

Zurich Hotels and Residences

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 wishes to provide you with the finest service whenever you need it with fast and effective solutions and clear information.

In these terms and conditions, you will find all the details included in your new Zurich Hotels and Residences Insurance.

Zurich Hotel and Residence Insurance

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I. Legal regulations

Insurer and control authority of its activity

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, holder of NIF W0072130H, whose registered address is Vía Augusta 200, 08021 Barcelona, is registered in the Administrative Registry of the General Insurance and Pension Funds Directorate with code no. E0189.

Pursuant to Article 81.1 of the Organisation and Supervision of Private Insurance Act 6/2004 of 29 October, it is hereby stated that in the event of the liquidation of the insurer, Spanish liquidation regulations do not apply.

Applicable law

- Insurance Contract Act 50/80 dated 8 October
- Private Insurance Organization and Supervision Act 6/2004 dated 29 October
- Legal Statute of the Insurance Compensation Consortium Regulation Act 7/2004 dated 29 October
- Any other rule that may apply during the validity 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. 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 the latter 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 contracts concluded through the exclusive use of means of distance communication, the Insured, when acting with a purpose outside of their business or professional activity, shall have fourteen calendar days from the conclusion of the contract to withdraw from the distance contract, provided that the harmful event covered by the insurance has not occurred, without penalty and without having to give any reason, in accordance with Article 10 of Distance Marketing of Consumer Financial Services Act

22/2007. In order to exercise this right, the Insured must notify the insurance company. The Insurer reserves the right to retain the proportional part of the premium for the covered period. The right of withdrawal shall not apply in cases of compulsory insurance, travel or luggage policies of less than one month, or any other policy whose effect terminates before the aforementioned deadline of fourteen calendar days.

Personal data protection

Personal data will be included in the files of Zurich Insurance plc, Sucursal en España, and its parent company Zurich Insurance, plc. for the purpose of offering, perfecting, maintaining and controlling the insurance contract, as well as for the carrying out of statistical and quality studies or technical analysis, managing coinsurance (where applicable), preventing fraud and, on the part of the home office, processing aimed at prevention of money laundering and funding of terrorism.

Declaration of personal data is voluntary although necessary for the functioning of the contractual relationship. At any time, you may exercise your rights of access, rectification, cancellation and opposition through a written communication sent to the contracting entity responsible for data control and processing, with residence for this purpose in Vía Augusta 200, 08021-Barcelona.

Furthermore, personal data will be used for offering products and services on the part of Zurich Insurance, Zurich Vida and Aide Asistencia or other companies legally connected to the aforementioned ones and through their authorized intermediaries. Said data will also be used for the sending of information about the products, goods or services marketed by other entities and that, in accordance with the data you have provided to us, can be better adapted to your profile and needs. If you wish to state your opposition to the use of your personal data for this purpose, you can do so by sending an email to zurichlopd@zurich.com.

The applicant expressly states their agreement to all of the foregoing.

Implementation of International Public Order

1. Without prejudice to that agreed in this insurance contract, no claims related to it will be met when doing so would lead to the liability of the Insurer due to breach of any applicable economic and trade sanctions regulations. The term “applicable economic and trade sanctions regulations” means any law, regulation or provision on transactions that are prohibited or subject to a trade embargo or any other public order restrictive measures enforced by any international body or authority in or from: a) the countries in which either party to this contract resides, is domiciled or has active business interests; b) the United States of America; c) Spain; and d) the European Union.

Cases under the application of the said regulations include payments involving any member of the list of natural or legal persons, ships or aircraft or any other person or entity sanctioned under the applicable economic and trade sanctions regulations.

2. 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 should I do in the event of a claim?

What covers are included in the insurance?

A summary can be found on pages 7, 8 and 9.

Check the content of the covers in articles 2 and 3.

How to proceed in the event of a claim?

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

In the event of a claim covered by this policy, we recommend that you proceed in the following manner:

- Use all means within your power to minimize its consequences.
- Read closely the section entitled "Purpose and scope of the insurance", articles 2 and 3 of your policy, and verify that the claim is covered.
- Contact the Insurer or your intermediary and explain in detail the origin and consequences of the claim.
- Provide the Company with a damage report as quickly as possible, indicating as thoroughly as possible the damage suffered.
- Make a statement to the judicial authorities or report the incident to the police, depending on the type of incident, indicating the date and hour of occurrence, causes, circumstances, list of the objects affected, the approximate amount of the damage suffered, and the name of the insurance company or companies. Check that all the information appears in the complaint or damage report.

III. Summary of covers and maximum compensation limits for insured capital

(This summary is not exhaustive and is for information purposes only. For complete information about the covers, refer to the terms and conditions.)

I) Basic covers	Building / Renovation Work	Contents
Fire and supplementary		
Fire	100%	100%
Explosion	100%	100%
Lightning strike	100%	100%
Fire fighters	10%	10%
Salvage	100%	100%
Rubble removal and demolition	10%	10%
Mud and sludge removal	10%	10%
Fees of external professionals	10%	10%
Securing permits and licences	10%	10%
Offsetting of capital	Included	
Injury margin	Percentage indicated in Individual Conditions	
Forced evacuation	–	10%
Security expenses	(max. 3,000.00 euros)	
II) Optional covers	Building / Renovation Work	Contents
Loss of rental income	Amount indicated in Individual Conditions	
Cosmetic damage	Amount indicated in Individual Conditions	
File replacement	Amount indicated in Individual Conditions	

II) Optional covers	Building / Renovation Work	Contents
Temporary removal of personal property		Amount indicated in Individual Conditions
Extension of coverage Vandalism Flood Weather events Smoke or soot Collision/impact/sonic booms Fire suppression system releases		Amount indicated in Individual Conditions
Civil liability, legal defence and bonds: Property liability Operating liability Employer's liability Product liability		Amount indicated in Individual Conditions
Water damage Detection and repair of breakdowns		Amount indicated in Individual Conditions (10% max. 5,000.00 euros)
Breakage of windows, glass and signs		Amount indicated in Individual Conditions
Electrical damage		Amount indicated in Individual Conditions
Machinery breakdown		Amount indicated in Individual Conditions
Computer breakdown		Amount indicated in Individual Conditions
Loss of profit		Amount indicated in Individual Conditions
Refrigerated goods		Amount indicated in Individual Conditions
Burglary and robbery		Amount indicated in Individual Conditions

II) Optional covers	Building / Renovation Work	Contents
Burglary and robbery of hotel property		
Burglary of cash		Amount indicated in Individual Conditions
Robbery of cash		Amount indicated in Individual Conditions
Money in a safe		Amount indicated in Individual Conditions
Burglary from outside		2,000.00 euros
Cash transports		Amount indicated in Individual Conditions
File replacement		Amount indicated in Individual Conditions
Employee dishonesty		Amount indicated in Individual Conditions
Burglary of guest property		
Personal belongings of guests		Amount indicated in Individual Conditions
Money, jewellery, valuables:		
In hotel safe		Amount indicated in Individual Conditions
In safe deposit box at front desk		Amount indicated in Individual Conditions
In in-room safe		Amount indicated in Individual Conditions
Damage to building due to burglary or attempted burglary		Amount indicated in Individual Conditions
Supplementary legal expenses insurance		Amount indicated in Individual Conditions

IV. General terms and conditions

(Mod. 2/3.01.06.67 APR2013)

Article 1. Definitions

For the purpose of this contract:

Guest personal property is any object belonging to hotel guests.

Removal of personal property refers to any personal property of the Insured covered under the policy, except for vehicles, that is transferred to any other place in Spain for repair, entertainment or exhibition.

Assets in custody are goods belonging to third parties in the care of the Insured for handling, use, repair and/or care that are part of or inherent to the insured activity.

A **safe** refers to a safe-deposit box fully embedded in or anchored to the floor or wall or that weighs more than 100 kgs. and that is properly closed and whose combination lock has been set to prevent its opening.

A **room safe** is a metal safe-deposit box that is properly closed and whose combination lock has been set to prevent its opening

Front desk safe-deposit boxes are metal boxes or closets with a safety lock anchored to the floor or wall and joined at least in pairs.

Contents refer to the value corresponding to furniture, industrial equipment and machinery and inventories.

The **building** is the building or premises described in the individual conditions of the policy, including any installations therein such as water, gas, electricity, solar energy, telephony up to the point of their connection with general service networks, climate, fire extinguishing and/or theft protection installations, as well as elevators and, in general, all elements attached to the building that cannot be separated from it without breaking or damaging them.

In cases where content is not taken out, building also means items that are not fixed and are part of the air conditioning system.

Also considered part of the property are awnings, signs, decorative installations, paint, wallpaper, floors, carpets or other elements fixed to floors, walls or ceilings and, in general, everyday objects and ornamental objects situated in the building by the owner in such a way that reveals the purpose of joining them permanently to the building or premises, as well as annex buildings and permanent installations separate from the building (railings, fences, walls, gardens, trees, pools, garages, etc.).

If the Insured is acting in the capacity of a joint owner, in addition to the separate part of his/her property, the proportion that corresponds to him/her in the joint ownership of

the property will also be considered property in the event that the insurance arranged by the joint owners is insufficient or has not been taken out.

Glass of artistic value is any glass which due to its special characteristics was made by an artist or artisan and whose replacement requires the same procedure.

A **desolate area** is any place other than an urban area.

Guest personal effects are the personal belongings of guests of the insured establishment that are deposited therein.

The following are not considered personal effects: jewellery, gems and precious stones with a unit value of more than 100 euros; valuables with a unit value of more than 500 euros; cash, securities, bonds and documents that represent a cash guarantee, as well as public transport cards, mobile telephone cards and, in general, any document or receipt that represents a cash value or guarantee.

Inventories are all the raw or auxiliary materials, manufactured products, packaging, replacements, accessories and products for sale located inside the insured enclosure on the basis of their activity that are the property of the Insured.

An **explosion** is a sudden and violent action resulting from the pressure or depressurization of gas or vapours.

Robbery is illegitimate theft or seizure, against the will of the Insured, of the property covered by the policy through acts of intimidation or violence against the persons caring for or guarding them.

