

Zurich Business

General Conditions of Guarantees



Welcome to Zurich

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

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

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

Zurich HelpPoint™

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I. Legal Regulations

Insurance company and authority supervising its operations

Zurich Insurance Public Limited Company is an insurance company registered in Ireland with Registration No. 13460, whose registered office is Zurich House, Ballsbridge Park, Dublin 4, Ireland. It is supervised and registered by the Irish Financial Regulator, 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

Applicable legislation

- Insurance Contract Act 50/80, dated 8 October.
- Organisation and Supervision of Private Insurance Act 6/2004, dated 29 October.
- Insurance Compensation Consortium Legal Statute Regulation Act 7/2004, dated 29 October.
- Any other regulation that might be applicable during the lifetime of this Policy.

Complaints and claims

Complaints and claims as regulated by Ministerial Order ECO 734/2004 may be submitted to the company's Customer Service Department or its Customer Ombudsman whose Regulations are available on our website.

The Customer Service Department will have a period of two months from when the complaint or claim is filed in which to issue its decision. When this period expires, the claimant may appeal to the Complaints Service in the General Insurance and Pension Plans Directorate if applicable.

Cancellation clause for distance contracts

In the case of insurance that is taken out exclusively by means of distance communication media, and for purposes other than the insured's business or professional activities, the insured may cancel the distance contract within fourteen calendar days of it being signed, provided that the adverse event covered by the insurance has not occurred, without stating their reasons and without penalisation, in compliance with Article 10 of the Distance Marketing of Financial Services for Consumers Act 22/2007. To exercise this right the Insured should write to the Insurer. The Insurer reserves the right to retain the part of the premium which is proportional to the cover period. The right of cancellation shall not be applicable to compulsory insurance, travel or luggage policies lasting less than a month, or to ones whose effect terminates within the fourteen calendar day period.

Protection of personal details

Personal details will be entered in files owned by Zurich Insurance, Zurich Vida and Aide Asistencia whose purpose is the proposal, completion, maintenance and control of the insurance contract and the carrying out of statistical studies, quality studies, technical analysis, the management of coinsurance if applicable and fraud prevention.

Your personal details are provided voluntarily but are nonetheless necessary for the implementation of the contractual relationship. At any time you may exercise your rights of access, rectification, cancellation and opposition by writing to the contracting company which is responsible for the files and their processing, and whose address for this purpose is Vía Augusta 200, 08021 Barcelona.

Likewise, your personal details will also be used to enable Zurich Insurance, Zurich Vida and Aide Asistencia, and other companies legally linked to the aforementioned organisations and through their authorised intermediaries, to offer products and services and to send information about products, goods or services which are marketed by other organisations and which, according to the personal details you have given us, may best meet your needs. If you do not wish your personal details to be used for this purpose, please tell us by writing to zurichlopd@zurich.com.

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

II. What should I do if a loss occurs?

What covers do I get with the insurance?

You will find a summary on pages 7 and 8.

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

What you should do if a loss occurs

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

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

- Use all means within your power to minimise its consequences.
- Read the section “Purpose and Scope of the Insurance”, articles 2 and 3 of your policy carefully and make sure that the loss really is covered.
- Contact us or your insurance intermediary and give a detailed explanation of what caused the loss and what its consequences are.
- Send the claim report form to us as soon as possible giving as detailed an account as you can of any damage sustained.
- Make a statement to the judicial authorities or report the incident to the police, depending on the type of claim, stating the date and time when it occurred, the causes, circumstances, damaged objects, the approximate extent of damage and the name of your insurer or insurers. Check that all the information is included in your report or statement.

III. Summary of covers and perils

(This summary of covers is not intended to be exhaustive and is given for information purposes only. For full information about the covers you should refer to these terms and conditions.)

I) Basic covers	Building / Refurbishment work	Content
Fire and supplementary Fire Explosion Lightning strike Fire brigade Salvage Debris removal and demolition Mud and sludge removal	100%	100%
Loss of rent	Sum indicated in Schedule	
Supplementary covers	See section 2.1.9	
Cosmetic damage	Sum indicated in Schedule	
Replacement of files	Sum indicated in Schedule	
Extension of covers Vandalism Flooding Atmospheric phenomena Smoke or soot Collision/impact/sonic booms Leaking from fire fighting systems	100%	100%
Public liability, bonds and defence Building PL Operating PL Employer's PL Product PL	Sum indicated in Schedule	
Water damage	100%	100%
Finding and repairing faults	(20% max. €5,000)	
Property of the Insured for personal use	–	€500

II) Optional covers	Building / Refurbishment work	Content
Breakage of glass, windows and signs	Sum indicated in Schedule	
Electrical damage	Sum indicated in Schedule	
Breakdown of machinery	Sum indicated in Schedule	
Breakdown of computers	Sum indicated in Schedule	
Business interruption	Sum indicated in Schedule	
Refrigerated goods	Sum indicated in Schedule	
Burglary and robbery	–	100%
Burglary of cash	Sum indicated in Schedule	
Robbery of cash	Sum indicated in Schedule	
Money in a safe	Sum indicated in Schedule	
Burglary from outside the premises	Sum indicated in Schedule	
Robbery from customers and employees of the Insured	See section 3.7.2.5	
Cash in transit	Sum indicated in Schedule	
Replacement of files	Sum indicated in Schedule	
Employee disloyalty	Sum indicated in Schedule	
Damage to the building due to burglary or attempted burglary	Sum indicated in Schedule	
Legal Defence	Sum indicated in Schedule	

IV. Terms and conditions

(Mod. 2/3.01.06.70 Feb 2009)

Article 1. Definitions

In this contract the following words shall have the meanings given below:

Content. Set of moveable property, personal effects, electronic appliances, office equipment, desktop items and in general any object pertaining to the insured activity as well as stocks of goods to be sold and owned by the Insured which are in the premises described in the Schedule or in attached buildings or rooms which can be locked and are only used by the Insured.

Building. The premises described in the Schedule, including any such installations as may form part of the same including water, gas, electricity, solar energy and telephones up to the point of their connection with public service networks, air conditioning and heating, fire-fighting and/or theft prevention installations, lifts and in general all the fixed components of the building which cannot be separated from the same without causing breakage or damage.

Awnings, signs, decorative installations, paint, wallpaper, parquet flooring, fitted carpets and other items fixed to floors, walls and ceilings, and in general objects for use and decoration placed in the premises by their owner with the manifest purpose of locating them permanently in the premises, as well as attached buildings or rooms and fixed installations that are independent of the building, such as fences, walls, gardens, trees, swimming pools, garages etc. are all deemed to form part of the building.

If the Insured is the joint owner, property shall mean in addition to their individual property the proportion of the jointly owned property that is theirs in the event that the insurance taken out by the joint owners should prove insufficient or if no such insurance has been taken out.

Glass of artistic value. Glass which due to its special features has been made by an artist or craftsman and whose replacement therefore must be made using the same procedure used for the original.

Stocks. Products for sales, raw materials, spares, accessories and packaging which are typical of and required by the performance of the Insured activity.

Explosion. Sudden and violent action caused by a rise or fall in the pressure of gas or steam.

Robbery. Unlawful seizure or taking of the property covered by the policy without the consent of the Insured by means of acts of intimidation or violence towards the people who are safeguarding or watching over the said property.

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

Theft. Seizure or taking of property without the consent of the Insured not involving breaking and entering or violence or intimidation towards people.

Vending machine. Product dispensing machines operated by the insertion of coins.

Fruit machines. Electrical or electronic gambling machines that are operated by the insertion of coins.

Third party goods. Property owned by third parties and in the possession of the Insured for the purposes of handling, use, repair and/or safekeeping which is inside the insured establishment and which is of a type and nature that is normal for the business activity concerned.

