

MOTOR



LIBERTY**MOTOR**

General
Conditions





LIBERTY**MOTOR**

LI10AUT 03/09

Important Note

This translation is only intended as a rough guide and the company cannot accept any liability for omissions, inaccuracies or variations arising from the translation. The contract between the Insurer and the Insured is on the basis of the Spanish text which prevails in case of any differences. The English translation does not form any part of the insurance contract.

03/09

INFORMATION STATEMENT

The member state that controls the insurance activity of the company is Spain, and the controlling authority is the Directorate General for Insurance and Pension Funds.

Applicable legislation: Act 50/80 on Insurance Contracts, the Revised Text of the Regulation and Supervision of Private Insurance Act, approved by Legislative Royal Decree 6/2004; the Revised Text of the Motor Vehicle Transit Liability and Insurance Act, approved by Legislative Royal Decree 8/2004; and their respective implementing regulations.

The insurance company **LIBERTY SEGUROS, Compañía de Seguros y Reaseguros, S.A.** has its registered address on **C/ Obenque 2, Madrid, Spain.**

CUSTOMER CLAIM AND PROTECTION REQUESTS

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

– **Customer Service Department.** C/ Obenque 2, 28042 Madrid. Fax: 91 301 79 98. E-mail: atencionalcliente@libertyseguros.es

– **Customer Ombudsman.** C/ Marqués de la Ensenada 2, 6ª planta, 28004 Madrid. Fax: 91 308 49 91. E-mail: reclamaciones@da-defensor.org

All complaints and claims will be handled and resolved within a period of two months after being submitted. After this period has elapsed and having received no response, or in the event of disagreement, the claimant may address the **Commissioner for the Defence of Insurance Policyholders and Participants in Pension Plans.** Pº de la Castellana 44, 28046 Madrid. For the solution of conflicts in court, the court in the policyholder's city of residence will hold jurisdiction.

The **Regulations for Customer Defence** are available to customers at offices of the Companies within the Liberty Group, which detail the procedures for handling complaints and claims. These regulations are also available on the website: www.libertyseguros.es, or from your insurance agent.

IMPORTANT

Be sure to read the general conditions and schedule of this contract carefully in order to fully understand your rights and obligations hereunder.

Review the information given in the schedule and, if it is correct, sign and send us the copy labelled "To be signed and returned". Please inform us if you find any errors, so that we can correct them.

Do not forget to report any changes that may occur to the parties listed as drivers of the insured vehicle.

It is important to carry the receipt for the premium for the last insurance year with you in your vehicle at all times as proof of the existence of mandatory liability insurance. Bear in mind that you can be penalised if you fail to provide it when asked by the traffic authorities.

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For the purposes of this contract, the following definitions shall be used:

■ **Insurer:** The insurance company is **Liberty Seguros, Compañía de Seguros y Reaseguros, S.A.**, which underwrites the policy together with the policyholder and is bound, through its collection of the relevant premium, to pay the benefit corresponding to each of the covers included in the schedule, pursuant to the limits and conditions set forth in the policy.

■ **Policyholder:** The individual or legal entity that signs this contract, together with the insurer, and to whom the obligations arising hereunder correspond, unless, due to their nature, they must be fulfilled by the insured.

■ **Insured:** The individual or legal entity that is titleholder of the insured interest and that, in the absence of the policyholder, undertakes the obligations arising hereunder.

■ **Beneficiary:** The individual or legal entity entitled to the indemnity, either because this right has been transferred by the insured or because the policy so stipulates. With regard to the personal accident cover for passengers: in case of death, the beneficiaries will be those parties expressly designated as such by the insured or, where no such express designation has been made, his/her legal heirs. In case of permanent disability, the beneficiary will be the insured.

■ **Driver:** The individual who, being legally authorised to do so as holder of the requisite driving licence for the insured vehicle, and with authorisation from the policyholder, the insured and/or the vehicle's owner, where s/he is not one of these parties, is driving the vehicle or has it in his/her care and responsibility when the claim occurs.

■ **Regular driver:** The person designated as such in the insurance contract, whose circumstances are the basis for the calculation of the premium.

■ **Policy:** The document containing the regulatory conditions of the insurance contract. The following form an integral part of the policy: the general conditions, the schedule, the special conditions and any riders or appendices that may be issued to complement or modify the policy.

■ **Premium:** The cost of the insurance. The bill for the premium shall also contain any legally applicable surcharges and taxes.

■ **Deductible:** The amount to be paid by the insured, in the event of a claim and pursuant to the terms of the policy, for each of the covered risks.

■ **Sum insured:** The sum established in the policy for each of the covers included in article 1 of the general conditions. It is the maximum limit on the indemnity to be paid for any and all reasons by the insurer in the event of a claim. For mandatory liability insurance, it shall be limited to the sums established under current law at the time the claim occurs.

■ **First loss insurance:** Type of insurance with which the insured is guaranteed a given sum, up to which a loss is covered independently of its actual value and for which the average condition does not apply. After a loss and/or pro rata for the time remaining until its next expiry, an additional premium must be paid to continue with the same level of cover.

■ Claim:

- Any accidental event occurring during the policy's period of cover, the consequences of which are guaranteed under one of the insurance covers.
- All personal injuries and material damage derived from a single event shall be construed as a single claim.

■ Bodily injury: Physical injury or death caused to an individual.

■ Material damage: The loss or deterioration of things or animals.

■ Vehicle fire: Total or partial combustion and burning by flame of the insured vehicle.

■ Explosion of vehicle: The sudden and violent pressurising or depressurising of the insured vehicle's gas or steam.

■ Personal accident: The bodily injuries derived from violent, sudden, external causes beyond the control of the insured when s/he is acting in his/her capacity as driver or passenger of an automobile, resulting in temporary or permanent disability or death.

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

- a. The policyholder.
- b. The insured.
- c. The driver and/or owner.
- d. Partners, executives, wage earners and persons who are, legally or in fact, dependent on the policyholder or the insured, while acting in the sphere of said dependency.

Mandatory liability insurance shall be governed by that set forth in the Revised Text of the Motor Vehicle Transit Liability and Insurance Act, regulations developed therein, and other legally applicable regulations.

■ Value as new: The total retail price of the insured vehicle when new, including any legal surcharges, fees and taxes (excluding road tax) needed to make it apt for transit on public roadways. Should the vehicle no longer be manufactured, or should it not be found in the manufacturer's catalogues or lists, the value of another vehicle with similar characteristics will be used as the value as new.

■ Actual cash value: The market value of the insured vehicle, immediately prior to the occurrence of the claim, based on its age, wear and tear and/or state of conservation. To this effect, the basis for calculation of the vehicle's actual cash value will be carried out using the tables in the manual of prices for the sale of second-hand vehicles (manual de precios de venta de automóviles de ocasión), published by EDITORIAL EUROTAX ESPAÑA (publication independent of market studies for the valuation of vehicles).

■ Total loss: A claim is considered to be a total loss when the estimated cost of repairing the damaged vehicle exceeds 75% of the value as new, for vehicles under 4 years old, or 75% of the actual cash value, for vehicles over 4 years old.

■ Accessories: All enhancements and decorative components not included among the vehicle's standard features when it leaves the factory. Radio, telephone, satellite navigation, or sound and/or image playing or recording devices, as well as sunroofs (glass or plastic), are considered accessories and should be listed in the schedule upon taking out the policy. The upgraded purchase options of the basic vehicle series model that is the object of the insurance and listed in the policy's schedule will also be considered accessories, even if they were installed at the factory, whether they were obligatorily purchased or included in the purchase by the distributor.

Through this contract, the insurer undertakes to cover those of the risks listed below that have been **expressly contracted in the schedule**, subject to the limits in force for mandatory liability insurance when the claim occurs and to those established in the general conditions, schedule or special conditions for any supplementary voluntary insurance that may be taken out:

- Liability derived from driving the insured vehicle (article 2).
 - Type A: Mandatory liability insurance.
 - Type B: Voluntary liability insurance.
 - Type C: Liability for cargo.
- Own damage to the insured vehicle (article 3).
- Vehicle fire (article 4).
- Theft of the insured vehicle (article 5).
- Broken auto glass (article 6).
- Legal defence (article 7).
- Damage claims (article 8).
- Legal assistance for administrative traffic, transit and road safety offences (article 9).
- Personal accident cover for passengers (article 10).
- Personal accident cover for driver: fixed sum plus annuity (article 11).
- Subsidy for temporary suspension of driving licence (article 12).
- Roadside assistance (article 13).
- Replacement vehicle in the event of an accident and theft (article 14).

TYPE A: MANDATORY LIABILITY INSURANCE

1. Under this cover, which is mandatory for all motor vehicle owners, the insurer undertakes to pay indemnities derived from the liability of the driver of the insured vehicle, as stated in the schedule, up to the quantitative limits established under current law, in relation to traffic incidents in which the vehicle is involved and which cause damage or injuries to people or property that may be claimed under the provisions of the Revised Text of the Motor Vehicle Transit Liability and Insurance Act, its implementing regulations or any other legally applicable rules.
2. For indemnities for personal injuries, the insurer, subject to the limits set for mandatory insurance, must compensate individuals for any injuries caused, except where it can prove that said injuries were due solely to the behaviour or negligence of the injured party or to force majeure unrelated to the driving or operation of the vehicle. Force majeure shall not include defects in the vehicle or the breakage or failure of any of its parts or mechanisms.

3. For indemnities for damage to goods, the insurer, subject to the limits set for mandatory insurance, will compensate parties for any damage for which the driver of the vehicle is liable pursuant to the terms of article 1902 of the Civil Code, article 109 and related articles of the Criminal Code, the Motor Vehicle Transit Liability and Insurance Act, and any other legally applicable rules.

THE FOLLOWING IS NOT COVERED:

- a. Any damage caused by the injuries or death of the driver of the insured vehicle.
- b. Damage sustained by the insured vehicle due to objects it is carrying and by property owned by the policyholder, insured, owner or driver, as well as by any of their spouses or relatives to the third degree of consanguinity by blood or marriage.
- c. Personal injuries or material damage due to theft of the insured vehicle, understood exclusively as those acts classified as theft or unlawful taking of a motor vehicle in Articles 237 and 244 of the Criminal Code, respectively, the indemnity for which is payable by the Insurance Compensation Consortium.
- d. Personal injuries and material damage caused when the driver is driving under the influence of alcohol, toxic drugs, narcotics or psychotropic substances. Without prejudice to the insurer's right of recourse against the insured, this exclusion shall not apply to the injured party.

The insurer may not set out, against the injured, any other exclusion to the cover, agreed upon or not, that are not indicated above. In particular, it may not do so with regard to those contractual clauses that exclude from the cover the use or driving of the vehicle designated in the policy by those without driving licences, those who breach their technical legal obligations with regard to the vehicle's safety status, or, not including cases of theft or unlawful taking, those who illegitimately use the motor vehicles of others or are not expressly or tacitly authorised by the vehicle's owner to use it, all without prejudice to the insurer's right of recourse. Nor may it protest a claim of the injured or the policyholder, driver or owner due to failure to use the accident report.

TYPE B: VOLUNTARY LIABILITY INSURANCE

Under this cover, the insurer undertakes to pay, within the scope and subject to the limit agreed in the policy schedule, indemnities derived from the liability of the driver of the insured vehicle, as stated in the schedule, in relation to traffic incidents in which the vehicle is involved and which cause damage or injuries to people or property for which the driver is liable pursuant to the terms of article 1.902 and related articles of the Civil Code, article 109 and related articles of the Criminal Code, the Motor Vehicle Transit Liability and Insurance Act, and any other legally applicable rules.

This cover guarantees the indemnities, up to the limit agreed in the schedule, in excess of the cover provided under the mandatory liability insurance at the time of the claim, as established by the applicable legal regulations.

The following is also covered:

- **Liability in the event of a vehicle fire**, for damage caused to third parties as a result of a fire originating in the insured vehicle when it is parked.
The limit for this cover is set at 60,000 euros per claim.
- **Liability for trailers and/or caravans**, for damages caused to third parties as a result of any trailers and/or caravans the vehicle may have in tow, **provided the total**

weight thereof does not exceed 750 kg and their licence plate matches that of the insured vehicle.