Excess. The amount specifically agreed to be paid by the Insured and deducted from the overall compensation and expenses for each claim, regardless of the form and amount of the settlement.

Consequently compensation paid by the Insurer for losses will only be for the amount above the excess and up to the limit of the sum insured.

Waiting period is the period during which the coverage is no longer in effect.

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

Fire is the scorching and burning with flame than can spread of an object or objects that were not intended to be burned in the place and at the time it occurred.

Property. See building.

Guest jewellery, gems, precious stones and valuables: jewellery, gems, precious stones with a unit value of more than 100 euros, as well as objects with a unit value of more than 500 euros, that are the personal property of the guests of the insured establishment and that are deposited therein.

Vending machines are coin- or card-operated machines that dispense goods.

Slot machines are coin-operated (electrical or electronic) gaming machines.

Damage margin is the maximum percentage fluctuation that the value of the property insured under building and industrial machinery and equipment cover is subject to over the course of the insurance year.

Profit loss margin is the maximum percentage fluctuation that the value of gross margins and continuous costs is subject to over the course of the insurance year.

Furniture and industrial equipment and machinery are the movable property or professional equipment (office, commercial or industrial), printed matter, office supplies, unfixed equipment and installations (even if fixed to building elements of the property), work tools and implements inherent to and necessary for the insured profession or activity, as well as inventories of goods to be marketed and idle industrial vehicles, provided that all of the above is located inside the insured enclosure indicated in the individual conditions or in annex buildings that are locked and used exclusively by the Insured.

The **urban area** means the group of buildings consisting of a minimum of 50 housing, commercial or industrial structures or 250 inhabitants that possess all the public services of lighting, water and sewerage. All buildings situated at least 2 kilometres from the urban area are considered part of it.

Valuables belonging to the insured establishment are paintings, works of art, antiques, tapestries and carpets with a unit value of more than 3000 euros that are not for sale or that are not necessary for the carrying out of the activity of the insured establishment.

Renovation work is any remodelling work involving brickwork, painting, wallpaper, floors, carpets or other elements fixed to floors, walls or ceilings and, in general, any improvement, alteration, refurbishment and adaptation that the Insured has carried out on or inside the premises, warehouses or annexes where the property covered by the insurance is located.

A **computer** is any machine that requires electrical energy for its operation and whose sole purpose is to obtain, process, analyse, handle, emit, transmit, receive and/or reproduce data or information. This includes cash registers that are attached to or that form part of a computer.

Grace period. See waiting period.

Flammable products are chemical products (gases or liquids) with a fire rating of less than 55°.

Lightning is an electric charge produced by a disturbance in the electrical field of the atmosphere.

Rule of equal treatment. Under this rule, if in the event of an incident the circumstances of risk are different from the ones stated by the Policyholder, the compensation shall be reduced proportionally by the difference between the premium received by the Insurer and the one that would have been applied if the true extent of the risk had been known.

Proportional rule. Under this rule, if in the event of an incident the insured amount is less than the value of the insured property, the compensation shall be reduced in the same proportion.

Burglary is illegitimate theft or seizure of the property covered by the policy, against the will of the Insured, by means of intimidation or violence, including the use of picklocks, false keys or other instruments not customarily used to open doors; or penetrating secretly or clandestinely without the knowledge of the Insured, the Insured's family or employees of the Insured, hiding and committing the theft when the premises are closed.

First-loss insurance is a type of cover guaranteeing the payment of damages up to a determined maximum amount, regardless of the total value of the property, without application of the proportional rule.

Replacement as new cover is the acquisition or reconstruction cost as new of the insured property immediately prior to the incident.

Partial value insurance is a type of cover guaranteeing a proportion of the total value declared by the Insured.

Total value insurance is a type of cover requiring that the insured amount cover the total value of the insured property.

Insurance with a maximum compensation limit is insurance in which a compensation limit per claim is established for one or several covers under a total value insurance cover.

Replacement value is the acquisition cost of new property of the same kind and with the same characteristics, including transportation and assembly costs.

Real value is determined by subtracting depreciation due to age, use and wear and tear from the value as new.

Idle vehicles are non-industrial vehicles with registration for circulating on public roads that, belonging to the insured establishment, are used for purposes related to its activity and are parked inside the insured enclosure.

Industrial vehicles are self-propelled vehicles of two or more axles belonging to the Insured company and designed or built to contribute to carrying out the activity covered by the insurance.

Article 2. Purpose and scope of the insurance: Basic covers

Within the limits established in these general terms and conditions, individual conditions and special clauses, the insurance provides protection against the following risks:

2.1. FIRE AND SUPPLEMENTARY

2.1.1. Fire

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

Excluded from coverage are:

- a) Damages and minor burns caused solely by heat, without a flame.
- b) Damages suffered by objects because they fell into a fire that was burning in its proper place.
- c) Damages and flaws to the insured property during cooking or vulcanization.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

2.1.2. Explosion

The Insurer will cover direct material losses arising from the destruction or deterioration of the insured property due to explosion, implosion or spontaneous explosion, which is defined as the sudden and violent action of the pressure or depressurization of gas or vapours.

Excluded from coverage are:

- a) Damage to bulbs, lamps or similar objects and their components as result of their own explosion.
- b) Incidents due to physical phenomena such as electrical arcs, freezing, centrifugal force, dilatations, sonic booms and similar phenomena.
- c) Breakage of safety valves or discs, bursting foils, fusible safety plugs or other components with similar purposes, as well as empty pipes.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

2.1.3. Lightning strike

The Insurer will cover direct material losses sustained by the insured property due to lightning strike, even without fire, **except for damage to electrical or electronic devices, machinery, computers, power lines and accessories**, coverage for which is subject to the requirements of sections 3.9, 3.10 and 3.11 of these terms and conditions.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

2.1.4. Fire service

Provided that they intervene as a result of an incident included in the policy, the Insurer will cover the corresponding municipal fees resulting from the intervention of fire fighters.

Insured amount: Up to 10% of the insured amount for the building or renovation work and/or contents.

2.1.5. Salvage

Provided that salvage operations result from an incident included in the policy, the Insurer will cover the expenses of salvaging the insured property and any damage caused to the property as a result of this action, including damages derived from the measures taken by the authorities or the Insured to minimize the consequences of the loss.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

2.1.6. Rubble removal and demolition

Provided that they arise from an incident covered by the policy, the Insurer will cover the expenses of rubble removal of the insured property, as well as the demolition costs of the damaged property if necessary.

Insured amount: Up to 10% of the insured amount for the building or renovation work and/or contents.

2.1.7. Mud and sludge removal

Provided it is the result of an incident covered by the policy, the Insurer, in accordance with headings 3.5.2 Flood and 3.7. Water damage, will cover the cost of mud and sludge removal.

Insured amount: Up to 10% of the insured amount for the building or renovation work and/or contents.

2.1.8. Fees of external professionals

Provided that they are the result of an incident covered by the policy, the Insurer will cover the necessary expenses of the appraisal and evaluation operations carried out by external professionals for restoration of the insured property.

Excluded from coverage are fees accrued from the preparation of any claim, as well as the fees of any expert of the Insured.

Insured amount: Up to 10% of the insured amount for the building or renovation work and/or contents.

2.1.9. Securing permits and licenses

Provided that they arise from an incident covered by the policy, the Insurer will cover the expenses arising from the securing of mandatory permits and/or licenses for rebuilding the property damaged in an accident covered by the policy.

Insured amount: Up to 10% of the insured amount for the building or renovation work and/or contents.

2.1.10. Offsetting of capital

If in the event of claim covered by the policy there is an excess of the insured amount in Building or Contents items, this excess will be applied to the item that could be insufficiently covered, provided that the premium that results from the application of the rate to the new distribution of insured amounts does not exceed the premium paid for said items in the current insurance year.

This compensation shall apply only to properties corresponding to a single situation involving risk, and therefore excludes the items taken out at first risk.

2.1.11. Damage margin

In the event that the automatic appreciation of insured capital sums has been included, the Insurer will cover the increase in building and/or industrial machinery and equipment items up to the percentage indicated in the individual conditions, without the need for previous notice by the Insured, provided that these increases do not correspond to changes in the nature of the insured risk.

In the event that the automatic appreciation of capital amounts is not included, the Insured shall report at the end of each insurance year the increases in insured amounts that have occurred during the insurance period, and the Insurer will then issue the corresponding equity restatement supplement. **If 60 days have passed since the insurance renewal date and the increases have not been reported, the injury margin cover will be null and void.**

This percentage of the injury margin will not apply to guarantees or covers taken out as first risk or to ones with compensation limits.

At the end of each insurance year, the insured is obliged to report the new insured amounts in case of exceeding the amounts established for the new insurance year.

2.1.12. Forced evacuation

Provided it is due to a loss covered by the policy and not compensable under any other cover taken out, the Insurer covers the costs of temporary evacuation of the insured premises for the time taken to repair the damage caused by the loss.

This period is limited to the time in which the premises are unusable due to repair **and for a maximum period of 12 months.**

These payments only include transporting furniture, machinery, equipment and/or goods and renting premises similar to the insured premises on presentation of supporting documents evidencing payment of costs and rent.

Insured amount: Up to 10% of the insured amount for the building, with a maximum of 60,000 euros per claim and year.

2.1.13. Security expenses

Provided it is due to a loss covered by the policy which has led to damage to the burglary measures declared in the policy and therefore there is free access to the insured risk, the Insurer covers the costs of security for the premises up to a maximum of 7 days from when the loss occurred **and up to a maximum amount of 3,000.00 euros per claim and year.**

Article 3. Purpose and scope of the insurance: Optional covers

The insurance policy covers the following risks, provided that it is expressly stated in the individual conditions:

3.1. LOSS OF RENTAL INCOME

Provided that it is included in the individual conditions of the policy and that the loss is the result of a claim covered by the policy, the loss of rental income corresponding to the lease in effect on the date of the damage to the building or premises shall be covered during the time they are uninhabitable due to repairs **and for a period of no more than 12 months.**

The period that the building or installations are uninhabitable shall be determined by experts.

