

Zurich Condominiums

Terms and Conditions



Welcome to Zurich

We would like to welcome you to the company and remind you that we are always available to help you with anything you need.

Zurich is committed to giving you the finest service whenever you need it with fast and effective solutions and clear information.

In these terms and conditions you will find a detailed description of what is in your new Zurich Condominiums insurance.

Enjoy the peace of mind of knowing that we're always by your side!

ZURICH CONDOMINIUMS

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I. Legal regulations

Insurer and the authority supervising its operations

Zurich Insurance Public Limited Company is an insurance company registered in Ireland with Registration No. 13460, whose registered office is Zurich House, Ballsbridge Park, Dublin 4, Ireland. It is supervised and registered by the Central Bank of Ireland, and authorised to operate in Spain under the right of establishment through its branch Zurich Insurance plc, Sucursal en España.

Zurich Insurance plc, Sucursal en España, Tax ID W0072130H, whose registered address is Paseo de la Castellana, 81, planta 22, 28046 Madrid, is registered in the Administrative Registry of the General Insurance and Pension Funds Directorate with code no. E0189.

Pursuant to Section 123 of Royal Decree 1060/2015, of 20 November, on the organisation, supervision and solvency of insurers and reinsurers, it is hereby stated that in the event of the liquidation of the insurer, Irish and not Spanish liquidation regulations will apply.

Law applicable to the contract

- Insurance Contract Act 50/1980, of 8 October.
- Organisation, Supervision and Solvency of Insurers and Reinsurers Act 20/2015, of 14 July.
- Insurance Compensation Consortium Legal Statute Regulation Act 7/2004, of 29 October.
- Any other regulation that might be applicable during the lifetime of the policy.

Complaints and claims

Complaints and claims may be submitted to the company's Customer Ombudsman under the procedure set out in the Customer Ombudsman Regulations drawn up by the company and which are available on our website www.zurich.es/defensacliente. These Regulations comply with the requirements of Ministerial Order ECO 734/2004 and any other regulations that may replace or amend it.

The Customer Ombudsman as regulated in the aforementioned Regulations will give its decision within the time limit indicated in them from the filing of the complaint or claim. At the end of that period the claimant may appeal to the Complaints Service of the Insurance and Pension Plans General Directorate where appropriate.

Cancellation clause for distance contracts

In the case of insurance that is taken out by means of distance communication media, and for purposes other than the insured's business or professional activities, the insured may cancel the distance contract within fourteen calendar days of it being signed, pro-

vided that the adverse event covered by the, insurance has not occurred, without stating their reasons and without penalisation, in compliance with Section 10 of the Distance Marketing of Financial Services for Consumers Act 22/2007. To exercise this right the insured should write to the insurer. The insurer reserves the right to retain the part of the premium which is proportional to the cover period. The right of cancellation shall not be applicable to compulsory insurance, travel or luggage policies lasting less than a month, or to ones whose effect terminates within the fourteen calendar day period.

Protection of personal details

Data controller: Zurich Insurance plc, Sucursal en España.

Purposes of the data processing:

If the policyholder is a natural person

- For the **purpose of managing the contract:** Personal data will be stored in files belonging to Zurich Insurance plc, Sucursal en España, parent company Zurich Insurance plc, whose purpose is and may be the proposal, even when the contract is not entered into, and if applicable the completion, maintenance and monitoring of the contract of insurance and conducting statistical studies, quality studies and technical analysis, managing coinsurance if applicable and also processing by the parent company for the prevention of money laundering and terrorist financing.

Lawful basis: The performance of the contract and insurance regulations, mainly the Insurance Contract Act, the Organisation, Supervision and Solvency of Insurers and Reinsurers Act and prevention of money laundering and terrorist financing regulations.

- For the **purpose of preventing fraud:** These data will also be used to prevent fraud.

Lawful basis: Legitimate interest.

- For the **purpose of adjusting the price:** In order to offer you the most appropriate price for your profile before underwriting the insurance, the insurer may view the Asnef file whose owner and controller is Asnef-Equifax, Servicios de Información sobre la Solvencia y Crédito, S.L.

Lawful basis: Legitimate interest based on credit information system regulations.

Likewise, unless you opt out the insurer may process your data:

- For the **purpose of sending you marketing messages by any electronic means** including text, email or an equivalent means of communication in order to offer, promote and purchase the insurer's products and services and additional services included in the insurance taken out (such as Home Handyman, IT Support, etc.).
- For the **purpose of sending you marketing messages on paper and in phone calls** about own products and insurance policies and pension plans from the Insurance Group, i.e. Zurich Vida or other companies legally related to the aforementioned organisations as set out at www.zurich.es/rgpd.

- For the **purpose of profiling or segmenting profiles** using the data you supply.
- For the **purpose of profiling or segmenting profiles** using data drawn from the information resulting from the use and management of the products purchased.

Lawful basis: Legitimate interest and the right to object.

You may object to such processing at any time.

Likewise, if you have given your consent the insurer may process your data:

- For the **purpose of sending you marketing messages by any electronic** means including text, email or an equivalent means of communication in order to offer, promote and purchase insurance or pension products and services from other Group organisations, i.e. Zurich Vida or other companies legally related to the aforementioned organisations as set out at www.zurich.es/rgpd.
- For the **purpose of profiling or segmenting for marketing purposes** using own and third-party data (including insurers in the Group).
- For the **purpose of disclosing your data** and, if applicable, any profiles obtained to Zurich Group companies in the insurance and pensions industry to send marketing messages by any means (electronic or otherwise) about their products and services.

Lawful basis: Express consent.

Recipients: Your data may be disclosed to any authorities that the insurer is legally obliged to inform, including courts and tribunals and law enforcement agencies, if required to do so. Likewise, in the performance of the contract your personal data may be disclosed to reinsurers, coinsurers and other participants in the operation of the contract such as repairers, loss adjusters and other service providers. They may also be disclosed to Group organisations or third-party organisations if you have expressly consented to such disclosure or when based on a legitimate interest or legal obligations.

If the policyholder is a legal entity

- The policyholder's representative (an individual) is notified by this clause that their personal data supplied to perform this contract of insurance will be processed by the insurer for the purpose of managing the contractual relationship. The legal basis for such processing is the insurance. The personal data gathered will be retained while such contract of insurance remains valid. Once this relationship has ended, they will be retained duly blocked during the periods of limitation set by applicable law. The recipients of the personal data will be any organisations in the insurer's group which for reasons of internal organisation may require intervention or any suppliers which have been hired.
- If the policyholder provides any other personal data to the insurer in the performance of the contract of insurance, they warrant that prior to such provision they have informed the data subject (whether the insured, beneficiary or any other person) about the processing of their data in the terms set out in this clause and that they have met any other requirements needed to enable the legitimate communication of such personal data to the insurer in accordance with applicable regulations.

The legal basis for such processing is the performance of this contract or compliance with legal obligations in regulations concerning the organisation, supervision and solvency of insurers and the regulations of the contract of insurance.

Personal data will not be shared with third parties unless so required in order to comply with obligations contained in applicable regulations. Furthermore, where applicable and if the appropriate mechanisms are enabled the insurer may request these other persons involved in insurance in which the policyholder is a legal entity to give their consent or state they do not object in the same cases set out above.

Rights and Additional Information

Rights: In both cases the data subject and the representative may exercise their right to request access to and rectification or erasure of personal data and other rights as explained in the additional information at www.zurich.es/rgpd.

Additional information: You can view more information at www.zurich.es/rgpd.

Specialities in complaints and claims by Autonomous Community

Besides maintaining open offices in the different Autonomous Communities, Zurich also has a physical address for all consumers and users: 200, Vía Augusta, Barcelona. Here, customers can receive personal attention regarding any complaints or claims concerning their insurance. Zurich also provides a free phone service for complaints and claims: 900 110 770.

Implementation of international public order

Without prejudice to the conditions of this agreement, the insurer of the coverage will not be required to make payments or provide a service or benefit for any insured or third party if such coverage, payment, service or benefit and/or any other business or activity of the insured may be in breach of trade legislation or regulations, trade embargo or economic sanctions affected by an international public order.

Likewise, late-payment interest will not accrue in the event that the insurer, when completing the procedures provided for in the said regulations, should exceed the maximum time allowed for compliance with certain obligations.

II. What to do in the event of a loss

You are reading the Zurich Condominiums policy which you have taken out with us.

What covers do you get with the insurance?

You will find a summary in part III 'Summary of covers and maximum compensation limits for the sum insured'.

Check the content of the covers wording in Sections 2, 3, 4, 5 and 7.

What to do in the event of a loss

The purpose of your insurance policy is to help you and to compensate you financially in the event of a loss.

If a loss covered by this policy occurs, we recommend that you do the following:

- Use all means within your power to minimise its consequences.
- Read the "Object and Scope of Insurance" section of your policy carefully and make sure that the loss really is covered.
- Contact us or your broker and give a detailed explanation of what caused the loss and what its consequences are.
- Send the claim report form to us as soon as possible giving as detailed an account as you can of any damage sustained.
- Make a statement to the legal authorities or report the incident to the police, depending on the type of loss, stating the date and time when it occurred, the causes, circumstances and an estimate of the damage.