THE FOLLOWING IS NOT COVERED:

- a. Liability for damage caused to objects or goods transported in the vehicle.
- b. Liability for damage caused by objects or goods transported in the vehicle, or by those in the possession of the insured or of parties for whom s/he is liable, even when said damage is the result of a traffic accident.
- c. Contractual liability.
- d. Liability derived from injuries caused to passengers in vehicles that have not been officially authorised for the transport of people, except in cases of fulfilment of the duty to assist or situations of necessity.
- e. The payment of fines or sanctions imposed by the courts or relevant authorities and the consequences of the failure to pay them.
- f. Under no circumstances shall the following parties be considered as third parties for the purposes of this cover:
 - Those parties whose liability is covered under the policy.
 - When the insured is a legal entity, its legal representatives and their spouses and family members.
 - In cases of claims declared to be occupational accidents, employees or wage earners of parties whose liability is covered under the policy.
- g. Liability derived from damage caused by trailers and/or caravans towed by the vehicle, unless the total weight of said trailers and/or caravans does not exceed 750 kg and their licence plate number matches that of the insured vehicle.

TYPE C: LIABILITY FOR CARGO

This cover guarantees liability for damage caused to third parties by objects or goods being transported in the insured vehicle, as well as by the loading and/or unloading of same.

The limit for this cover is set at 60,000 euros per claim.

THE FOLLOWING IS NOT COVERED:

- a. Damage caused to the vehicle itself by transported objects or goods.
- b. Injuries sustained by those individuals responsible for loading and/or unloading it.
- c. Damage derived from the transport or handling of toxic, flammable, combustible, radioactive or explosive material, and, in general, of any hazardous materials, as well as from transports that, due to their specific characteristics, require special permits for transit.

APPLICABLE TO LIABILITY TYPES A, B AND C

Benefits from the insurer

Subject to the limits established in the schedule, the insurer shall bear the following costs:

- **Payment to the injured parties** or their assignees of the indemnities arising from the liability of the insured or driver pursuant to the terms set out herein.

- **Payment of bail bonds required by courts to guarantee the liability** of the insured or driver. Should a court require a single bail bond to guarantee both civil and criminal liability, the insurer will deposit half of the total amount set as a guarantee for the former, without prejudice to the terms of article 7 (Legal Defence). Cover extends to direct material damage caused by water as a result of oversight or failure to turn off taps, stopcocks or similar faucets.
- **Defence of the insured:** In any legal proceeding arising from a claim included under the policy's cover, the insurer shall undertake at its own expense, except where otherwise agreed, the legal management of the defence vis-à-vis the claims of the injured party, appointing the lawyers and court attorneys to defend and represent the insured in any legal actions brought against him/her in claims for liability covered under this policy, even when said claims are groundless.

Procedure to follow in the event of a claim (Liability, defence of the insured)

1. **Obligation to report and cooperate.** The policyholder or the insured must, in addition, inform the insurer, as soon as possible, of any legal, out-of-court or administrative notifications received in relation to the claim, as well as of any information concerning the circumstances and consequences thereof.

In case of breach of this obligation, the right to the indemnity shall only be lost in the event of gross negligence or wilful misconduct, in which case, if the insurer has made any payments or been obliged to make them, it may claim reimbursement of such payments from the policyholder or insured.

The insured must offer all necessary cooperation with regard to the insurer's legal management of his/her defence, undertaking, where necessary, to grant any powers of attorney or personal assistance that may be required.

2. **Appeals and proceedings.** Irrespective of the ruling or result of the legal proceedings, the insurer reserves the right to decide whether or not to initiate the applicable legal appeals against it or to accept it.

If the insurer considers an appeal inadmissible, without prejudice to the possibility of filing one for reasons of urgency, it will duly inform the insured, who will be free to file it at his/her sole expense, and the insurer undertakes to reimburse the legal costs and fees for lawyers or court attorneys should the appeal succeed.

3. **Conflict of interest.** In the event of a conflict of interest between the insured and the insurer as a result of the latter's need to back interests in the claim contrary to those of the insured's defence, the insurer will duly inform the insured, without detriment to the taking of those steps that, due to their urgent nature, may be necessary for the defence. In this case, the insured may either continue to allow the insurer to handle the legal management of his/her defence or entrust said defence to another person. **Should he/she choose the latter, the terms of sections 4 and 5 of article 7 (Legal Defence) will apply.**
4. **Indemnities.** The indemnities for all damage and injuries caused to people will be calculated in accordance with the criteria and limits set forth in the appendix to the Revised Text of the Motor Vehicle Transit Liability and Insurance Act.

The insured may not negotiate, admit or reject any claim related to claims covered under this policy without authorisation from the insurer. Should s/he

do so, it shall entail a waiver of his/her rights as the insured, and s/he will be bound to fulfil, at his/her own expense, all obligations and consequences derived from his/her actions.

The insurer may, at any given time, reach a settlement with the injured parties regarding the amount of the indemnities claimed, subject to the limits of the policy's cover.

- 5. Right of recourse.** The insurer may sue the policyholder, driver, owner or insured for the cost of any indemnities it has had to pay as a result of the exercise of direct action by the injured party or his/her assignees, pursuant to the terms of the Revised Text of the Motor Vehicle Transit Liability and Insurance Act, its rules and any other applicable legal provisions.

3

OWN DAMAGE TO THE INSURED VEHICLE

This cover includes, subject to the limits established in the policy, partial damage or total loss of the insured vehicle as a result of an accident due to an external, sudden and immediate cause beyond the control of the driver, whether the vehicle is in transit or parked or in the process of being transported.

To this end, the insurance expressly covers damage due to:

- Overturning or fall of the vehicle and collisions with other vehicles or any other moving or stationary object.
- Sinking or collapse of land, bridges or roads.
- Malicious damage by third parties, provided the insured has done everything possible to prevent it from occurring and that it is not the result of terrorism, rebellion, insurrection, riots, civil unrest or acts or actions of the armed forces or security forces and services in peacetime, which is covered by the Insurance Compensation Consortium, pursuant to the terms of article 35.
- Accidents caused by material flaws, manufacturing defects or poor conservation, in which case the cover provided by the insurer will be limited to the repair of the damage caused by the accident and will not include the faulty or poorly conserved parts.
- Damage or flaws caused to the insured vehicle's interior upholstery as a result of assisting accident victims, **up to a maximum 300 euros**.
- Broken windows, subject to the scope and exclusions set out in article 6.
- Damage caused by hail.

Where expressly so agreed in the policy schedule, the cover provided under this article will be limited to the **total loss** of the insured vehicle. **For consideration as a total loss, the terms of the Preliminaries (Definitions) shall apply.**

INDEMNITY BASED ON VALUE AS NEW IN CASE OF TOTAL LOSS

If the vehicle is less than four years old, in case of total loss the indemnity will be calculated based on the vehicle's value as new immediately prior to the occurrence of the claim (less the value of any scrap), in accordance with the following scale:

- 100% of the value as new, if the vehicle is less than two years old.
- 80% of the value as new, if the vehicle is more than two years old but less than three years old.

- 70% of the value as new, if the vehicle is more than three years old but less than four years old.

If the vehicle is more than four years old, the indemnity will be made for its actual cash value (less the value of any scrap).

The vehicle's age will be calculated from the date of its first registration, even when said registration occurred somewhere other than Spain.

THE FOLLOWING IS NOT COVERED:

- a. Damage caused to the insured vehicle by trailers in tow, transported objects or the loading or unloading of same.
- b. Damage caused to trailers towed by the insured vehicle and to motor homes.
- c. Damages caused by seismic, atmospheric or thermal phenomena (including those due to the freezing of radiator fluid), except those caused by hail.
- d. Damage exclusively affecting the tyres (tyres and inner tubes), except in case of total loss of the vehicle or in cases where the insured vehicle sustains other material damage as well.
- e. Any depreciation of the vehicle as a result of its repair following a claim.
- f. Damage affecting accessories, except where the accessories are expressly listed in the policy schedule. Under no circumstances will accessories that do not form a permanent part of the insured vehicle, such as keys or remote openers, be covered.
- g. Damage caused as a result of the insured vehicle's transit through areas that are not suitable roadways, except where otherwise agreed in the schedule.
- h. Mechanical malfunctions.
- i. The cost of transporting the vehicle when it has been damaged in an accident, except where this cover has been taken out, as per the terms, specifically, of article 13 (Roadside assistance) and article 26, section E (Roadside assistance) below.
- j. Both glass and plastic sunroofs, unless expressly listed in the schedule as accessories.

4

VEHICLE FIRE

Subject to the limits established in the policy schedule, this cover includes any damage that may be caused to the insured vehicle as a result of fire, lightning or explosion beyond the control of the driver or insured, whether the vehicle is in transit, or parked or in the process of being transported.

The insurance cover includes fires caused by:

- Material flaws, manufacturing defects and poor conservation, in which case the cover provided by the insurer will be limited to the repair of the damage caused by the accident and will not include the faulty or poorly conserved parts.
- Malicious damage by third parties, provided the insured has done everything possible to prevent it from occurring and that it is not the result of terrorism, rebellion, insurrection, riots, civil unrest or acts or actions of the armed forces or security forces and services in peacetime, which is covered by the Insurance Compensation Consortium, pursuant to the terms of article 35.

The insurer will be obliged to indemnify damage caused by fire when the fire is accidental in origin or originates due to the ill will of others or negligence on one's own part or the part of other liable parties.

The insurer will not be obliged to indemnify damage caused by fire when the fire is caused by wilful misconduct or serious fault on the part of the insured, policyholder or driver of the vehicle, or claims covered by the Insurance Compensation Consortium.

The insurer will indemnify all damages and material losses sustained by the vehicle as a direct result of the fire, as well as those caused by the inevitable consequences of the fire, and, in particular, the damage caused by the necessary measures taken by the authorities, the policyholder, the insured or the driver to impede, cut or extinguish the fire, excluding any expenses incurred through the application of said measures, save when otherwise agreed to.

For consideration as a total loss, the terms of the Preliminaries (Definitions) shall apply.

INDEMNITY BASED ON VALUE AS NEW IN CASE OF TOTAL LOSS

If the vehicle is less than four years old, in case of total loss the indemnity will be calculated based on the vehicle's value as new immediately prior to the occurrence of the claim (less the value of any scrap), in accordance with the following scale:

- 100% of the value as new, if the vehicle is less than two years old.
- 80% of the value as new, if the vehicle is more than two years old but less than three years old.
- 70% of the value as new, if the vehicle is more than three years old but less than four years old.

If the vehicle is more than four years old, the indemnity will be made for its actual cash value (less the value of any scrap).

The vehicle's age will be calculated from the date of its first registration, even when said registration occurred somewhere other than Spain.

THE FOLLOWING IS NOT COVERED:

- a. Damage caused to the vehicle by transported objects or the loading or unloading of same, as well as by any trailers it may have in tow.
- b. Damage caused by seismic, atmospheric or thermal phenomena, except for lightning.
- c. Damage affecting tyres, except where the insured vehicle sustains other material damage as well.
- d. Damage affecting the insured vehicle's accessories, save when they have been expressly insured and listed in the policy schedule, accessories being understood to mean features whose purpose is to enhance or adorn the vehicle and which are not included in the vehicle's components when it leaves the factory and as per the definition given in the preliminaries.
- e. The cost of transporting the vehicle when it has been damaged in an accident, except where this cover has been taken out, as per the terms, specifically, of article 13 (Roadside assistance) and article 26, section E (Roadside assistance) below.
- f. Any depreciation of the vehicle as a result of its repair following a claim.

Under the theft cover, the insurer undertakes, subject to the limits established in the policy, to indemnify the insured in the event of the unlawful taking of the insured vehicle or the components of same by third parties, in accordance with the following rules:

In the event of the theft of the entire vehicle or of all its tyres, the indemnity will be calculated based on the vehicle's **value as new** immediately prior to the occurrence of the claim, in accordance with the following scale:

- 100% of the value as new, if the vehicle is less than two years old.
- 80% of the value as new, if the vehicle is more than two years old but less than three years old.
- 70% of the value as new, if the vehicle is more than three years old but less than four years old.

