

# Squatter Protection Insurance.

General Conditions Squatter Protection Insurance



linea directa

# Squatter Protection Insurance



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# I. Introduction to the Policy

## I.1. Legal Framework

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### 1 GOVERNING LEGISLATION

This Policy is governed by Insurance Contract Law 50/1980, of 8 October, Law 20/2015, of 14 July, on the management, supervision and solvency of insurance and reinsurance companies, and its Implementing Regulations (Royal Decree 1060/2015, of 20 November, on the management, supervision and solvency of reinsurance companies), Law 22/2007 of 11 July, on distance marketing of financial services to consumers, Royal Decree - Law 3/2020 of 4 February, on urgent measures incorporating various directives into Spanish Law from the European Union in the field of public procurement in certain sectors; private insurance; pension plans and funds; taxation and tax litigation and by the provisions of these General Conditions, the Special Conditions and any future standards that may replace or amend the ones listed here, or which may be applicable.

Control of **Línea Directa Aseguradora's** activity in Spain corresponds to the Ministry of Economy through the Directorate General of Insurance and Pension Funds.

### 2 JURISDICTION AND ARBITRATION

The Policy is subject to Spanish jurisdiction and the competent court shall correspond to the address of the Insured, for which purpose the latter shall designate one in Spain if they are resident abroad.

With the express agreement of the parties, disputes arising from this Policy may be submitted to the judgement of arbitrators, in accordance with current legislation.

### 3 EXPIRY

Actions to claim rights arising from the Policy lapse after two years.

## I.2. Insurer Terms

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### POLICYHOLDER

Natural or legal person who takes out insurance with **Línea Directa** and to whom the obligations under the Contract correspond. It must always be one of the legal owners of the property or the tenant in the case of a rental.

### THE INSURED

Natural or legal person, holder of the item covered by insurance who, in the absence of the Policyholder, assumes the obligations of the Policy.

The Policyholder will, in any case, always be considered as Insured except when the Policyholder is a legal entity.

Provided that they live at the Insured address, the spouse and relatives of the Insured Party, to the second degree of consanguinity or affinity, will also be insured, as well as domestic staff, during the course of their duties.

### INSURANCE COMPANY

A company that assumes the coverage specified in the Special Conditions, in this case, **Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros.**

### THIRD PARTY

Any natural or legal person other than the Insured and their relatives up to the second degree of consanguinity or affinity.

**People who live with the Insured at the same address will not be considered third parties.**

### POLICY

This is the document that contains the regulatory conditions of this insurance. The following form an integral part of the Policy: the **General Conditions**; the **Special Conditions**, which individualize the risk; the **Extra Conditions**, if applicable; and any **Supplements** or **Appendices** issued to complement or modify the Policy.

### PREMIUM

This is the price of the insurance you have procured and that you must pay the insurance company to assume the risk which is the object of the insurance coverage. **Its amount is calculated and updated annually** based on factors that define the risk borne by **Línea Directa**, given the history of accidents recorded in the preceding periods of insurance; changes occurring in individual risk factors defined in the institution's technical conditions, including data provided to us in the insurance contract questionnaire, combinations of these being based on statistical models, as well as **changes in the consumer price index**.

### INSURED AMOUNT

The sum established for each of the items covered by the policy, and which represents the maximum compensation limit to be paid by the insurer in each loss.

### RISK

This is the possible occurrence of a certain event that causes financial consequences to the property of the Insured.

### LOSS

Sudden, unforeseen event beyond the control of the Insured, whose harmful economic consequences are covered by the Policy. These harmful economic consequences must be a direct result of the loss.

All the damage caused by the same event and occurring at the same time constitutes a single loss.

### MATERIAL DAMAGE

Direct damage as a result of a loss covered by the Policy that is suffered by the property insured and **affecting its functionality**.

### BUILDING

This is the whole or part of the building used as the home and formed by the following private elements:

**a** Foundations, walls, terraces, roofs, ceilings, doors, windows and fixed glass in the home.

**b** Fixed heating and cooling installations (including radiators, boilers and those permanently installed in the property), gas, water, plumbing, electricity, telephone, security and home automation.