III. Summary of covers and maximum compensation limits for the sum insured

This summary of covers is not intended to be exhaustive and is given for information purposes only. For full information about the covers you should refer to the Terms and Conditions, Sections 2, 3 and 4.

I) Basic covers	Building (*)
Fires	100%
Explosion	100%
Lightning strike	100%
Vandalism	100%
Flooding	100%
Weather events	100%
Smoke or soot	100%
Collision, impact and sonic booms	100%
Leaks from automatic fire extinguishing systems	100%
Fuel leaks	100%
Salvage	100%
Debris removal and demolition	100%
Mud and sludge removal	100%
Fire service	100%
Loss of use	15%
Loss of Rent	15%
Common furniture removal	10% sum insured Building maximum €12,000
Replacement of documents	€600
Burglary and robbery	100%
Breakage of windows, glass and sanitary ware	See cover in section 2.20

I) Basic covers	Building (*)
Water damage to common property	See cover in section 2.21
Public liability for Community water damage	€100,000
Public liability, bonds, legal expenses and claims	Sum insured stated in the Schedule
Employee accident	Sum insured stated in the Schedule
Additional covers	See cover in section 2.25
Electrical damage	See cover in section 2.26

(*) Common content covered up to 1% with a limit of €12,000.00.

II) Optional covers	Building (*)
Water damage to private property	See cover in section 3.1
Public liability for private water damage	€100,000
Legal expenses	Sum insured stated in the Schedule
Pest control	See coverage in section 3.4

IV. Terms and Conditions

(Mod. 2/3.01.07.35 JUL2021)

Section 1. Definitions

In this contract the following words will have the meanings below:

Actual value. This is determined by subtracting depreciation for age, use and wear and tear from value as new.

Building. The building used as a home and/or office as specified in the Schedule of the policy, without having units where dangerous or industrial activities are carried out and with not more than 25% of its volume occupied by businesses. Included are all systems that are part of the building such as water, gas, electricity, solar energy, telephony up to the point of their connection to general services networks, heating, lifts and, in general, all elements fixed to the building that cannot be separated from it without breaking or damaging them.

The following are considered to be part of building: wall-to-wall carpeting, paintings, hangings, wallpaper and wood placed in the building by their owner with the manifest purpose of locating them permanently in the building or home, as well as storage rooms, and other annexed structures and fixed systems of the building such as those used to detect and prevent fire or burglary, gates, fences, walls (including the retaining walls of the property), pools, garage, and storage rooms. The following are also considered to be part of building: carpeting, paintings, hangings, wallpaper and wood placed in the building individually by the respective co-owners or tenants of the homes and non-commercial units in the building, covered for up to 5% of the sum insured, up for each home or business unit in accordance with their percentage share in the Community.

In accordance with the basic and optional covers, the following are covered as part of the sum insured for building, and should be part of it:

- The retaining walls of the property are covered up to 10% of the sum insured for building.
- The Common Content located in areas of common use by all co-owners, with a limit of 1% of the sum insured for building and a maximum of €12,000.
- Any garden or grove near the insured building that is owned in whole or in part by the Community, with a limit of 1% of the sum insured for building and a maximum of €12,000.
- Shared satellite dishes and solar systems with a limit of 1% of the sum insured for building and a maximum of €12,000.

Unless otherwise stated in the schedule, the building covered by the insurance:

- Is for the most part constructed of non-combustible materials (combustible materials do not exceed 30% of the construction).
- For buildings whose stated use is “residential building”, business premises as a whole may not exceed 25% of gross floor area.
- There are no cinemas, theatres, nightclubs or bingo halls in the insured complex. Likewise, there is no storage or manufacture of chemicals or flammable products in it.

Coinsurance clause. If in the event of a loss the sum insured is less than the value of the insured property, the compensation will be reduced by the same proportion.

Common content. Content belonging to the Community consisting of equipment, tools and furniture found in the common parts of building for use by co-owners. The value of it should be part of the sum insured for building.

Explosion. Sudden and violent action of the pressure or depression of gas or vapours.

Fire. Combustion and burning by flame, capable of spreading from one object or objects that were not designed to be burned in the place and at the time that it happened.

Horizontal construction. Building of terraced single-family homes with common facilities and no higher than three storeys.

Insurance at first loss. Method of insurance whereby the risk is covered up to a specified amount regardless of the total value, without applying the condition of average.

Insurance at total value. The sum insured in the policy is the same as the total value of the insured item.

Mixed-use building. A building in which, with the exception of those units designated for commercial use, is used for offices having been designed and built with the purpose for which they are used.

Office building. Building in which, with the exception of those units designated for commercial use, has been designed and built for use as offices.

Residential building. Building in which, with the exception of those units designated for commercial use, has been designed and built for residential use.

Robbery. Unlawful seizure or taking of property covered by the policy against the will of the Insured by means of acts of intimidation or violence towards people.

Burglary. Unlawful seizure or taking of the property covered by the policy against the will of the Insured by means of acts which involve breaking and entering, including the use of picklocks, false keys or other instruments not normally used to open doors; or by secretly or clandestinely entering the home without the knowledge of the Insured, their family or employees, in order to commit the offence when the home is closed and locked.

Single-family home. House built to accommodate just one family and with one or more storeys.

Theft. Seizure or taking of property, against the will of the Insured, without breaking and entering or violence or intimidation towards people.

Urban area. Set of dwellings made up of a minimum of 50 homes or 250 inhabitants which has all public lighting, water and sewerage services. All homes that are less than 1 km from an urban area will be deemed to be part of that urban area.

Value as new. This is the cost of acquisition or rebuilding as new in the condition which the insured property was in immediately prior to the occurrence of the loss.

Section 2. Object and scope of the insurance: basic covers

The maximum limit of compensation for the set of covers in the policy, including all expenses, may not under any circumstances exceed the sums insured indicated in the Schedule under the heading of Building, except for cover 2.23 Public liability, bonds and legal expenses and cover 2.24 Employee accident, whose maximum limits are stated in the Schedule.

Within the limits set out in these terms and conditions, the Schedule and special clauses, the insurance provides cover against the following risks:

2.1. FIRE

Direct material losses resulting from the disappearance, destruction or deterioration of property in the insured building caused by fire, which is defined as the burning and scorching by flame that can spread of an object or objects that were not intended to be burned in the place and at the time that it happened.

The following are not covered:

- a) Damage and simple burns caused by the mere action of heat when there is no flame.
- b) Damage suffered by objects because they fell into a fire that was burning in its proper place.
- c) Damage sustained by electrical systems, electrical or electronic appliances and their accessories due to causes inherent in their operation, by electricity or lightning strike whose cover is subject to the provisions stated in section 2.26.

Sum insured: up to 100% of the sum insured for Building.

2.2. EXPLOSION

This covers direct material losses resulting from the destruction of or damage to property in the insured building resulting from explosion, even without fire, with explosion being defined as the sudden and violent action of the pressure or depression of gas or vapours.

This covers direct material losses sustained by boilers and heating pipes or other fixed systems which are part of the building caused by their explosion.

Damage to light bulbs, lamps or similar objects resulting from their explosion is not covered.

Sum insured: up to 100% of the sum insured for Building.

2.3. LIGHTNING STRIKE

Direct material damage sustained by property in the insured building resulting from lightning even when fire does not occur is covered, except for damage to appliances, electrical lines and their accessories.

Lightning strike means a violent electrical discharge produced by a disturbance in the electric field of the atmosphere.

Sum insured: up to 100% of the sum insured for Building.

2.4. VANDALISM

Direct material damage sustained by property in the insured building as a result of acts of vandalism or malicious acts performed by individuals or groups who are not or do not include the Insured and or people who are dependent on or live with them is covered.

Direct material damage sustained by the insured building as a result of legal strikes, meetings and demonstrations carried out in compliance with prevailing legislation, and unless the aforementioned actions take the form of a riot or civil disturbance, is included.

The following are not covered:

- a) Losses arising from theft and damage caused by burglary or attempted burglary.
- b) Damage or costs of any kind related to graffiti, bill sticking and scratching occurring on the outside of the building or to property that is outdoors.
- c) Breakage of windows, glass and sanitary ware whose cover is subject to the provisions of cover "2.20. Breakage of windows, glass and sanitary ware".
- d) Damage to trees, plants and other components of common gardens, as well as those caused by vehicles.
- e) Damage or losses arising from improper or illegal occupancy of the unoccupied home, where this means when such occupancy is against the owner's wishes.

Sum insured: up to 100% of the sum insured for Building.

2.5. FLOODING

Direct material damage sustained by property in the insured building on the occasion of or as a result of the overflowing or deviation of the normal course of water flowing from lakes without a natural outlet, canals, irrigation ditches or other man-made above-ground watercourses, sewers, collectors and artificial underground watercourses when they overflow, burst, break or break down, provided that these events are not caused by extraordinary risks or events which are covered by the Insurance Compensation Consortium.