Insured amount: Up to 100% of the amount indicated in the individual conditions.

3.2. COMSETIC DAMAGE

Provided that they are the result of an incident covered by the policy, the Insurer will cover the necessary expenses for re-establishing the aesthetic harmony that existed immediately before the loss on the inside of the property. **The cover is limited to the area affected by the loss, excluding all the elements of the contents.**

The repair shall be carried out using materials of similar characteristics and quality as the originals.

Not covered are the effects of scratching and flaking on windows, glass, mirrors and sanitary ware.

This cover will only be effective if the cosmetic restoration is carried out in the area affected by the loss.

Insured amount: At first risk and up to 100% of the amount indicated in the individual conditions.

3.3. REPLACEMENT OF FILES

Provided that they are the result of a loss covered under guarantees 2.1. Fire and supplementary, 3.5. Extension of covers, and 3.7. Water damage, and that these are included in the individual conditions, the Insurer will cover the expenses and reimbursements deriving from the reconstruction and replacement of files, registries, securities, bonds, designs, plans and other similar objects and documents, as long as they are duly justified through the issuance of corresponding duplicates. **Regarding computer files, the Insurer will only cover the expenses arising from the recomposition of the lost information.**

Not covered are expenses related to the replacement of any computer program, application or software.

Insured amount: At first risk and up to 100% of the amount indicated in the individual conditions, **with a maximum of 3,000,00 euros per claim for computer files.**

3.4. TEMPORARY REMOVAL OF PERSONAL PROPERTY

Direct material damage to personal property that, as the property of the Insured and covered by this policy, has been temporarily removed to another part of Spanish territory for repair, exhibition or maintenance, **provided that the transfer is not for a period of more than 60 consecutive days.**

Not covered are damages to the property:

- a) During transfer, loading and unloading.
- b) If it is insured under other policies or if the transfer is made for the purpose of storage, sale or delivery to customers.
- c) When it is outdoors or in a desolate area.
- d) Valuables.

Insured amount: Up to 100% of the amount indicated in the individual conditions.

3.5. EXTENSION OF COVERS

Covered are direct material losses arising from the destruction or deterioration of the insured property due to:

3.5.1. Vandalism

Acts of vandalism or malice committed individually or collectively by persons other than the Insured, including acts deriving from lawful strikes, meetings and protests carried out in accordance with existing law, **except if these actions take the form of riot, civil disturbance, rebellion or sedition.**

Not covered are:

- a) Losses due to theft or seizure, or damages due to burglary or attempted burglary.
- b) Damages or costs of any kind as a result of graffiti, inscriptions, bill sticking and similar events occurring on the outside of the building or to property that is outdoors.
- c) Windows, glass and signs, coverage for which is subject to the requirements of cover 3.8. Breakage of windows, glass and signs.
- d) Breakage of awnings.
- e) Machines and devices accessible or usable from the outside of the insured premises.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

3.5.2. Flooding

As a result of overflowing of or deviations in the natural course of waters from lakes without a natural or artificial exit, canals, irrigation channels or other man-made surface waterways, sewage systems, collectors and other underground channels that overflow, burst, break or get damaged, **provided that these events are not caused by risks or extraordinary phenomena covered under the Spanish Insurance Compensation Consortium.**

Not covered are:

- a) Damages resulting from the overflowing and breakage of dams, reservoirs, containment dikes or any other similar natural water retention system.
- b) Damages caused by unchannelled underground water.
- c) Damages caused to goods capable of being stored on pallets, shelves or similar structures placed at a height of less than 10 centimetres from the floor, except when these damages would have occurred even if the goods had been placed above said height.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

3.5.3. Atmospheric phenomena

Direct material damages to the insured property due to rain (provided that the recorded precipitation is greater than 40 litres per square metre and hour), wind (provided that the wind speed is greater than 70 km per hour and up to the limit when cover by the Insurance Compensation Consortium enters into force), hail or snow, provided that these phenomena occur abnormally and that the atmospheric disturbance, due to its nature or intensity, is considered atypical or abnormal. The nature of the atmospheric phenomena will be credited by reports issued by the competent official agencies. However, when the abnormal nature of the atmospheric phenomenon in the area of the insured risk is not fully credited by the reports provided by the official agencies, it will be necessary to provide proof to the Insurer that other soundly constructed properties within a 2 km radius of the insured risk have been destroyed or damaged by the same atmospheric phenomenon, unless the Insurer was previously aware of this circumstance.

Covered in this guarantee are direct material damages to the insured property by objects dragged or hurled by the wind.

Not covered are damages caused:

- a) By snow, water, sand or dust that enters through doors, windows or other openings that have not been closed or the closing of which is defective.
- b) To plants, gardens and trees.

- c) By frost, cold, ice, waves or tides, even when these phenomena are due to wind.
- d) Breakage of windows, glass and signs, coverage for which is subject to the requirements of cover 3.8 Breakage of windows, glass and signs.
- e) By defects or lack of maintenance or preservation of the insured property.
- f) By gradual seepage, rusting or dampness.
- g) To property forming part of content that is kept outside, except machinery and systems which are not fixed and are specially designed to work in this situation.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

3.5.4. Smoke or soot

The Insurer will cover losses due to smoke or soot as a result of leaks or sudden and abnormal releases, whether or not due to fire.

Not covered are damages produced by:

- a) The continuous action of smoke or soot.
- b) Smoke or soot in fireplaces, heating and cooking systems, or industrial devices during normal operation.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

3.5.5. Collision, impact and sonic booms

The Insurer will cover losses arising from the collision or impact of land vehicles or the goods transported by them, as well as spacecraft, aircraft or objects that fall out of them. Also covered are the direct consequences to the insured property of sonic booms produced by spacecraft or airships that break the sound barrier.

Not included are:

- a) Damages caused by vehicles, spacecraft and aircraft, as well as the objects they transport or that fall out of them, that are owned by, in the custody of or controlled by the Insured or its employees or persons that live with the Insured.
- b) Breakage of windows, glass and signs, coverage for which is subject to the requirements indicated in cover 3.8 Breakage of windows, glass and signs.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

3.5.6. Fire suppression system releases

The leakage or accidental release of automatic fire-extinguishing installations due to spillage, leakage, breakage, fall, demolition or failure in general of any element of the installation that uses water or another extinguishing agent.

Not covered are damages caused:

- a) In the automatic fire suppression system itself, in the parts where the spillage, release or leakage occurs.
- b) By the loss of the extinguishing agent.
- c) By the use of the installations for purposes other than the automatic extinguishing of fires.
- d) By lack of maintenance or poor upkeep of automatic fire-extinguishing installations.

Insured amount: Up to 100% of the insured amount for the building or renovation work and/or contents.

3.6. CIVIL LIABILITY

The Insurer will compensate the Insured for bodily or material damages and any harm deriving from these damages caused involuntarily to third parties that occur when carrying out the activity indicated in the individual conditions, provided that the Insured is liable in accordance with the cases mentioned below.

All damages resulting from the same event, regardless of the number of claimants or cases of civil liability incurred, shall be considered a single claim.

3.6.1. Civil liability as owner of the property

Provided that building cover has been taken out, the Insurer will cover the civil liability that the Insured may incur and that derives from the insured property or use of the insured premises and installations, including damages caused by minor renovation work to the property.

Also covered is the liability that may correspond to the Insured due to his/her aliquot part as co-owner in the event of damages caused by common elements of the building. If the injured party is also the co-owner, the aliquot part proportional to his/her share in the property will be subtracted from the compensation.

If an insured amount has been taken out for renovation work, incidents indirectly attributable to the aforementioned work are not covered.

Not covered are damages caused:

- a) During the remodelling, transformation or enlargement of the property.
- b) By destruction or deterioration of things due to the gradual influence of drainage, dampness or land subsidence.

3.6.2. Operating liability or liability for the activity carried out

Provided that contents cover has been taken out, the Insurer will cover the civil liability that the Insured or his/her employees may incur during the carrying out of the insured activity indicated in the individual conditions. This includes damages caused to third parties:

- 1) During the transport, loading and unloading of the goods that are part of the insured activity, **provided that it does not entail traffic accidents or that these damages are covered by other policies.**
- 2) By awnings, signs, marquees, canopies, billboards and similar objects owned by the Insured.
- 3) During the carrying out of commercial activities deriving directly from the insured activity for the purpose of exhibitions, displays, trade shows and similar events.
- 4) By the security service responsible for the guarding and surveillance of the installations of the insured risk.
- 5) By social and recreational services for employees of the Insured.
- 6) For damages caused to third parties that occasionally are on the insured premises, such as visitors, customers, suppliers and, in general, all persons that do not depend on the Insured.
- 7) For damages caused to third parties on the occasion of the use of machinery, industrial equipment or tooling when they are not subject to the Spanish law on civil liability and motor vehicle insurance.

The Insurer will cover the civil liability of the Insured as a tenant vis-à-vis the owner of the insured establishment, **exclusively for damages that the latter suffers as a result of fire, explosion, smoke or soot and water damage, provided that the damages conform in origin and nature to those covered included in the covers 2.1.1 Fire; 2.1.2. Explosion; 3.5.4. Smoke or soot; and 3.7. Water damage.**

Not covered are:

- a) Damages to the transported object.
- b) Damages that the transported or handled cargo causes to transportation vehicles and equipment.
- c) Damages caused by manufactured or supplied products, unless expressly indicated in the individual conditions of cover 3.6.4. Product liability.
- d) Liabilities that may directly correspond to other contractors, subcontractors, developers, technicians and other persons that do not depend on the Insured.
- e) Claims filed against the insured for damages suffered by the employees of contractors, subcontractors, developers and technical offices.
- f) Claims filed against the Insured for damages suffered by employees of the Insured, unless expressly included in the individual conditions of cover 3.6.3. Employer's liability.