**c** Private television or radio aerials and solar energy panels that are owned by the insured person and are installed in a private area of their property and the fixed parts necessary for their operation. Solar panels belonging to residents' as-

sociations or similar and those installed in common areas where property and access rights do not correspond solely to the insured person are excluded from this coverage.

**d** Worktops, fitted kitchen furniture, built-in wardrobes, blinds, awnings and pergolas that are fixed to the façade or flooring of the home, as well as floor, ceiling or wall coverings, painting, wood or plaster decoration.

**e** Fences, walls or any other enclosure that marks out the property of the insured home.

**f** Gardens, groves, swimming pools, tennis courts and other fixed recreational or sports facilities.

The property is also understood to include storage rooms, parking spaces and, in general, those areas that do not form an integral part of the actual living space, but are in the same building or area.

If you are a co-owner, the insurance coverage includes, in the event of any loss covered by the Policy, and in addition to the divided part of your property, the proportion corresponding to you in the undivided property, provided that the owners association insurance taken out by the co-owners is insufficient or in the event that there is no such insurance.

#### USE OF HOME

- **Habitual residence:** Home in which the Insured party is habitually resident and which does not remain uninhabited for more than 30 consecutive days per year.
- **Second home:** A home in which the Insured party does not usually reside.

- **Rented housing:** A habitable building whose primary purpose is to satisfy the tenant's permanent housing needs.

### I.3. Policy Conditions

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#### Article 1. Purpose

The aim of this Policy is to insure risks arising from the illegal occupation of the property, according to the coverage and limits agreed in the General and Special Conditions.

#### Article 2. Formalisation and Effective Date

The contract is formalised by the consent of both parties stated by telephone or online, or through an application form sent by the broker to **Línea Directa**, without prejudice to the Policyholder's obligations to pay the receipt and return the Policy sent by **Línea Directa**, duly signed. Therefore, the Policy taken out and its modifications or additions will have a binding effect on both **Línea Directa** and the Insured Party from the time stated to that effect by both of them by telephone or online, or on the date expressly provided in the application form sent by the broker to **Línea Directa** Aseguradora, when the Policy is signed and the premium has been paid.

The Policyholder may unilaterally terminate the Contract within 14 days of receipt of these Contract Conditions, provided that no claim has been made. To do this, they must inform **Línea Directa** by any means that allows the notification to

be recorded, without being required to state any reason. Once this notification is issued, risk covered by **Línea Directa** will cease, the latter proceeding within 30 days, without applying any penalty, to repayment of the portion of unearned premiums.

### Article 3. Duration and Termination

The Policy will have the duration agreed in the Special Conditions.

In the event that the contract is extendable, the contract shall be deemed to be extended for annual and successive periods at each expiry date.

The parties may oppose the extension of the contract by written notice to the other party of at least one month prior to the conclusion of the current insurance period when it is the Policyholder who opposes the extension, and two months when it is the insurer.

In the event of disappearance of the risk, all cover in the Policy will terminate.

### Article 4. Territorial scope

This insurance cover is limited to the property named in the Special Conditions.

### Article 5. General communications

All communication between the Policyholder, Insured Party or beneficiary and **Línea Directa** as a result of this Policy, may be carried out by telephone, online or by any other means agreed in the Spe-

cial Conditions, without prejudice to either party being able to request a written confirmation.

When notifications from **Línea Directa** are given in writing, they will be sent to the address contained in the Policy, to the email address or telephone number provided. Emails to the correct address, written communications that were refused, certificates not collected from the post office and those that do not reach their destination due to a change of address that **Línea Directa** has not been notified of, will take effect as if the written notifications had been received.

The Policyholder or, if applicable, the Insured Party, authorizes **Línea Directa**, if deemed necessary, to record telephone conversations held and to use them as evidence for any claims that may arise between both parties. In this case, the Policyholder or the Insured Party may request that **Línea Directa** provides them with a copy or written transcript of the contents of the conversations recorded between the two parties.