The following are not covered:

- a) Damage caused by overflowing or breakage of dams, reservoirs, containment berms, or any other system of natural water retention.

- b) Damage caused by non-channelled underground water.
- c) Damage caused by landslides.
- d) Damage caused by the direct action of rainwater or water from melting ice or snow.

Sum insured: up to 100% of the sum insured for Building.

2.6. WEATHER EVENTS

The policy covers direct material damage to insured property by rain (provided that precipitation levels exceed 40 litres per square metre per hour), wind (when there are gusts exceeding 75 kph and up to the point when Insurance Compensation Consortium cover takes effect), and hail or snow (provided that such events occur abnormally and that the nature or intensity of the atmospheric disturbance means it is considered atypical or abnormal).

The classification of these events will be certified primarily by reports issued by the relevant official bodies. Nonetheless, in cases in which the abnormality of the weather event for the place or area where the insured risk is located is not completely certified by the reports issued by these official bodies, it will be necessary to provide proof to the Insurer that other well-built properties within a 2 km radius of the insured risk have been destroyed or damaged by the same weather event, unless this situation is already known to the insurer.

The policy covers material damage to insured property resulting from rainwater leakage or seepage as long as rainfall is greater than 40 l/m² and hour; repair of the cause and compensation for the cost of repairing the source of the leakage or seepage are excluded.

Not included under this cover is damage caused:

- a) By snow, water, sand or dust that enters through doors, windows or other openings that have not been closed or whose closing mechanism is defective.
- b) By freezing, cold, ice, waves or the tide, even when these events have been caused by the wind.
- c) Breakage of windows, glass and sanitary ware whose cover is subject to the provisions of cover "2.20. Breakage of windows, glass and sanitary ware".
- d) To property left outside of the building or inside open structures.
- e) Because of a defect or error in construction, or because of a lack of required maintenance for the conservation of the building, especially after a loss.
- f) To trees, plants and other components of common gardens.
- g) Caused by seepage, rusting or damp which have occurred gradually.

Sum insured: up to 100% of the sum insured for Building.

2.7. SMOKE OR SOOT

This covers direct material damage to property in the insured building by smoke or soot caused by sudden and abnormal leaks, whether or not they are the result of a fire.

Not included under this cover is damage caused by the following:

- a) Caused by the continued action of smoke or soot.
- b) Caused by smoke or soot from fireplaces, heating or cooking systems or industrial devices during their normal operation.

Sum insured: up to 100% of the sum insured for Building.

2.8. COLLISION, IMPACT AND SONIC BOOMS

This covers direct material damage to property in the insured building by the collision or impact of land vehicles or from merchandise transported by them as well as by falling spacecraft or aircraft or objects that fall from them. Also covered is the direct impact on insured property of sonic booms from spacecraft or aircraft when they break the sound barrier.

The following are not covered:

- a) Damage caused by vehicles, spacecraft and aircraft, as well as by any objects that are transported in or on them or that fall from them, that are owned by or in the possession of or controlled by the Insured or people who depend on or live with them.
- b) Breakage of windows, glass and sanitary ware whose cover is subject to the provisions of cover "2.20. Breakage of windows, glass and sanitary ware".

Sum insured: up to 100% of the sum insured for Building.

2.9. LEAKS FROM AUTOMATIC FIRE EXTINGUISHING SYSTEMS

This covers direct material damage sustained by property in the insured building resulting from leakage, faulty sealing, seepage, breakage, falling, collapse or general breakdown of the automatic fire extinguishing systems in the building that use water or any other extinguishing agent.

The following are not covered:

- a) Damage to the automatic sprinkler system in those parts where the overflow, leakage or seepage took place.
- b) Damage resulting from use of the installation for purposes other than the automatic putting out of fires.
- c) Damage caused by underground piping or systems located outside the insured building.
- d) Damage caused by manufacturing defects, construction faults or by lack of maintenance or upkeep.

Sum insured: up to 100% of the sum insured for Building.

2.10. FUEL LEAKAGE

This covers direct material damage to property in the insured building by accidental spills of liquids stored in tanks or fixed fuel tanks for heating, caused by sudden rupture of containers or pipes that are an integral part of them.

The following are not covered:

- a) Damage caused by manufacturing defects, construction faults or by lack of maintenance or upkeep.
- b) Damage arising from a failure to switch off hydrants, stopcocks, valves and other safety devices or from a defect in the sealing or caulking of joints and screw connections.

Sum insured: up to 100% of the sum insured for Building.

2.11. SALVAGE

The Insurer will pay for damage sustained by property in the insured building and for the cost of salvaging it, including damage resulting from measures taken by the authorities, co-owners, tenants or renters in the Community to minimise the consequences of the loss, provided that these costs are incurred due to a loss covered by the policy.

The Insurer will also meet the costs of salvaging property in the insured building in the event that this property is affected by a loss originating outside the insured building and needs to be salvaged in order to prevent it sustaining damage.

Sum insured: up to 100% of the sum insured for Building.

2.12. DEBRIS REMOVAL AND DEMOLITION

The cost of removing the debris of items included in buildings for the insured property and if necessary the cost of the demolition of the damaged property are covered provided that these costs are incurred due to a loss covered by the policy.

The costs of debris removal and demolition of any non-damaged part of the insured building as a result of any by-laws or other laws regulating the construction, repair or maintenance of buildings are not covered.

Sum insured: up to 100% of the sum insured for Building.

2.13. MUD AND SLUDGE REMOVAL

The costs of mud and sludge removal are covered provided that these costs are incurred due to a loss covered by the policy.

Sum insured: up to 100% of the sum insured for Building.

2.14. FIRE SERVICE

The Insurer will pay the municipal fee for the actions of the fire brigade, in addition to any damage these actions cause to the insured building, provided that it is required due to a loss covered by the policy.

Sum insured: up to 100% of the sum insured for Building.

2.15. LOSS OF USE

The insurer covers the cost of temporary accommodation in rented premises or a home similar to the premises or home affected by a loss included in this policy during the time normally required to repair them, including the cost of any removals of furniture or other content items.

The cost of temporary accommodation will only cover renting a business unit or home without furniture or other content.

In the event that an affected business unit or home is being rented by a tenant, the amount of lost rent resulting from the same loss will be deducted from the compensation for loss of use of the business unit or home.

Loss adjusters will determine the evacuation period, **which is restricted to a maximum of 12 months.**

To determine the sum insured for each damaged business unit or home, the sum insured for the building will be multiplied by the rate that the business unit or home represents according to the deed for the joint freehold of the building. The 15% cover indicated in the "Sum insured" section will then be applied to the resulting figure.

This cover is subsidiary to any cover which each of the co-owners or tenants may have taken out individually.

Not covered are business units or homes that at the time of the loss are not habitually occupied by their owner or tenant.

Sum insured: up to 15% of the sum insured for building established for each affected business unit or home in accordance with the provisions of this section.

2.16. LOSS OF RENT

When due to a covered loss it becomes impossible to use one or more of the business units or homes in the insured building, the Insurer will cover the loss of rent that would have been paid under the rental agreement in force on the date of the loss for the time that it is normally impossible to use the business unit(s) or home(s) due to repairs.

If the damaged unit or home is rented furnished or with other content items, compensation will only be paid for the rent for the building and not for the rent for content.

Loss adjusters will determine the compensation period **which is restricted to a maximum of 12 months.**

To determine the sum insured for each damaged business unit or home, the sum insured for the building will be multiplied by the rate that the business unit or home represents according to the deed for the joint freehold of the building. The 15% cover indicated in the "Sum insured" section will then be applied to the resulting figure.

This cover is subsidiary to any cover which each of the co-owners or tenants may have taken out individually.

Sum insured: up to 15% of the sum insured for building established for each affected business unit or home in accordance with the provisions of this section.

2.17. REMOVAL OF COMMON FURNITURE

The cost of removing, storing and bringing back items of common furniture in order to carry out repairs to the damaged building is covered provided that it is sustained due to a loss covered by the policy.

Loss adjustors will determine the maximum compensation period, **which is restricted to a maximum of 12 months.**

Sum insured: up to 10% of the sum insured for Building with a limit of €12,000 per claim.

2.18. REPLACEMENT OF DOCUMENTS

Provided that the replacement is the result of a covered loss, any necessary and duly proven expenses sustained in the reconstruction or issuing of duplicate copies of official documents and books of a public nature, pertaining to the Community and not related to professional or commercial activities will be covered by the Insurer.

Sum insured: at first loss, up to a maximum of €600 per claim.

2.19. THEFT AND ROBBERY

This covers direct material damage arising from any disappearance, destruction or damage sustained by common objects in the insured building, including common content, due to burglary or robbery or attempted burglary or robbery.

Also included is damage caused by burglary or attempted burglary to common doors and windows which provide access to common areas or floors used for housing or storage space, except for the breakage of windows, glass and sanitary ware whose cover is subject to the provisions of cover "2.20. Breakage of windows, glass and sanitary ware".

Also covered by this policy are burglaries of commonly-owned goods, as well as those belonging to co-owner, limited exclusively in this case to shopping trolleys (not their content) and babies' pushchairs, that take place in storage rooms owned and used by the Community and that form part of the Building insured, to a limit of €600 per loss.