3.6.3. Employer's liability

Provided that it is included in the individual conditions of the policy, the Insurer will cover the civil liability that may be demanded of the Insured for bodily harm suffered by workers of the Insured when carrying out the insured activity, **and only when the injured workers are enrolled in the General Social Security Plan at the time the accident occurs.**

Not covered are:

- a) Compensations for events that do not qualify as occupational accidents or that are excluded from occupational accident insurance coverage.
- b) Compensations and health care costs arising from occupational or non-occupational disease as well as mental illness, brain disease or heart disease.
- c) Claims for failure to comply with labour-related obligations, whether contractual or legal, regarding social security, occupational accident insurance, payment of wages and similar obligations, as well as those provided for and agreed in collective or individual labour agreements.
- d) Compensation for material damages to property belonging to salaried staff.
- e) Claims for losses suffered by the Policyholder or Insured and/or their partners, representatives or proxies that run the company with them.
- f) Fines, penalties or surcharges established in labour law or existing social security legislation or the consequences of failure to pay them.

3.6.4. Product liability

Provided that it is included in the individual conditions of the policy, the Insurer will cover any civil liability that the Insured may incur from products produced, delivered or supplied to customers of the insured establishment by the Insured, as long as it can be demonstrated that these products are inherent to the insured activity and are defective defects as a result of manufacturing processes, inadequate storage, labelling or marking errors, or incorrect delivery of one product in place of another.

Not covered are:

- a) Damages suffered by products manufactured, sold or supplied by the Insured, regardless of their owner or user.
- b) Costs and damages resulting from the replacement, repair and/or subsequent removal of the product.
- c) Damages arising from the sale and delivery of products the defectiveness of which was previously known by the Insured or representatives of the Insured, or damages arising from deliberately inaccurate or incomplete instructions regarding the use of the products.
- d) The liability of manufacturers and distributors other than the Insured.

- e) Damages due to inadequate preservation or abuse or misuse of the products.
- f) Delays in the delivery of the products, failure to supply the products, and replacement costs.
- g) Damages caused by the prescription or supply of medicines of any kind.
- h) Damages caused by contraceptive drugs or medicines, drugs or medicines that facilitate fertility, and drugs and medicines for the treatment of cancer or mental illness.
- i) Damages resulting from vaccinations.
- j) Damages caused by toxic products.
- k) Damages caused by drugs or medicine totally or partially manufactured by means of bioengineering or genetic engineering techniques.
- l) Damages caused by products for veterinary use that negatively affect human health.
- m) Damages from products that cause ailments, diseases or have adverse psychophysical effects in the human body.

If the Insured is aware that a delivered or sold product is totally or partially defective, he/she is obliged to adopt the necessary measures to ensure that these products are withdrawn and do not cause damages to users, assuming all the expenses derived from this activity.

When the Insured acts in the capacity of distributor, he/she is obliged, in the event of a claim, to provide the claimant, within the legally fixed deadlines, with the name and trade name of the manufacturer of the products that presumably caused the damage.

3.6.5. Temporal scope of coverage

The Insurer will pay compensation claims filed against the Insured for bodily or material damages and the injuries deriving from these damages caused involuntarily to third parties that occurred during the life of the policy and the claims for which are made during the life of the policy or up to two years after the termination thereof, provided that the Insured is liable for the damages.

For products with an expiration date, this date will represent the temporal scope of coverage of guarantee 3.6.4. Product liability, even if the policy is in force.

Incidents that occur after the expiry, withdrawal or termination of the policy are not covered under guarantee 3.6 Civil liability, even if products delivered or sold during the lifetime of the insurance policy cause them.

3.6.6. Legal representation

In any legal proceedings arising from a claim covered by the policy, the Insurer will provide, at the Insurer's own expense, legal representation regarding the claim brought by the injured party, appointing lawyers and counsel to defend the Insured in the legal proceedings that may follow in order to claim liability covered by this policy, even when these claims are unsubstantiated.

In the event of a conflict of interest between the Insured and the Insurer, due to the fact that the latter has to maintain interests in the claim contrary to the defence of the Insured, the Insurer will notify the Insured of this situation without prejudice to the carrying out of the legal formalities that, due to their urgent nature, are necessary for the defence. In this case, the Insured may either retain the legal supervision provided by the Insurer or entrust his/her defence to someone else. In case of the latter, the Insurer is obliged to pay these legal expenses, **with a limit of 10% of the insured sum taken out for operating liability coverage.**

This cover will not apply when the amount of the claim brought against the Policyholder/Insured is less than the excess amount established in the individual conditions.

3.6.7. Judicial bonds

The Insurer will pay judicial bonds set for the Insured to cover its civil liability or to secure the Insured's provisional release in criminal proceedings deriving from an incident covered by the policy.

These bonds shall operate as a payment on account of the subsequent compensation and shall have as a maximum limit the insured amount indicated in the individual conditions of the affected civil liability cover. **This coverage does not include providing bonds for personal sanctions such as fines and legal costs.**

3.6.8. Insured amount

The maximum compensation limit that the Insurer will pay for the different civil liability guarantees indicated in the individual conditions, including all expenses and bonds, as a consequence of the same claim, will not exceed under any circumstances the limit stated in the individual conditions of operating or property liability coverage, regardless of the number of claimants.

3.6.9. Not covered are damages caused:

- a) Intentionally, unless to avoid injury or graver damages.
- b) By one Insured to another Insured, except as provided for employer's liability, **and as long as the employee is enrolled in the social security system and is included in the individual conditions of cover 3.6.3. Employer's liability.**
- c) By motor traffic or animal-drawn transport.

- d) As a consequence of the possession of explosives, firearms, contaminants, corrosives or radioactive products unless the insured activity requires the use of any of these products and this has been declared in the policy, or potentially dangerous animals, except for those provided for in the law on ownership of potentially dangerous animals.
- e) By pollution, seepage, contamination or alteration of the air, waters and soil as a result of the effect of temperature, smoke, dust, soot, gases, vapours, noise, vibrations, jolts or any other cause, including pathogens.
- f) To the injured party due to his/her own negligence.
- g) Liabilities derived from the breach of official provisions or any other infraction of legal obligations or regulations regarding the use and storage of products, as well as pecuniary damage suffered by third parties when they are not the direct consequence of a bodily injury or material damage covered by the policy.
- h) Professional liabilities that may correspond to doctors, nurses and, in general, any other qualified person while performing their technical or health care duties for the Insured.
- i) Damages resulting from risks that should be covered by compulsory insurance.
- j) Contractual responsibilities of the Insured such as waiver on the part of the Insured of any contractual clause that limits or excludes his/her liability.
- k) Sanctions and fines as well as the consequences of the failure to pay them.
- l) Due to asbestos or any illness arising from the manufacturing, processing, transforming, assembling, sale or use of asbestos or products that contain it.
- m) Genetic damages.
- n) Damages caused by electromagnetic fields.
- o) By the use, storage, transport or handling of explosives, as well as the transport of hazardous chemical products, according to existing law.
- p) Professional liability derived from omissions or technical errors during work, consultations, projects or any other tasks or services.
- q) To property that the Insured or employees of the Insured are working on directly.
- r) By the practice of airborne, aquatic, adventure or equestrian sports.

3.7. WATER DAMAGE

The Insurer will cover direct material damages to the insured property as a result of water:

- a) That escapes from pipes and fixed tanks used for the supply, distribution and release of water, as well as from heating and cooling installations and those used by the insured establishment, due to breakage, clogs, defects, frost and oversight or ill will of third parties.

- b) That comes from leaks on premises adjacent to or above the insured property.
- c) That spills due to leaving taps or valves open, or their not closing properly.

Provided that building and renovation work cover has been taken out, the Insurer will cover the costs of opening and closing the walls of the insured property in order to locate the water leakages caused by the covered damage. Also covered are the costs of the repairs to the waterworks and pipes that caused the damage.

If renovation work cover has been taken out, the Insurer will **not cover the expenses indicated in this paragraph when the remodelling is done in areas distinct from the refurbished areas.**

The Insured is obliged to maintain water installations in good conditions and to carry out repairs and other necessary operations for the proper preservation of pipes, particularly the replacement of defective pipes or unclogging of obstructed pipes. If the insured building, premises or installations are left uninhabited, the Insured must also close entry valves for water and drain the system, if possible, as well as taking all the appropriate measures in winter to avoid the effects of the freezing of water.

Not covered are damages caused by:

- a) Underground water and the reflux of water from the public sewage system.
- b) Repairs to taps, appliances, tanks, septic tanks, sewers and culverts.
- c) Cost of unclogging or cleaning any type of pipe or drain.
- d) Construction or repair work carried out on the insured risk.
- e) Damage to roofs and facades by external drainage or service connection pipes.
- f) Water from portable containers and from washing floors or plasterwork.
- g) Overflow or breakage of dams or containment dikes.
- h) Water seepage through roofs, facades or terraces when the leaks are the result of incorrect use or poor upkeep of the property.
- i) Moisture or condensation.
- j) As the consequence of widespread corrosion or noticeable wear and tear of the installations of the insured risk.
- k) To goods capable of being stored on pallets, shelves or similar structures placed at a height of less than 10 centimetres from the floor, except when these damages would have occurred even if the goods had been stored above this height.
- l) Weather events whose coverage is included in section 3.5.3. of article 3.

Insured amount: Up to 100% of the insured capital taken out for the building or renovation work and/or contents.

The Insurer will cover up to 10% of the insured capital amount taken out for building or renovation work cover, up to 5,000.00 euros for the costs of detecting and repairing the breakdown.

3.8. BREAKAGE OF WINDOWS, GLASS AND SIGNS

The Insurer will cover any direct material loss due to breakage of windows, glass, mirrors, panes, methacrylate, skylights or fanlights, signs and glass ceramic hobs, including the costs of transportation and installation, sign writing and/or silk screen printing, provided that they are a permanent part of the property insured under building, content or renovation work cover. However, if only contents cover has been taken out, the Insurer will cover store windows and panes, doors, windows and signs of the insured installations or premises.