For any queries, modifications or matters related to the Policy, the Insured Party shall provide **Línea Directa** with the details and/or identification passwords as requested for security purposes. Notifications given by the Policyholder to the insurance agent mediating, or who has mediated in the Contract, will have the same effect as if they had been given directly to **Línea Directa**.

**Línea Directa** must notify the Policyholder, at least two months before the end of the current period, of any change in the insurance contract.

## I.4. Obligations of the Policyholder and/or the Insured Party

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### Article 6. Statements on Risk

The Policyholder has a duty, before the formalisation of the contract, to declare to **Línea Directa**, according to the questionnaire the latter submits to them, all the circumstances known to them that may influence the risk assessment.

The declarations made by the Policyholder in response to the questionnaire are listed in the Special Conditions document that is part of the Policy.

Where an error is found in the Policy, the Policyholder has a period of one month from the delivery thereof to remedy the existing divergence. Following this period without any claim, details will be as provided in the Policy.

### Article 7. Accuracy of Statements

**Línea Directa** may terminate the Policy by writing to the policyholder within one month following knowledge of any reservation or inaccuracy in the statements made by the latter.

From the moment that **Línea Directa** makes this statement, premiums for the current period will remain its property unless there is intent or gross negligence on its part.

If the incident occurs before **Línea Directa** has made the statement referred to

above, the payment will be reduced by the same proportion that exists between the premium agreed in the Policy and the one corresponding according to the true magnitude of the risk.

If the reservation or inaccuracy occurred through malice or gross negligence of the Policyholder, **Línea Directa** will be released from making the payment.

### Article 8. Reduction of the Risk

The Policyholder or the Insured may, during the course of the Contract, notify **Línea Directa** of any circumstances that reduce the risk and are of such a nature that if this had been known by **Línea Directa** at the time of the completion of the Contract, they would have concluded it on more favourable terms.

In this case, at the end of the current period covered by the premium, the amount of future premiums should be reduced by the corresponding proportion, the Policyholder otherwise being entitled to terminate the contract and refund the difference between the premium paid and what they would have paid from the time the decreased risk was communicated.

### Article 9. Increase of the Risk during the Term of the Contract

The Policyholder or the Insured shall, during the course of the Contract, notify **Línea Directa** as soon as possible of all the circumstances that aggravate the risk and are of such a nature that if this had been known at the time of the completion of the contract, it would not have been



concluded or it would have been done so in more onerous conditions.

#### Article 10. Powers of Línea Directa in the event of increase of the risk

**Línea Directa** may propose a modification of the conditions of the contract within 2 months, counting from the date when the aggravation was declared to it. In this case, the Policyholder has 15 days from receipt of this proposal to accept or reject it. In case of rejection or silence by the Policyholder, **Línea Directa** may, after that period, terminate the Contract upon notice to the Policyholder, giving them a further period of 15 days to answer, after which and within the following 8 days they will notify the Policyholder of the final termination.

**Línea Directa** may also terminate this Contract by giving written notice to the Insured within one month from the date they learned of the aggravation of risk.

If a claim arises without any aggravation of risk having been declared, **Línea Directa** is relieved of payment if the Policyholder or the Insured has acted in bad faith. Otherwise, the payment by **Línea Directa** shall be reduced in proportion to the difference between the premium agreed and that which would have applied had the true nature of the risk been known.

#### Article 11. Existence of Multiple Insurance

The Policyholder should state the name of other Insurers that cover the same risks covered by the Policy in other insurance contracts.

In the event of over-insurance due to the existence of more than one insurance contract covering any of the types of coverage included in this contract, the insurers shall contribute to the payment of compensation in proportion to the actual sum insured, without the damage amount being exceeded. Within this limit, the Insured may ask each insurer for the compensation due, according to the respective insurance contract.

#### Article 12. Payment of premium

There will be only one premium for the entire insurance period, although it may be paid in instalments.

The Policyholder is obliged to pay the first premium once the Contract is completed pursuant to Article 2 of these General Conditions. Subsequent premiums or fractions shall be paid on their respective maturity dates.