Valuable objects. Paintings, works of art, antiques, objects made of platinum, gold, silver, precious stones, gems or ivory, furs, tapestries, carpets and rugs which are not to be sold or which are not required for the business activities performed in the insured establishment and which have a unit value of more than €1,500.

Refurbishment work. Decorative installations, painting, wallpaper, parquet flooring, fitted carpets and other items fixed to floors, walls and ceilings and, in general, such improvements and refurbishment work that the Insured has carried out in the establishment in which the insured property is to be found.

Computer. A machine which requires electrical energy to operate and whose sole purpose is the obtaining, processing, analysis, handling, issuing, transmission, reception and/or reproduction of data or information only. Tills which are attached to or form part of such machines are deemed to be included.

Lightning. Electrical discharge produced by a disturbance in the atmosphere's electric field.

Condition of average. If in the event of a loss the sum insured is less than the value of the insured property, the compensation shall be reduced by the same proportion.

Equity rule. Under this rule, if when a loss occurs the circumstances of the risk are different to those declared by the Policyholder, the compensation shall be reduced in proportion to the difference between the premium received by the Insurer and that which it would have charged had it known the true magnitude of the risk.

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

Insurance at first loss. Type of cover which consists of insuring payment of damage up to set maximum amount regardless of the total value of the property and hence not applying the condition of average.

Insurance at total value. Type of insurance by which the sum insured totally covers the value of the insured property.

Insurance at partial value. Type of cover which consists of insuring an aliquot part of the total value declared by the Insured.

Loss. Any damage caused by a sudden, accidental and unforeseen event occurring while the policy is in force and whose consequences are totally or partially covered by one or more of the covers that have been taken out.

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

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

Replacement value. This is the cost of acquiring a new item of the same type and specifications, including transport and assembly costs.

Article 2. Object and scope of the insurance:

Basic covers

The covers included in this article shall be deemed to be mandatory and must be taken out unless they are specified as **not taken out** in the Schedule.

The maximum limit of compensation for the set of covers in the policy, including all expenses, may not under any circumstances exceed the sums insured indicated in the Schedule under the headings of Building or Refurbishment Work and/or Content, except for cover 2.5 Public liability and Defence and cover 3.5 Business interruption, whose limits are stated in the Schedule.

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

2.1. FIRE AND COMPLEMENTARY

2.1.1. Fire

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

The following are not covered:

- a) Damage and simple burns caused by the mere action of heat when there is no flame.
- b) Damage to objects resulting from falling into a suitably contained fire.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.1.2. Explosion

This covers direct material losses resulting from the destruction of or damage to the insured property resulting from explosion, implosion and self-explosion, this being deemed to be the sudden and violent action of the pressure or fall in pressure of gas or steam.

Damage to light bulbs, lamps or similar objects and their components resulting from the explosion of the same is not covered.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.1.3. Lightning

Direct material damage sustained by insured property resulting from lightning even when fire does not occur is covered, **except for damage to electrical or electronic appliances, machinery, computers and electrical lines and their accessories**, whose cover is subject to the provisions of sections 3.2, 3.3, 3.4 of these general terms and conditions.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.1.4. Fire brigade

The Insurer shall pay the municipal fee for the action of the fire brigade provided that this is required due to a loss covered by the policy.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.1.5. Salvage

The Insurer shall pay the costs of salvaging the insured property and for the costs of any damage that this property may sustain during salvage operations, including damage resulting from measures taken by the authorities or the Insured to minimise the consequences of the loss, provided that these costs are incurred due to a loss covered by the policy.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.1.6. Debris removal and demolition

The cost of debris removal from the insured property and if necessary the cost of the demolition of the damaged property are covered provided that these costs are incurred due to a loss covered by the policy.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.1.7. Mud and sludge removal

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

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.1.8. Loss of rent

Loss of rent from the lease contract in force at the time of a loss occurring in the damaged building or premises is covered during the time that the building or premises cannot be used due to repair work and **up to a maximum period of 12 months**, provided

that the same is stated as included in the Schedule and that the losses are due to a loss covered by the policy.

How long the building or premises cannot be used for will be determined by loss adjusters.

Sum insured: up to 100% of the sum stated in the Schedule.

2.1.9. Supplementary covers

The following perils are included in this cover:

2.1.9.1.

In the event of a loss covered by this policy, and when the insured establishment is easily accessible from the outside, the Insurer shall arrange and pay for security at the establishment **for a maximum period of 48 hours** from the time when the security personnel arrive at the affected risk location.

2.1.9.2. Supplementary services

a) Sending of urgent messages

The Insurer, when required by the Insured, shall arrange for the sending of any urgent messages to family members living in Spain **when this is necessary due to a loss covered by the policy.**

b) Return of the Insured as the result of a serious loss

In the event that the Policyholder is travelling outside the province where the insured premises are located and a loss occurs which means that the said premises cannot be used or leads to the hospitalisation or death of any of the employees of the Insured, the Insurer shall provide the Policyholder with tickets for the means of public transport that will most quickly take them back to the risk address and then return them to the place where they were before the loss occurred.

With respect to the travel expenses of insured persons, **the Insurer shall only pay the excess over and above those expenses that would normally be incurred (train and plane tickets, sea crossings, tolls, fuel for vehicles, etc.)**

Maximum compensation per claim: €600.

c) Provision of repairers, installers and miscellaneous professionals

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

Building work
Nursing care
Carpentry

Aerial and satellite dish installation
Varnishing
Metalwork

Locksmith	Contractors
Glaziers	Child care
Electrician	Household electrical appliances
Nurses	Carpet fitting
Plastering	Plumbing
Gardening	Window cleaning
General cleaning	Courier services
Removals	Parquet laying
Roller blinds	Painting
Entry phones	Household appliance/television/video repair
Upholstery	

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

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

2.1.10. Offsetting of sums insured

If a loss covered by the policy occurs when Building or Content are insured in excess of their value, this excess can be used for the item that is underinsured provided that the premium which results from applying the rate to the new distribution of sums insured is not greater than the premium paid for these items during the then current plan year. This compensation shall only be applicable to property in the same risk situation and not to items taken out at first loss.

2.2. COSMETIC DAMAGE

The costs of restoring the appearance of the inside of the building to what it was immediately prior to the occurrence of the loss are covered provided that they result from a loss covered by the policy. **This cover is limited to the room or rooms affected by the loss and all items considered to be content are excluded.**

The repair shall be carried out using materials with specifications and of a quality similar to the originals.

The effects of scratching and flaking in or on windows, glass, mirrors and sanitary ware are not covered.

This cover shall only take effect if cosmetic restoration of the room or rooms affected by the loss is carried out.

Sum insured: at first loss and up to 100% of the sum stated under this heading in the Schedule.

2.3. REPLACEMENT OF FILES

The costs and expenses resulting from the material reconstruction and replacement of files, records, deeds, securities, moulds, models, originals, designs, plans and other similar objects or documents are covered, provided that they are the result of a loss covered by the basic covers of this policy and as long as they are duly supported by the presentation of copies of the same. **With respect to computer files, only expenses incurred for the restoration of the lost information shall be covered.**

The cost of the replacement of any type of computer program, application or software is not covered.

Sum insured: up to the limit stated in the Schedule, with a maximum of €3,000 per claim for computer files.