Not covered are:

- a) Glass of artistic value.
- b) Handmade objects, audio-visual equipment, computers or other objects that are not fixed to the building, contents or renovation work.
- c) Lamps, neon lights (unless expressly included in the individual conditions) and bulbs of all kinds.
- d) Breakage due installation or placement defects, work carried out on the insured objects or on their frames as well as breakage resulting from their assembly or dismantling.
- e) Breakage that occurs during renovation work, repairs, painting or work carried out in preparation of and during moving.
- f) Scratching, flaking and other causes of minor cosmetic defects.
- g) Aquariums and fish tanks.
- h) Objects made entirely of glass, marble, granite, methacrylate or fibreglass that are not a permanent part of the property insured under building or contents cover and are intended as decoration or ornamentation.
- i) Sanitary ware.
- j) Damages to property for sale, raw materials and intermediary products.

Insured amount: At first risk, up to 100% of the insured capital amount in the individual conditions.

3.9. ELECTRICAL DAMAGE

The Insurer will cover damages caused by surges, short circuits or lightning strike where there is no fire:

- a) Provided that building or renovation work cover has been taken out for the installations that form part of the building or said work.

- b) Provided that contents cover has been taken out for electronic/electrical devices and their accessories.

For this cover to take effect, the electrical installation of the premises must comply with existing laws and be maintained in good working order by the Insured, who will carry out the necessary repairs and modifications for its proper upkeep.

At the request of the Insurer, the Insured agrees to provide the same copy of the most recent bill in their possession or of their contract with the utility provider company.

Not covered are:

- a) Machinery use for the production or transformation of electricity.
- b) Bulbs, lamps, fluorescent lights, neon lights and their components.
- c) Machinery included in cover 3.10. Breakdown of machinery and listed in the individual conditions.
- d) Computer and computer equipment included in cover 3.11. Breakdown of computers and listed in the individual conditions.
- e) Damages for which the manufacturer, supplier or person responsible for the maintenance of the insured property is legally or contractually liable.
- f) Losses arising from inadequate work, experiments, trials or tests in which the insured property is subjected to a higher level of stress than that for which it is intended.

Insured amount: At first risk, up to 100% of the amount indicated in the individual conditions.

3.10. BREAKDOWN OF MACHINERY

The Insurer will cover direct damages and losses suffered by the machinery listed in the individual conditions used for carrying out the insured activity and arising from:

- a) The direct action of electricity from short circuits, electrical arcs, surges and other similar effects, as well as damages and losses caused by lightning strike where there is no fire.
- b) Inexperience or negligence in the handling of equipment, carelessness or acts of vandalism.
- c) Accidental falls or collisions.
- d) Overflowing of liquids or obstruction by or introduction of foreign bodies, due to an accident.
- e) Design, manufacturing or assembly errors, or material or workmanship defects.
- f) Centrifugal force (exclusively damage or losses suffered as a result of the breakdown of the machine itself).
- g) Failures in adjusting devices.

The Insurer will also cover direct material damages to other goods covered by this policy, excluding stocks of goods under processing, as a consequence of an incident included in this cover, up to a limit of 10% of the insured capital amount taken out for Breakdown of machinery cover. An excess of 600.00 euros is established for this extension of coverage.

At the request of the Insurer, the Insured agrees to provide the same copy of the most recent bill in their possession or of their contract with the utility provider company.

Not covered are:

- a) Damages to machinery without a maintenance agreement.
- b) Damages arising from the use of machinery insured after an incident, before the final repair is complete.
- c) Defects or faults that existed before the insurance was taken out, as well as wear and tear or gradual deterioration as a result of normal use and operation.
- d) Purely cosmetic damages.
- e) Losses arising from inadequate work, experiments, trials or tests in which the insured property is subjected to a higher level of stress than that for which it is intended.
- f) Damages for which the manufacturer, supplier or person responsible for the maintenance or technical assistance of the insured property is either legally or contractually liable.
- g) Parts susceptible to wear and tear, such as valves, pipes and any other component with a limited service life.
- h) Damages resulting from interruption in the supply of electric power.
- i) Costs involved in detecting and eliminating breakdowns and operational errors.
- j) Machinery located outside of the insured establishment.
- k) Machinery not listed in the individual conditions.

Property and objects not covered:

- a) Self-propelled machinery.
- b) Belts, bands, cables, chains, tires, moulds, dies, rollers, plates, felt, strainers, refractory linings, burners and changeable tools.
- c) Pieces of glass, ceramic, enamel or wood.
- d) Fuels, lubricants, refrigerant agents, metallizers, catalysts and other operating agents aside from oil used in transformers and breakers and mercury used in current rectifiers.

Insured amount: Up to 100% of the capital amount taken out for this cover and indicated in the individual conditions of the policy.

3.11. COMPUTER BREAKDOWN

The Insurer will cover direct damages and losses suffered by computers, terminals and peripherals, according to the list included in the individual conditions, used for business management as a result of:

- a) The direct action of electricity from short circuits, electrical arcs, surges and other similar effects, as well as damages and losses caused by lightning strike where there is no fire.
- b) Inexperience or negligence in the handling of equipment, carelessness or acts of vandalism.
- c) Accidental falls or collisions.
- d) Overflowing of liquids or obstruction by or introduction of foreign bodies, due to an accident.
- e) Design, manufacturing or assembly errors, or material or workmanship defects.
- f) Failures in adjusting devices.

The Insurer will also cover direct material damages to other goods covered by this policy, excluding stocks of goods under processing, as a consequence of an incident included in this cover, up to a limit of 10% of the insured capital amount taken out for Computer breakdown. An excess of 600.00 euros is established for this extension of coverage.

At the request of the Insurer, the Insured agrees to provide the same copy of the most recent bill in their possession or of their contract with the utility provider company.

Not covered are:

- a) Damages to equipment without a maintenance agreement, except for equipment worth less than 5,000.00 euros.
- b) Damages arising from the use of equipment insured after an incident, before the final repair is complete.
- c) Defects or faults that existed before the insurance was taken out, as well as wear and tear or gradual deterioration as a result of normal use and operation.
- d) Purely cosmetic damages.
- e) Losses arising from inadequate work, experiments, trials or tests in which the insured property is subjected to a higher level of stress than that for which it is intended.
- f) Damages for which the manufacturer, supplier or person responsible for the maintenance or technical assistance of the insured property is either legally or contractually liable.
- g) Parts susceptible to wear and tear, such as tubes or fuses, printing heads, cables, chains and belts, as well as consumables such as tape, ink and paper.

- h) Programming costs such as the replacement and reproduction costs of stored information.
- i) Damages resulting from interruption in the supply of electric power.
- j) Costs of detecting and eliminating breakdowns and operational errors.
- k) Computers, terminals and peripherals located outside the insured establishment.
- l) Computers, terminals and peripherals not listed in the individual conditions.
- m) Damages caused by any type of computer virus or hackers.

Insured amount: Up to 100% of the capital amount taken out for this cover and indicated in the individual conditions of the policy.

3.12. LOSS OF PROFIT

The Insurer covers losses occasioned by the temporary, total or partial stoppage of the business activity of the insured establishment as a consequence of an incident that occurred in the insured situation of risk and is included in sections 2.1. Fire and supplementary, 3.5. Extension of coverage or 3.7. Water damage of articles 2 and 3 of these terms and conditions, provided that they are included in the individual conditions of the policy.

This cover is conditional upon the effective renewal of the insured activity after the incident. However, if due to force majeure and independent of his/her will the Insured is unable to continue business operations, he/she will be entitled to compensation solely for the permanent overhead costs incurred up to the time he/she was aware of the existence of the impossibility of operation. The compensation limit shall not exceed the amount indicated in the individual conditions.

3.12.1. Types of compensation

The different types of compensation covered by the policy are indicated in the individual conditions.

Insurable types of compensation:

- a) Daily compensation.
- b) Continuous costs.
- c) Gross profit.

3.12.1.1. Daily compensation

The Insurer will pay the amount agreed in the individual conditions for each working day of the business in which its activity is interrupted, in proportion to the degree of the stoppage and subject to the limit indicated in the following paragraph.

This cover will not be effective if, in spite of the incident, the operating capacity of the establishment remains at 75% of its normal activity, in accordance with the opinion of an expert of the Insured.

The indemnity period will be established in the individual conditions.

3.12.1.2. Continuous costs

The Insurer will pay up to 100% of the amount indicated in the individual conditions for costs that do not change as a direct consequence of the business activity and that must be maintained despite the interruption of business activity arising from an incident included in this cover.

The indemnity period will be established in the individual conditions

The insured amount shall correspond to the annual continuous fixed costs of the last financial year.

The capital amount indicated in the individual conditions will be considered automatically increased by the percentage stated in these conditions as profit loss margin.

The Insured is obliged at the end of each insurance year to report the increases in the insured amounts that have occurred during the insurance period, and the Insurer will then proceed to issue the corresponding premium settlement supplement. **If 60 days have passed since the renewal date of the insurance and this report has not been made, the loss of profit margin cover will be null and void.**

3.12.1.3. Gross profit

The Insurer will pay up to 100% of the amount indicated in the individual conditions of the cover taken out for loss of gross profit as a consequence of the reduction in turnover or the increase in operating costs.

The indemnity period will be established in the individual conditions.

A) Terms to keep in mind for a correct understanding of this type of compensation

Net profit. Net earnings derived from the insured business, deducting cost estimates and amortizations due to depreciation, without entering into the accounts income tax or increases or decreases in capital or the outcome of investments.

Continuous costs. Costs that do not change as a direct consequence of the activity of the company and that must be maintained by the company despite the total or partial interruption of operations due to the incident.

Gross profit. The amount after adding the amount of the insured continuous costs to the net profit. If the business loses money, the gross profit will be the amount of the insured continuous costs minus the proportion of the loss that corresponds to these insured continuous costs in relation to total continuous costs.

Period of interruption or stoppage. The period that begins on the date of the material damages arising from the incident and concludes on the date when the stopped or interrupted activity is restored to normal.

Indemnity period. The time during which the business is affected by the incident whose limit is fixed in the individual conditions.

Percentage of gross profit. The relationship between gross profit and turnover for the financial year prior to the year that the incident occurred.