If the vehicle is more than four years old, the indemnity will be made for its actual cash value.

The vehicle's age will be calculated from the date of its first registration, even when said registration occurred somewhere other than Spain.

Total theft of tyres shall be understood as the theft, in a single claim, of all of the vehicle's tyres with or without the spare.

- If permanent components of the vehicle are stolen, indemnity will be paid for 100% of their value as new except in the case of batteries and tyres, which will be indemnified with 50% of their value as new.
- Sound systems and other A/V and telephone system components are insured on a first loss basis.

The insurer likewise guarantees 100% of the damage caused to the insured vehicle when, as a consequence of the theft, it is in the possession of others, as well as any damage caused by attempted theft.

Effects of the recovery of the stolen vehicle

If the stolen vehicle is recovered within a period of 40 days following the claim report, the insured will be obliged to accept its return.

Should the vehicle be recovered after this period, it will remain in the possession of the insurer, and the insured undertakes to sign any documents that may be required to transfer ownership of the vehicle to the insurer or to such third party as it may designate, unless the insured wishes to recover his/her vehicle, in which case s/he will reimburse the insurer for any indemnity s/he has received, after which the insurer will be obliged to offer the vehicle to the insured and to return it to him/her, provided the insured notifies his/her acceptance within fifteen days following the offer.

THE FOLLOWING IS NOT COVERED:

- a. Theft due to gross negligence on the part of the insured, his/her dependants or those persons who live with him/her.
- b. Thefts where the perpetrator or accomplice is a relative of the insured or policyholder, to the third degree of consanguinity by blood or marriage, or a

dependent or employee of either, provided that said party depends on or lives with them.

- c. Trailers towed by the insured vehicle.
- d. Damage affecting the insured vehicle's accessories, in accordance with definition given in the preliminaries, save when these have been expressly insured and listed in the policy schedule, in which case the cover will have the quantitative scope indicated in preceding regulations. Under no circumstances will accessories that do not form a permanent part of the insured vehicle, such as keys or remote openers, be covered.

6 BROKEN AUTO GLASS

In case of broken auto glass, the insurer will pay for the cost of the replacement and installation of the glass and its accessories. To this end, broken shall be understood to mean total or partial damage of the glass, rendering it unserviceable, due to an accidental, sudden cause beyond the control of the owner or driver of the vehicle or the policyholder.

The repair of damage caused to the vehicle's front windscreen is likewise covered when the nature and extent of the damage so allows.

THE FOLLOWING IS NOT COVERED:

- a. Glass broken due to faulty installations or occurring during installation work.
- b. Flaws or cracks sustained by the headlights, rear lights, blinkers, mirrors or any other glass object, save for the vehicle's windows.
- c. Glass pertaining to trailers the insured vehicle may have in tow, as well as to tents in the case of trailer-tents.
- d. Both glass and plastic sunroofs.
- e. Scratches, abrasions, chips or other partial damage to the window surfaces.

7 LEGAL DEFENCE

1. Management of legal defence

The management of this class of legal defence insurance will be handled by personnel linked to the insurer by employment or trade who do not exercise similar activities with regard to any other class of insurance sold by the insurer or for any other insurer operating in any class of insurance other than life insurance that has financial, commercial or administrative ties with the insurer for this insurance, irrespective of whether or not it is specialised in said class of insurance.

2. Object and scope of the insurance

Under this cover, the insurer will undertake the defence of the insured, understood as the driver of the vehicle or any other driver authorized by him/her in the event of a traffic accident, in **legal proceedings** brought against him/her, expressly including the following:

- The personal defence of the insured by lawyers or court attorneys, where necessary. This includes the fees and expenses for the lawyer, notary services and the granting of any powers of attorney required for the proceedings, as well as for certificates, summonses and other acts required for the defence of the insured's interests. **In the case of free choosing of a lawyer or court attorney (section 4), the limit for this benefit is established at 3,000 euros per claim.**
- The necessary fees and expenses for loss adjusters, provided they have been expressly authorized by the insurer.
- In criminal proceedings, payment of the bail bonds required for the release of the insured on bail, **up to a maximum limit of 35,000 euros per claim.**
- The bail bond provided by the insurer will be used, at the end of the proceedings, to meet legal costs of a criminal order, but not for personal sanctions, fines or indemnities to third parties for liability.

3. Procedure to follow in case of claim

Should a claim covered by the policy's Legal Defence cover occur, the insured must inform the insurer of the occurrence as soon as possible and provide all types of information with regard to the circumstances and consequences of same. Likewise, s/he must notify the insurer of any out-of-court claims, lawsuits, formal complaints, citations or court notifications or summonses received by the policyholder, insured, owner, driver or any other person occupying a seat in the insured vehicle at the time of the accident.

The insurer will propose lawyers and court attorneys to manage the criminal defence of the insured and will bear the full cost of their fees and expenses, as set out in the foregoing section. Should the insured wish to entrust the defence of his/her interests to a lawyer of his/her own choosing, s/he must notify the insurer to this end and the terms set forth in the following section will apply.

4. Choice of lawyer or court attorney

The insured may freely choose a court attorney, where the services of such are necessary, and lawyer to represent and defend him/her in any type of proceeding.

Before making the appointment, the insured will notify the insurer of the names of the lawyer and court attorney s/he has chosen. The insurer may justifiably reject the appointed professional, and should the controversy subsist, the parties will submit themselves to the arbitration set out in the preliminaries (Information Statement) herein.

If the lawyer or court attorney chosen by the insured does not reside in the judicial district where the proceedings are to take place, any travel expenses and fees included by the professional on his/her bill shall be for the account of the insured.

The professionals chosen by the insured will have complete freedom in the technical management of the affairs entrusted to them by the insured and will not depend on instructions from the insurer, which shall not be liable for their performance or the result of the affair or proceeding.

If the urgent intervention of a lawyer or court attorney is required before a claim can be reported, the insurer shall likewise be liable for the fees and expenses incurred for said professional's services.

In the event of a conflict of interests between the parties, the insurer will duly notify the insured so that the latter can decide with regard to the appointment of the lawyer or court

attorney s/he considers appropriate for the defence of his/her interests, in accordance with the freedom of choice recognised in this article. Nevertheless, it is hereby recorded that his/her defence in civil matters as per the liability insurance is directly undertaken by the insurer pursuant to the terms of article 74 of Law 50/1980 of 8 October (Insurance Contracts Act).

5. Payment of fees

The insurer will bear the cost of the fees of the lawyer who defends the insured, subject to the rules laid down by the Spanish General Council of Lawyers and, where such rules do not exist, to the rules of the respective Autonomous Community or, in the absence thereof, to the rules of the respective bar. The guidelines regarding fees shall be considered as the maximum limit on the obligation of the insurer.

Should the insured have exercised his/her right to freely choose a lawyer or court attorney as set forth in section 4 above, the **maximum limit shall be 3,000 euros per claim**.

The defence and bail expenses derived from liability will be governed by the terms of the "Benefits from the insurer" section of article 2 above.

6. Disagreement with the processing of a claim

Should the insurer, considering that there exists no reasonable chance for success, decide not to bring a lawsuit or process an appeal, it shall communicate this to the insured.

The insured will be entitled, up to a **limit of 3,000 euros per claim**, to the reimbursement of the expenses incurred in lawsuits and appeals processed in discrepancy with the insurer, and even in discrepancy with the arbitration, should s/he obtain a more beneficial result on his/her own account.

Any differences that may arise between the insured and the insurer regarding the interpretation of the contract may be submitted to arbitration.

Arbitrators may not be appointed before the issue in dispute has arisen.

7. Payments not covered

THE FOLLOWING IS NOT COVERED:

- a. Indemnities, fines or sanctions imposed upon the insured.
- b. Taxes and other fiscal payments required for the submission of public or private documents to official bodies.
- c. Expenses incurred from any joinder or legal counterclaim concerning matters not included in the guaranteed covers.

8

DAMAGE CLAIMS

Under this cover, the insurer guarantees friendly or legal claims for damages lodged against third parties liable for indemnities owed to the insured for bodily injuries and material damage sustained as a direct result of a traffic accident, subject to the established limits and up to the maximum amount set in these general conditions.

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

■ **Insured:** The policyholder, the vehicle's owner and/or the authorised driver.

Traffic accidents involving the policyholder, his/her spouse and any children living with him/her at his/her place of residence in their capacity as pedestrians are included.

BENEFITS FROM THE INSURER

1. Claims for bodily injuries

Claims lodged against liable third parties for indemnities payable to the insured in cases of injury or death due to a traffic accident when s/he is acting in his/her capacity as the driver of the insured vehicle stipulated in the policy schedule.

Defence of the legal interests of users of the insured vehicle when lodging claims against liable third parties for indemnities payable to said users or, where applicable, to their family members, heirs or injured parties in cases of injury or death due to a traffic accident.

Claims lodged against liable third parties for indemnities payable to the insured or to his/her direct family members, provided they live with him/her, in cases of injury or death due to a traffic accident when they are acting in their capacity as pedestrians.

Claims against the policyholder, insured or driver are excluded.

2. Claims for material damage

Claims lodged against liable third parties for indemnities for damage caused to the insured vehicle as a result of a traffic accident.

This cover includes claims against liable third parties for the cost of damage to the insured vehicle as a result of events unrelated to transit, such as the collapse of building works, explosions, fire or other similar events, provided there is no contractual relationship whatsoever between the insured and the party liable for the damage.

Claims lodged against liable third parties for material damage caused to goods transported in the insured vehicle, as well as for damage to personal items and objects carried onboard, as a result of traffic accidents.

Should the insurer and the insured lodge concurrent claims against liable third parties, the amount awarded will be divided between them in proportion to their respective interests.

The insured expressly authorizes the insurer and its legal representatives to receive directly any indemnities that, under this cover, may be obtained in his/her favour, whether through settlement or judicial decision, without detriment to the subsequent payment thereof.

3. Limits

Should a lawyer and court attorney be chosen in accordance with terms of article 7, section 4, cover will be **limited to a maximum of 3,000 euros per claim.**

In the event of multiple lawsuits arising from a single cause, all suits will be considered as a single claim.

4. Advances on indemnities

This cover includes the advance payment to the insured of up to a **maximum of 7,000 euros** for material damage caused to the insured vehicle by the actions or omissions of third parties, provided the opponent's insurance company has provided its written consent or a final and binding judgment has been handed down finding the other insurer or, in the absence thereof, the Insurance Compensation Consortium to be the directly liable party.

5. Generally applicable rules

The terms of the following sections shall apply to this cover: sections 4 (Choice of lawyer and court attorney), 5 (Payment of fees), 6 (Disagreement with the processing of a claim), and 7 (Payments not covered) of article 7 (Legal defence).

9

LEGAL ASSISTANCE FOR ADMINISTRATIVE TRAFFIC, TRANSIT AND ROAD SAFETY OFFENCES

Under this cover, the insurer will provide the insured with the following services:

- **Legal consultations by telephone**, including assessment of all types of issues related to the imposition of administrative sanctions in traffic matters in general or to penalty proceedings already in progress.
- **Preparation of reports** on the advisability of appealing an imposed sanction, to which end, upon receiving a question related to a proceeding in progress or the documentation sent, at the request of the insured, it will proceed to issue a copy of said duly argued reports.
- **Drafting of notices of opposition, defence depositions and appeals to higher courts**, as well as any other type of document that must be furnished for the administrative penalty proceeding.
- **Submission of documents**. Once the necessary paperwork has been received from the insured, the insurer will draw up the necessary documents, sign them and, where applicable, see to their submission, with the exception of the receipt of the notification of decisions, which must legally be received by the insured.

The territorial scope of this cover is limited to Spanish territory.

For the provision of these covers, the insurer offers its clients the customer service phone numbers indicated on the card. In the event of inexcusable failure to use these numbers, the insurer will not be liable for the claim.