2.4. EXTENSION OF COVERS

Direct material losses resulting from the destruction or damage sustained by the insured property as a result of the following are covered:

2.4.1. Vandalism

Acts of vandalism or malicious acts performed by individuals or groups who are not or do not include the Insured, including those resulting from legal strikes, meetings and demonstrations carried out in compliance with prevailing legislation, **and unless the aforementioned actions take the form of a riot, civil disturbance, rebellion or sedition.**

The following are not covered:

- a) Losses arising from theft or unlawful taking away as well as damage caused by burglary or attempted burglary.
- b) Damage or costs of any kind related to graffiti, bill sticking or analogous events occurring on the outside of the building or to property that is outdoors.
- c) Windows, glass, signs and sanitary ware, unless the cover for breakage of windows, glass and signs has been taken out and in accordance with the provisions of the cited cover.
- d) Breakage of awnings.
- e) Machines and appliances which are accessible or can be operated from the outside of the insured premises.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.4.2. Flooding

As a result of the overflowing or deviation of the normal course of water flowing from lakes without a natural or artificial outlet, canals, irrigation ditches or other man-made

aboveground watercourses, sewers, mains and artificial underground watercourses when they overflow, burst, break or break down, **provided that these events are not caused by extraordinary risks or phenomena which are covered by the Insurance Compensation Consortium.**

The following are not covered:

- a) Damage caused by overflowing or breakage of dams, reservoirs, containment berms, or any other system of natural water retention.
- b) Damage caused by non-channelled underground water.
- c) Damage caused to merchandise that is stored on pallets, shelves or similar and which is located at a height of less than 10 centimetres from the ground, unless the same damage would have occurred if the merchandise had been located above that height.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.4.3. Atmospheric phenomena

Direct material damage caused to insured property by rain (provided that precipitation levels exceed 40 litres per square metre per hour), wind (provided that wind speeds exceed 75 km per hour and up to a maximum of 134 km per hour), hailstorms or snowfall, provided that such phenomena occur abnormally and that the nature or intensity of the atmospheric disturbances means that it is deemed to be atypical or abnormal. The evaluation of these phenomena shall be certified basically by reports issued by the competent official bodies. Nonetheless, in cases in which the abnormality of the atmospheric phenomenon for the place or area where the insured risk is located is not completely certified by the reports issued by these official bodies, it will be necessary to provide proof to the Insurer that other well-built properties within a 2 km radius of the insured risk have been destroyed or damaged by the same atmospheric phenomenon, unless this was already known to the Insurer.

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

- a) Snow, water, sand or dust that enters through doors, windows or other openings that have not been closed or whose closing mechanism is defective.
- b) Freezing, cold, ice, waves or the tide, even when these phenomena have been caused by the wind.
- c) The breakage of windows, glass or signs which are included under the terms of cover 3.1, breakage of windows, glass and signs.
- d) Due to defects or lack of maintenance and upkeep of the insured property.
- e) Due to seepage, rusting or damp which have occurred gradually.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.4.4. Smoke or soot

Due to smoke or soot caused by sudden and abnormal leaks, whether or not they are the result of a fire.

Not included under this cover is damage caused in the following situations:

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

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.4.5. Collision, impact and sonic booms

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

The following are not covered:

- a) Damage caused by vehicles, spacecraft and aircraft, as well as by any objects that are transported in or on them or that fall from them, that are owned by or in the possession of or controlled by the Insured or people who depend on or live with them.
- b) Breakage of windows, glass and signs, unless cover 3.1 for breakage of windows, glass and signs has been taken out and in accordance with the provisions of the same.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.4.6. Leaking from fire extinguishing systems

Spillage or accidental leaking from automatic fire extinguishing systems due to faulty sealing, leakage, breakage, falling, collapse, or the breakdown in general in any of the components of the said installation that uses water or any other extinguishing agent.

Not included under this cover is damage caused in the following situations:

- a) To the automatic fire extinguishing system in those parts in which the overflow, leakage or seepage took place.
- b) Due to the loss of the extinguishing agent.
- c) Due to the use of the installation for purposes other than the automatic putting out of fires.
- d) Due to lack of maintenance or poor upkeep of automatic fire extinguishing installations.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

2.5. PUBLIC LIABILITY

The Insurer shall pay any compensation claimed from the Insured only for direct material **damage or personal injury** involuntarily caused to third parties and which is brought about while the policy is in force, provided that the Insured is publically liable in accordance with the conditions set out below.

All damage and injury arising from the same event, irrespective of the number of injured third parties or instances of public liability that may be incurred, shall be deemed to come from a single loss.

A) Public liability as owner of the building

Damage and injury derived from the insured premises and installations, including that caused by simple repair work to the building, are included provided that cover has been taken out for Building or Refurbishment Work.

Included is public liability that may be attributable to the Insured for their aliquot part as co-owner in the event of damage caused by the common components of the building. If the injured third party is also a co-owner, the aliquot part proportional to their ownership share shall be subtracted from the compensation.

If cover for refurbishment work has been taken out, losses that are not directly attributable to the said work are not covered.

Not included under this cover is damage caused in the following situations:

- a) During modification, transformation or extension work on the building.
- b) Due to the destruction of or damage to objects resulting from the gradual impact of drains, damp and land subsidence.
- c) Industrial, agricultural or livestock businesses.

B) Operating liability

Provided that cover has been taken out for content, damage or injury caused by the Insured or their employees or dependants in the premises indicated in the Schedule during the performance of the business activity or corporate purpose of the company, shop or organisation are included. Subsidiary Public Liability that may be attributable to the Insured, derived from events that occur in the interior of the insured risk and due to supplementary activities carried out by third parties, is covered.

Included are damage and injury caused to third parties during the transport, loading and unloading of the property that is part of the insured business activity, provided that it does not involve a traffic accident.

Damage and injury caused by awnings, signs and similar objects attached to the insured establishment is covered.

The public liability of the Insured vis-à-vis the owner of the establishment that is the object of the insurance policy and who is the tenant thereof, **and exclusively for damage and injury that the latter sustains as a result of fire, explosion, smoke or soot and water damage, and providing that the cause and nature of the damage or injury complies with that set out in the provisions of covers “2.1.1. Fire”, “2.1.2. Explosion”, “2.4.4. Smoke and soot” and “2.6. Water damage”, is covered.**

The following are not covered:

- a) Damage occurring to transported objects.
- b) Professional liability due to technical omissions or mistakes related to jobs, consultations, projects or any other commissions or services.

Damage or injury sustained by third parties which is brought about by installation work forming part of the business activity and which is carried out outside the insured premises, excluding that caused to the item on which the work is being done, is covered provided that it is expressly included in the Schedule and **in the terms and up to the limits stated in the Schedule for the public liability cover.**

C) Employer's liability

Public liability that could be attributable to the Insured for personal injury sustained by their own employees while carrying out the insured activity is covered provided that the Operating Liability referred to in section B above has been taken out and **exclusively when workers who have suffered accidents are registered with the Social Security General System at the time of the accident at work.**

The following are not covered:

- a) Compensation for accidents excluded from the accidents at work cover.
- b) Compensation and expenses for care required in the case of work-related illnesses, as well as for psychological, brain or heart illnesses.
- c) Claims for breach of employment obligations, whether contractual or legal, with reference to social security, accidents at work insurance, payment of salaries and similar, and those provided for and agreed in collective bargaining or private agreements.
- d) Compensation for material damage to property owned by salaried staff.
- e) Claims for accidents sustained by the Policyholder or the Insured and/or their business partners, representatives or agents with whom they share corporate management duties.
- f) Fines, penalties or surcharges laid down in prevailing employment or social security legislation or the consequences of non-payment of the same.

D) Public liability for products and services

Public liability that might be attributable to the Insured, their employees or dependants due to their supplying of food, beverages or magisterial formulae that are in poor condition and which cause food poisoning or other illnesses, provided that they are not past their sell-by and/or use-by dates, or for damage or injury caused by other defective or improperly handled or installed products, is covered provided that the Operating Liability referred to in section B above has been taken out and **as long as it does not constitute professional liability derived from technical omissions or mistakes related to jobs, consultations, projects or any other commissions or services.**

Damage or injury resulting from poor conservation of products as well as manufacturer and distributor liability is not covered.

This cover is subject to the events referred to above occurring when performing the business activities which are the object of the insurance policy.

This cover shall take effect only if the cause occurs while the contract is in force, and provided that not more than one year has elapsed between the cause and the damage or injury appearing and the claim being made by the injured third party.