The following are not covered:

- a) Burglary, robbery or attempted burglary or robbery in which the insured co-owners, tenants or people who depend on or live with them are the perpetrators, accomplices or accessories after the fact.
- b) Burglary, robbery or attempted burglary or robbery which is the result of negligence by the insured co-owners, tenants or people who depend on or live with them.
- c) Theft, which is defined as the seizure or taking of property, against the will of the Insured, without breaking and entering or violence or intimidation towards people.
- d) Damage to the doors and windows of commercial, industrial establishments or units not forming part of the Community.
- e) Breakage of windows, glass and sanitary ware whose cover is subject to the provisions of cover "2.20. Breakage of windows, glass and sanitary ware".
- f) Theft and damage to non-fixed items that are outdoors, inside open structures or in attached facilities which are not locked.
- g) Non-fixed objects with a unit value of more than €600.

Sum insured: up to 100% of the sum insured for the building.

2.20. BREAKAGE OF WINDOWS, GLASS AND SANITARY WARE

This covers direct material losses caused by the breakage of glass, windows, mirrors, panes, sanitary ware and signs that are Community-owned or on floors used for homes, including the cost of transport and installation, provided that they are a fixed part of the property insured as building or common content and are in its common areas.

Also covered are glass and windows located in the outside parts of the insured building, including those that are part of terraces and balconies.

The following are not covered:

- a) Glass, windows and mirrors of artistic value.
- b) Handheld objects, non-fixed decorative items, image and/or sound appliances, and other objects that are not a fixed part of the building or common content.
- c) Lamps, neon bulbs and all other types of bulbs.
- d) Breakage caused by defective installation or placement, work carried out on the insured objects or on their frames, as well that incurred during their assembly or disassembly.
- e) Breakage brought about during refurbishment work, repairs, painting, or work being done to get ready for or carry out removals.
- f) The effects of scratching, flaking or other causes which produce mere cosmetic defects.

g) Glass or shop windows of businesses, industrial establishments or units not owned by the Community, as well as items and doors inside housing units.

Sum insured: up to 100% of the sum insured for building with a limit of €30,000 per claim and up to a maximum of €2,000 in unit value.

An excess per claim will be set and expressly stated in the Schedule.

2.21. WATER DAMAGE TO COMMON PROPERTY

The insurer covers direct material damage to common property caused by water:

- a) Which leaks from fixed private pipes and tanks used to carry, distribute and drain water, as well as from private heating systems and electrical appliances caused by breakage, blockage, freezing and because of oversight or intentional harm by third parties.
- b) Which drips from homes or adjoining units or from leakage through roofs, terraces, flat roofs or exterior walls of the building or adjacent properties.

Damage caused by leakage through roofs, terraces, flat roofs or exterior walls is covered, excluding the cost of repairing the source of the leakage, provided that the original cause is repaired and the rainfall that led to it is above the thresholds specified in cover 2.6 Weather events. **Payment of compensation for this damage is always subject to the repair of the cause that gave rise to the loss and on presentation of the repair bill.**

- c) Coming from common stopcocks or taps which have not been turned off.

The cost of opening up and closing up the walls of the insured building in order to find the water leaks that have caused the covered damage and the cost of the repairs to the water pipes are included.

Common systems means the building's general connections from the building's mains point to the stopcock in each home or unit which shuts off water to it. Also included as common systems are the building's general drainpipes from the connection with the drainage of the private systems of each home or unit.

The Community of Property Owners undertakes to maintain its water systems in good condition and to carry out such repairs and actions as may be necessary for the proper upkeep of piping, in particular by replacing defective pipes and unblocking those which have become blocked.

In addition, and in the event of one or more units or homes becoming vacant, they must also switch off all mains connections and empty all appliances and systems if possible. Likewise, in winter they must take adequate precautions to prevent the harmful effects of water freezing.

Damage to property for private use is not covered unless cover "3.1. Water damage to private property" has been taken out.

Excess water usage

If there is a loss coming under the common water damage cover, the insurer meets any expenses resulting from excessive water use.

Compensation will be calculated as the difference between the water utility bill for the period when the loss took place and the average for water bills.

Excess water usage is covered if the amount of the bill for the month in which the loss occurs is more than 50% higher than the highest bill for the previous year.

Sum insured: there is a compensation limit shown in the schedule **and a limit of one claim per insurance year.**

Unblocking pipes when there is no damage

The policy covers expenses for unblocking the building's common sewage or rainwater drainage pipes even when there is no damage in order to prevent or mitigate a loss included in this cover.

Sum insured: there is a compensation limit shown in the schedule **and a limit of one claim per insurance year.**

Finding and repairing a water leak when there is no damage

If there is evidence of a water leak, the cost of finding and repairing the property's water pipes is included.

Sum insured: there is a compensation limit shown in the schedule **and a limit of one claim per insurance year.**

Not covered are repairs to taps and appliances, the cost of cleaning and unblocking pipes and damage caused:

- a) By non-channelled underground water and the reflux of water from the public sewage system.
- b) By construction or repair work.
- c) To roofs and facades due to external drainage or service connection pipes.
- d) By water from portable containers and by washing floors or plasterwork.
- e) Caused by the overflowing or breakage of dams and dikes.
- f) Caused by water leakage through roofs or flat roofs when it results from defects in or poor upkeep of the building.
- g) Caused by damp, condensation or mould.
- h) Inside homes or business units.
- i) Caused by leakage, breakage or overflow of swimming pools on terraces, regardless of whether or not they belong to the Community.

- j) As a result of generalised corrosion or manifest wear of the building's systems.
- k) Leakage or seepage caused by gross lack of maintenance.
- l) Unblocking catch basins when there is no damage.

Sum insured: up to 10% of the sum insured for Building with a limit of €100,000 per loss.

An excess per claim will be set and expressly stated in the Schedule.

2.22. PUBLIC LIABILITY FOR COMMON WATER DAMAGE

This covers the payment of compensation to third parties as a result of public liability for water damage covered by the previous cover "2.21. Water damage to common property".

For the purposes of this cover, the co-owners of the Community and tenants of the homes and/or units which are part of it are considered to be third parties.

This cover is governed by the provisions of section "2.23. Public liability, bonds, legal expenses and claims", in particular with respect to the exclusions it contains except for point a).

Also covered are bonds, legal expenses and damage claims in the same terms as in points "2.23.1 Bonds", "2.23.2 Legal expenses", and "2.23.3 Damage claims" in the cover "2.23. Public liability, bonds, legal expenses and claims".

Sum insured: up to €100,000 per claim.

An excess per claim will be set and expressly stated in the Schedule.

2.23. PUBLIC LIABILITY, BONDS, LEGAL EXPENSES AND CLAIMS

The insurer covers financial compensation owed by the Community of Property Owners under articles 1902 to 1910 of the Civil Code as a result of damage or injury caused to third parties by negligent acts or omissions attributable to the Community as owner of the building or to people who work for it in the performance of their duties.

All damage and injury arising from the same event, irrespective of the number of injured parties, will be deemed to be a single loss.

For the purposes of this cover, the co-owners or tenants of the building, the people who live with them and employees of the Community are considered to be third parties.

Employees of the Community or people carrying out any type of work on the building will not be considered to be third parties with respect to damage or injury that they may sustain while performing the aforementioned work.

Also covered is Employer's Liability and any compensation that under the terms of the Social Security Act may be owed by the Community to their employees or successors-in-title due to its public liability for damage or injury that personnel who are registered with

the Social Security and are full-time employees of the Community may sustain as a result of an accident at work, as well as any compensation that the National Institute of Social Security or employee or employer private health insurance friendly societies may demand for the cost of healthcare they have provided in the cases referred to above.

This section includes the public liability of the condominium's governing board (chair, secretary and/or managing agent provided that these positions are held by co-owners of the Community) for any direct damage or injury their actions may cause in the performance of their duties for the community of property owners.

The Insurer also covers the following with respect to the losses included in this cover:

2.23.1. Bonds

Any bonds that the courts require to be paid by the Community to ensure the release on bail of any member of the Community of Property Owners and to guarantee the payment of compensation and legal costs.

2.23.2. Legal expenses

The legal expenses of the Community either out of court or before any civil or criminal court, as well as the payment of costs but excluding any kind of fine or penalty.

When the claimant is also insured by the Insurer and there is a conflict of interest between the Community and the Insurer because the latter has to uphold interests in the claim which are contrary to the defence of the Community, the Insurer will notify the Community of this situation without prejudice to the carrying out of such legal formalities which in view of their urgency are necessary for the defence of the Insured. In this case, the Community may choose between retaining the legal representation provided by the Insurer and entrusting their defence to another person. In this latter case the Insurer will be obliged to pay the costs of this legal representation up to the minimum sums set in the fees tables of the bar association to which the lawyer belongs or, failing that, those of the bar association of Barcelona, and including in these minimum sums all incidences and concomitant circumstances of the matter, with any difference being paid by the Community.