Under no circumstances shall the insurer be liable for the monetary amount of these sanctions. This notwithstanding, the insurer will process the payment of the corresponding sanction, if the insured so requests and provides the necessary funds.

The benefits from the insurer shall be limited to administrative proceedings. All other legal proceedings are expressly excluded.

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

■ **Accidental death:** The death of the insured as a result of a traffic accident or as a direct and verified result of the wounds and/or injuries sustained from same.

■ **Accidental permanent disability:** Loss of physical capacity by the insured as a result of a traffic accident causing the anatomical loss or absolute and permanent loss of use of his/her limbs or organs.

Should this cover be limited in the schedule to accidents exclusively involving the driver, any driver involved in a traffic accident while driving the insured vehicle shall be considered as **INSURED**, providing s/he holds the legally required driving licence at that time.

Traffic accidents involving insured persons listed in the schedule as passengers of the insured vehicle are included under the following covers:

1. Accidental death.
2. Accidental permanent disability.
3. Health care expenses arising from accidents.

1. Accidental death

Should the insured die as a direct result of an accident covered by the policy and occurring during the period of insurance, the insurer will indemnify the beneficiaries expressly designated by the insured (or his/her legal heirs, where no such express designation has been made) with **100% of the sum insured** indicated in the policy schedule for this cover.

Where applicable, any payments made previously by the insurer as indemnities for permanent disability caused by the same accident will be deducted from the sum to be received by the beneficiary.

2. Accidental permanent disability

If the insured is the victim of an accident covered by the policy and occurring during the period of insurance, and if, as a consequence, s/he suffers total permanent disability, the insurer will indemnify him/her with **100% of the sum insured**, less any payments it may have made as indemnities for partial permanent disability.

For purposes of this sub-section, total permanent disability shall be understood to mean the loss of both feet, both arms or both hands, of one arm and one leg and one hand and one foot, complete paralysis, total blindness and/or total and incurable insanity. At all times, total permanent disability will be established based on the terms of the preceding point and independently of the profession of the insured (driver or passenger of the insured vehicle) or of any medical decision or judgment regarding the individual, handed down by a labour, criminal or civil court.

If the insured is the victim of an accident covered by the policy and is rendered permanently partially disabled as a result, the insurer will pay him/her the indemnities specified below, expressed as percentages of the sum insured for this cover in the policy schedule.

Partial permanent disability will be assessed according to the following scale:

	Percentage	
Complete loss of mobility and function of the vertebral column:		
- Complete loss of mobility and function of the cervical vertebrae	30%	
- Complete loss of mobility and function of the dorsal vertebrae	20%	
- Complete loss of mobility and function of the lumbar vertebrae	30%	
- Hernia or disc disorder	7%	
	Right	Left
Total loss of a single arm or single hand	60%	50%
Total loss of all fingers on a hand or of the thumb and index finger, jointly	40%	30%
Total loss of just the thumb	22%	18%
Total loss of just the index finger	15%	12%
Total loss of three fingers, including the thumb	38%	30%
Total loss of three fingers, including the index finger	31%	24%
Total loss of one finger that is not the thumb or index finger	10%	8%
Total loss of movement of one shoulder	25%	20%
Total loss of movement in the elbow or wrist	20%	15%
Total loss of a leg above the knee	50%	
Total loss of a leg at or below the knee	40%	
Total loss of a big toe	10%	
Total loss of one of the other toes	5%	
Total loss of movement in one hip or one knee	20%	
Total loss of an eye or a fifty percent reduction in binocular vision	30%	
Shortening of a leg by at least 5 cm	15%	
Non-union fracture of one leg or foot	35%	
Non-union fracture of the kneecap	25%	
Ablation of the lower jaw	30%	
Complete deafness in both ears	50%	
Complete deafness in just one ear	15%	

- If the insured is left-handed, the percentages indicated above for upper right-side limbs will be applicable to the left-side ones and vice versa.
- The loss of a phalanx of a thumb or big toe will be indemnified with half of the indicated percentage; the loss of a phalanx of any other finger or toe will be indemnified with one third of the percentage established for the total loss of the digit in question.
- The absolute and permanent loss of the use of a limb shall be considered as equivalent to the total loss thereof.

Should the insured suffer, in a single accident, more than one of the injuries listed above, the insurer will indemnify him/her for each injured limb or organ at the established rate of the sum insured; however, in no case may the total indemnity exceed 100% of the sum insured for disability.

Should the insured suffer various partial sequelae in a single limb, the total indemnity may never exceed the percentage established for the total loss of the limb in question.

Those cases of permanent disability not expressly listed in the scale above shall be indemnified by analogy with those that are. At all times, the degree of disability will be established irrespective of the insured's occupation.

Should the insured present impairments or sequelae upon contracting the policy or during its period of cover, if their origin cannot be traced to an accident in which s/he is involved as a passenger of the insured vehicle, the indemnity for disability will be calculated based on the injuries truly sustained, and those organs or limbs that were already impaired prior to the accident will not be considered as affected.

For residual injuries that can be corrected with prostheses, the insurer will pay for the cost of the first orthopaedic prosthesis given to the insured for up to a maximum of 10% of the sum insured for permanent disability indicated in the schedule. Other prosthetic or orthopaedic elements, such as crutches, canes, cervical collars, knee braces, bandages and/or wheelchairs, are covered up to a limit of 1,000 euros per insured.

3. Health care expenses arising from accidents

For a **maximum period of one year** from the date of occurrence of an accident covered under this policy and occurring within the period of insurance, the insurer will bear the following costs:

- All medical, pharmaceutical, hospitalisation and treatment expenses, if the care is provided in Spain by physicians and/or clinics designated by the insurer.

All clinics and hospitals recognised by the Insurance Compensation Consortium within the scope of both public and private health care, as well as any other medical centres with which a care agreement has been signed, shall be considered as having been designated by the insurer.

- Should the insured receive care from physicians or clinics in a foreign country, or should s/he, in Spain, see physicians or go to clinics of his/her own choosing, the insurer will only be liable **up to the limit established in the schedule** for the sum insured for this cover, which comprises all expenses incurred for treatment, including hospitalisation expenses, **up to a maximum of 200 euros per day**.

When the insured is also the beneficiary of mandatory insurance cover protection, the benefits of the previous paragraph will only cover the expenses that arise in excess of the limit projected in said insurance with regard to care in centres recognized by the Insurance Compensation Consortium.

Separately from the cover indicated in the preceding sections, the insurer will assume those expenses incurred for:

- Urgent transport of the injured party to the nearest health centre immediately after the accident occurs.
- Ambulance transport immediately after the accident occurs and, subsequently, whenever so required by medical prescription.

- The initial purchase of any prostheses, glasses, hearing aids or orthopaedic devices that may be necessary as a result of the accident and/or the repair or replacement (value as new) of same should they be destroyed or deteriorated.

The limit for this cover is 700 euros per claim.

THE FOLLOWING IS NOT COVERED:

For sections 1, 2 and 3 above.

- Accidents unrelated to the condition of the passenger of the insured vehicle.
- Accidents covered by the Insurance Compensation Consortium.
- Accidents resulting from sport competitions, wagers, challenges or exploratory expeditions.
- Aesthetic sequelae.
- At all times, total permanent disability will be established based on the terms of the preceding point and independently of the profession of the insured regular driver or of any medical decision or judgment regarding the individual, handed down by a labour, criminal or civil court.

11

PERSONAL ACCIDENT COVER FOR DRIVER: FIXED SUM PLUS ANNUITY

Subject to the limits established in the policy, the insurer undertakes to pay the fixed sum and 24 monthly annuities listed in the schedule in the event of the death or total permanent disability of the driver.

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

■ **Insured:** The vehicle driver that suffers the traffic accident while driving the insured vehicle, provided s/he holds the regulation driving licence.

■ **Total permanent disability:** Total loss of both feet, both arms or both hands, of one arm and one leg and one hand and one foot, complete paralysis, total blindness and/or total and incurable insanity. At all times, total permanent disability will be established based on the terms of the preceding point and independently of the profession of the insured regular driver or of any medical decision or judgment regarding the individual, handed down by a labour, criminal or civil court.

In the event of the death of the insured driver, the insurer will indemnify the beneficiaries expressly designated by the insured (or his/her legal heirs, where no such express designation has been made) with the payment of the fixed sum stated in the schedule, as well as the payment of the monthly annuity likewise stated in the schedule, up to a maximum of 24 monthly payments.

Should the insured driver sustain a total permanent disability, the insurer will indemnify him/her with the payment of the fixed sum set out in the schedule, as well as the payment of the monthly annuity designated in the schedule up to a maximum of 24 monthly payments.

THE FOLLOWING IS NOT COVERED:

- Those losses in which the victim of the accident is not listed in the schedule as the regular driver of the vehicle.

- b. Accidents involving the driver of the vehicle that do not lead to his/her death or permanent total disability.
- c. Claims that, due to their nature, are covered by the Insurance Compensation Consortium.
- d. Accidents unrelated to driving the insured vehicle.
- e. Accidents resulting from sport competitions, wagers, challenges or exploratory expeditions.

12

SUBSIDY FOR TEMPORARY SUSPENSION OF THE DRIVING LICENCE

The insurer guarantees the payment of a monthly subsidy, pursuant to the amount, limits and conditions contained in this policy, in cases of temporary suspension of the driving licence, when so ordered in a final and binding legal judgment handed down in relation to a traffic accident covered under this policy and caused exclusively by imprudence, fault or negligence on the part of the insured, as well as when the temporary suspension of the driving licence is due to a government decision, providing said suspension is the consequence of using the insured vehicle. The term for the monthly payments will match the period during which the driving licence is to be suspended, as indicated in the final judgment or government decision, and **may never exceed 24 monthly payments**, calculated from the month immediately after the month the suspension takes effect pursuant to the judgment or, where applicable, the government decision.

For the purposes of this cover, the insured shall be considered as:

- The party listed as the regular driver in the policy schedule.
- If the policyholder is a legal entity, the authorized driver whose licence is suspended as a result of driving the vehicle listed in the schedule. In this case, unless otherwise agreed, the policyholder will be the beneficiary of the resulting indemnities.

THE FOLLOWING IS NOT COVERED:

- a. Suspension of the driving licence due to events occurring before the inception of the insurance.
- b. Suspension of the driving licence for driving under the influence of alcohol or narcotics, for violating a previous suspension order, for hit-and-run accidents or for failure to render assistance.

13

ROADSIDE ASSISTANCE

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

■ **Insureds:** The insured (owner) or regular driver, providing s/he is a natural person residing in Spain, his/her spouse, ascendant or descendent relatives to the first degree and any other individuals who, irrespective of the degree of consanguinity, form a part of the family unit and live with the insured, even if travelling separately and by any means of transportation, as long as the trip does not exceed 90 days. In the event of an accident or

malfunction affecting the insured vehicle, all passengers in it, limited to the maximum number of authorized seats, excluding hitchhikers.

Request for service: In order to receive services, when the event occurs, the insured must request the insurer's assistance through the permanent 24-hour help centre, using the telephone numbers listed on the card s/he will be given to this end.

The insured will not be entitled to any subsequent right to reimbursement or compensation whatsoever for services not requested or arranged by agreement with the insurer.

■ **Insured vehicle:** The vehicle that is the object of the insurance contracted with the insurer and, where applicable, the trailer or caravan, up to a total weight of 3,500 kg.

■ **Accident:** Any event resulting from a fortuitous, sudden and violent cause that damages the vehicles in such a way as to impede the subsequent transit thereof.

■ **Territorial scope:** The covers of this insurance are valid, for persons, anywhere in the world and, for the vehicle, in Europe and other countries of the Mediterranean Basin, subject to the limits established in the policy.

The covers under this class of insurance will be applicable as of km 0, that is, from the insured's own place of residence.

13.1. Assistance to the vehicle and its passengers

1. Technical assistance on roadways as of km "0" (the residence)

Should the vehicle be rendered immobile, and should it be possible to perform an onsite emergency repair, understood to mean that, within a period of no more than one hour, it would be possible to drive the vehicle without assistance, the insurer will bear the cost of the repair **up to a limit of 100 euros**.