When the Insured is publicly liable in any of the situations set out in the sections above, the Insurer will cover:

1) Legal management

In any legal procedure that is derived from a loss covered by this policy, the Insurer shall pay for the cost of legal management against claims filed by the injured third party and shall appoint the lawyers and court representatives who shall defend and represent the Insured in legal action taken against them involving claims for public liability covered by this policy, and even when the said claims are unfounded.

Should there be a conflict of interest between the Insured and the Insurer because the latter has to uphold interests in the claim which are contrary to the defence of the Insured, the Insurer shall notify the Insured of this situation without prejudice to the carrying out of such legal formalities which in view of their urgency are necessary for the defence of the Insured. In this case, the Insured may choose between retaining the legal representation provided by the Insurer or entrusting their defence to another person.

If the Insured designates another person to defend them, the Insurer shall pay the costs of such legal management **up to a limit of 10% of the sum insured for the general operating liability cover.**

This cover shall not be applicable when the amount of the claim that is filed against the Policyholder/Insured is less than the amount of the excess established in the Schedule.

2) Legal bonds

The Insurer also covers bonds imposed on the Insured to ensure their public liability or to secure their release on bail in criminal proceedings resulting from a loss covered by the policy.

Such posting of bonds shall be payment on account for any future compensation and its maximum limit shall be the sum insured stated in the Schedule for the relevant public liability cover. Not included in this cover is the provision of bonds for the payment of personal penalties such as fines or costs.

Sum insured: up to 100% of the sum stated in the Schedule.

The maximum amount that the Insurer shall pay for all victims or injured parties shall be that stated in the Schedule for this cover.

In the case of damage to goods in the possession of the Insured for the purposes of their repair in the business premises stated in the Schedule, there will be a maximum compensation limit of €6,000 per claim with a limit of €600 per damaged item and an excess of €150 per claim to be paid by the Insured.

Not included in this cover 2.5 is public liability for personal injury and material damage caused:

- a) Intentionally, unless done to prevent more serious injuries or damage from occurring.
- b) By one insured party to another insured party with the exception of the provisions of employer public liability and provided that the employee is registered with the social security system.
- c) By driving motor or animal-drawn vehicles.
- d) As a result of the possession of explosives, firearms, contaminating, corrosive or radioactive products and animals.
- e) By pollution, seepage, contamination or alteration of air, water and soil caused by the effects of temperature, smoke, dust, soot, gases, vapours, vibrations or by any other cause, including pathogen agents.
- f) Caused to the injured third party by their own negligence.
- g) To property given to the Insured as a result of defective work, or damage caused while doing the said defective work.
- h) Breach of obligations derived from the existence of a contract between the Insured and the injured third party or liabilities derived from failure to comply with official provisions or any breach of legal obligations, or any monetary loss that third parties might sustain when this is not a direct consequence of personal injury or material damage included under this cover.
- i) The professional duties of engineers, architects, site engineers, independent professionals, technical office staff and, in general, of any other qualified professionals when performing their technical or health duties for the Insured.
- j) Damages resulting from risks that should be covered by compulsory insurance.

2.6. WATER DAMAGE

Direct material damage sustained by insured property as a result of water:

- a) Which leaks from fixed pipes and tanks used to carry, distribute or drain water, as well as installations for heating, refrigeration and those used by the insured establishment, due to breakage, blockage, defects and freezing and because of oversight or intentional harm by third parties.
- b) Which is caused by from dripping from premises which are next door or on the floor or floors above.
- c) Coming from stopcocks or taps which have not been turned off.

The cost of opening up and closing up the walls of the insured property in order to find the water leaks that have caused the covered damage and the cost of the repairs to the water pipes that caused the loss are included provided that building and refurbishment work insurance has been taken out.

In the event that refurbishment work has been taken out, costs provided for in this paragraph are not covered when they are for areas other than those which are being refurbished.

The Insured undertakes to maintain their water installation in good condition and to carry out such repairs and other actions as may be required for the proper upkeep of piping, in particular by replacing defective pipes and unblocking those which have become blocked. In the event that the building or premises are not to be used for some time, the Insured must also switch off all mains connections and empty all appliances and installations if possible. Likewise in winter they must take adequate precautions to prevent the harmful effects of water freezing.

Not covered are repairs to taps and appliances and damage caused:

- a) By underground water and the reflux of water from the public sewage system.
- b) The cost of unblocking or cleaning any type of pipe or drain.
- c) Due to construction or repair work carried out on the insured risk.
- d) To roofs and facades due to external drainage or service connection pipes.
- e) By water from portable containers and by washing floors or plasterwork.
- f) Due to the overflowing or breakage of dams and dikes.
- g) Due to water leakage through roofs or walls or flat roofs when it results from defects in or poor upkeep of the property.
- h) Due to damp or condensation.
- i) As a result of generalised corrosion or manifest wear of the building's installations.

- j) To merchandise that is stored on pallets, shelves or similar and which is located at a height of less than 10 centimetres from the ground, unless the same damage would have occurred if the merchandise had been located above that height.
- k) Due to atmospheric phenomena whose cover is included in section 2.4.3 of article 2.

Sum insured: up to 100% of the sums insured for building and refurbishment work and/or content.

In the case of premises or attached buildings or rooms whose floor is more than 50 centimetres below the ground level of the area where the building stands, coverage shall be limited to a maximum of 10% of capital sums.

The cost of finding and repairing faults is covered up to 20% of the sum insured for building and refurbishment work up to a limit of €5,000.

2.7. PROPERTY OF THE INSURED FOR PRIVATE USE

Property of the Insured for private use is included as part of the sum insured for content, and any direct damage it may sustain as the result of a loss included in the covers which feature in the Schedule is covered. The cover shall take effect when the said property is inside the risk object stated in the Schedule.

Sum insured: up to €500 per claim.

Article 3. Object and scope of the insurance:

Optional covers

The risks set out below are covered by this policy as long as this is specifically stated in the Schedule.

3.1. BREAKAGE OF GLASS, WINDOWS AND SIGNS

Direct material loss due to breakage is covered in the case of: glass, windows, mirrors, panes, methacrylate, skylights and signs, including the cost of transport, installation, sign writing and/or silk screen printing, provided that they are a fixed part of the property insured under building, content or refurbishment work. Nonetheless, if only content has been insured, glass in doors, windows and signs at the building or premises is covered. **Also covered is the breakage of sanitary ware, with an excess of €150 per claim.**

The following are not covered:

- a) Glass of artistic value.
- b) Hand-held objects, sound and vision appliances, computers or other objects which are not a fixed part of building, content or refurbishment work.
- c) Lamps, neon bulbs (unless specifically included in the Schedule) and all other types of bulbs.
- d) Breakage due to defective installation or fitting, to work done on the insured objects or to their frames, and breakage occurring during assembly or disassembly.
- e) Breakage brought about during refurbishment work, repairs, painting, or work being done to get ready for or carry out removals.
- f) The effects of scratching, flaking or other causes which produce mere cosmetic defects.
- g) Aquariums and fish tanks or bowls.
- h) Objects entirely made of glass, marble, granite, methacrylate or glass fibre and which are not a fixed part of the property insured under building or content and used for decoration or ornamentation.

Sum insured: at first loss, up to 100% of the sum stated in the Schedule.

3.2. ELECTRICAL DAMAGE

Damage caused by power surges, short-circuits and lightning strikes when a fire is not caused is covered:

- a) As long as all installations forming part of the property are insured under building and refurbishment work.
- b) As long as electrical and electronic appliances and their accessories are insured under content.

In order for this cover to take effect, the electrical installation in the premises must comply with prevailing legal regulations and the Insured must maintain it in a good state of repair by carrying out any such repairs and modifications as may be required for the proper upkeep of the same.

At the request of the Insurer, the Insured undertakes to provide the Insurer with a copy of the most recent bill they have in their possession or of their contract with the electricity utility.