If the Policyholder is responsible for not paying the first premium or fraction thereof, **Línea Directa** is entitled to terminate the Policy or to enforce payment of the premium. **Línea Directa will be relieved from its obligation, if the premium is not paid before the accident occurs.**

In case of non-payment of one of the following premiums or any fraction thereof, all cover will be suspended one month after its expiration date, with **Línea Directa** reserving the right to terminate the Contract. If **Línea Directa** has not terminated the Contract or claimed the premium or fraction thereof within 6 months after the default, the Contract shall automatically lapse. Additionally, **Línea Directa** may suspend the benefit of payment in instalments.

If the Contract is not terminated in accordance with the above, the coverage will take effect again 24 hours after the date on which the Policyholder paid the premium.

**Línea Directa** will establish a surcharge of €9 for the cost of returning payments.

In the event that the object of the insurance disappears before the maturity date of the Policy, the Policyholder is obliged to make the fractioned payments that remain until this maturity.

Premiums shall be paid by the direct debit system, credit card, or any other means that both parties expressly admit by mutual agreement and which will be reflected in the Special Conditions of the Policy. In the event of credit card payment, the Policyholder must inform **Línea Directa** of the card details and its expiry date, as well as any possible modifications to these, it being essential for their effectiveness that the Special Conditions have been signed and received by **Línea Directa** within the period determined therein.

The place of payment of premiums in case of direct debit will be the account designated by the Policyholder on taking out the Policy. If paying by credit card, the account held with the card issuer.

### Article 13. Action in case of a claim

The Policyholder or the Insured must:

**a** Notify **Línea Directa** about the occurrence of the loss and all information relating to it in the shortest time possible and in all cases **within seven days of becoming aware of it**. **Línea Directa** may claim damages for breach of this obligation.

**b** Use all means at their disposal to mitigate the consequences of the loss. Breach of this duty will entitle **Línea Directa** to reduce its payment by the appropriate proportion, given the extent of damage hereunder, and the degree of fault of the Insured.

**c** The Insured Party must disclose the occurrence of the incident to the authorities, delivering a copy of the complaint to **Línea Directa**.

**d** For the purposes of Public Liability coverage the Insured must provide the necessary cooperation and may not negotiate, accept or reject any claim without authorisation from **Línea Directa**. **Línea Directa** will assume the legal management of the claim for the injured party as specified in the cover for Damage caused to third parties during occupancy.

**e** The Policyholder or the Insured must also inform **Línea Directa** as soon as possible of any legal, extra-legal or administrative notice that comes to their knowledge related to the accident, and any kind of information about its circumstances and consequences.

**f** The submission of receipts and supporting documents shall be essential for the reimbursement of any expenses.

### Article 14. Sale of Insured Home

In the case of the sale of the home, the Policyholder is obliged to inform the new owner of the Policy's existence and to notify **Línea Directa** about the transfer of the home within a maximum of 15 days starting from the transfer.

## I.5. Obligations of Línea Directa

### Article 15. Indemnity

#### PAYMENT OF INDEMNITY

**Línea Directa** must pay, within forty days of the reporting of the claim, the minimum amount which may be due according to the circumstances it is aware of. When the nature of the insurance permits, and the Insured Party consents, the insurer may substitute the payment of indemnity for the repair of the damaged property insured.

#### DELAY IN THE PAYMENT OF INDEMNITY

If within 40 months from the occurrence of the accident, **Línea Directa** has not repaired the damage or compensated the amount in cash for any unjustified cause that is attributable, compensation will be increased by the interest established at any time by law.

The insurer will be understood to be in default when it has not performed the service within three months after the occurrence of the loss or it has not paid the minimum amount owed within forty days following receipt of the statement of claim. In this case the provisions of Article 20 of the Insurance Contracts Act ('Ley de Contrato de Seguro') shall apply.

#### SUBROGATION

After payment of indemnity, **Línea Directa** may exercise the rights and actions corresponding to the Insured Party in view of the claim, against the persons liable for it and up to the limit of indemnity, in accordance with Art. 43 of the Insurance Contracts Act.