Under no circumstances will the insurer bear the cost of any parts that may ultimately need to be replaced.

2. Towing as of km "0" of the residence

When the vehicle cannot be repaired "in situ", the insurer will bear the cost of towing it to the official garage for its make, nearest to the spot where the accident occurred or the one chosen by the insured, provided that, in case of the latter, the chosen garage is within a maximum distance of 100 km.

It will also provide towing services to so-called "4x4" or "cross-country" vehicles when such services are required off public roadways, provided that access to the vehicles is licit and possible.

The insurer will bear only the transport costs as such, to the exclusion of any others, such as those for replacement parts, repair work, the forwarding of baggage, personal items, etc.

3. Rescue as of km "0" (the residence)

The insurer will pay for the rescue or salvage service to recover the insured vehicle if, while driving on regular roadways, it is rendered impossible to drive or tow as a result of overturning or falling to a different level, **subject to a limit of up to 300 euros**.

4. Benefits for the insured in case of immobilisation of the vehicle due to breakdown or accident

Hotel expenses

When the immobilised vehicle cannot be repaired the same day and, in accordance with the manufacturer's guidelines, the repair will take more than 2 hours to complete, the insurer, while awaiting the repair, will bear the cost of accommodation and breakfast in the town where the insured vehicle is located at a three-star hotel or equivalent establishment, if in Spain, or a four-star hotel or equivalent establishment, if abroad, or 61 euros per person, until the repair has been completed and for a **maximum of 4 nights**.

Transportation or repatriation of the insureds

If the immobilisation of the vehicle lasts more than one day (or overnight), and provided the insured does not make use of the "Hotel expenses" cover, the insurer will bear the costs of transportation for the insureds (airplane, train and bus tickets) to their place of residence or, should they so choose, to their original destination, provided the cost does not exceed that of the return trip home, or it will provide the insureds with a rental vehicle **up to a maximum cost of 300 euros** (subject to availability and fulfilment of the conditions of the rental contract). The rental vehicle option is not applicable to vehicles used for the public transportation of people.

5. Benefits for the insureds in case of theft of vehicle

Should the vehicle be stolen, the benefits described in the preceding paragraph will apply from the time the theft is reported to the relevant authorities.

6. Transport or repatriation of the damaged, broken down or stolen vehicle

When, in accordance with the manufacturer's guidelines, the vehicle's repair requires more than 8 hours or more than 3 days of immobilisation, or, in case of theft, when the vehicle is recovered subsequent to the insured's return to his/her place of residence, the insurer will bear the following costs:

Expenses for transporting the vehicle to the residence of the insured

If the actual cash value of the insured vehicle on the Spanish market just prior to the accident or breakdown was less than the cost, also in Spain, of the necessary repair work, the insurer will bear only those costs for the lawful abandonment of the vehicle in the place where it is currently located and, should this be Spain, will proceed to transport it to the nearest scrap yard.

Expenses incurred for board and lodging or escorts in relation to the transported vehicle up to a maximum of 160 euros

The insurer will bear only the transport expenses, to the exclusion of all others (baggage forwarding, repair work, etc.).

7. Transportation of the insured to pick up the repaired vehicle

Once the insured vehicle has been repaired in the place where the breakdown or accident occurred or, in case of theft, once it has been recovered in roadworthy conditions, and provided the insured has not made use of the cover granted under the foregoing section, the insurer will bear the transportation costs (airplane or first-class train ticket or rental vehicle) for the insured, or the person s/he may designate, to pick up the vehicle.

8. Dispatch of professional chauffeur

The insurer will dispatch a professional driver to transport the insured vehicle and its passengers to the insured's place of residence or, should the passengers prefer, to the original destination, provided the same number of days are required to get there, if, due to serious illness, accident or death, the insured has been taken away or rendered unfit to drive and no other passenger can take his/her place as driver.

The insurer will bear only the expenses incurred for the chauffeur him or herself, to the exclusion of all others (petrol, vehicle maintenance, tolls, hotel and restaurant expenses for the insured and/or passengers, etc.).

9. Dispatch of replacement parts

Should the insured vehicle, as a result of an accident or breakdown, require replacement parts that are not available in the area where the accident or breakdown occurred, the insurer will bear the cost of dispatching said parts and the corresponding transportation expenses.

The insured, upon returning from his/her journey, will reimburse the insurer for any advances it may have made for the purchase of parts or payment of customs duties.

10. Obtaining and sending copies of keys abroad

In the event of the loss or theft abroad of the keys to the insured vehicle, the insurer will endeavour, by all available means, to obtain copies of said keys and send them as quickly as possible to the insured, wherever s/he might be.

11. Legal defence in case of traffic accident abroad

If, due to a traffic accident occurring abroad, civil or criminal proceedings are brought against the insured, the insurer will bear the cost of the insured's legal defence **up to a maximum sum of 1,250 euros**.

12. Posting of criminal bail bonds abroad

This cover includes, as an advance payment for the account of the insured, the posting of a criminal bail bond to achieve the release on bail of the insured or ensure his/her presence at the trial.

In this case, the insured must sign a document acknowledging the debt, undertaking to repay the sum within two months following his/her return to his/her place of residence or, at all times, within three months of making the request.

The maximum sum to be advanced for this cover is 6,100 euros.

The insurer reserves the right to request some sort of bank or other guarantee to ensure repayment of the advanced amount.

13. Advance of funds abroad

Should the insured, while travelling abroad with the insured vehicle, find himself without cash as a result of theft, lost luggage, illness or accident, or should the vehicle break down and the insured require funds to pay for its repair, the insurer will arrange to send him/her up to **1,550 euros** so that s/he can make the necessary payments, providing s/he first deposits this sum at the insurer's registered offices by means of a third party.

THE FOLLOWING IS NOT COVERED:

- a. Restaurant and hotel expenses, except where expressly provided for in the foregoing articles, and expenses for petrol, repairs to the vehicle, the theft of luggage or equipment, personal items or the vehicle's built-in accessories.
- b. Taxi expenses, except for those provided for in Cover 4 (Transportation or repatriation of the insured) or those expressly authorised by the insurer.
- c. Benefits for hitchhiking passengers.
- d. Benefits for vehicles that have been abandoned.

14. Special cover for motorcycles and mopeds. Flat tyre of the motorcycle or moped

If, due to a flat tyre, towing or transport of the motorcycle is required, the insurer will take the necessary measures to resolve these vicissitudes.

The limit on the maximum benefit will be set in relation to the nearest point where the reported incident can be resolved.

13.2. Assistance to persons

1. Medical transportation or reparation of injured or ill individuals

Should the insured suffer from an illness or accident whose treatment requires, according to medical criteria, his/her medical transportation, the insurer will bear the cost of his/her transportation by the most appropriate means, including medical monitoring where necessary, to a hospital centre equipped with the necessary facilities.

If the hospitalisation occurs in a place far away from the place of residence of the insured, the insurer will likewise bear the cost of his/her subsequent transportation to his/her residence as soon as the insured is well enough to be moved.

The means of transportation used in Europe and countries bordering the Mediterranean, when the urgency and seriousness of the case so require, will be a special air ambulance.

In other cases, or in the rest of the world, the transportation will be arranged via a regular-line airplane or by the swiftest and most appropriate means, depending on the circumstances.

2. Transportation or repatriation of the insureds

When, in application of the cover granted in the preceding article, one of the insureds has been repatriated or transported, and this prevents the rest of the insureds from continuing with the journey by the initially planned means, the insurer will bear the cost of their transportation to their place of residence or the place of the hospitalisation.

3. Transportation or repatriation of minors

Should the insured die or be transported to a hospital centre as a consequence of an accident or unforeseeable illness during a trip, and should s/he have been travelling with children under the age of 18 or persons who, due to their age or state of health, require special attention, if none of the parties accompanying them, where applicable, can take responsibility for them, the insurer will bear the cost of a round trip ticket, in the means of transportation deemed most appropriate, for a family member or an attendant to fetch them and escort them on their return to their regular residence in Spain, as well as the cost of their return tickets.

4. Remote medical advice

In case of serious illness or injury of one of the insureds, the insurer will offer medical advice in order to decide, jointly with the attending physician, on the best treatment to follow, as well as the most appropriate means for transporting the injured or ill individual, where necessary.

5. Travel expenses for a family member in case of hospitalisation

Should the condition of the ill or injured insured require his/her hospitalisation for a period of over five days, the insurer will provide one of his/her family members, or such person as s/he may designate, with a round trip ticket on the most appropriate means of transportation so that said person can escort the insured on the return trip to his/her place of residence. The insured will likewise bear the cost of accommodation and breakfast for this person in the town where the injured or ill insured is located at a three-star hotel or equivalent establishment, if in Spain, or a four-star hotel or equivalent establishment, if abroad, until the hospitalisation has ended or of accommodation, due to the extension of the stay, for the insured **for a maximum period of 10 days**.

6. Accommodation expenses for the rest of the insureds

Should the insured suffer from an illness or accident and require hospitalisation, the insurer will bear the cost of accommodation and breakfast for the other insureds in a three-star hotel or equivalent establishment, if in Spain, or a four-star hotel or equivalent establishment, if abroad, until the hospitalisation has ended or of accommodation, due to the extension of the stay, for the insured **for a maximum period of 10 days**.

7. Medical, surgical, pharmaceutical and hospitalisation expenses abroad

If, as a consequence of an illness or accident, the insured requires medical, surgical or hospital care, the insurer will bear the following costs:

- Medical and surgical expenses and fees.
- Pharmaceutical expenses for medication prescribed by a physician.
- Hospitalisation expenses.

The maximum sum covered by the insurer for all such expenses occurring abroad is **6,100 euros**.

Dental expenses are limited, at all times, to 300 euros or the equivalent amount in the local currency.

8. Forwarding of medications

When an insured following a medical treatment forgets his/her medication at his/her place of residence or misplaces it over the course of his/her trip, and when said medication is difficult or impossible to find in the place where s/he is, the insurer will take the necessary steps to obtain the medication and forward it to the insured by the most appropriate means. This cover includes only the costs for shipping. Once the insured has returned to his/her place of residence, s/he must reimburse the insurer for the cost of the medication s/he received.

9. Convalescence at the hotel

Should the ill or injured insured not be able to return to his/her place of residence due to a doctor's orders, the insurer will bear the costs of any accommodation and breakfast expenses incurred as a result of the extension of his/her stay at a three-star hotel or equivalent establishment, if in Spain, or a four-star hotel or equivalent establishment, if abroad, after the hospitalisation and prior to the medical authorisation to leave, **for a maximum period of 10 days.**

10. Transportation or repatriation of the deceased and of accompanying insureds

In the event of the death of the insured, the insurer will arrange for and bear the costs of the transportation of his/her body to the site of burial in Spain.

Expenses for post-mortem conditioning (such as embalming and the coffin required for transportation) will be covered, as required by law.

The insurer will bear the cost of the return of those insureds who were accompanying the deceased insured at the time of his/her death when they are unable to return by the initially planned means.

Funeral ceremony and burial expenses will not be for the account of the insurer.

11. Interruption of the insured's journey due to the death of a family member

If, during the course of a journey, the spouse, first-degree ascendant or descendent relative, brother or sister of the insured or of any of the vehicle's passengers should pass away in Spain, the insurer will bear the cost of the transportation, by the most appropriate means, from the place in which s/he is located at that time to the place of burial, in Spain, of the deceased relative. The same procedure will be followed for the insured's return to the place where s/he was located when the event occurred. Should the insured decide to return early, and should the ticket s/he has purchased not permit this, the insurer will provide him/her with a maximum of 2 tickets to his/her place of residence, as stated in the policy, provided the second ticket is for a travel companion who is also an insured or a beneficiary.

12. Search for and forwarding of luggage and personal effects

In the event of the delayed arrival, loss or theft of luggage or personal effects, the insurer will help the insured report the occurrence and will collaborate in overseeing the search for and localisation of said luggage or effects.

Both in this case and in that of the loss or misplacement of said belongings, should they be recovered, the insurer will arrange for them to be forwarded to wherever the insured may be located on his/her trip or to his/her place of residence.