2.23.3. Damage claims

Should a third party cause damage to the Community which if it had been caused by the latter would have been covered by this Public Liability cover, the Insurer will meet the cost of claiming compensation owed to the Community by the responsible third party either by means of an amicable settlement or through the courts.

The Insurer will begin the claim, and if it can obtain the agreement of the responsible third party or their Insurer to pay compensation out of court, and it does not think it likely that better results could be achieved through the courts, it will notify the Community.

The Insurer will decide whether or not to file the claim and the sum to be claimed for in accordance with the circumstances of each case, and will notify the Community of its decisions.

Should the Community disagree with the Insurer regarding the appropriateness of the claim or its amount, they can file the claim themselves without the Insurer's involvement. In such a case, should the claim filed by the Community result in a more favourable outcome than that offered by the Insurer, the Insurer will be required to reimburse the legal costs incurred by the Community up to 10% of the sum insured for the building and with a maximum limit of €30,100.

Any compensation obtained from the responsible third party must be used firstly to reimburse the Insurer for any sums that it may have paid to the Community by virtue of other covers in the policy, with any difference being made up by the latter.

The Community expressly authorises the Insurer and its legal representatives to directly receive compensation obtained for the Community under this cover by means of an amicable agreement or court ruling, without prejudice to any subsequent settlement.

With respect to the whole of cover "2.23. Public liability, bonds, legal expenses and claims", not covered are claims arising from:

- a) Damage to the insured building which could have been insured against through one of the other covers of this policy and especially public liability resulting from water damage, whether this be common or private in nature.
- b) Damage caused by leakage or seepage of rainwater except in cases where the original cause of the damage is repaired and is not attributable to a serious lack of maintenance known about beforehand by the Condominium. Payment of compensation for this damage is always subject to the repair of the cause giving rise to the loss and on presentation of the repair bill.
- c) The contractual obligations of the Community or the people who depend on it.
- d) Construction, repair or refurbishment work on the insured building.
- e) Industrial, commercial or professional activities carried out in the building's business units or homes.
- f) Breach of official provisions.
- g) Breach of employment regulations concerning personnel working for the Community.
- h) Any kind of criminal and administrative penalties as well as fines payable by the Insured in any type of proceedings.
- i) Liabilities which must be covered by compulsory insurance.
- j) The use or ownership of motor vehicles.
- k) Damage to items of property belonging to third parties that for any reason are in the possession of the insured co-owners, tenants and people who depend on or live with them.
- l) Robbery and damage caused by robbery from vehicles and other property located in car parks and storage rooms.

m) Caused by pollution or changes in the air, water and soil, caused by the prolonged impact of temperatures, smoke, dust, soot, gases, vapour, vibrations or any other cause. However, if the environmental damage is accidental, then it will be covered.

Sum insured: up to the limit stated in the Schedule.

2.24. EMPLOYEE ACCIDENT

Employees of the Community of Property Owners are covered against the risks of death or permanent total or partial disability resulting from accidents occurring while carrying out their duties exclusively for the building stated in the schedule. In order to be considered employees of the Community of Property Owners for this purpose, personnel must have employment contracts with the Community of Property Owners and be registered with Social Security at the time the accident occurs.

For the purposes of this cover, the following terms will have the meanings given below:

Accident. Personal injury deriving from a sudden, external and violent cause that is not intentional on the part of the person who suffers it.

Beneficiary. The natural or artificial person who holds the right to compensation in the following situations:

- In the event of total or partial permanent disability, the beneficiary will be the person who has suffered the accident.
- In the event of death, the provisions of the Insurance Contract Act will apply unless beneficiaries have been expressly designated.

Death. Decease.

Insured. Employees of the Community of Owners covered by this insurance.

Partial permanent disability. Anatomical loss or irreversible partial and permanent functional loss as a direct consequence of an accident and consisting of one of the following injuries:

- Total loss of an eye.
- Complete deafness.
- Absolute loss or amputation of a finger, an arm, a hand or a leg.

Total permanent disability. Anatomical loss or irreversible total and permanent functional loss as a direct consequence of an accident and consisting of one of the following injuries:

- Loss or loss of use of both arms, both legs, an arm and a leg, a hand and a foot, both hands or both feet.
- Complete paralysis.
- Complete blindness.

If as the result of a single accident several people who are entitled to coverage are injured, compensation for death or disability will be distributed amongst all of them and in no case exceed the sum insured.

The following are not considered to be covered accidents:

- a) Those sustained by people under 14 or older than 65 years of age.
- b) Those sustained by people who are blind, paralysed or deaf, who suffer from epilepsy or mental disturbance and in general when the sickly condition of the injured person has caused or contributed to the incident.
- c) Illnesses or diseases of any kind.
- d) Events arising from war, terrorism, riots, revolutions and earthquakes.
- e) Those occurring as a consequence of taking part in fights or duels and committing or attempting to commit an illegal action, as well as those which occur under the influence of alcohol, drugs or narcotics.
- f) Operations or medical interventions carried out by the Insured on themselves as well as those caused intentionally by the Insured or by Beneficiaries.
- g) Poisoning occurring as a result of eating food that has gone off.
- h) Those that only produce mental effects.
- i) Hernias whatever their cause may be, muscle strain, lumbago, varicose, strokes of any vascular tissue, sunstroke and frostbite.
- j) Those sustained while carrying out private activities related or unrelated to the activities of employee in service to the Community of Homeowners.
- k) Accidents arising from driving motor vehicles until it is proved that at the time of the accident they were performing an activity in exclusive service to the Community of Homeowners. Accidents involving a driver or owner of any motorcycles of cylinder capacity and vehicles weighing more than 3,500 kg are not covered under any circumstances.

Accidents whose effects, death or disability occur one year from the date of the accident are not covered.

Sum insured: up to the limit set out in the Schedule in accordance with the percentages specified below:

- In the event of death 100%
- In the event of total disability 100%
- In the event of partial disability:
 - Total loss of an eye 30%
 - Complete deafness 50%
 - Absolute loss or amputation of:
 - An arm or a hand 60%

- One leg above the knee 50%
- One leg below the knee 40%
- A thumb or forefinger. 10%
- One of the other fingers 5%

2.25. ADDITIONAL COVERS

The following services are included with this cover:

2.25.1. Provision of repairers, installers and miscellaneous professionals in service to the Community of Owners:

When requested by the Insured, the Insurer will provide them with a qualified professional to perform any services that may be required from among the list given below:

- | | |
|---|-----------------|
| Aerial and satellite dish installation | Locksmiths |
| Building work | Metalwork |
| Carpentry | Nurses |
| Carpet fitting | Nursing care |
| Child care | Painting |
| Contractors | Parquet laying |
| Courier services | Plasterers |
| Electricians | Plumbing |
| Entry phones | Removals |
| Gardening | Roller blinds |
| General cleaning | Upholstery |
| Glaziers | Varnishing |
| Household appliance/television/video repair | Window cleaning |
| Household electrical appliances | |

Call-out fees and the cost of labour, materials and any other expenses that may arise will be paid exclusively by the Insured. The Insurer will only arrange for finding the required professional and putting them in touch with the Insured, except in the event of losses covered by the policy.

2.25.2. Additional services

a) Security guards and surveillance

In the event that the Insured home is easily accessible from the outside, the Insurer will organise and meet the cost of providing surveillance of the home where the loss occurred until the furniture and other household items are removed for a maximum period of 48 hours from the arrival of the security guard at the home.

b) Emergency locksmith services

In the event that the Insured is unable to enter the insured building due to an accidental event such as the loss, mislaying or theft of keys, the lock being damaged caused by

attempted burglary or any other cause that makes it impossible to open the door (both common doors and those giving access to private homes), the Insurer will send a professional locksmith to carry out emergency repairs and restore the proper operation of the door as soon as possible.

The fees of the locksmith or professional repairman and the cost of materials used will be paid by the Insured.

c) Accidents of Community employees

In the event that rest not requiring hospitalisation is prescribed by a doctor because of an accident occurring inside the insured building, the Insurer will arrange and pay for the following benefits:

- Dispatch of a nurse to care for the injured person for up to maximum of 72 hours.
- Dispatch of an assistant when the injured person is normally in charge of children under 14 years of age. The maximum term for this cover will be limited to 72 hours.
- Delivery of prescribed medicines to the home. The cost of such medicine will be met by the Insured.
- In the event that hospitalisation is prescribed by a doctor because of an accident occurring inside the insured building, the Insurer will arrange and pay for transport by ambulance to the hospital chosen by the Insured and/or the doctor, provided that it is in the same town as the insured building.

The Insurer must be immediately informed of the circumstances of the incident via its phone or fax numbers provided for this purpose and it must have given its consent before it will meet its obligations as set out above. Reimbursement of expenses will be made on the presentation of documents in proof (bills, receipts or similar) and within the agreed limits.

2.26. ELECTRICAL DAMAGE

Included is damage to electrical lines, electrical appliances and their accessories for common use brought about by fire, abnormal electrical currents, short circuits, self-combustion, electricity or lightning strike.

Electrical faults must be demonstrated by reports issued by the electricity utility company or by specialised technical reports which will be assessed by the experts appointed by the insurer.