#### EXPERT ASSESSMENT PROCESS

In accordance with the provisions of Article 38 of the Insurance Contract Law, if the parties fail to reach an agreement within 40 days from the statement of claim on its causes, or assessment of damage affecting the compensation, each party shall appoint an expert, which must be evidenced by written acceptance.

If one party has not made the appointment, they will be required to do so within 8 days after the date it is required by the party that had appointed theirs. Failure to do so within this period shall be understood as accepting the expert opinion issued by the other party.

Where the Experts reach an agreement, it will be reflected in a joint document, which shall record the causes of the loss, the assessment of damage, other circumstances affecting the determination of compensation, depending on the nature of the insurance in question, and the net proposed amount of compensation.

When there is no agreement among the experts, both parties will agree to and appoint a third expert. In the absence of this, proceedings may be set in motion in the manner provided for in the Voluntary Jurisdiction Act or in notarial legislation.

In these cases, the expert opinion will be delivered within the time specified by the parties or, failing that, within thirty days from the acceptance of this appointment by the third expert.

Each party will meet its expert's fees, and those of the third party and other expenses incurred by the expert appraisal will be shared.

## II. General Conditions: Squatter protection coverage

### Article 16. Legal protection from squatting

Legal protection and any expenses or losses arising from the cases indicated in this article are covered, provided that they are derived from “squatting” on the insured property, this being understood to be the occupation of the property and remaining in it without the due permission of the owner. Those cases in which the occupant did at some time have the permission of the insured person to occupy the property or those in which a contract or legitimate right had existed in the past that justified the occupation will not be covered.

Incidents arising from squatting are covered provided that both the incident and the squatting itself occurred **after the entry into force of the cover and while the cover remains in force.**

The Insured must notify **Línea Directa** of the incidents **within two years following the date of their occurrence.** Once this time has elapsed, and in accordance with the law, the Insured’s right to claim the insured amount will be extinguished due to the passage of time.

For liability cover for damage caused to third parties during the squatting, the incident shall be deemed to have occurred at the time the damage was caused to the third party. In the case of continuing damage, the incident shall be deemed to have occurred at the time the damage first manifested itself.

For the coverage of Conflicts related to occupation, the conflict/loss is deemed to have occurred when the insured’s rights were first affected, i.e. the occupation.

**Línea Directa** will assume payment of the insured expenses up to the maximum limit detailed in these General Conditions. It will operate as a double limit: a maximum limit to be paid in each incident occurring in relation to that cover and as an annual maximum limit regardless of the number of incidents occurring.

Incidents occurring in Spain are covered as long as a Spanish court is competent to hear the case.

### 16.1. COMPENSATION FOR ACCOMMODATION EXPENSES

**Línea Directa** guarantees the payment of financial compensation, up to a limit of €800 per month for a maximum of six months, to offset any expenses that the Insured may have to bear as a result of having to pay for accommodation as an alternative to their home for the duration of the occupancy. The payment of this compensation is conditional on the owner being unable to live in their home and having to pay for alternative accommodation. In order to access this compensation, the Insured must provide documentary proof of having paid the price for the accommodation.

This cover would not apply in the event that the home is not the habitual residence or that it is rented and the Policyholder is the landlord of the property.

### 16.2. COMPENSATION FOR SUPPLY COSTS

**Línea Directa** guarantees the payment of financial compensation, up to a limit of €300 per month for a maximum of six

months, for any bills for the property's utilities (water, gas and electricity) which the Insured is contractually obliged to pay and which they have paid during the period of occupancy. In order to access this compensation, the Insured must provide documentary proof of having paid the utility bills. This compensation requires compliance with the following conditions:

- 1** At least one month must have elapsed since the occupation took place and the utility bills must have been paid during the period of occupation of the insured property.
- 2** Eviction proceedings must have been initiated.
- 3** It is not rented at the time of the squatting.

This coverage will apply regardless of whether the insured property is declared to be the habitual residence or a second home.

### 16.3. COMPENSATION FOR LOSS OF RENT FROM THE INSURED PROPERTY

**Línea Directa** guarantees the payment of financial compensation, up to a limit of €800 per month for a maximum of six months, to alleviate any financial losses that the Insured may suffer as a result of monthly rent payments not received, and in the event that, as a result of the occupation, the Insured was not able to rent out the insured property. This compensation requires compliance with the following conditions:

- 1** At least one month must have elapsed since the occupation took place.
- 2** The eviction proceedings have been initiated.