13. Forwarding of forgotten items

The insurer will arrange for and bear the costs of forwarding to the residence of the insured any items s/he may have forgotten in the place or places where s/he had been on his/her trip.

This cover includes indispensable items for completion of the trip and items forgotten at home before it began.

The insurer will only arrange for and bear the cost of forwarding items with a **maximum weight of 10 kg**.

14. Relay of messages

The insurer will see to the relay of urgent messages that, due to incidents included under these covers, the insureds may need to send.

15. Obtaining of safe-conducts

The insurer will bear the expenses incurred for the processing and obtaining of any safe-conducts that may be required for the insured to be repatriated to Spain when, as a result of an accident, theft or robbery occurring during a trip abroad, the insured is left without his/her national identity document, driving licence or vehicle registration or without the technical inspection papers for his/her vehicle.

The insurer will not be liable for any damage caused by such circumstances nor for the undue use of said documents by third parties.

16. Transportation of pets

The insurer will bear the expenses incurred for the transportation of pets weighing up to 75 kg that are with the insured should the insurer need to transport the insured for any reason covered under this contract. This will hold true, provided no other insured is available to see to the animal's transportation and the insured vehicle cannot be used to this end.

17. Transportation of the insured in case of an accident at his/her home

Should an accident occur at the insured's regular residence in Spain while s/he is travelling abroad, and should s/he need to return home urgently as a result, the insurer will arrange for his/her transportation to his/her residence at its expense by the means of transportation the insurer considers most appropriate. It will likewise bear the costs, where necessary, of the insured's return to wherever s/he had been before the accident occurred.

18. Legal information

The insurer will provide the necessary information to those insureds who so request it who require the services of a lawyer abroad but do not have sufficient information to find one.

THE FOLLOWING IS NOT COVERED:

- a. Medical, surgical, pharmaceutical and hospitalisation expenses in Spain.

- b. Chronic illnesses or ailments, or illnesses or ailments existing prior to the journey, as well as the consequences thereof.
- c. Death by suicide and illness or injuries intentionally self-inflicted by the insured, as well as illnesses and injuries caused by the ingestion of drugs or derived from criminal actions by the insured.
- d. Aesthetic treatments and the supply and/or replacement of glasses, contact lenses and prostheses in general, as well as mental illnesses, births and pregnancies.
- e. Events derived from the practice of competitive sports and the rescue of people at sea, in the mountains or in the desert.
- f. Any type of pharmaceutical expense for treatments not prescribed by a physician.
- g. Expenses incurred for the shipping or forwarding of luggage or personal effects, except for those included under covers 8, 12 and 13 of article 13.

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REPLACEMENT VEHICLE IN CASE OF ACCIDENT OR THEFT

1. INSURED VEHICLE

The insured vehicle listed in the policy schedule, deemed apt for transit in accordance with technical vehicle inspection standards.

2. TERRITORIAL SCOPE

This cover is only valid in Spain.

3. BENEFIT CONDITIONS FOR THE COVER

In the event of an accident

In the event of the immobilisation of the insured vehicle due to an accident or theft, the insurer will provide, at its own expense, a class-B rental vehicle for a maximum of 7 days, provided that the following conditions are met:

- The vehicle's repair must entail over 8 hours of labour according to the price list of the make.
- The vehicle must be immobilised for over 72 hours.
- Vehicle rental will only be covered during the time it takes to repair the insured vehicle.

In the event of theft

In the event of theft of the insured vehicle, the insurer will provide, at its own expense, a class-B rental vehicle for a maximum of 7 days, provided that the following conditions are met:

- To make the request, a copy of the theft report filed with the relevant authorities and a copy of the notification made to the company must be furnished.
- In the event of recovery of the vehicle, the insured agrees to notify the insurer immediately and return the replacement vehicle.

- Vehicle rental will only be covered during the time it takes to find the missing vehicle. Should the vehicle be found damaged, the days will not be cumulative, and the maximum time of possession of the rental vehicle will be that stipulated above.

THE FOLLOWING IS NOT COVERED:

In general, benefits that are neither carried out by the insurer nor expressly authorised by it are not covered. Other unjustifiable causes for these benefits are those accidents due to:

- a. Participation of the insured in wagers, challenges, races, organised trekking or rallies, driving on anything other than public roadways apt for traffic or the practice of all-terrain sports (trials, endurance races, etc.).
- b. The consumption of alcoholic beverages, narcotics, drugs or medication, save, in the case of the latter, when prescribed by a physician.
- c. Reckless driving.
- d. Fraudulent acts of the policyholder, insured, beneficiaries or their assignees.
- e. Wars, protests, tumultuous popular uprisings, acts of terrorism, sabotage and strikes. Earthquakes, floods, volcanic eruptions and, in general, those caused by forces of nature. Any other phenomenon of extraordinary catastrophic nature or event that, due to its magnitude or severity, is classified as a catastrophe or disaster.

4. PROVISION OF THE SERVICE

The request for the replacement vehicle is to be made by the insured through the telephone number listed in the policy schedule (24-hour service, 365 days a year). The insurer will not pay for any claim that has not been reported beforehand through said telephone number.

15

RISKS EXCLUDED FROM ALL COVERS

In addition to the specific terms of each cover, in general, the following is not guaranteed under this insurance:

- a. Damage caused by the use of the insured vehicle as an instrument for perpetrating malicious crimes against people or things.
- b. Damage caused by earthquakes, flooding, volcanic eruptions, uprisings, plundering, terrorist acts, civil or international war or confiscations by civil or military authorities, as well as by rebellions, brawls or riots, except where the rebellion, brawl or riot is an immediate and direct consequence of an accident caused by the insured vehicle.
- c. Damage caused by any modification made to the atomic structure of the material, or by the thermal, radioactive or other effects thereof, or by the artificial acceleration of atomic particles.
- d. Damage caused when the insured driver is in a state of intoxication or under the influence of alcohol, drugs, poisons, narcotics or psychotropic substances. Driving under the influence of alcohol will be considered to have occurred when the driver's blood alcohol levels exceed the legal limits established at the time or when the driver is found guilty of a specific offence of driving under the influence or, in the judgment handed down against him/her, this circumstance is included as one of

the accident's concurring causes. This exclusion will not apply when the following three conditions are met:

- The driver is an employee of the vehicle's owner.
- The driver does not habitually drink or use drugs.
- Due to the total or partial insolvency of the driver, the insured is declared vicariously liable.

For the cover for own damage to the vehicle, the concurrence of the first two conditions will be sufficient for this exclusion not to apply. In all cases, the insurer will be entitled to the right of recourse against the driver. This exclusion will not affect the criminal defence.

- e. Damage caused when the insured vehicle is being driven by a person who does not hold the necessary permit or licence or is violating a sentence to cancel or suspend said permit or licence, except for the rights of the insured under the theft cover when it is included in the policy, as well as his/her rights under the criminal defence cover.
- f. When the driver of the insured vehicle that caused the accident is found guilty of the crime of "failing in his/her duty to aid". This exclusion will not affect the owner of the vehicle when the driver is his/her employee. Moreover, without prejudice to the insurer's right of recourse against said driver, the criminal defence cover is excepted.
- g. Damage caused by robbery or theft of the insured vehicle. Where the vehicle is insured against theft by a cover included in the policy, the terms of said cover shall apply.
- h. Damage caused by motor vehicles used for industrial or agricultural tasks, such as tractors, harvesters, hinged dump trucks, diggers, cement mixers, compressors, cranes or similar vehicles, when the accidents are due to the execution of the relevant industrial or agricultural task and are not the direct consequence of the transit of said vehicles.
- i. Damage caused when, because of the policyholder, insured or driver, the regulations regarding the number of passengers, the weight or size of transported objects or animals or the way they are accommodated in the vehicle are violated, provided said violation is not the main cause of the accident.
- j. Damage caused due to the insured vehicle's participation in wagers or challenges.
- k. Damage caused due to the insured vehicle's participation in races or contests or in preparatory trials for them.
- l. Damage caused due to the insured vehicle's transit through areas not expressly authorised for traffic.
- m. Damage caused when the insured vehicle is located on port or airport premises.
- n. Damage caused when the insured vehicle is transporting flammable, explosive or toxic materials.
- o. Damage caused before payment of the first premium.
- p. Damage caused when cover under the policy has been suspended or the contract has been terminated due a failure to pay the premiums.

At all times, the insurer will be released from the obligation to pay indemnities or any other benefit if the claim is caused by bad faith on the part of the insured or of the driver s/he has authorised, as well as in the event of deliberate misrepresentation or simulation in the claim report, without prejudice to any other kind of liability that may apply.

16 TERRITORIAL SCOPE OF THE INSURANCE

1. The covers for voluntary liability insurance, own damage, fire, theft, broken auto glass, legal defence, damage claims, personal accidents involving passengers, personal accidents involving the driver (fixed sum plus annuity) and subsidy for temporary suspension of driving licence are applicable throughout the territory of the European Economic Area and in those States that have signed the Multilateral Guarantee Agreement.
2. The mandatory liability insurance cover will have effect:
 - **In Spain**, up to the quantitative limits established for mandatory insurance at any given time under current law.
 - **When the event occurs abroad** but within the territory of the European Economic Area, or within the territory of States that are parties to the agreement between the national insurance offices of Members States of the European Economic Area and other associated States, this cover is provided subject to the limits and conditions established as mandatory under the law of the State in whose territory the claim occurs. This notwithstanding, if the claim occurs in a Member State of the European Economic Area, the cover limits established in the preceding section will apply, if they are higher than those in force in the State where the claim occurs.
 - For territories not included in section 1, the issue of the relevant green card will be necessary.
3. The territorial scope applicable to the roadside assistance cover is governed by the terms of article 13.

BASIS FOR THE CONTRACT

17

FORMATION, EXECUTION AND PERIOD OF COVER OF THE INSURANCE

- The insurance application and questionnaire filled out by the policyholder or insured, as well as the insurer's proposal, where applicable, together with this policy, constitute a single whole, the basis for the insurance, which only covers, within the agreed limits, the property and risks specified therein.
- The application for mandatory insurance will have the effect of cover for the risk for a period of 15 days from the time it is acknowledged by the insurer or its agent.

The application will be considered to have been acknowledged when the applicant receives a copy of it, duly stamped by the insurer or its agent.

The insurer may, within a maximum period of 10 days upon acknowledging the insurance application, reject it by sending written notice to the policyholder by any means that ensures a record of receipt in which it states its reasons, and it will be entitled to payment of the premium owed for the 15 days of cover established in the preceding paragraph. If, upon conclusion of this 10-day period, the insurer has not rejected the application, it will be understood to have been accepted.

Once the application has been acknowledged and the 10-day period has elapsed, the insurer must send the insurance policy within a period of 10 days.

- The contract will be executed by consent, as evidenced by the subscription of the policy or the provisional cover document by the parties hereto. Unless otherwise agreed, the contracted cover and any modifications or additions to it shall not come into force until the policyholder has paid the premium.
- Should the policy's content differ from that of the insurance proposal form or the agreed clauses, the policyholder or insured may, within a period of one month from the date on which the policy is handed over, file a claim with the insurer for it to rectify the discrepancy. Should this period elapse without any such claim being filed, the terms of the policy shall apply.
- The policy's covers shall come into force as of the date and time indicated in the schedule.
- Upon expiry of the period indicated in the schedule, the contract will be understood to have been extended for a period of one year, and so on, successively, upon expiry of each insurance year.

Either party may oppose the extension of the contract by providing written notice to the other party two months prior to the conclusion of the insurance period currently underway.

- The amount of the premium will be reviewed every year by the insurer, based on the principles of equity and adequacy established under insurance law. The criteria for calculating the new premium will be drawn from technical-actuarial studies and will likewise take into account any causes for increase or decrease in risk, and possible modifications of the covers.