Sum insured: up to the limit set out in the Schedule.

An excess per claim will be set and expressly stated in the Schedule.

Section 3. Purpose and scope of the insurance: optional covers

The following risks are included in the policy as long as they have been specifically stated in the Schedule.

3.1. WATER DAMAGE TO PRIVATE PROPERTY

This covers direct material damage to the private property of the co-owners and/or tenants of the building's units caused by water:

- a) Leaking from fixed private pipes and tanks used to carry, distribute and drain water, as well as from private heating systems and electrical appliances caused by breakage, blockage, freezing and because of oversight or intentional harm by third parties.
- b) From private stopcocks or taps which have not been turned off.

The cost of opening up and closing up the walls of the insured building in order to find the water leaks that have caused the covered damage and the cost of the repairs to the water pipes are included.

'Private systems' means those inside each home and/or unit starting from the stopcock in each home or unit which shuts off water to it. Private systems also include the return pipes inside the home and/or unit that are located before the connection between private systems of each home or unit and the general drain.

The owners and/or tenants of the homes and/or units undertake to maintain their water systems in good condition and to carry out such repairs and actions as may be necessary for the proper upkeep of piping, in particular by replacing defective pipes and unblocking those which have become blocked. In addition, and in the event of one or more units or homes becoming vacant, they must also switch off all mains connections and empty all appliances and systems if possible. Likewise in winter they must take adequate precautions to prevent the harmful effects of water freezing.

Damage sustained by common property is not covered.

Not covered are repairs to taps and appliances, the cost of cleaning and unblocking pipes and damage caused:

- a) By non-channelled underground water and the reflux of water from the public sewage system.
- b) By rain, snow and hail that has penetrated any opening of the building (windows, doors, skylights, etc.).
- c) By construction or repair work.
- d) To roofs and facades due to external drainage or service connection pipes.
- e) By water from portable containers and by washing floors or plasterwork.

- f) Caused by the overflowing or breakage of dams and dikes.
- g) Caused by water leakage through roofs or flat roofs when it results from defects in or poor upkeep of the property.
- h) Caused by damp, condensation or mould.
- i) Caused by leakage, breakage or overflow of swimming pools on terraces, regardless of whether or not they belong to the Community.
- j) As a result of generalised corrosion or manifest wear of the building's systems.

Sum insured: up to 10% of the sum insured for Building with a limit of €100,000 per loss.

An excess per claim will be set and expressly stated in the Schedule.

3.2. PUBLIC LIABILITY FOR PRIVATE WATER DAMAGE

This covers the payment of compensation to third parties as a result of public liability for water damage included in the previous cover "3.1. Water damage to private property".

For the purposes of this cover, the co-owners of the Community and tenants of the homes and/or units which are part of it are considered to be third parties.

This cover is governed by the provisions of section "2.23. Public liability, bonds and legal expenses and claims", in particular with respect to the exclusions laid out in it, which are also applicable to it save for the provisions of point a).

Also covered are bonds, legal expenses and damage claims in the same terms as in points "2.23.1 Bonds", "2.23.2 Legal expenses", and "2.23.3 Damage claims" in the cover "2.23. Public liability, bonds, legal expenses and claims".

In the event of public liability for private water damage that affects common property, the percentage share of the owner of the unit or home which has caused the damage will be subtracted from the compensation.

Sum insured: up to €100,000 per claim.

An excess per claim will be set and expressly stated in the Schedule.

3.3. COSMETIC DAMAGE INSIDE THE CONDOMINIUM

The insurance covers cosmetic damage to the inside of the insured property as a consequence of a loss included in the policy which is detrimental to its overall appearance.

The insurer will meet the cost of restoring the appearance to what it was before the loss occurred. The repair will be carried out using materials with similar specifications and quality to the originals.

The following are not covered:

- a) All items that come under content.
- b) Cosmetic repairs caused by damage resulting from an incident included in cover 2.20 Breakage of windows, glass and sanitary ware.
- c) Incidents involving business premises.

Sum insured: at first loss and up to €1,500 per claim.

3.4. PEST CONTROL

Definition: sudden and large-scale appearance of colonies of rats, mice and/or cockroaches which may attack and/or destroy property inside the insured building. The pest insurance coverage includes **one pest control service callout per year**.

If an incident occurs, the insurer will send a specialist pest control firm to carry out appropriate corrective treatment followed by control of the pest.

This cover will apply exclusively to the affected common use areas and within a basic safety perimeter assessed by the specialist depending on the species, where the pest is, cleanliness or structural conditions.

The service will only be provided if the building is properly maintained and any aspects which may prevent infestation are kept in good repair.

The following are not covered:

- a) Actions on exclusive-use homes or on the exterior of the property or building.
- b) Direct and/or consequential damage: this cover only includes the control of the pest and not any damage caused by it.
- c) Losses affecting business premises.
- d) Actions in swimming pools and adjoining areas requiring specific certificates for treatment.

Section 4. Risks not covered in general for all covers

In addition to the specific conditions for each risk set out in the previous sections, the insurer will not cover losses:

- a) Which occur as a result of international or civil war, whether or not there has been a prior declaration of war, the actions of the armed forces or law enforcement agencies in peacetime, rebellions, popular or military uprisings, terrorist acts, riots and civil disturbances.
- b) Land subsidence, landslides, rock falls or any meteorological or geological events not specifically stated as being covered.
- c) That is directly or indirectly caused by the disintegration of an atomic nucleus, a modification in atomic structure or radiation from radioisotopes, as well as The cost of decontamination and the search for and recovery of radioactive material as a consequence of a loss covered by this policy.
- d) Caused by events that are covered by the Insurance Compensation Consortium or when this body does not accept the validity of the rights of the insured due to breach attributable to them of any of the rules laid down in the regulations and supplementary provisions prevailing on the date of their occurrence.

Also excluded are any differences between the damage caused and the sums paid in compensation by the Insurance Compensation Consortium arising from the application of excesses, deductions, condition of average and other limitations.

- e) Events that are declared by the national government to be a "national catastrophe or disaster."
- f) Which have been deliberately caused by, or with the complicity of, or due to gross fault on the part of the Policyholder, the Insured or relatives of either of them who live with them.
- g) Connected with fines or penalties imposed by the authorities.
- h) Occurring as a consequence of the use or occupancy of the building for activities other than the normal ones of an apartment and/or office building.
- i) Occurring during a suspension of the cover or in the event of the termination of the insurance policy due to non-payment of premiums.
- j) Caused by fermentation, rusting, defective upkeep or a defect in the item involved in the loss.
- k) Losses or misplacements of any kind.
- l) Indirect damage and losses of any kind even when derived from a covered loss.

Also not covered by any of the covers of the policy:

- a) Money whether in the form of notes or coins, lottery tickets, postage stamps, stamps and stamped paper, pawn tickets and, in general, any documents or receipts which represent monetary value.
- b) With respect to the covers "2.1. Fire", "2.2. Explosion" and "2.3. Lightning strike", stocks of fuel, chemical products and inflammable gases or liquids used in auxiliary operations such as heating, cooling, hot water, etc. in the insured building.
- c) In the event that the loss is caused intentionally by a co-owner or by someone they are responsible for, the property of the said co-owner and their percentage share of common property.
- d) Buildings that are under construction.

Section 5. Scope of cover

The objects are insured exclusively in the place stated in the Schedule.

The Public Liability cover is restricted to damage claims brought before or recognised by Spanish courts.

Section 6. Damage appraisal

a) Building

The insured building, including foundations but excluding the value of the plot, will be appraised according to actual value by subtracting depreciation caused by age, use and wear up to the date of the loss from the value as new on that date.

If indexation of sums insured has been agreed to, appraisal of damage will be extended to the difference between the actual value of the building immediately prior to the loss and its value as new as assessed in accordance with its new construction value. Nonetheless, this difference is limited to 50% of the new construction value of the damaged items at the time immediately prior to the loss.

The expansion of the appraisal to value as new under the terms set out in the previous paragraph is subject to the Insured rebuilding the building within two years of the loss in the same place where it was before the loss with the same specifications and without making any major changes to its initial use. Nonetheless, if for a justified reason that is beyond the control of the Insured it is not possible to maintain the same location in accordance with the specifications of the building, it may be reconstructed on another site in the same town.

If the building is not rebuilt in compliance with the previous paragraph, compensation will be paid for actual value and not for value as new.

b) Common furniture

Common furniture will be appraised at value as new on the market prior to the loss. If it is not available on the market, other items of similar specifications will be used for appraisal purposes.

This value as new will not be applied if the difference between the actual value of these items at the time of the loss and their value as new is greater than 50% of the latter, in which case depreciation for age, use and wear and tear will be subtracted from this value as new.

Appraisal at value as new is subject to the Insured replacing the damaged items within two years of the loss by others of the same type, specifications and properties.

If the items are not replaced in compliance with the previous paragraph, compensation will be paid for actual value and not for value as new.

c) Artistic or precious objects.

Artistic or precious objects which do not lose value with age will be appraised at their market price prior to the loss.

