premium or when, in accordance with the provisions of the Insurance Contracts Act, the Insurance Compensation Consortium's cover is suspended or the insurance is extinguished because the premiums have not been paid.*
- l) Indirect risks or losses deriving from direct or indirect damage other than the loss of benefits established in the extraordinary risk insurance regulations. In particular, damage or loss suffered as a consequence of the cut or alteration in the external supply of electrical energy, combustible gases, fuel oil, diesel oil and other fluids is not included, nor is any indirect damage or loss other than that mentioned in the previous paragraph, even when these alterations derive from a cause included in the extraordinary risk cover.*
- m) Losses which, because of their magnitude and seriousness, are classified by the national Government as a "national catastrophe or disaster."*

3. Excess

In the case of direct damage, the excess payable by the insured party will be 7 per cent of the amount for the damage for which compensation resulting from the loss is

due. However, this excess will not apply to damage affecting vehicles insured under automobile, home and community of home owners policies.

In the case of cover for loss of income, the excess payable by the insured party will be the one established in the policy, in time or in amount, for damage resulting from ordinary claims involving loss of income.

If there are several excesses for the cover of ordinary claims for loss of income, those established for the principal cover will apply.

4. Extension of the cover. Optional agreements for inclusion in the ordinary insurance

The Insurance Compensation Consortium will pay compensation for losses deriving from extraordinary events occurring in Spain affecting risks situated in that country.

If the ordinary policy includes insurance at first risk clauses (at partial value, with compensation limit, at agreed value, other insurance removing the proportional rule); insurance with value as new or at replacement value; working capital insurance; insurance with automatic capital revaluation; insurance with margin clause; or insurance with a capital compensation clause between different sections of the same policy or between buildings and content, such forms of insurance will also apply to compensation for losses deriving from extraordinary events under the same terms, with the same property and sums covered as in the ordinary insurance. Without prejudice to the above, in all cases the Insurance Compensation Consortium will apply capital compensation within the same policy between that corresponding to contents and buildings only in the event of direct damage.

Such clauses may not be included in extraordinary risk cover if they are not in the ordinary policy.

5. Under-insurance and over-insurance

If at the time when a loss occurs due to an extraordinary event, the sum insured at total value is less than the value of the interest insured, the Insurance Compensation Consortium will pay compensation for the damage caused in the same proportion that this sum covers the interest insured. For these purposes, all capital sums fixed for the property lost will be taken into account, even though they may be in different policies, with a compulsory surcharge in favour of the Insurance Compensation Consortium provided they are in force and within their period of validity. The above will be put into effect separately and independently for cover of direct damage and of loss of income.

However, in policies covering damage to motor vehicles, the cover of extraordinary risks by the Insurance Compensation Consortium will cover all insurable interests, even if the

ordinary policy does so only partially.

If the sum insured notably exceeds the value of the interest, compensation will be paid for the damage actually caused.

II. Procedure for action in the case of loss for which compensation is payable by the Insurance Compensation Consortium

1. In the case of loss, the insured party, policy holder, beneficiary or their respective legal representatives legal must:

a) Notify the corresponding regional branch of the Consortium, depending on the place where the loss has occurred, of the occurrence of the loss within a maximum period of seven days of becoming aware of it, either directly or via the insurance institution with which the ordinary insurance is contracted or via the insurance broker involved. The notification will be drawn up according to the model established for the purpose, which will be available on the Consortium's website (www.consoseguros.es) or at the offices of the consortium or the insurance institution. The following documents must be attached:

- Photocopy of the identity card/tax identity document of the recipient of the compensation.
- Photocopy of the general and specific conditions of the (individual or collective) policy and any appendices or supplements.
- Photocopy of the receipt for the payment of the

premium applicable at the time the loss occurred, clearly specifying the sums corresponding to the commercial premium and the surcharge paid to the Insurance Compensation Consortium.

- Details of the banking institution where the compensation sums must be paid, giving the number of the institution, the branch number, control digit and account number (20 digit Customer Account Code) as well as the address of this institution.

b) Preserve remains and vestiges of the loss for the loss adjuster and, should this be absolutely impossible, present documents proving the damage, such as photographs, notarial documents, videos or official certificates. In addition, bills corresponding to the property lost, whose destruction cannot be demonstrated, must be preserved.

c) Adopt whatever measures may be necessary to minimise the damage, such as preventing the occurrence of further damage or disappearances which would have to be paid for by the insured party.

In order to clarify any query that may emerge on the procedure to be followed, the Insurance Compensation Consortium has the following telephone number for attention to insured parties: 902 222 665.

2. The assessment of losses deriving from extraordinary events will be made by the Insurance Compensation Consortium, which will not be bound by valuations which may have been made by any insurance institution covering ordinary risks.