UPON FORMATION OF THE CONTRACT AND DURING THE PERIOD OF COVER

1. The policyholder must, prior to the conclusion of the contract, declare to the insurer, in accordance with the questionnaire with which s/he will be provided, all those circumstances known to him/her that may influence the assessment of the risk. S/he will be released from this obligation if the insurer does not require him/her to fill out the questionnaire or if, even if it does so require, the circumstances in question are not addressed on it. This policy has been arranged based on the declarations made by the policyholder or the insured in accordance with the questionnaire or insurance application, which were used by the insurer to accept the risk, undertake the contractual obligations arising hereunder and set the premium.
2. The policyholder or the insured must, throughout the valid term of the contract, inform the insurer, as quickly as possible, of any circumstances that increase the risk and are of such a nature that, had they been known to the insurer when the contract was drawn up, it would not have been executed or would have been executed under more burdensome conditions for the policyholder.

Among the circumstances that might increase the risk are the details of the declared drivers, the characteristics of the insured vehicle and the use to which it is put.

3. The policyholder or the insured are obliged to inform the insurer of the existence of any other policies they have taken out with other insurers which cover the effects of any of the same risks to the same interest for an identical period of time.

If the insurer is informed of an increase in risk during the policy's period of cover, it may propose a modification of the conditions of the contract within a period of two months from the day on which it receives notice of the aggravating circumstance. In this case, the policyholder or the insured shall have 15 days, upon receipt of the proposal, to accept or reject it. In case of rejection of the proposal or silence on the part of the policyholder or the insured, the insurer may, upon conclusion of this period, terminate the contract, providing prior notice to the policyholder, giving him/her a new period of 15 days to respond, following which, and within the next 8 days, it will inform the policyholder or the insured of the contract's definitive termination.

The insurer may likewise terminate the contract notifying the policyholder or the insured of its decision in writing within one month of receiving notice of the increase in risk.

When the contract is terminated as a result of an increase in risk occurring during the period of cover, if the increase is attributable to the insured, the insurer will be entitled to the full amount of paid premium. If the aggravating circumstance is due to causes beyond the control of the insured, s/he will be entitled to reimbursement of the portion of the paid premium corresponding to the period of insurance that has not yet elapsed.

20**CONSEQUENCES OF NOT REPORTING AN INCREASE IN RISK**

Should a claim occur when an increase in risk has not been reported, the insurer shall be released of its obligation to provide benefits if the policyholder or insured has acted in bad faith. Otherwise, the benefits provided by the insurer will be reduced proportionally in accordance with the difference between the agreed premium and that which would have been applied had the true magnitude of the risk been known.

21**FALSE OR MISLEADING STATEMENTS**

The insurer may terminate the contract by registered letter addressed to the policyholder or the insured within a period of one month from learning of any withholding of information or misrepresentation on the part of the policyholder. The premiums for the period of cover underway when the insurer provides this notice will be for the account of the insurer, except in case of wilful misconduct or gross negligence on its part.

Should the claim occur before the insurer has provided the notice described in the preceding paragraph, the benefits it provides will be reduced proportionally in accordance with the difference between the premium agreed in the policy and that which would have applied had the true magnitude of the risk been known. When the withholding of information or misrepresentation is due to wilful misconduct or gross negligence, the insurer will be released from its obligation to pay any benefits.

22**IN CASE OF A DECREASE IN RISK**

The policyholder or the insured may, throughout the valid term of the contract, inform the insurer of any circumstances that decrease the risk and are of such a nature that, had they been known by the latter when the contract was drawn up, it would have been executed in more advantageous conditions for the policyholder.

In this case, upon conclusion of the period of insurance covered by the current premium, the insurer shall reduce the cost of the future premium by the relevant proportion. Should it fail to do so, the policyholder will be entitled to terminate the contract and be reimbursed for the difference between the paid premium and that which s/he would have had to pay from the time the insurer was informed of the decrease in the risk.

23**TRANSFER OF OWNERSHIP OF THE INSURED VEHICLE**

- The policyholder and/or insured must inform the purchaser in writing of the existence of the insurance contract for the transferred object. Once the transfer has been verified, s/he must also inform the insurer or its representatives in writing within a period of 15 days. Breach of this requirement will entail the loss of all the insured's and/or vehicle owner's rights.

- The insurer may terminate the contract within a period of 15 days from the day on which it is notified of the verified transfer. Once it has exercised its right and notified the purchaser in writing, the insurer shall remain under obligation for a period of one month as of the notification. The insurer must reimburse the portion of paid premium corresponding to the insurance periods for which, as a consequence of this termination, it has not borne any risk. The purchaser of the insured object may also terminate the contract by providing written notice to the insurer within a period of 15 days upon learning of its existence. In this case, the insurer shall be entitled to the premium corresponding to the period that would have begun when the termination occurred.
- In case of death, temporary receivership, debt reduction and grace periods, bankruptcy or insolvency proceedings affecting the policyholder or the insured, the terms of the preceding paragraphs of this article shall apply.

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PAYMENT OF THE PREMIUM

1. Time of payment

The policyholder must pay the first premium or sole premium upon execution of the contract. Subsequent premiums shall be paid on their respective due dates.

If the policy is not to come into force immediately, the policyholder may delay payment of the premium until the policy is to come into force.

2. Place of payment

Should no place for the payment of premiums be stipulated in the schedule, it shall be understood that these payments shall be made at the residence of the policyholder.

3. Consequences of non-payment of the premium

If, through fault of the policyholder, the first premium is not paid, the insurer shall be entitled to terminate the contract or to demand the enforced payment of the outstanding premium based on the policy. At all times, if the premium has not been paid before a claim occurs, the insurer shall be released from its obligations.

In case of failure to pay any subsequent premium, the insurer's cover shall be suspended one month after the date it was due. If the insurer does not demand payment within six months of the date the premium was due, the contract shall be understood to have been terminated.

At all times, when the contract is suspended, the insurer may only demand payment of the premium underway at the time. If the contract has not been resolved or terminated in accordance with the foregoing paragraphs, the cover will come back into force at midnight on the day the policyholder pays the premium.

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DIRECT DEBITING

If the direct debiting of premiums is agreed in the schedule, the party liable for paying the premiums will provide the insurer with a letter addressed to his/her bank, giving the appropriate orders to this end.

The premium will be considered as having been paid on its due date, except where the relevant amount cannot be debited to the account of the liable party, within the grace period of one month established under the Insurance Contracts Act, as a result of insufficient funds. In this case, the insurer will notify the policyholder, who will be obliged to make the premium payment at the insured's registered offices.

Should the insurer allow the grace period to elapse without sending the bill for the due premium, and should there be insufficient funds in the account when it does so, it will duly notify the party liable for the payment by registered mail or any other indisputable means, granting him/her a new period of one month to pay the amount at its registered offices or at one of its regional offices, branch offices or agencies. This period will begin upon receipt of the notice at the last address for the policyholder reported to the insurer.

26 CLAIMS

The policyholder, the insured or the beneficiary must report the occurrence of the claim to the insurer within a maximum period of 7 days upon learning of it.

In case of breach of this obligation, the insurer may file a claim for damages due to the failure to make this report. This will not hold true if it can be shown that the insurer had knowledge of the claim by another means.

The policyholder or the insured must, in addition, provide the insurer with all the necessary information concerning the circumstances and consequences of the claim. In case of breach of this obligation, the right to the indemnity shall be forfeited in the event of wilful misconduct or gross negligence.

A. Own damage caused to the insured vehicle

1. Verification of claims and valuation of the consequences. This will be done by mutual agreement between the insurer and the insured, and the operation of evaluating the damage will begin as soon as the relevant notice to do so is received.
2. Claim settlement. Should the parties reach an agreement at any time regarding the amount and method of the indemnity, the insurer shall pay the agreed sum and make the necessary arrangements for the repair or replacement of the insured vehicle.

If the parties fail to reach an agreement within a period of 40 days following the claim report, and without prejudice to the terms of article 33 below, the parties will comply with the settlement dispute proceedings as per the process established under article 38 of the Insurance Contracts Act (Act 50/1980) of 8 October.

3. Criteria for the valuation of claims. Repairs will be estimated based on their actual cost and total losses will be assessed according to the vehicle's actual cash value, save for that set out in the section "Indemnity based on value as new" of article 3, "Own damage caused to the insured vehicle", and 4, "Vehicle fire".
4. In case of a change in the vehicle's value as new. In case of a change in the vehicle's value as new, the sum insured will be considered as automatically adapted to this change, the insurer being bound to adjust the premiums accordingly at their next due date, and, in the event of a claim, the average condition will not apply. This change will be calculated in accordance with the definition of "value as new" provided in the preliminaries of this policy.

5. In the event of a claim declaring total loss. A situation of total loss is considered to exist when the budgeted cost for the repair of the damaged vehicle exceeds 75% of its actual cash value if the vehicle is over 4 years old, or its value as new if the vehicle is less than 4 years old, should this cover be in force (according to the terms of the section "Indemnity based on value as new" of article 3, "Own damage caused to the insured vehicle", and 4, "Vehicle fire". Indemnity will be settled deducting the value of the wreckage that will remain in the possession of the insured.
6. Submission of invoices. Urgent repairs. The parties may agree to substitute payment of the indemnity with the repair or replacement of the damaged vehicle. When payment of the cost of the indemnity is agreed, the insured must submit, as a prerequisite, the invoices for the repair work performed.

Whenever there is urgent need for immediate repair, the insured may proceed to have the repair work done, providing the cost does not exceed 200 euros, submitting the invoice to the insurer, along with the claim report, in accordance with the method and terms established in the first paragraph of this point.
7. Obligations of the insured in the event of a fire. In the event of a fire, the insured must indicate, in addition to the general information to be included in the claim report, the place, date and exact time of the claim, its duration and known or presumed causes, the measures taken to counteract the effects of the fire and the approximate value of the damage.
8. Abandonment. The insured may not abandon the damaged property with the insurer, even when the insurer is circumstantially in possession of it.

B. Theft of the insured vehicle

The insured must report the theft to the competent authorities, offering all means at his/her disposal to discover the perpetrators and recover the stolen property.

Clauses 1, 2, 3, 5, 6 and 8 of section A of this article shall likewise apply.

C. Personal accidents involving the driver

Should the insured die as a result of an accident covered under the policy, the insurer will pay the sum insured to the beneficiary or beneficiaries designated by the policyholder and/or insured. Where no such designation has been made by the policyholder, the beneficiaries shall be understood to be the insured's legal heirs.

The beneficiary must submit the following documents:

- Certificate from the physician who attended the insured, detailing the circumstances and causes of death, as well as the certificate for the autopsy, where performed.
- Certified copy of the entry of death in the Registry of Births, Deaths and Marriages.
- Identification and, where applicable, documents offering proof of the condition of beneficiary.
- Certificate of exemption from Estate Tax or of the payment thereof, as applicable, duly completed by the provincial Tax Office.
- Where the sum insured for death was contracted as an annuity, certificate of existence of the beneficiary (throughout the duration of the annuity payments).
- Will or "declaration of heirs" and certified copy of the last will and testament.

Once the foregoing documents have been received, the insurer must pay or deposit the sum insured within a maximum period of 5 days.

D. Subsidy for temporary suspension of driving licence

In the event of a claim, the beneficiary must submit the following documents:

- Proof of having reported the claim.
- Copy of the final and binding judgment or government decision ordering the effective suspension of the driving licence.

E. Roadside assistance

In the event of an occurrence that may require the provision of one of the services covered under this policy, the insured will contact the insurer immediately by calling, on reversed charges, the number listed on the assistance card.

Where this requirement is not met, the insurer shall not be liable for the claim.

Once contact has been established, the insured will indicate his/her policy number, contact telephone number and location and will provide information regarding the circumstances of the accident and the type of assistance being requested. Upon receiving this notice, the insurer will give the necessary instructions to provide the required service.

In those cases where the expenses are to be reimbursed, the insurer may ask the insured to submit proof of the payments made.

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SALVAGE OBLIGATION

The insured, policyholder or driver, as applicable, must employ all means at his/her disposal to lessen the consequences of the claim. Breach of this obligation will entitle the insurer to reduce its benefits in accordance with the importance of the damage derived from the breach and the degree to which the insured was at fault.

Should the breach occur with the manifest intention of harming or misleading the insurer, the latter shall be released from its obligation to provide all benefits derived from the claim.