This cover does not apply to machinery and/or computers and IT equipment insured by covers 3.3. Breakdown of machinery and 3.4. Breakdown of computers.

The following are not covered: light bulbs, lamps, fluorescent tubes, neon bulbs or their components.

Sum insured: at first loss, up to 100% of the sum stated in the Schedule.

3.3. BREAKDOWN OF MACHINERY

Direct material damage sustained by machinery as listed in the Schedule and used for managing the business is covered if occurring as a result of:

- a) The direct action of electricity in the event of short-circuits, electric arcs, power surges and other similar effects together with those brought about by a lightning strike when a fire is not caused.
- b) Lack of skill or negligence when handling the equipment.
- c) Accidental falls and knocks.
- d) Accidental spillage of liquids or the entry of foreign bodies.

At the request of the Insurer, the Insured undertakes to provide the Insurer with a copy of the most recent bill they have in their possession or of their contract with the electricity utility.

The following are not covered:

- a) Damage brought about due to a lack of maintenance.
- b) Damage resulting from the use of the insured machinery after a loss and before final repairs have been completed.
- c) Defects or faults that were already present when the insurance was taken out as well as gradual wear or deterioration resulting from normal use and operation.
- d) Purely cosmetic damage.
- e) Experiments, trials or tests during which the machinery is required to operate at a greater than normal level.
- f) Damage for which the manufacturer, supplier or head of maintenance of the insured property is legally or contractually responsible.

- g) Items which are susceptible to wear, such as valves, tubes and any other components with limited lives.
- h) Damage resulting from an interruption in the supply of electricity.
- i) Damage and costs covered by a technical service and maintenance contract taken out with the manufacturer or supplier of the machinery.
- j) Machinery which is outside the insured establishment.
- k) Machinery which is not listed in the Schedule.

Sum insured: at total value, up to 100% of the sum stated in the Schedule for this cover.

3.4. BREAKDOWN OF COMPUTERS

Direct material damage sustained by computers, terminals and peripherals as listed in the Schedule and used for managing the business is covered if occurring as a result of:

- a) The direct action of electricity in the event of short-circuits, electric arcs, power surges and other similar effects together with those brought about by a lightning strike when a fire is not caused.
- b) Lack of skill or negligence when handling the equipment.
- c) Accidental falls and knocks.
- d) Accidental spillage of liquids or the entry of foreign bodies.

At the request of the Insurer, the Insured undertakes to provide the Insurer with a copy of the most recent bill they have in their possession or of their contract with the electricity utility.

The following are not covered:

- a) Damage brought about due to a lack of maintenance.
- b) Damage resulting from the use of the insured equipment after a loss and before final repairs have been completed.
- c) Defects or faults that were already present when the insurance was taken out as well as gradual wear or deterioration resulting from normal use.
- d) Purely cosmetic damage.
- e) Experiments, trials or tests during which the equipment is required to operate at a greater than normal level.
- f) Damage for which the manufacturer, supplier or head of maintenance of the insured property is legally or contractually responsible.
- g) Items which are susceptible to wear, such as tubes and fuses, as well as consumable materials such as tape, ink and paper.

- h) The costs of programming and those for the restoration or reproduction of stored information.
- i) Damage resulting from an interruption in the supply of electricity.
- j) Damage and costs covered by a technical service and maintenance contract taken out with the manufacturer or supplier of the equipment.
- k) Computers, terminals and peripherals which are outside the insured establishment.
- l) Damage caused by any type of computer virus or computer piracy.

Sum insured: at total value, up to 100% of the sum stated in the Schedule for this cover.

3.5. BUSINESS INTERRUPTION

Losses brought about by the total or partial temporary stoppage of the activity of the insured establishment as a result of a loss included in sections 2.1 Fire and supplementary, 2.4 Extension of covers and 2.6 Damages due to water in article 2 of these terms and conditions are covered provided that they feature as included in the Schedule.

This cover is subject to the actual renewal of the insured business activity after the loss. Nonetheless, if due to an Act of God and regardless of the wishes of the Insured the latter should find it impossible to continue to operate their business, they shall be entitled to receive compensation exclusively for general fixed costs incurred up to the moment in which they became aware of the impossibility of continuing with their business operations. The compensation limit may not exceed the sum stated in the Schedule.

3.5.1. Types of compensation

The type of compensation included in the policy shall be that stated in the Schedule.

Insurable types of compensation:

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

3.5.1.1. Daily compensation

The Insurer shall pay the sum agreed in the Schedule for each working day on which the business activity of the Insured is interrupted, in proportion to the degree of stoppage of this business activity and **up to the limit set out in the following paragraph.**

This cover shall have no effect if in spite of the loss the establishment is able to operate at more than 75% of its normal level as certified by the report of the loss adjuster appointed by the Insurer.

The compensation period shall be that agreed in the Schedule.

3.5.1.2. Fixed costs

The Insurer shall pay up to 100% of the sum stated in the Schedule for costs which do not vary as a direct function of the business activity of the company, and which must be paid in spite of the interruption of this business activity brought about by a loss included in this cover.

The compensation period shall be that agreed in the Schedule.

The sum insured must be equal to the annual fixed costs of the most recent financial year.

3.5.1.3. Gross profit

The Insurer shall pay up to 100% of the sum stated in the Schedule for this cover for the loss of gross profit arising from the reduction in turnover or the increase in operating costs.

The compensation period shall be that agreed in the Schedule.

3.5.1.3.1. Key concepts in this type of insurance cover

Net profit. Net earnings from the insured business after subtracting forecast expenditure and amortisations for depreciation, and without taking into account profits tax or increases or reductions in capital or the result of investment.

Fixed costs. Costs which do not vary as a direct function of the business activity of the company and must be paid by the company even during the total or partial interruption of business operations caused by the loss.

Gross profit. The sum resulting from adding insured fixed costs to net profit. If the business is making a loss, the gross profit will be the amount of insured fixed costs minus the proportion of the loss which corresponds to these insured fixed costs in terms of total fixed costs.

Business interruption or stoppage period. This begins on the date of the loss entailing material damage which causes such interruption or stoppage and ends on the date on which the interrupted or stopped business activity resumes normal operation.

Compensation period. The time during which the business is affected by the loss and up to the limit set in the Schedule.

Percentage of gross profit. The relation between gross profit and turnover for the financial year prior to that in which the loss takes place.

Reference turnover. Turnover in the previous year during the same months as the compensation period.

Turnover. This is the sum of the amounts paid and due to the Insured for goods sold and delivered and services provided by the business during a set period of time.

Annual turnover. This is turnover for the twelve months prior to the month in which the loss takes place.

Business operation trend. This is the consideration of the internal and external factors which affect business operations both before and after the loss in order to determine as accurately as possible the gross profit and the turnover which the establishment would have obtained during the compensation period if the loss had not occurred.

3.5.1.3.2. Sum insured and premium

The sum insured shall be the gross annual profit made in the last financial year.

The sum and the premium stated in the policy shall be deemed to be provisional and shall be updated in accordance with the following criteria:

- a) At the end of each financial year and at most during the following six months, the Policyholder or the Insured must tell the Insurer in writing the actual amount of their gross profit for the said financial year. If this is not done the sum declared in the policy shall be deemed to be final.
- b) If the report from the Policyholder or the Insured shows that the actual gross profit is greater than the sum insured stated in the policy, the Insurer shall issue a certificate to increase the sum insured backdated to the start of the plan year up to the total of the aforementioned gross profit, and the Policyholder or the Insured undertake to pay the increased premium.

The sum insured and the premium that have been thus increased shall be deemed to be provisional for the following plan year.