Baseline turnover amount. The turnover registered in the previous year during the months corresponding to the indemnity period.

Turnover: The sum of the amounts paid or owed to the Insured for goods sold and delivered as well as the services provided in the course of business during a determined period.

Annual turnover. Turnover for the twelve months prior to the month in which the incident occurs.

Trend of commercial operations. This is an account of the internal and external elements of the business operation, both before and after the accident, in order to determine as accurately as possible the gross profit and turnover that the business would have obtained during the indemnity period if the incident had not occurred.

B) Insured capital and premium

The insured capital amount will correspond to the annual gross profit of the last financial year.

The capital amount indicated in the policy and the collected premium shall be considered provisional, their readjustment proceeding in accordance with the following criteria:

- a) At the end of each financial year and, as a maximum, within the following twelve months, the Policyholder or the Insured is obliged to notify the Insurer, in writing, of the effective amount of their gross profit for this financial year. If they fail to do so, the capital amount taken out in the policy will be considered final.
- b) If this notification indicates that the effective gross profit is greater than the capital amount stated in the policy, the Insurer will issue a supplement, increasing the insured capital retroactively from the beginning of the insurance year up to the amount of the aforesaid gross profit, the Policyholder or the Insurer agreeing to pay the corresponding premium increase.

The capital amount and premium increased in this manner shall be considered provisional hereinafter.

- c) If the notification mentioned in paragraph a) indicates that the effective gross profit is less than the capital amount mentioned in the policy, the Insurer will issue a certificate reducing the insured capital retroactively from the beginning of the insurance year and returning to the Policyholder the part of the premium that has been overcharged, without the return of the premium exceeding 20% of the provisional premium. The premium for the last annual insurance period of the policy's validity will not be returned.

The capital amount indicated in the individual conditions shall be considered automatically increased by the percentage stated in these conditions as profit loss margin.

The Insured is obliged at the end of each insurance year to report the increases in the insured amounts that occurred during the insurance period, and the Insurer will then proceed to issue the corresponding premium settlement supplement. **If 60 days have passed since the renewal date of the insurance and this report has not been made the loss of profit margin cover will be null and void.**

Not covered are profit losses:

- a) Due to provisions and regulations or fines and sanctions arising from their infringement.
- b) Due to the enlargement of the premises or other innovations carried out after the incident.
- c) From the moment the business is in a state of bankruptcy, required a suspension of payments, was declared bankrupt, was repossessed, or an arrangement was made with creditors, judicially or not.
- d) Due to delays in the repair or replacement of damaged property, deliberate slowing down of work, work abstention or other types of conduct that tend to delay the operating activity of the insured property with respect to the time limit that would be necessary under normal operating conditions.
- e) In the event that the insured company does not resume its activities after the accident, even if the non-resumption is due to lack of capital for rebuilding.
- f) Due to consequential or indirect damages.
- g) Due to loss of information contained in computer equipment and/or files, as well as the destruction or deterioration of plans, drawing and samples.
- h) Due to events covered by the Insurance Corporation Consortium, even when this association does not recognize the effectiveness of the right of the Insured due to breach of any of the rules established in the existing regulations and supplementary provisions.
- i) Due to closing or impossibility of access ordered by the competent authority.

3.13. REFRIGERATED GOODS

In the following cases, the Insurer will cover any damage and deterioration suffered by goods stored in refrigeration chambers and appliances inside the premises described in the individual conditions of the policy:

- a) Reduction, standstill or elevation of the temperature inside the refrigeration chamber or appliance as a consequence of an incident covered in the policy.
- b) Accidental leakages or overflowing of coolant that occur suddenly and unexpectedly.
- c) Failure in water or power supply that exceeds the number of hours indicated in the individual conditions.

Not covered are damage and deterioration caused to goods:

- a) Due to an error in setting the temperature.
- b) As a consequence of defective or inadequate packaging or storage, fault of the goods themselves, loss or lack of weight.
- c) When the insured premises are closed for more than 72 consecutive hours.
- d) As a consequence of a failure in the coolant due to incorrect or incomplete repair.
- e) Due to lack of maintenance, obsolescence or normal wear and tear of the machinery
- f) Due to inadequate electrical capacity purchased for the needs of the establishment.

Insured amount: Up to 100% of the capital amount taken out for this cover in the individual conditions.

3.14. BURGLARY AND ROBBERY

The policy covers the following risks:

3.14.1. Risks

3.14.1.1. Burglary and robbery

Losses due to the disappearance, destruction or deterioration of the property covered as contents of the insured establishment as a direct consequence of burglary or robbery or attempted burglary or attempted robbery, provided said property is inside the closed building.

3.14.1.2. Burglary of cash

Burglary of money or documents that represent a cash guarantee and are the property of the insured establishment, provided that they are inside the closed building.

3.14.1.3. Robbery of cash

Robbery of money or documents that represent a cash guarantee and are the property of the insured establishment through acts of intimidation or violence against the Insured or employees of the Insured, provided that they are inside the building described in the individual conditions of the policy.

3.14.1.4. Burglary from outside

Burglary carried out by breaking windows and removing property that belongs to the insured establishment from the outside by way of the break, without the perpetrator or perpetrators penetrating the building.

3.14.1.5. Cash transports

Robbery during the transport of money and, in general, any documents or receipts that represent a security or cash guarantee carried out by the Insured or employees of the Insured that appear on the payroll. Once the transporter of the cash departs from the collection point, robbery is covered provided that the transporter proceeds directly and without interruptions to the cash deposit point.

This cover is limited to transports made during the working hours of the insured establishment and, as a maximum, up to one hour after the establishment closes, the transporter being 18 years of age or older and without any psychological or physical defect that prevents him/her from adequately performing his/her duties.

3.14.1.6. Replacement of files

Provided that it is included in the individual conditions of replacement of files cover in the contents section and in burglary cover, the Insurer will cover the costs and reimbursements incurred as a result of the reconstruction and replacement of files resulting from an incident included in burglary and robbery cover.

3.14.1.7. Employee dishonesty

Direct material losses suffered by the Insured for the amount that has been the object of embezzlement, theft, fraud, misappropriation or falsification, whether of coins, bank notes, titles, vouchers, receipts, checks and securities in general, committed by employees that the Policyholder specifically names in the individual conditions of the policy, and provided that they are enrolled in the social security system.

The Insured is obliged to keep the books required by the Commercial Code and other existing provisions updated and to record in these books the series, number and type of securities.

The Insured must lodge the corresponding complaint before the competent authority and will be entitled to compensation provided that there is job dismissal and following a conviction of the prosecuted employee in criminal proceedings.

Not covered are:

- a) Theft or embezzlement due to negligence or grave error on the part of the Insured or representatives of the Insured.
- b) Acts of employees not attributable to fraud or wilful deceit, the employee having acted in good faith or following the instructions of the Insured.
- c) Dishonesty not reported within six months after the dishonest act was committed.

3.14.1.8. Burglary of guest property

a) Personal effects of guests

Provided that they are included in the individual conditions, the Insurer will cover burglary of the personal effects of guests deposited in the rooms, the coverage extend-

ing to this property when it is deposited at the reception desk or in the cloakroom of the insured establishment.

b) **Money, jewellery, valuables**

Provided that they are included in the individual conditions, the Insurer covers burglary of money, jewellery or valuables deposited in the hotel safe, front desk safety-deposit box or in-room safe of the insured establishment.

3.14.2. Insured amounts

3.14.2.1. Burglary and robbery

Up to 100% of the amount indicated in the individual conditions.

3.14.2.2. Burglary of currency (coins and banknotes)

At first risk, up to 100% of the amount indicated in the individual conditions.

3.14.2.3. Robbery of currency (coins and banknotes)

At first risk, up to 100% of the amount indicated in the individual conditions.

3.14.2.4. Burglary from outside

At first risk, up to 100% of the amount indicated in the individual conditions.

3.14.2.5. Transport of cash

At first risk, up to 100% of the amount indicated in the individual conditions

3.14.2.6. Replacement of files

At first risk, up to 100% of the amount indicated in the individual conditions of contents cover, with a maximum of 1,000.00 euros per claim for computer files.

3.14.2.7. Employee dishonesty

At first risk, up to 100% of the amount indicated in the individual conditions. **An excess of 20% of the amount of the loss is established at the expense of the Insured.**

3.14.2.8. Burglary of guest property

a) **Personal effects of guests:** at first risk, up to 100% of the amount indicated in the individual conditions.

b) **Money, jewellery and other valuables:** at first risk, up to 100% of the amount indicated in the individual conditions.

3.14.3.

Excluded from coverage are damages and losses for guarantee 3.14. Burglary and robbery:

- a) Due to simple losses and misplacements.
- b) In the event of theft.
- c) Due to burglary or robbery, or attempted burglary or attempted robbery, of which employees of the Insured or persons that live with the Insured are the perpetrators, accomplices or persons concealing the act, except for what is indicated in section 3.14.1.7 Employee dishonesty.
- d) Due to events caused by grave negligence on the part of the Insured, employees of the Insured or persons that live with the Insured.
- e) To slot machines, amusement machines, cigarette machines and dispensers of other authorized products as well as the currency contained therein.
- f) To machines and devices accessible or usable from the outside of the insured establishment, **except for those which by their very nature have to be outside.**
- g) To property located in annex buildings not used exclusively by the Insured.
- h) When the main safe or the safety deposit box is not closed or its security mechanisms have been deactivated.

Also excluded from coverage are burglary and robbery of goods in shop windows and display cases outside the building.

Furthermore, having accepted the risk and fixed the corresponding premium on the basis of the protective measures and aggravations that in regard to the risk of burglary and robbery the Policyholder and/or the Insured indicate in the insurance application/questionnaire and in the individual conditions that are integral to this contract, it is hereby stated that the Insurer, in accordance with the provisions of the Insurance Contract Act, shall be exempt from all liability when the insured establishment is not protected by the aforesaid correctly installed and (where applicable) activated protection and/or security measures.