In order to access this compensation, the Insured must in addition prove one of the following requirements:

- 1** The property has been rented prior to the squatting, with a maximum of one month having elapsed since the end of the last rental contract and up to the time of the squatting, and it is not rented out at the time of the squatting.
- 2** The property was put up for rent and listed on one or more real estate websites at the time of the illegal squatting.

The maximum amount to be paid shall be calculated on the basis of the amount of the last monthly rental income or the rental income amount stated in the advertisement.

This cover would not apply to policies where the Policyholder is not the Owner.

The Insurer shall not pay any financial compensation for loss of rent after the date on which the Insured has legally regained possession of the property.

### 16.4. COMPENSATION FOR FURNISHING EXPENSES

**Línea Directa** guarantees the provision of the service without any financial limit or reimbursement compensation up to a limit of €5,000 for any damage suffered by the Insured as a result of the occupation of the insured property.

Damage covered by this insurance is as follows:

- a** Basic services:
  - Changing the lock or cylinder on the main door of the property or locks if there is more than one main door.

- Travel, labour and equipment necessary to carry out the painting and the paint itself (with basic cleaning including scraping and surface sanding of the wall before the application of the coat of paint) on the property's ceilings and walls.
- Cleaning and/or removal of furniture if necessary.
- Work consisting of the basic preparation of the walls prior to their painting (basic covering of small flaws or cracks that do not require any special materials for their repair).
- Sending an electrician. Repair of light points, connections, bulb changes, socket adjustments. Up to one hour maximum labour.
- Sending a parquet layer. Spot repairs on the ground and in very limited areas. Repair of damaged slats or minor damage. No sanding or varnishing is included. Up to two hours maximum labour.
- Sending of a technical service for household appliances: Checking and repairing electrical appliances located in the kitchen or laundry room. Limit of one appliance per service. Up to one hour maximum labour. It does not cover damaged parts.

The Insured may choose between hiring professionals themselves to carry out the work themselves or choosing for the work to be done by professionals selected by **Línea Directa**.

If the Insured had chosen to hire the professionals themselves prior to receiving the compensation, then in order to be eligible for payment of this compensation they must provide documentary proof of payment.

**b** Additional services:

- Sending a plumber. Repair work or replacement of hoses, taps, stopcocks (which do not require preliminary chipping work). Up to two hours maximum labour.
- Sending a builder. Repair work on bathroom and kitchen tiles (damage to walls requiring materials). Up to two hours maximum labour.
- Sending a glazier. Labour required to replace glass in doors and windows (not windows or glass that requires more than one professional to repair). Up to one hour maximum labour.

Ancillary services shall be **carried out** solely by professionals appointed by the Insurer. **These services do not include, at any time, any materials that may be necessary, only the labour of the professionals.**

The provision of the service or the payment of this compensation is in any case conditional upon the following:

1. The property is actually vacated.
2. At least one month must have elapsed between the notification of the occupation and the repossession of the property.

Damage that is not a direct consequence of the occupation, such as that due to the normal use of the property and its installations, will not be covered. In order to determine whether this damage is the result of the occupation, the Insurer will prepare an expert report prior to the repair or payment of compensation.

## 16.5. LIABILITY FOR DAMAGES CAUSED TO THIRD PARTIES DURING THE OCCUPATION

**Línea Directa** will pay any compensation for which the Insured may be liable, up to the limit of €7,500, in accordance with the provisions of articles 1902 et seq. of the Civil Code, and which they may be obliged to pay in their capacity as owner of the insured home, if held responsible for bodily injury or property damage caused to third parties, provided that the following conditions are jointly met:

1. The damage has been caused when the insured property is illegally occupied.
2. The damage was caused as a result of an act or omission on the part of the squatters.
3. The Insured is declared to be liable for the damages by a final court ruling.