- c) If the report from the Policyholder or the Insured referred to in paragraph a) above shows that the actual gross profit is less than the sum insured stated in the policy, the Insurer shall issue a certificate to reduce the sum insured backdated to the start of the plan year and shall reimburse the Policyholder for the excess part of the premium paid, though this reimbursement may not be greater than 20% of the provisional premium. There shall be no premium reimbursement for the last plan year when the policy is in force.

3.5.1.3.3. Determination of the compensation

The following factors will be taken into consideration in order to determine the amount of compensation:

- a) The reduction in turnover, by applying the gross profit percentage to the quantity by which turnover is reduced as a result of the loss during the compensation period in relation to its reference volume.
- b) The increase in operating costs, this being defined as the additional expenditure which the Insured is reasonably required to make in order to prevent or reduce the fall in their turnover. Compensation under this heading may not exceed the amount resulting from applying the percentage of gross profit to the amount of the fall that is prevented in this way.

The part of fixed costs which are avoided or reduced during the compensation period shall be subtracted from the total compensation paid.

If goods are dispatched or services provided outside the premises specified in the policy on behalf of the business during the compensation period either by the Insured or by others on behalf of the Insured, the money received or pending payment for these sales or services shall be taken into consideration when setting the business's turnover during the compensation period.

Business interruption is not covered in the following circumstances:

- a) Due to provisions and regulations or to fines and penalties arising from infringement of them.
- b) For the extension of the installations or other improvements made after the loss.
- c) From the time when the business is in liquidation or declared to be in suspension of payments, bankruptcy, seizure or subject to a meeting of creditors whether by court order or otherwise.
- d) Due to delays in the repair or replacement of damaged property, intentional slow work or other similar factors that delay the coming into service of the insured assets with respect to the time that would be required under normal conditions.
- e) Due to consequential or indirect damage.
- f) Loss of information contained in computer equipment and/or files together with the destruction or damaging of plans, drawings, samples, moulds, models and originals.
- g) For events covered by the Insurance Compensation Consortium even when this body does not admit the effectiveness of the rights of the Insured due to breach of any of the rules set out in prevailing regulations and supplementary provisions.

3.6. REFRIGERATED GOODS

Damage and deterioration sustained by goods stored in walk-in refrigerators and refrigerated appliances sited in the premises described in the Schedule are covered in the following cases:

- a) Reduction, standstill or rise in the temperature inside the walk-in refrigerator or refrigerated appliance due to:
 - a loss covered by the policy.
 - a fault in the aforementioned appliances.
- b) Sudden, unforeseeable and accidental leakage or spillage of the refrigerant used by the appliances.
- c) Water or electricity outages that last more than 12 hours.

Not covered is damage and deterioration sustained by goods:

- a) Due to a mistake in setting the temperature.
- b) As a result of defective or inadequate packaging or storage, inherent defects in the goods, shrinkage or loss of weight.
- c) When the insured premises are closed for more than 72 consecutive hours.
- d) As a result of a failure in the refrigerant resulting from faulty or incomplete repair.
- e) Due to lack of maintenance, or the obsolescence or natural wear of the machine.
- f) Due to contracted electrical power being inadequate for the needs of the establishment.

Sum insured: at first loss, up to 100% of the sum stated in the Schedule for this cover.

3.7. BURGLARY AND ROBBERY

The policy covers the following risks:

3.7.1. Risks:

3.7.1.1. Burglary and robbery

Losses due to the disappearance, destruction or damaging of insured property as the result of burglary, robbery or attempted burglary or robbery provided that the insured property is inside the locked or enclosed premises and covered so as to be inaccessible from the outside.

3.7.1.2. Burglary of cash

Burglary of cash or documents representing a money collateral provided that they are inside the locked or enclosed premises and covered so as to be inaccessible from the outside.

3.7.1.3. Robbery of cash

Robbery of cash or documents representing a money collateral by means of acts of intimidation or violence against the Insured or their employees provided that they are inside the premises described in the Schedule.

3.7.1.4. Burglary from outside the premises

Burglary committed by breaking windows and removing property from the outside through the broken window without the burglar or burglars actually entering the premises.

3.7.1.5. Robbery from customers and employees of the Insured

Losses sustained by the customers and employees of the Insured resulting from robbery inside the premises specified in the Schedule. This includes cash or documents representing a money collateral.

3.7.1.6. Cash in transit

Robbery during the transfer of cash and in general any documents or receipts which represent monetary value or collateral, carried out by the Insured or by their employees who are on the payroll. Once the person carrying the cash has left the collection point, any robbery is covered as long as they go directly and with no detours to the place where the money is to be deposited.

This cover is limited to transfers carried out during the business hours of the insured establishment and at most up to one hour after the closing of the same. The person carrying the cash must be over 18 and have no physical or mental handicaps which would reduce their ability to perform this task.

3.7.1.7. Replacement of files

The expenses and outlay incurred due to the reconstruction and replacement of files provided that this is the consequence of a loss covered by this burglary and robbery cover.

3.7.1.8. Replacement of keys as a result of burglary or robbery

Expenses incurred due to theft of the keys to the insured risk as the result of burglary or robbery either inside or outside the premises.

The cover is limited to the cost of the total or partial replacement of the lock, including the keys, by another one of similar specifications.

Not covered is simple loss or mislaying.

3.7.1.9. Employee disloyalty

Direct material losses sustained by the Insured for the amount which has been taken by means of embezzlement, theft, fraud, misappropriation, falsification or unlawful taking away, whether in cash, bank notes, instruments, coupons, receipts, cheques and securities in general, **committed by an employee who is listed by the Policyholder in the Schedule, and provided that the said employee is registered with Social Security.**

The Insured is obliged to keep the books required by the Commercial Code and other prevailing provisions up to date and to enter the series, number and type of securities in the same.

The Insured must report the incident to the relevant authorities and shall be entitled to compensation provided that the employee is dismissed and once a final ruling has been given by a court that finds the employee to be guilty as charged.

The following are not covered:

- a) Theft or embezzlement due to negligence or gross fault on the part of the Insured or their representatives.
- b) Acts of employees that cannot be classified as fraud or deceit due to the said employees having acted in good faith or on the instructions of the Insured.
- c) Acts of employee disloyalty which are not reported in the six months following the date on which they were committed.

3.7.2. Sums insured

3.7.2.1. Burglary and robbery

Up to 100% of the sum stated in the Schedule.

3.7.2.2. Burglary of cash

At first loss, up to 100% of the sum stated in the Schedule.

3.7.2.3. Robbery of cash

At first loss, up to 100% of the sum stated in the Schedule.

3.7.2.4. Burglary from outside the premises

At first loss, up to 100% of the sum stated in the Schedule.

3.7.2.5. Robbery from customers and employees of the Insured

Up to €200 per person and up to a maximum of €3,000 for all the robberies committed as part of the same offence.

3.7.2.6. Cash in transit

At first loss, up to 100% of the sum stated in the Schedule.

3.7.2.7. Replacement of files

At first loss and up to the sum stated for this cover in the Schedule, Content section, with a maximum of €3,000 per loss for computer files.

3.7.2.8. Replacement of keys as a result of burglary or hold-up

At first loss, up to €600 per loss.

3.7.2.9. Employee disloyalty

At first loss up to 100% of the sum declared for this cover in the Schedule. **There will be an excess of 20% of the amount of the loss to be paid by the Insured.**

3.7.3.

Not covered are damage and losses included under cover 3.7. Burglary and robbery:

- a) Due to simple loss or mislaying.
- b) In the event of theft.
- c) Arising from burglary, robbery or attempted burglary or robbery carried out by people who depend on or live with the Insured or when the same have acted as accomplices or accessories after the fact except for that set out in section 3.7.1.9. Employee disloyalty.
- d) To windows, glass and signs, unless cover 3.1 Breakage of windows, glass and signs has been taken out and in accordance with its provisions.
- e) Due to events brought about by grave negligence on the part of the Insured or of people who depend on or live with them.
- f) To fruit machines, recreation machines, cigarette machines or other vending machines that are duly authorised and the money inside them.
- g) Machines or appliances which can be accessed or used from outside the insured premises.
- h) To property in buildings or rooms which are not exclusively used by the Insured.