3.15. DAMAGE TO THE BUILDING DUE TO BURGLARY OR ATTEMPTED BURGLARY

Provided that it is indicated in the individual conditions of the policy, the Insurer will cover material losses of any deterioration, destruction and disappearance suffered by the property or renovation work due to burglary or attempted burglary.

Insured amount: At first risk and up to 100% of the amount indicated in the individual conditions.

This cover does not include damage to and losses sustained by windows, glass and signs which are subject to the provisions of cover 3.8. Breakage of windows, glass and signs.

Article 4. Risks generally not included in the covers

4.1. RISKS NOT INCLUDED IN THE COVERS

Generally excluded from the covers, in addition to what is specified in each one, are incidents:

- a) Resulting from civil or international war, whether there is an official declaration or not, events or acts of the armed forces or law enforcement in time of peace, civilian or military uprisings, terrorism, rebellion, sedition, riots and civil disturbances.
- b) Due to natural phenomena of an extraordinary nature: earthquakes, tidal waves, floods (including dashing by the sea), volcanic eruptions, atypical cyclones (including extraordinary winds with gusts greater than 135 km/hour and tornadoes) and fall of astral bodies and meteorites.
- c) Land subsidence, sliding or falling or any meteorological phenomenon other than lightning or those included in cover 3.5.3. Weather events.
- d) Caused directly or indirectly by the disintegration of an atomic nucleus, the modification of an atomic structure or radiation from radioisotopes.
- e) Caused by events or phenomena covered under the Spanish Insurance Compensation Consortium, or when this body does not admit the effectiveness of the right of the Insured due to a breach attributable to the Insured of any of the rules established in the regulations and supplementary provisions in force at the time the incident occurred. Also not covered are the differences between the damages caused and the amounts indemnified by the Insurance Compensation Consortium owing to excesses, deductions, proportional regulations or other limitations.
- f) That the national government declares as a "national catastrophe or calamity".
- g) Caused intentionally by or with the complicity of, or due to fault or neglect on the part of, the Policyholder, the Insured or relatives of both that live with them or employees of the Insured if they act with in collusion with the Insured.
- h) With regard to fines or sanctions imposed by the competent authority.
- i) Caused by or the consequence of the use of the insured establishment for activities different from those stated in the individual conditions.
- j) That occur when the property is left uninhabited or business activity is suspended for more than 45 consecutive days.
- k) That cause indirect damages or losses of any kind.
- l) Involving damages due to normal use or wear and tear of the insured property, an inherent defect or defective preservation of the insured object.
- m) Asphyxiation of live animals.

- n) Acts of legal authorities, nationalization, expropriation, confiscation, seizure, destruction or causing of damage to property by government order (de facto or de jure), or by any public, administrative or judicial authority, as well as sanctions of any kind.
- o) Arising from an intentional infringement or breach of the rules of positive law or those that govern the activity of the insured risk.

4.2. EXCLUDED PROPERTY AND OBEJCTS

Not included in the covers are the following goods and objects, except in the case of express agreement in the individual conditions or in the case of goods and objects covered by specific mention in any of the covers of this policy:

- a) Stamp, coin and similar collections.
- b) Incunabula and books, albums, DVDs or other information media not very common in trade.
- c) Securities, bonds, casts, models, moulds, designs, plans and other similar documents or objects.
- d) Money (bills or coins) cheques, lottery tickets, postage stamps, official stamped documents, pawnbrokers' receipts and, in general, any documents or receipts that represent a cash value or guarantee.
- e) Goods and objects belonging to third parties, except when indicated to the contrary in the individual conditions and no other insurance policy specifically covers this property.
- f) Motor vehicles (non-industrial).
- g) Jewellery, gems, precious stones and items of gold and platinum.
- h) Valuables, except when expressly included in the individual conditions.
- i) Highways, roads, land coverings, railroads, tunnels, bridges, dams, dikes, canals, wharfs, warehouses, ports, breakwaters, wells, oil pipelines and gas pipelines.
- j) Power lines, transformers, tubes, pipes and other installations located outside the area of the insured risks.
- k) Property on or below water, whether in the sea, lakes, rivers or similar channels.

Article 5. Scope of coverage

The scope of coverage of this insurance contract is limited to the place indicated in the individual conditions, except in regard to covers 3.6. Civil liability and 3.14.2.5. Transport of cash, the scope of coverage for which is Spain and Andorra.

Article 6. Insured amounts and maximum compensation limit

The insured amounts are established by the Insured and shall correspond to:

- a) Buildings, including the foundations but excluding the value of the lot and new construction or repair.
- b) Replacement of furniture, machinery and industrial equipment.
- c) The market replacement value of valuables.
- d) The real value of non-industrial vehicles.
- e) The real value of inventories, whether in the course of preparation or stored.

The maximum compensation limit that the Insurer will pay for the covers included in the policy, including all costs, originating from a single claim shall not exceed under any circumstances the insured amounts indicated in the individual conditions of Building or Renovation work and/or Contents cover, except for covers 3.1. Loss of rental income, 3.6. Civil liabilities and legal representation and 3.12. Loss of profits, the maximum limits for which are established in the individual conditions.

The compensation per claim for the civil liability covers included in the individual conditions, including all costs, shall not exceed under any circumstances the insured limit indicated in the individual conditions for operating or property liability cover, regardless of the number of claimants.

Article 7. Damage assessment

a) Buildings

The buildings will be appraised at the value of the new construction immediately before the loss, including foundations but excluding the value of the lot.

This new value will not apply if the difference between the real value of the building at the time of the loss and its value as new exceeds 50% of the latter, in which case the value as new will be deducted from the depreciation by age, use and wear and tear.

The appraisal value as new is conditional upon the Insured rebuilding the building, within two years of the loss, in the place where it was located prior to the loss, with the same specifications and without making any major changes to its initial use. However, if for good reason and regardless of the will of the Insured, it is not possible to maintain the same location in accordance with the specifications of the property, the building can be rebuilt in a different place within the same municipal district.

If the building is not rebuilt in accordance with the previous paragraph, the compensation payment will correspond to the real value of the building, not to the value as new.

b) Furniture and industrial machinery and equipment

These items will be appraised at the new market value before the loss. If they are not available on the market, others with similar characteristics and qualities will be taken as a basis for the appraisal.

This value as new will not apply if the difference between the real value of these items at the time of the loss and their value as new exceeds 50% of the latter, in which case the value as new will be deducted from the depreciation by age, use and wear and tear.

The appraisal value as new is conditional upon the Insured replacing the damaged property, within two years of the loss, with new ones of the same kind, characteristics and qualities.

If the goods are not replaced in accordance with the previous paragraph, the compensation payment will correspond to their real value, not to their value as new.

c) Inventories

Inventories will be appraised at their market acquisition value immediately before the loss, unless their sales value is less, in which case this value will apply. For manufactured goods or products, or ones in the development stage, the value of the raw materials plus the accrued expenses for obtaining the stage of processing reached and/or (where applicable) their market value shall apply.

d) Valuables

Valuables will be appraised at their market price before the loss.

e) Machinery, computer and equipment breakdowns

For breakdowns that can be repaired, the Insurer will pay the necessary costs of restoring the damaged machinery to operating conditions similar to those immediately before the incident, deducting the value of the rest. Included are ordinary transport costs to and from the repair shop, as well as customs duties (if any).

If the Insured performs the repair, only the costs incurred by the Insured will be indemnified.

The Insurer will not bear the cost of any provisional repair, unless it forms part of the final repair. Nor will the Insurer pay any complementary costs of improvements or servicing carried out during the repair.

The Insurer will not cover any eventual depreciation due to the repair.

If, as a consequence of the repair, there is an increase in value compared to the value of the machinery before the loss, this increase will be deducted from the costs of the repair.

In the event of the total loss of the insured machinery or any its components, the compensation will be paid according to the real value of the machinery immediately before the loss plus the costs of transport, customs and assembly.

It shall be considered a total loss of an object when the costs of repair amount to the real value of the object immediately before the loss.

f) Loss of profit and continuous costs

When calculating the amount of the compensation, the following will be taken into account:

- 1) Reduction in turnover, applying the percentage of gross profit to the amount of the reduction in turnover as a consequence of the loss during the indemnity period compared to the baseline turnover of the business.
- 2) The increase in operating costs, understood as the additional reimbursement that the Insured necessarily and reasonably makes in order to avoid or reduce the decrease in turnover. Compensation for this shall not exceed the amount that results from applying the percentage of gross profit to the amount of the decrease that is thereby avoided.
- 3) The compensation will be proportionally reduced if, once the margin of the insured loss of profits or continuous costs has been applied, the insured amount is less than the amount after applying the percentage represented by the corresponding amount to this insured modality of the annual turnover.

The part of the continuous costs avoided or reduced during the indemnity period will be deducted from the total compensation.

If during the indemnity period goods are dispatched or services are rendered on behalf of the business outside of the premises designated in the policy, whether by the Insured or others acting in the Insured's name, the sums collected or charged for these sales or services will be taken into account when establishing the amount of turnover during the indemnity period.

Article 8. Automatic appreciation of capital sums

The Policyholder may agree in the individual conditions that the capital amount insured by this policy is automatically changed at the expiry of each annual premium on the basis of the increase in the official consumer price index.

The appreciation of capital sums will be carried out according to the base index indicated in the individual conditions at the time the policy was taken out.

The parties may state their opposition to the extension of this clause regarding the automatic appreciation of capital through a written notice sent to the other party two months in advance of the termination of the current insurance policy.

The appreciation of capital sums will not apply to covers 3.6 Civil liability and 3.12 Loss of profit, nor will it apply to covers with an expressly established compensation limit and to excesses.

The Insurer waives application of the proportional rule, provided that automatic appreciation is in force, when the difference between the value of the insured interest and the declared capital sum is not greater than 15% of the latter.

The proportional rule will not apply in the event of claims amounting to less than 1,800.00 euros.

The waiving of the application of the proportional rule indicated in the previous paragraphs will not apply in relation to extraordinary risks covered under the Spanish Insurance Compensation Consortium.