Any expenses incurred due to compliance with the foregoing obligation, providing they are not inappropriate or disproportionate to the value of the salvaged property, will be borne by the insurer, up to the limit of the vehicle's actual cash value, even when they have not been effective or yielded positive results.

The insurer, which, under the terms of the contract, need only indemnify a portion of the damage caused by the claim, shall reimburse the insured for a proportional part of the salvage expenses, unless the insured has acted on instructions from the insurer, in which case the latter will bear the full cost of same.

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PAYMENT OF INDEMNITIES

The insurer is obliged to pay the indemnity immediately after conclusion of the investigations and valuations required to establish the existence of the claim and, where applicable, the cost of the damage caused. At all times, the insurer must pay the minimum amount owed, within 40 days of receiving the claim report, in accordance with the circumstances known.

The insurer shall be deemed to be in default should it fail to provide its benefits within a period of 3 months following the occurrence of the claim or pay the minimum amount owed within 40 days of receiving the claim report, in which case the indemnity will be increased by an annual interest equal to the legal interest on money plus 50%. This interest will accrue daily, without any need to file legal claims. Notwithstanding the foregoing, once 2 years have elapsed from the occurrence of the claim, the annual interest may not be less than 20%.

29 SUBROGATION

- Once the indemnities have been paid, and without need for any other assignment, transfer, deed or order, the insurer shall be subrogated to the rights, appeals and actions of the insured vis-à-vis the parties liable for the claim, including other insurers, should they exist, up to the limit of the indemnity, and the insured shall be liable for any damages that, through his/her actions or omissions, s/he may cause the insurer with regard to its right to subrogate. The insurer may not, however, act in detriment to the insured to whose rights it has subrogated.
- Except where the liability for the claim is due to a fraudulent act or omission, the insurer shall not be entitled to this subrogation against any party whose acts or omissions may lead to liability on the part of the insured or against the party that caused the claim when said party is a direct or indirect relative of the insured up to the third degree of consanguinity by law, an adoptive parent or an adopted child living with the insured.

If the liability referred to in the preceding paragraph is covered by an insurance policy, the subrogation shall be limited to the cover guaranteed under it.

- In case of concurrent claims by the insurer and the insured against a liable third party, any sum obtained shall be divided between them in proportion to their respective interests.
- The foregoing three points do not apply to the accidental death or permanent disability cover, but do apply to the health care assistance cover.

30 OTHER INSURANCE

When two or more policies taken out by the same policyholder with different insurance companies cover the effects of the same risk to the same interest for an identical period of time, the policyholder or insured must, except where otherwise agreed, inform each insurer of the other policies. Should this notification be omitted as a result of wilful misconduct, and should a claim occur, in the event of over-insurance, the insurers will be released from their obligations to pay indemnities. In the event of a claim, the insurance policyholder or insured must report it to each insurer, indicating the names of the other insurers.

The insurers will contribute to payment of the indemnity in proportion to the sum insured, and the amount may never exceed the value of the damage. Within this limit, the insured may request the indemnity due from each insurer, according to the respective contract. Any insurer that pays a sum greater than its proportional share may sue the other insurers.

If, as a consequence of a single claim involving two or more vehicles, damage is caused to third parties, each insurer will contribute to meeting the obligations derived from the event in accordance with the terms of the settlement agreements, the terms of the court resolution or, where applicable, in proportion to the amount of annual risk premium for the motor vehicle designated in the insurance policy it has underwritten.

With regard to the redress of injuries caused to persons, the insurer to whom the exclusion established in said article applies shall not participate, and this shall not entail any reduction in the corresponding indemnities.

31 RECOURSE

Should it be necessary to reject a claim after having made payments on it or having guaranteed its consequences, the insurer may sue the insured for the sums paid or those that, due to the bail bond posted, it was obliged to pay.

The insurer may likewise file a claim for damages caused to it by the insured or the policyholder in those cases and situations provided for in the policy.

32 TERMINATION OF THE INSURANCE

In the event of the total loss of the insured object, the contract will be terminated, and the insurer will be entitled to the unused portion of the premium for the period of cover underway.

In the event of the disappearance of the insured vehicle, with the ensuing delisting of the vehicle at the Traffic Department, the contract will be terminated, and the insurer will be entitled to the unused portion of the premium for the period of cover underway.

The termination of the contract, as indicated above, will not modify the respective rights and obligations of the parties in relation to claims previously declared.

33 LIMITATION

Any possible actions derived from this contract between the parties to it will become time-barred after a period of 2 years, in the case of material damage insurance, and 5 years, in the case of insurance for people.

In both cases, the limitation period will begin from the day the respective actions may be brought.

34 NOTICES AND JURISDICTION

- All notices addressed to the insurer by the policyholder, the insured or the beneficiary shall be made at the registered offices of the insurer as stated in the policy; however, if they are made to an agent of the insurer, they shall have the same effect as if they had been made directly to the insurer.
- All notices from the insurer to the policyholder, insured and/or beneficiary shall be made at their place of residence, as stated in the policy, unless they have notified the insurer of a change of address.
- All notices made by an insurance broker to the insurer on behalf of the policyholder shall have the same effect as if they had been made by the policyholder him/herself,

except where otherwise indicated. This notwithstanding, at all times, the policyholder's express approval shall be required to enter into a new contract or modify or terminate the insurance contract currently in force.

- This contract shall be governed by Spanish law, and the competent judge to hear claims arising from it shall be the judge with jurisdiction over the place of residence of the insured, to which end the insured will designate an address in Spain, if his/her regular address is abroad.

35 INDEMNITY CLAUSE

FOR CLAIMS DERIVED FROM EXTRAORDINARY EVENTS COVERED BY THE INSURANCE COMPENSATION CONSORTIUM.

PERSONAL INJURY AND PROPERTY DAMAGE JOINT CLAUSE

Pursuant to the terms of the Revised Text of the Legal Statute of the Insurance Compensation Consortium, approved by Legislative Royal Decree 7/2004 of 29 October and amended by Act 12/2006 of 16 May, the policyholder of any type of insurance contract that includes an obligatory surcharge in favour of the aforementioned public body may arrange for the cover of extraordinary risks with any insurance company that meets the conditions required under current law.

The Insurance Compensation Consortium will pay the indemnities arising from claims resulting from extraordinary events occurring in Spain and affecting risks located therein, as well as, with personal insurance, those occurring abroad when the insured has his/her regular address in Spain, when the policyholder has paid the corresponding surcharges in its favour and any of the following situations occurs:

- a. The extraordinary risk covered by the Insurance Compensation Consortium is not covered by the insurance policy taken out with the insurer.
- b. Even if it is covered under said insurance policy, the insurer cannot fulfil its obligations because it has been judicially declared bankrupt or is subject to compulsory winding-up proceedings or such a winding-up has been undertaken by the Insurance Compensation Consortium.

The Insurance Compensation Consortium shall act pursuant to the terms of the aforementioned Legal Statute, the Insurance Contracts Act (Act 50/1980 of 8 October) and the Regulations on Extraordinary Risk Insurance, approved by Royal Decree 300/2004 of 20 February, as well as any additional legal provisions.

1. Covered extraordinary events

- a. The following natural phenomena: earthquakes and tidal waves, extraordinary floods (including the pounding of waves), volcanic eruptions, atypical cyclonic storms (including extraordinary winds with gusts of over 135 km/hr and tornadoes) and falling meteorites.
- b. Events caused suddenly as a result of terrorism, rebellion, insurrection, riots or civil unrest.
- c. Acts or actions of the Armed Forces or of the Security Forces and Services in peacetime.

2. Excluded risks

- a. Those that do not give rise to an indemnity according to the Insurance Contracts Act.
- b. Damage and losses caused to people or things insured by insurance contracts other than those that include an obligatory surcharge on account of the Insurance Compensation Consortium.
- c. Those due to inherent faults or defects in the insured object or to an evident lack of adequate maintenance.
- d. Those caused by armed conflicts, even when no declaration of war has been made.
- e. Those derived from nuclear energy, without detriment to the terms of the Nuclear Energy Act (Act 25/1964 of 29 April). Notwithstanding the foregoing, direct damage caused to an insured nuclear plant shall be understood to be included when such damage occurs as a result of an extraordinary event affecting the plant itself.
- f. Those due to the mere passage of time and, in the case of goods that are fully or partially submerged on a permanent basis, those attributable to the mere action of waves or ordinary currents.
- g. Those caused by natural phenomena other than those set forth in article 1 of the Regulations on Extraordinary Risk Insurance and, in particular, those caused by a rise in the water table, hillside movements, landslides or soil settlement, falling rocks and other similar phenomena, except where they are obviously caused by the action of rain water that has, in turn, caused extraordinary flooding in the area and they occur simultaneously with said flooding.
- h. Those caused by the actions of people arising over the course of meetings and demonstrations held in accordance with the provisions of Organic Law 9/1983 of 15 July, which regulates the right to assembly, as well as during legal strikes, except when said actions may be considered extraordinary events pursuant to the terms of article 1 of the Regulations on Extraordinary Risk Insurance.
- i. Those caused by bad faith on the part of the insured.
- j. Those derived from claims occurring during the waiting period stipulated in article 8 of the Regulations on Extraordinary Risk Insurance.
- k. Those occurring prior to payment of the first premium or when, pursuant to the terms of the Insurance Contracts Act, the cover provided by the Insurance Compensation Consortium has been suspended or the insurance has been terminated due to non-payment of premiums.
- l. Indirect damage or losses arising from direct or indirect damage other than the loss of profits as defined in the Regulations on Extraordinary Risk Insurance. In particular, damage or losses sustained as a result of cuts or alterations in the exterior supply of electricity, fuel gases, fuel oil, gas oil and other fluids are not covered, nor are any indirect losses or damage other than those set forth in the preceding paragraph, even when such alterations arise from a cause included in the extraordinary risk cover.
- m. Claims that, due to their magnitude or severity, are classified by the Spanish government as a “catastrophe or national disaster”.

3. Deductibles

In case of direct damage to things (except for automobiles, homes and their respective homeowner associations), the deductible payable by the insured shall be 7% of the amount of the indemnity for the damage caused by the claim.

In case of personal insurance, no deductibles shall apply.

In case of the loss of profits cover, the deductible payable by the insured shall be that set forth in the policy for ordinary claims resulting in a loss of profits.

4. Scope of the cover

The extraordinary risks cover shall apply to the same persons and property and have the same sums insured as those established in the policy for ordinary risks. This notwithstanding, in policies covering own damage to motor vehicles, the Consortium guarantees the full insured interest, even when cover under the ordinary policy is only partial.

With life insurance policies that, pursuant to the terms of the contract and in accordance with private insurance regulations, generate policy reserves, the Consortium's cover shall refer to the sum insured for each insured, that is, to the difference between the sum insured and the policy reserves that, pursuant to the aforementioned regulations, the insurer must establish. The amount of said policy reserves will be paid by the aforementioned insurer.

PROCEDURE TO FOLLOW IN THE EVENT OF A CLAIM COVERED BY THE INSURANCE COMPENSATION CONSORTIUM

In the event of a claim, the insured, policyholder, beneficiary or their respective legal representatives must report the claim, directly or through the insurance company or insurance agent, within a period of seven days of receiving knowledge of it, to the appropriate regional office of the Consortium for the place where the claim occurred. The report must be made using the form established for this purpose, which is available on the Consortium's website www.conorsegueros.es and at its offices or the offices of the insurance company, and the documents required according to the nature of the damage must be attached thereto.

In addition, the wreckage and remains of the claim must be conserved for expert appraisal or, where this is absolutely impossible, documented proof of the damage must be submitted, such as photographs, notarised documents, videos or official certificates. Likewise, any invoices relating to damaged goods whose destruction could not be postponed must be kept. All measures necessary to reduce the damage must be taken. The valuation of the losses derived from extraordinary events shall be carried out by the Insurance Compensation Consortium, which shall not be bound by any valuations that, where applicable, may be carried out by the insurance company covering ordinary risks.

For clarification of any doubts that may arise concerning the procedure to be followed, the Insurance Compensation Consortium has set up the following telephone number for insureds: 902 222 665.

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