Also not covered are the burglary and robbery of:

- Goods in shop windows and display cases located outside the premises.
- Jewellery, jewels, precious stones and gold or platinum objects, save in the case of robbery from the Insured or the customers or employees of the Insured in accordance with that set out in sections 2.7 and 3.7.1.5, respectively.
- Paintings, works of art, precious objects, articles of clothing or ivory when the said objects have a unit value that is greater than €1,500.
- Costume jewellery, trinkets, clocks and watches and silver objects when the aforementioned property has a unit value that is greater than €600.

In addition, having accepted the risk and set the premium based on the security measures and on other aggravations of the risk of burglary and robbery as declared by the Policyholder and/or the Insured in the application/questionnaire and in the Schedule which form an integral part of this contract, it is hereby expressly stated that the Insurer, under the terms of the Insurance Contract Act, is expressly released from any liability when the insured establishment is not protected by the said protection and/or security measures which are duly installed and, if required, activated.

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

Damage caused to accesses to the inside of the insured risk (doors, windows or similar) due to burglary or attempted burglary is covered as long as this is stated in the Schedule.

Sum insured: at first loss and up to 100% of the sum stated in the Schedule.

Article 4. Risks not included in general for all covers

4.1. RISKS NOT INCLUDED FOR ALL COVERS

Not included in general for all covers, and in addition to that specified in each one of them, are losses:

- a) Occurring as a result of civil or international war, whether or not there has been an official declaration of war, the actions of the armed forces and law enforcement agencies in peacetime, popular or military uprisings, terrorism, rebellion, sedition, rioting and civil disturbances.
- b) Due to extraordinary natural phenomena: earthquakes, seaquakes, flooding (including battering by waves), volcanic eruptions, uncharacteristic cyclones (including extraordinary winds with gusts over 135 kph and tornadoes) and the fall of astral bodies and meteorites.
- c) Subsidence, sliding or falling of rock or any meteorological phenomenon which is not lightning or those covered by cover 2.4.3 Atmospheric phenomena.
- d) That is directly or indirectly caused by the disintegration of an atomic nucleus, a modification in atomic structure or radiation from radioisotopes.
- e) Caused by events or phenomena that are covered by the Insurance Compensation Consortium or when the said body does not accept the validity of the rights of the Insured due to breach attributable to the same of any the rules laid down in its regulations and supplementary provisions in force at the time of the occurrence. Also excluded are any differences between the damages produced and the sums given in compensation by the Insurance Compensation Consortium arising from the application of excesses, deductions, condition of average and other limitations.
- f) Events classified by the national government as a "national catastrophe or disaster".
- g) Which have been deliberately caused by, or with the complicity of, or due to gross fault on the part of, the Policyholder, the Insured or relatives of either of them who live with them, or the dependants of the Insured if acting with the latter's collusion.
- h) Connected with fines or penalties imposed by the authorities.
- i) Brought about on the occasion of or as a result of the use of the insured establishment for activities other than those declared in the Schedule.
- j) Occurring when the premises are unoccupied or when their business activity is interrupted for more than 45 consecutive days.
- k) Indirect damage and losses of any kind are excluded.

4.2. PROPERTY AND OBJECTS THAT ARE NOT COVERED

Likewise the following property and objects are not covered unless expressly agreed otherwise in the Schedule or specifically referred to as being covered in one of the covers of this policy:

- a) Collections of stamps, coins or similar.
- b) Early printed manuscripts and books, records, cassettes, DVDs or other rare information media, that is to say which are not frequently traded.
- c) Deeds, securities, moulds, models, originals, designs, plans and other documents or similar objects.
- d) Money whether in the form of notes or coins, cheques, lottery tickets, postage stamps, stamps and stamped paper, pawn tickets and, in general, any documents or receipts which represent monetary value or collateral.
- e) Goods and objects owned by third parties unless the same is in the possession of the Insured for repair or they have the same specifications as those of the insured establishment and their coverage has been agreed in the Schedule.
- f) Live animals, only in the event of asphyxia.
- g) Motor vehicles which are licensed to be driven on public highways.

Article 5. Scope of the covers

The scope of the covers in this insurance contract is restricted to the place indicated in the Schedule, save in the case of the following covers whose scope is limited to Spain and Andorra.

- a) 2.5. Public liability.
- b) 3.7.1.6. Cash in transit.
- c) 3.7.1.8. Replacement of keys as a result of burglary or robbery.

Article 6. Damage appraisal

a) Buildings

Buildings shall be appraised according to the value of new construction immediately prior to the loss, including foundations but excluding the value of the plot. The cover of the policy is extended to the difference between the actual value of the insured property at the time of the loss and its replacement value; this difference may not be greater than 50% of the replacement value. **The Insured shall pay any excess over this percentage.**

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

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

b) Furniture and industrial furnishings

These shall be appraised at value as new on the market prior to the loss. If they are not available on the market, other items of similar specifications and performance shall be used for valuation purposes. The cover of the policy is extended to the difference between the actual value of the insured property at the time of the loss and its replacement value; this difference may not be greater than 50% of the replacement value. **The Insured shall pay any excess over this percentage.**

The appraisal at value as new is subject to the Insured replacing the damaged items within two years of the loss by others of the same type, specifications and properties. If the items are not replaced in compliance with the previous paragraph, compensation shall be paid for actual value and not for value as new.

c) Goods

They shall be appraised at their market purchase price at the time prior to the occurrence of the loss, unless their sale price is less in which case this latter figure shall be used.

d) Artistic or precious objects

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

e) Breakdown of machinery, computers and electrical equipment

In the case of breakdowns which can be repaired, the Insurer shall pay for the cost of restoring the damaged machinery to an operating condition similar to the one it had immediately prior to the loss, after subtracting the value of any remains. The cost of transport to and from the repair workshop is included, as are customs fees should there be any.

The Insurer shall not pay for the cost of any provisional repairs unless they form part of the final repair, and nor shall it pay for any supplementary costs incurred due to improvements or checks that are carried out while the machinery is being repaired.

Any depreciation due to the repair is not covered.

If the repair should lead to an increase in the value of the machinery compared with its value prior to the loss, this increase shall be subtracted from the repair costs.

The Insurer may deem the insured object to have been totally destroyed if the cost of repair is equal to or greater than 75% of the actual value of the machinery immediately prior to the occurrence of the loss. In this case compensation shall be given for the actual value of the appliance at that time, including transport and customs costs if there are any, and subtracting the value of remains.

Article 7. Indexation of sums insured

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

Indexation of sums insured will take the base index stated in the Schedule as the base index for the time the policy was taken out.

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

Indexation of sums insured shall not be applicable to cover 2.5 Public Liability, to those in which a compensation limit is specifically stated, and to excesses.

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

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

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

V. Supplementary legal defence insurance

The terms and conditions set out below are applicable to this Legal Defence and Claims for Damages cover:

ARTICLE 1. DEFINITION OF THE INSURED

For the purposes of this cover the Insured means:

- The Policyholder, a natural or artificial person, owner of the interest which is the object of the insurance.
- In the covers which affect them, the salaried employees of the Policyholder expressly referred to in the Schedule.

ARTICLE 2. OBJECT AND SCOPE OF THE COVER

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

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

Covered costs are as follows:

- a) Legal fees and costs arising from the processing of covered procedures.
- b) The fees and costs of lawyers.
- c) The fees and expenses of court representatives when their intervention is mandatory.
- d) Notary fees and the cost of power of attorney granted for lawsuits, as well as the certificates, requirements and other legal documents needed for the defence of the interests of the Insured.
- e) The fees and expenses of loss adjusters.
- f) Posting, in criminal proceedings, of bail bonds to guarantee the release on bail of the Insured as well as to pay legal costs with the exception of compensation and fines.