In cases of liability claims against the Insured in which the claim does not exceed €7,500, the Insurer shall assume the legal management against the claim by the injured party.

Only in those cases where the claim is for an amount greater than €7,500 may the Insured freely choose the lawyer and solicitor (if necessary) who will defend and/or represent them in the legal proceedings, this being in the manner, with the requirements and up to the limit of €5,000 (with respect to the payment of their fees) established in the section "Free choice of private lawyer".

This maximum limit of €7,500 includes the payment of legal costs and expenses, as well as the furnishing of the bail bonds required of the Insured.

The following are excluded from the personal liability cover for damages caused to third parties:

1. Damage due to wilful misconduct or gross negligence on the part of the Policyholder or the Insured.
2. Claims based on contractual obligations.
3. Payment of fines or personal sanctions.
4. Liability that is covered by Compulsory Insurance.

## 16.6. REMOTE LEGAL ADVICE

**Línea Directa** will advise the Insured by telephone, through a lawyer, on the rights to which they are entitled in relation to the illegal occupation of the property indicated in the Special Conditions, as well as the damage that has been caused and its future recovery.

The advice will consist of initial legal guidance by phone on the subject matter of the consultation and will not include the review of documentation. The consultation shall be conducted orally, without the issuance of a written opinion.

The consultation may not deal with matters contrary to the law, morality and/or public order and may only refer to Spanish legislation and/or Community regulations applicable in Spain.

## 16.7. OCCUPATION-RELATED CONFLICTS

**Línea Directa** guarantees claiming the insured's rights (amicably or judicially) in order to recover possession of the insured home in the event that it has been illegally occupied, with a limit of €10,000

for the “covered expenses” indicated in this coverage for such a claim. Prior to the commencement of legal proceedings, up to three extrajudicial attempts will be made in person and/or online to try to evict the tenant.

Expenses covered will be within the limits established in the Law and in this coverage. The expenses that Línea Directa is obliged to pay are only the following:

1. Notary fees for the granting of powers of attorney for lawsuits (if necessary), as well as those related to proceedings, summons and others necessary for the defence of the interests of the Insured (previously accepted by Línea Directa).
2. Lawyer’s fees in any proceeding guaranteed under this coverage.
3. The fees and expenses of a solicitor in proceedings in which his or her intervention is legally required.
4. The fees and costs of experts appointed or approved by Línea Directa.
5. Legal costs arising from the processing of the proceedings covered.
6. Costs for the adoption of interim measures in proceedings covered.
7. Court fees arising from the processing of proceedings covered.
8. Expenses that Línea Directa authorises and deems appropriate to demonstrate the rights of the Insured and guarantee the viability of their actions, such as the cost of police reports or notes from the Land Registry.
9. In covered conflicts, notary fees corresponding to the notarisation of the

agreements reached between the parties through mediation.

10. Any locksmith expenses necessary to proceed to the opening of the insured property, at the time of eviction of the squatters. It also includes the cost of replacing the lock with one of similar characteristics to the existing one.
11. Expenses arising from the legal enforcement of judgements or enforcement orders that recognise the rights of the Insured, with a maximum of four requests addressed to the legal body in order to proceed with the legal investigation of the assets belonging to the party subject to the enforcement, and for a maximum period of five years following the finality of the judgements or orders.

#### Expenses not Covered

1. Payment of fines or penalties.
2. Civil Damages.
3. Taxes and other financial payments resulting from the submission of public and private documents to official bodies.
4. Costs resulting from legal accumulation or counterclaims when referring to matters not covered by the guaranteed coverages.
5. Liability defence expenses, unless their coverage has been expressly agreed in the Special Conditions.
6. The provision of bonds to cover the payment of civil damages or the payment of fines.
7. Those arising from the intervention of professionals whose choice has not been previously communicated to Línea Directa.



8. Travel, accommodation and subsistence expenses of the Insured, experts or witnesses whose purpose is to attend the Court, unless their coverage has been expressly agreed in any cover.
9. Any others not included in this insurance contract.

#### Free choice of private counsel

The Insured has the right to freely choose any lawyer or solicitor (if necessary) to defend and/or represent him/her in legally claiming his/her rights to recover possession of the insured home, in the event that it has been illegally occupied.