Section 7. Indexation of sums insured

The Policyholder may agree in the Schedule that the sums insured in this policy should be changed automatically on the expiry of each annual premium based on rises in the official consumer price index.

Changes in the sums insured will be made using as the base index the one shown in the Schedule at the time when the policy is taken out.

Both parties may oppose the extension of this automatic sums insured appreciation clause by giving written notification of their opposition to the other party at least two months prior to the termination of the then current insurance policy period.

Appreciation of sums insured will not be applicable to cover "2.26. Public liability, bonds and legal expenses", covers in which a compensation limit is specifically stated, or to excesses.

The Insurer will waive the use of the condition of average, as long as indexation is in force, when the difference between the value of the insured interest and the declared sum insured is not greater than 15% of the latter.

The condition of average will not be applicable in the case of losses which come to less than €1,800.

Any waiving of the application of the condition of average as referred to in the previous paragraphs will not be applicable to extraordinary risks covered by the Insurance Compensation Consortium.

V. Terms and conditions additional legal expenses cover

The terms and conditions set out below are applicable to this Legal Expenses insurance, as are those included in the Zurich Condominiums insurance policy insofar as they do not contradict or conflict with those set out below:

SECTION 1. PRELIMINARY CLAUSE

The Insured parties are:

- The Community of Property Owners of the urban property, located in Spain and stated in the Schedule of this contract, constituted and regulated by prevailing legislation concerning joint freeholds and common property.
- The chairman and other members of the Governing Board of the Community of Property Owners, in the performance of the duties associated with their posts.
- The Manager or Secretary Manager of the Community, even when they are not one of the owners, when acting as a member of the Board of Property Owners.

SECTION 2. OBJECT AND SCOPE OF THE COVER

The Insurer undertakes, within the limits set by the law and the contract, to pay for the costs which the Insured may incur as a result of their intervention in an administrative, judicial or arbitration procedure, and to provide them with judicial and extrajudicial legal assistance services arising from the covers in the insurance.

The Insurer will pay the following costs:

- a) Legal fees and costs arising from the processing of covered procedures.
- b) The fees and costs of lawyers.
- c) Fees and expenses of the court representative when their involvement is required.
- d) Notary fees and the cost of power of attorney granted for lawsuits, as well as the certificates, requirements and other legal documents needed for the defence of the interests of the Insured.
- e) The fees and expenses of loss adjusters.
- f) In criminal proceedings covered by the policy, the posting of bonds required of the Insured to:
 1. Secure their release on bail.
 2. Ensure their attendance at the trial.
 3. Pay legal costs with the exception of compensation and fines.

SECTION 3. TERRITORIAL EXTENSION

The covers of the policy will be applicable to losses occurring in Spain and which are subject to the courts and tribunals of Spain.

SECTION 4. COVERS INCLUDED

This cover includes the defence of the interests of the Community of Property Owners of the urban property set out in the Schedule, in relation to the exercise of the rights set out below and with the content specified in the description of each of the insured risks:

4.1. Criminal defence

This cover includes defence against the criminal liability of the insured in legal action taken against them with relation to any event connected with their actions as a member of the Governing Board of the property referred to in the schedule of this policy.

Excluded are events deliberately brought about by the insured or when there is fraud or gross fault on their part according to a final court ruling.

4.2. Service contracts

This cover includes claims for breach of the following service provision contracts which are in the name of the Community of Property Owners and the latter is the end-user:

- Repair, upkeep and maintenance of the building's common elements, annexes and fixed systems, including the lifts.
- Installation or replacement of fixed systems of the building and annexes.
- Private surveillance and security services.
- Cleaning services.
- Services from qualified professionals.

Expressly included are claims for breach of supply contracts for services arranged by and for the Community of Property Owners.

4.3. Purchasing contracts

This covers claims for breach of contract for the purchase of decorative objects and furniture (except antiques), implements, appliances and their systems which have been acquired by the Community of Property Owners for its own use.

4.4. Rights relating to the building

The protection of the interests of the Community of Property Owners is covered with respect to the urban property set out in the Schedule by means of:

Claims against the identifiable responsible third party for damage to the common parts or elements of the building, its annexes and adjacent common areas, as well as furniture,

appliances and systems owned by the Community, including that caused fraudulently, provided it is not the result of a breach of a specific contractual relationship between the Insured and the party responsible for the damage.

Claims against the neighbours of the insured Community who are no more than 100m away from it over issues concerning rights of way, lights, views, distances, boundaries, dividing walls as well as breach of legal regulations related to the emission of smoke or gases, hygiene, persistent noise and activities which are annoying, harmful or dangerous.

4.5. Defence in local government issues

This involves the defence of the Community of Property Owners in action taken by the local authorities about issues such as by-laws and other regulations concerning garage entrances, systems, cleaning, building work, car parks, lifts, fire prevention and other matters.

This cover is limited to administrative procedures and therefore does not include administrative court action.

The insured will directly pay any fines or penalties which may be imposed by the municipal authority, and the insurer will have no responsibility whatsoever for such payment.

4.6. Telephone legal assistance

Under this cover the Insurer will provide the President of the Community of Property Owners with a lawyer who, as a precaution prior to litigation, will inform them over the phone about their rights prior to the beginning of any legal processes covered in the policy.

This legal information will be provided via the Zurich Condominiums Services helpline.

4.7. Claims against owners for non-payment of expenses

This cover consist of claims on behalf of the Community of Property Owners against those owners who are in arrears on payment for general expenses which they have to pay in accordance with their proportionate share for the adequate upkeep of the building and its annex facilities and for services, taxes, charges and liabilities, provided that they are not subject to individualisation.

Also included are claims for the payment of costs derived from the implementation of new systems, services or improvements provided that these have been duly agreed and the owner in arrears is legally obliged to pay for them.

In order for such claims to be covered, they must meet the following requirements:

- That the non-payment which is the subject of the claim began after this cover came into effect.
- That the claim has been validly agreed by the Governing Board.

- That the debtor is not deemed to be legally insolvent by a court ruling and that there is sufficient documentation to demonstrate the debt before the courts.

SECTION 5. COMPENSATION AND LOSSES THAT ARE NOT COVERED

The following are not covered by this policy:

- a) Compensation and any interest arising from it and any fines and sanctions which may be imposed on the Insured.
- b) Taxes and other fiscal payments arising from the filing of public or private documents with official bodies.
- c) Expenses arising from consolidation of proceedings or counterclaims when they refer to matters other than those included in the covered perils.
- d) Any type of action which directly or indirectly stems from events caused by nuclear energy, genetic modification, radioactive radiation, natural disasters, acts of war, rioting, explosion and terrorism.
- e) Litigation deriving from or originating in strikes, lock-outs, collective labour disputes or redundancy packages.
- f) Excluded are events deliberately brought about by the Insured or when there is fraud or gross fault on their part according to a final court ruling.
- g) Losses that arise from or are related to the planning, construction or demolition of the property which is the subject of the insured risk, as well as legal proceedings with regard to town planning, land consolidation or expropriation.
- h) Losses which occur as a result of the industrial or commercial activities of the insured Community.
- i) Losses connected with motor vehicles and trailers save for that set out in the provisions of cover in section 4.4 on damage claims related to the building.
- j) Claims which may be mutually filed by the members of the insured Community, as well as claims filed between the insured parties and against the insurer of this policy.
- k) Events whose origin or first appearance takes place before the effect date of the policy and those that occur after a period of two years has elapsed from the date of cancellation or termination of this contract.

SECTION 6. SUM INSURED

Up to 100% of the sum insured stated for this cover in the Schedule. **Events which have the same cause and have occurred at the same time will be deemed to be a single loss.**

SECTION 7. CLAIMS PROCESSING

7.1. Definition of loss

For the purposes of this cover, loss means any unforeseen event which is harmful to the interests of the Insured or changes their legal situation, and which occurs while this policy is in force.

In the case of criminal offences the insured loss will be deemed to have occurred at the time when the crime was committed or is alleged to have been committed.

In instances of claims for non-contractual fault, the loss will occur at the same time at which the damage was caused.

In litigation about contractual issues, the loss will be deemed to have occurred when breach of the provisions of the contractual relationship began.

7.2. Waiting periods and minimum claim amounts

The waiting period is the time after the effect date of the policy in which any losses which may occur are not covered.

In contractual cases the waiting period will be three months from the date on which this policy came into force.

Not covered are legal expenses for claims coming to less than €300.

7.3. Procedure in the event of a loss

The Insured should report the loss by calling the Zurich Condominiums Services helpline.

Once the claim has been accepted, the Insurer will provide the covers and meet costs in accordance with the nature and circumstances of the loss.

In the event of damage claims, the Insurer will cover the process of obtaining a compromise settlement which recognises the objectives and rights of the Insured. If the attempt to obtain an amicable or out-of-court settlement does not produce a result that is acceptable to the Insured, the Insurer will then begin legal action if the Insured so requests and their objectives are reasonable.

When the Insured needs legal assistance, the Insurer will inform them of their right to freely choose the professionals who will represent them and defend them in the litigation.