V. Supplementary legal defence insurance

The following conditions apply to legal claims for damages cover:

ARTICLE 1. DEFINITION OF THE INSURED

For the purposes of this cover the Insured is:

- The Policyholder, the person or corporate entity that is holder of the interest that is the object of the insurance.
- Wage earners of the Policyholder (in the covers that affect them).

ARTICLE 2. PURPOSE AND SCOPE OF THE COVER

The Insurer is obliged, within the limits set by the law and in the contract, to assume the costs that the Insured may incur as a result of his/her participation in administrative, judicial or arbitration procedures and to provide the Insured with judicial and extrajudicial legal assistance services arising from the covers in the insurance within the scope of the mercantile and commercial activity described in the policy.

The Insurer will pay the costs arising from the legal defence of the interests of the Insured.

Covered costs include:

- a) Judicial taxes, fees and costs of processing the covered procedures.
- b) Lawyer fees and expenses.
- c) Fees and expenses of court representatives when their intervention is mandatory.
- d) Notary fees and the cost of granting power of attorney for lawsuits, as well as for minutes, summons and other acts necessary for the defence of the interests of the Insured.
- e) Fees and expenses of necessary experts.
- f) Posting in criminal proceedings of bonds required for securing the provisional release of the Insured, as well as paying all judicial expenses, excluding compensations and fines.

ARTICLE 3. TERRITORIAL SCOPE

The Insurer will cover all incidents that occur within the territory indicated in the individual conditions.

ARTICLE 4. COVERS

4.1. Claims for damages

This cover includes the defence of the interests of the Insured through filing claims for non-contractual damages caused by negligence or malice suffered as a personal injury or to moveable property that belongs to the Insured or is found on the premises described in the individual conditions or during the carrying out of the tasks involved in the insured activity.

This cover extends to claims for damages and injuries suffered by the Insured as a pedestrian or a passenger of any mode of transportation by land, as long as the damages or injuries occur in connection with the carrying out of the mercantile and commercial activities referred to in this policy.

4.2. Criminal defence

This cover includes criminal defence of the Insured in connection with the mercantile or commercial activity of the Insured described in the policy.

This cover extends to the criminal defence of the Insured as a pedestrian or a passenger of any mode of transportation by land, as long as it is in connection with the carrying out of the mercantile and commercial activities referred to in this policy.

Excluded from cover are events caused intentionally by the Insured according to final judicial decision.

4.3. Rights concerning the business premises

This cover includes protection of the interests of the Insured in connection with the premises indicated in the individual conditions and in which the mercantile or business activity described therein is performed.

4.3.1.

As a TENANT, in connection with:

- Disputes arising from the rental contract. **Eviction trials for non-payment are not included in this cover.**

4.3.2.

As an OWNER or USUFRUCTUARY, in connection with:

- Disputes with immediate neighbours regarding questions of rights of way, lighting, views, distances, boundaries, party walls or plantings.
- Defence of criminal responsibility as a member of the Board of Co-Proprietors of the building in which the insured premises are located.

- Defence and claims for interests before the Owner's Association, as long as he/she is not in arrears with the payment of the legally agreed quotas.

4.3.3.

As a TENANT, OWNER or USUFRUCTUARY. This cover also includes the defence and claims of their interests as the Insured, in connection with:

- Claims for non-contractual damages caused by third parties to the premises.
- Claims against their immediate neighbours for breach of legal regulations regarding emissions of smoke and gas.
- Claims for non-contractual damages caused by third parties to movable property located on the premises belonging to the Insured.
- Claims due to breach of service repair or maintenance contracts of the installations of the premises when the payment for these services corresponds entirely to and has been satisfied by the Insured.

Excluded from the covers included in this article are acts intentionally caused by the Insured according to final judicial decision.

4.4. Service contracts

This cover includes claims due to breach of the following service provision contracts that affect the mercantile or business activity of the Insured and of which the Insured is the end-user.

- Maintenance services for movable property
- Travel and catering services.
- Private surveillance and security services.
- Cleaning services.
- Moving services.
- Sworn translator services.

Not included in this cover are supply contracts such as water, gas, electricity or telephone contracts.

4.5. Legal advice by phone

Under this cover, the Insurer will provide the Insured with a lawyer who, as a precaution prior to litigation, will inform the Insured over the phone about the extent of his/her rights and the best way of defending the him/her within the scope of the Insured's mercantile or commercial activity and in regard to covers included in this insurance.

Excluded from coverage are consultations on tax issues, corporate law and financial and banking matters.

This legal information will be offered through the telephone number indicated in the individual conditions.

ARTICLE 5. COMPENSATIONS AND EVENTS EXCLUDED FROM COVERAGE

Under no circumstances does this cover include:

- a) Compensations, the interest arising from them, and fines and sanctions 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 legal accumulation or counterclaims when they refer to matters not included in the guaranteed covers.
- d) Losses that originate in or are related to the planning, construction, transformation or demolition of the property or premises where the insured risk is located, as well as those relating to quarries, mining exploitations and industrial facilities.
- e) Losses related to motor vehicles and trailers that belong to the Insured or for which the Insured is responsible, even occasionally.
- f) Losses that occur in the private life of the Insured or derive from any activity other than the insured activity.
- g) Claims that can be brought collectively by those insured under this policy or by any of the insured parties against the Insurer that issues the policy, except for the cover concerning labour contracts.
- h) Losses related to computers or the items considered in article 336 of the Civil Code, that is, income and pensions, contracts concerning public services and warrants or certificates representing mortgage loans.
- i) Litigation regarding matters of intellectual and industrial property, corporations, judicial proceedings regarding urban planning, reparcelling or litigation arising from contracts concerning the waiving of rights in favour of the Insured.
- j) Litigation arising from or related to strikes, lockouts, collective labour disputes or employment regulations.
- k) Insured cases declared two years after the withdrawal or cancelation date of this contract has passed.

ARTICLE 6. INSURED AMOUNT

Up to 100% of the capital sums indicated for his cover in the individual conditions.

Events arising from the same cause and occurring at the same time will be considered a single claim.

ARTICLE 7. HANDLING OF THE CLAIM

7.1. Definition of claim

For the purpose of this cover, a claim is any unforeseen act or event that results in injury to the interests of the Insured or changes his/her legal situation.

In criminal offences, the insured claim is to be considered to have occurred at the moment when the punishable act was committed or was attempted.

In the case of claims due to non-contractual liability, the loss is considered to have occurred at the time when the damage was caused. In the case of claims for non-contractual fault, the loss is considered to have occurred at the moment when the injury was caused.

In litigation concerning contractual matters, the loss is considered to have occurred at the time when the Insured, the plaintiff or third party began or attempted to begin the infringement of the contractual regulations.

7.2. Grace periods and minimum claim amount

The grace period is the period after the effect date of the policy when, in the event of a loss, it is not covered.

As for rights regarding contractual and administrative matters, the grace period will be three months starting from the date that the legal defence cover entered into force.

The Insurer will not cover legal defence expenses for claims of less than 300.00 euros.

7.3. Procedure in the event of loss

The Insured will report the loss by calling the telephone number indicated in the individual conditions.

Once the loss has been accepted, the Insurer will take the necessary steps to arrive at a compromise that recognizes the claims and rights of the Insured.

If the amicable settlement or non-judicial resolution does not produce positive results acceptable to the Insured, legal proceedings will follow at the request of the interested party as long as said party's claim is not deemed reckless.

In this case the Insurer will notify the Insured of his/her right to choose a lawyer to represent and defend him/her in the lawsuit.

In other cases, once the loss has been accepted, the provision of services will follow in accordance with the nature and circumstances of the event.

7.4. Disagreement over the handling of the claim

When the Insurer considers that a lawsuit or an appeal should not be filed due to the non-existence of a reasonable possibility of success, the Insurer shall notify the Insured.

The Insured will have the right, within the limits of the coverage taken out, to be reimbursed for the costs arising from lawsuits and appeals filed in disagreement with the Insurer when, at his/her own expense, the Insured has obtained a more beneficial result.

7.5. Choice of lawyer and solicitor

The Insured will have the right to choose the lawyer and solicitor that will represent and defend him/her from the moment the Insured is involved in any procedure (judicial, administrative or arbitration) covered under the insurance.

Before appointing them, the Insured will notify the Insurer of the name of the lawyer and solicitor chosen. The Insurer may challenge the appointment of the professionals in question on justifiable grounds, and if the controversy persists it will be submitted to arbitration as provided for by the previous article of these terms and conditions.

In the event the lawyer or solicitor chosen by the Insured does not live in the judicial district in which the case is to be heard, the Insured will be responsible for paying the expenses and fees arising from the travel that the professional includes in his/her fee note.

The professionals chosen by the Insured will have complete freedom in determining strategy in the matters entrusted to them, without needing to take into account the instructions of the Insurer, which will not be responsible for the actions of these professionals or the result of the matter or procedure. However, the aforementioned professionals shall notify the Insurer about their progress in the matter under litigation.

When the lawyer or solicitor must take urgent action before the loss is reported, the Insurer will still pay the fees and expenses arising from their activity.

In the event of a conflict of interest, the Insurer will notify the Insured so that he/she can procure a lawyer or solicitor to defend his/her interests, in accordance with the freedom of choice acknowledged in this article. However, it is understood that defence in the civil jurisdiction is automatically covered in civil liability insurance policies pursuant to Article 74 of the Insurance Contract Act dated 8 October.

7.6. Payment of fees

The Insurer will pay the fees of the lawyer that defends the Insured in conformity with the regulations laid down for this purpose by the Spanish Bar Association, and in the absence of these rules in accordance with the provisions of the regulations of the respective professional bodies.

The fee guidance rules will be considered the maximum limit of the Insurer's obligation. Disagreements over the interpretation of these rules will be submitted to the competent commission of the corresponding bar association.

Solicitor fees, when his/her intervention is required, will be paid according to the tariff rate or scale.

7.7. Settlements

The Insured may reach a compromise settlement of the matters being handled. Yet, if obligations or payments for which the Insured is responsible arise from this, the Insured and the Insurer both shall always act jointly after prior mutual agreement has been reached.

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