ARTICLE 3. TERRITORIAL EXTENSION

All losses occurring in Spain and Andorra and which are subject to the courts and tribunals of Spain and Andorra are covered.

ARTICLE 4. COVERS INCLUDED

4.1. Claims for damages

This cover includes the defence of the interests of the Insured by filing claims for non-contractual damages which they may have suffered either as personal injury or material damage to moveable property owned by them or in their custody located inside the premises stated in the Schedule or when performing jobs that form part of the insured business activity, and which is caused by negligence or malice.

This cover extends to claims for damages sustained by the Insured as a pedestrian or as a passenger in any means of land transport provided that the same occurs when carrying out the trading or commercial activities referred to in this policy.

4.2. Criminal defence

This cover includes the criminal defence of the Insured with reference to the trading or commercial activity of the Insured as set out in the policy.

This cover extends to the criminal defence of the Insured as a pedestrian or as a passenger in any means of land transport provided that the same occurs when carrying out the trading or commercial activities referred to in this policy.

Actions deliberately brought about by the Insured as determined by a final court ruling are excluded.

4.3. Rights relating to the premises

This cover includes the defence of the interests of the Insured relating to the premises specified in the Schedule and in which they carry out their stated trading or commercial activity.

4.3.1.

As a TENANT with respect to:

- Disputes arising from the rent contract. Legal action for eviction due to non-payment of rent is not covered.

4.3.2.

As OWNER or USUFRUCTUARY in relation to:

- Conflicts with their immediate neighbours arising from rights of way, lights, views, distances, boundaries, dividing walls or plants.
- The defence of their criminal liability as a member of the board of co-owners of the building in which the insured premises are located.
- The defence and assertion of their interests against the Owners' Association, providing that they are up to date with payment of legally agreed fees.

4.3.3.

As TENANT, OWNER or USUFRUCTUARY. This cover also includes the defence and assertion of their interests as the Insured with respect to:

- Claims for non-contractual damage caused by third parties to the premises.
- Claims against their immediate neighbours for breach of legal regulations concerning emissions of smoke or gas.
- Claims for non-contractual damage caused by third parties to moveable property located in the premises owned by the Insured.
- Claims for breach of service contracts for the repair or maintenance of the installations in the premises and provided that payment for such services is borne by the Insured in its entirety and has been made.

Actions deliberately brought about by the Insured as determined by a final court ruling are excluded from all the covers in this article.

4.4. Service contracts

This cover includes claims for breach of the following service provision contracts which are taken out for the trading or commercial activity of the Insured, are in the name of the Insured and of which the Insured is the end-user:

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

Not covered are utilities contracts such as ones for water, gas, electricity and telephone services.

4.5. Telephone Legal Assistance

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 their rights and the best way of defending them in the field of the Insured's trading or commercial activity in relation to the covers contained in this insurance.

Queries about tax issues, company law and financial and banking questions are excluded under all circumstances.

This legal information will be provided via the Zurich-Business Services phone line.

ARTICLE 5. COMPENSATION AND EVENTS THAT ARE NOT COVERED

Under no circumstances shall the following be covered:

- a) Compensation and any interest arising from it and any fines and sanctions which may be imposed on the Insured.
- b) Taxes and other fiscal payments arising from the filing of public or private documents with official bodies.
- c) Expenses arising from legal accumulation or counterclaims when they refer to matters other than those included in the covered perils.
- d) Losses that arise from or are related to the planning, construction, transformation or demolition of the property or installations where the insured risk is located, as well as those originating from quarries, mining and manufacturing installations.
- e) Losses related to motor vehicles and trailers which are owned by the Insured or under their responsibility albeit occasionally.
- f) Those occurring in the private life of the Insured or stemming from any activity other than the insured one.
- g) Claims which may be filed amongst the insured parties in this policy or by any of the same against the Insurer, except in the case of the employment contract cover.
- h) Those connected with information technology or with items covered by article 336 of the Spanish Civil Code, in other words income or pensions, contracts for public services and covered mortgage bonds.
- i) Litigation with reference to questions of intellectual or industrial property, companies, and legal proceedings with regard to town planning, land consolidation or expropriation or stemming from any agreements concerning the assignment of rights in favour of the Insured.
- j) Litigation deriving from or originating in strikes, lock-outs, collective labour disputes or redundancy procedures.
- k) Insured cases which occur after two years have elapsed since the date of cancellation or annulment of this contract.

ARTICLE 6. SUM INSURED

Up to 100% of the sum stated for this cover in the Schedule.

Events which have the same cause and have occurred at the same time will be deemed to be a single loss.

ARTICLE 7. CLAIMS PROCESSING

7.1. Definition of loss

For the purposes of this cover loss means any unforeseen event which is harmful to the interests of the Insured or changes their legal situation.

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

In the case of claims for non-contractual fault, the loss shall be deemed to have occurred at the time when the damage is caused.

In litigation about contractual issues, the loss shall be deemed to have occurred when the Insured, the opposing party or a third party began or is alleged to have begun breach of the provisions of the contractual relationship.

7.2. Waiting periods and minimum claim amounts

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

In contractual and administrative cases the waiting period shall be three months from the date on which this Legal Defence cover came into force.

Legal Defence costs are not covered in claims for less than €300.

7.3. Procedure in the event of a loss

The processing of the Insurer's Legal Defence Insurance claims is handled by ARAG, a company which is legally separate from the Insurer.

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

Once the claim has been accepted the Insurer will begin the process of obtaining a settlement which recognises the objectives or rights of the Insured.

If the attempt to obtain an amicable or out-of-court settlement does not produce a result that is accepted by the Insured, the Insurer will then begin legal action if the Insured so requests and their objectives are reasonable.

In this case the Insurer shall inform the Insured of their right to a free choice of professionals to represent and defend them in the lawsuit.

In all other circumstances, once the claim has been accepted the service will be provided in accordance with the nature and circumstances of the incident.

7.4. Disagreement with the processing of a claim

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

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

7.5. Choice of lawyer and court representative

The Insured will have the right to freely choose the court representative and lawyer who are to represent and defend them from the time at which they become involved in any legal, administrative or arbitration procedure covered by this insurance.

Before appointing them, the Insured must inform the Insurer of the name of the lawyer and court representative they have selected. The Insurer may reject the chosen professional on reasoned grounds, and in the event that the dispute should continue it shall be subjected to the arbitration provided for in the previous article in these general terms and conditions.

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

The professionals chosen by the Insured shall have the broadest freedom in deciding on strategy in the matters entrusted to them, and shall not be subject to the instructions of the Insurer. The Insurer shall likewise not be responsible for the actions of the said professionals nor for the result of the case or proceedings. However, the aforementioned professionals will have to report to the Insurer with respect to their actions in the matter under litigation.

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

Should there be a conflict of interest between the parties, the Insurer will inform the Insured of the said circumstance so that the latter may decide on the appointment of a lawyer or court representative of their choice for the defence of their interests, in accordance with the freedom of choice recognised in this article. Nonetheless, it is hereby stated that defence in civil matters is automatically covered in public liability insurance pursuant to Article 74 of the Insurance Contract Act 50/1980, dated 8 October.

7.6. Payment of fees

The Insurer shall pay the fees of the lawyer who acts in the Insured's defence in accordance with the regulations established for that purpose by the General Council of Spanish Lawyers; in the absence of such regulations, those of the respective bar associations will be applicable.

Guideline fee regulations will be deemed to be the upper limit of the obligations of the Insurer. Any discrepancies with respect to the interpretation of these regulations shall be submitted to the appropriate commission of the relevant bar association.

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

7.7. Compromise settlements

The Insured may reach a compromise on issues being processed, but if this results in obligations for or payments charged to the Insurer, both parties may only act subject to prior common agreement between them.

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