7.4. Disagreement with the processing of a claim

If the Insurer thinks that there is no reasonable likelihood of a lawsuit or appeal being successful and hence would prefer not to begin one, it must inform the Insured.

The Insured will be entitled, within the limits of the cover that they have taken out, to the reimbursement of any costs incurred in lawsuits and appeals carried out against the advice of the Insurer when on their own account they obtain a more favourable outcome.

7.5. Choice of lawyer and court representative

The Insured will have the right to freely choose the court representative and lawyer who are to represent and defend them in any type of proceedings.

Before appointing them, the Insured must inform the Insurer of the name of the lawyer and court representative they have selected. The Insurer may reject the chosen professional on reasoned grounds.

If the lawyer or court representative the Insured has chosen does not reside in the judicial district where the proceedings are to be held, the Insured will have to pay the travel costs and fees that the professional concerned includes in their bill.

The lawyer and court representative chosen by the Insured will have the broadest freedom in deciding on strategy in the matters entrusted to them, and will not under any circumstances be subject to the instructions of the Insurer. The Insurer will likewise not be responsible for the actions of the said professionals nor for the result of the case or proceedings.

When a lawyer or court representative must intervene urgently before the loss has been reported, the Insurer will also pay the fees and costs arising from their actions.

Should there be a conflict of interest between the parties, the Insurer will inform the Insured of the said circumstance so that the latter may decide on the appointment of a lawyer or court representative of their choice for the defence of their interests, in accordance with the freedom of choice recognised in this section.

7.6. Payment of fees

The Insurer will pay the fees of the lawyer who defends the Insured in line with the regulations established to that effect by the Spanish Bar Association and, in the absence of such regulations, with those of the respective bar associations. **The guideline fee regulations of bar associations will be the upper limit of the obligations of the Insurer.** Any discrepancies with respect to the interpretation of these regulations will be submitted to the appropriate commission of the relevant bar association.

The fees of the court representative, when their involvement is mandatory, will be paid according to relevant rates or scales.

7.7. Compromise settlements

The insured may reach a compromise settlement on issues being processed. However, if this results in obligations or payments to be made by the insurer, the insured and the insurer will have to come to prior mutual agreement about any action to be taken.

VI. Consorcio de Compensación de Seguros

Pursuant to the recast text of the Legal Statute of the Spanish Insurance Compensation Consortium enacted by Royal Legislative Decree 7/2004, of 29 October, the policyholder of a contract of insurance of the type which is required to include a surcharge in favour of the abovementioned public business organisation is entitled to arrange cover of extraordinary risks with any insurer which meets the conditions required by prevailing legislation.

Compensation for losses caused by extraordinary events occurring in Spain and which affect risks located therein will be paid by the Insurance Compensation Consortium when the policyholder has paid the relevant surcharges for it and either of the following situations should arise:

- a) The extraordinary risk covered by the Insurance Compensation Consortium is not covered by the insurance policy taken out with the insurer.
- b) Even though it is covered by the insurance policy, the insurer is unable to meet its obligations because it has been legally declared to be insolvent or subject to a process of compulsory liquidation or has been taken over by the Insurance Compensation Consortium.

The Insurance Compensation Consortium will act in accordance with the abovementioned Legal Statute, the Insurance Contract Act 50/1980, of 8 October, the Extraordinary Risks Insurance Regulations enacted by Royal Decree 300/2004, of 20 February, and supplementary provisions.

SUMMARY OF LEGAL RULES

1. Extraordinary events covered

- a) The following acts of nature: earthquakes and seaquakes, extraordinary flooding including when caused by battering by waves, volcanic eruptions, uncharacteristic cyclones (including extraordinary winds with gusts over 120 kph and tornadoes) and falling space debris and meteorites.
- b) Those caused violently as a result of terrorism, rebellion, insurrection, riots and civil disturbance.
- c) Actions by the armed forces and law enforcement agencies in peacetime.

Weather and seismic events, volcanic eruptions and falling space debris and meteorites will be demonstrated at the request of the Insurance Compensation Consortium by means of reports issued by the State Meteorological Agency (AEMET), the National Geographic Institute and other relevant public agencies in the field. In cases of political or social events and damage or injury caused by the actions of the armed forces and law enforcement agencies in peacetime, the Insurance Compensation Consortium may gather information about what happened from the courts and administrative bodies.

2. Excluded risks

- a) Those which do not qualify for compensation under the Insurance Contract Act.
- b) Those sustained by property insured by a contract of insurance other than those in which the surcharge for the Insurance Compensation Consortium is compulsory.
- c) Those caused by faults or defects in the insured object or by its manifest lack of maintenance.
- d) Those produced by armed conflict, even though there has been no prior official declaration of war.
- e) Those arising from nuclear energy, without prejudice to the provisions of the Liability for Nuclear Damage and Damage Caused by Radioactive Materials Act 12/2011, of 27 May. However, all direct damage or injury caused in an insured nuclear facility will be included when it is the consequence of an extraordinary event which affects the facility itself.
- f) Those caused by the mere action of time, and in the case of property either partially or totally permanently submerged, those attributable to the mere action of waves or ordinary currents.
- g) Those caused by acts of nature other than those referred to in paragraph 1.a) above, and in particular those produced by rises in the level of the water table, landslides or land settling, rock falls or similar events, except where they are clearly caused by the action of rainwater which in turn has led to extraordinary flooding in the area and they have occurred at the same time as this flooding.
- h) Those caused by disturbances occurring during meetings or demonstrations carried out in compliance with the provisions of the Freedom of Assembly Act 9/1983, of 15 July, and during the course of legal strikes, except where these disturbances may be classified as extraordinary events pursuant to paragraph 1.b) above.
- i) Those caused by the bad faith of the insured
- j) Those arising from losses due to natural events causing damage to property or financial loss when the policy's issue date, or effect date if later, is not more than seven calendar days before the date on which the loss occurred, unless the impossibility of taking out the insurance earlier due to absence of the insurable interest can be demonstrated. This waiting period will not apply in the case of replacement of the policy with the same or a different insurer without interruption except for the part that is subject to increase or new coverage. Equally it will not apply to the part of the sum insured resulting from index-linking under the policy
- k) Those relating to losses that take place prior to the payment of the first premium or when, in accordance with the provisions of the Insurance Contract Act, the Insurance Compensation Consortium's cover is suspended or the insurance is terminated due to non-payment of premiums.

- l) Indirect ones or losses deriving from direct or indirect damage other than financial losses specified as compensable in the Extraordinary Risks Insurance Regulations. In particular, this cover does not include damage or loss resulting from cut-off or alteration of the external supply of electrical power, flammable gases, fuel oil, diesel or other liquids or any other indirect damage or losses other than those cited in the previous paragraph, even when these alterations are derived from a cause included in the extraordinary risks cover.
- m) Incidents which due to their magnitude and gravity are classified by the national government as a "national catastrophe or disaster".

3. Excess

The excess payable by the insured will be:

- a) In the case of direct damage in insurance for material damage, the excess payable by the insured will be seven percent of the amount of compensable damage caused by the incident. However, there will be no excess in cases of damage to housing, condominiums or vehicles that are insured by a car insurance policy.
- b) In the case of business interruption, the excess payable by the insured will be the same as the one shown in the policy in time or amount for damage resulting from ordinary business interruption claims. If there are several excesses for coverage of ordinary business interruption claims, the ones for the main cover will be applied.
- c) When a policy sets a combined excess for damage and business interruption, the Insurance Compensation Consortium will pay for material damage minus the excess applicable under paragraph a) above and for business interruption minus the excess shown in the policy for the main cover, reduced by the excess applied in the settlement of material damage.

4. Extension of cover

- 1. Cover of extraordinary risks will extend to the same property and sums insured as have been set in insurance policies for the coverage of ordinary risks.

Nevertheless:

- a) In policies which cover own damage to motor vehicles, coverage of extraordinary risks by the Insurance Compensation Consortium will include the entirety of the insurable interest even if the ordinary policy only does so in part.
- b) Where vehicles only have a liability policy for land motor vehicles, coverage of extraordinary risks by the Insurance Compensation Consortium will cover the vehicle's value in its condition at the time immediately before the occurrence of the loss based on purchase prices generally accepted in the market.

REPORTING DAMAGE TO THE INSURANCE COMPENSATION CONSORTIUM

1. The policyholder, the insured or the beneficiary of the policy, or anyone acting for and on behalf of them, or the insurer or the insurance intermediary involved in arranging the insurance may report and apply for compensation for damage covered by the Insurance Compensation Consortium.
2. The above people and organisations may report damage and obtain information about the processing and status of claims:
 - By calling the Insurance Compensation Consortium’s helpline (952 367 042 or 902 222 665).
 - On the Insurance Compensation Consortium’s website (www.conorseguros.es).
3. Damage appraisal: the Insurance Compensation Consortium will appraise damage which is compensable under insurance legislation and the insurance policy and it will not be bound by any appraisals that may have been made by the insurer which covers the ordinary risks.
4. Payment of compensation: the Insurance Compensation Consortium will pay compensation to the insurance beneficiary by bank transfer.

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