**Línea Directa** will meet the fees of these professionals and the expenses, both as indicated in the section “Expenses Covered”, and up to the maximum limit of €5,000 established in these General Conditions.

Before the Insured proceeds to make any appointment, **Línea Directa** must have had the opportunity to study the claim and conclude that the events declared are covered and the action intended to be brought is viable. It should also have been possible to make out-of-court settlements.

The Insured will inform **Línea Directa** of the name of the lawyer and/or solicitor chosen.

**Línea Directa** may justifiably reject the appointed professional and, if the dispute remains, the conflict will be resolved through arbitration.

The Insured is also obliged to provide any information and documentation that **Línea Directa** may request, both to determine coverage and viability, and to know the status of the proceedings initiated and their outcome.

The lawyer and solicitor appointed by the Insured will not be subject, under any circumstances, to instructions by **Línea Directa**.

The Insured has the right to agree with the chosen lawyer on the fees freely agreed upon.

Without prejudice to the foregoing, **Línea Directa** will only reimburse the Insured for the fees paid up to the equivalent of the average market price, without in any case exceeding the maximum limit indicated, the excess being at the Insured's expense.

This “average market price” will be reduced or increased, taking into consideration the following criteria:

- The work actually carried out.
- The legal complexity of the case and/or the complexity of the case or the evidence produced.
- The result obtained.
- What other lawyers charge in similar cases.

In cases where the intervention of the solicitor is mandatory by law, the fees and expenses of the solicitor shall be reimbursed in accordance with the legally applicable charges and **within the above limit of €5,000**.

To refund this amount, the Insured must provide proof of the fees agreed with the professional (order form), the invoice and payment, as well as any other documentation requested by **Línea Directa**. The Insured may choose to have the lawyer and/or solicitor's invoices paid directly to these professionals.

In the event that the lawyer and/or solicitor chosen does not reside in the judicial district where the proceedings are to take place, the Insured shall be responsible for the expenses and fees invoiced for travel, subsistence and board and lodging.

In the event that the costs of the proceedings are imposed on the opposing party and the fees of the lawyer and solicitor are paid by the latter, **Línea Directa** will be exempt from their payment, in the event that they have not yet been paid, or may demand a refund of the amount paid in the event that they have been paid.

#### Conflict of interest

A conflict of interest exists if **Línea Directa** has to defend interests contrary to those of the Insured. In this case, it shall notify the Insured Party, taking any urgent steps as may be necessary for the defence of its rights and interests. Once this notification has been made, the Insured may choose between remaining with the legal counsel provided by the Insurer or entrusting it to a lawyer and/or solicitor of their own choice.

Specific exclusions for Legal Defence and claims included in this cover:

1. Claims (or defence against claims) that may be made against each other by the Insured under this policy, except for those coverages where it is expressly stated otherwise.
2. Any claim that the Insured may make against **Línea Directa** or the defence of the Insured regarding a claim made by the Insurer.
3. Defence and claims in bankruptcy proceedings.

4. Cases before international tribunals or before the Constitutional Court, except for appeals on the grounds of infringement of fundamental rights and civil liberties against judicial decisions.
5. Defence and claims for moral or property damages that do not arise from or are not the consequence of a material or bodily injury.
6. Defence and claims in disputes related to the tenancy agreement.
7. Defence and claims in disputes relating to the administration of property, assets, shares, gambling and betting contracts and speculative business.
8. Defence and claims in conflicts related to properties not indicated in the Special Conditions.
9. Claims against the party causing the event giving rise to the cover and who is, with respect to the Insured, a relative at **Línea Directa** or a collateral relative within the third degree of consanguinity or affinity (or the defence against the claim).
10. Defence and claims in urban planning and expropriation matters.
11. With the exceptions that are expressly mentioned in the coverage, any defence and claims in conflicts that have their origin or are related to the design, construction, transformation, demolition or reform of the property or installations of any of the properties over which it holds a right of ownership or usufruct.

#### 16.8. GENERAL EXCLUSIONS FROM THE SQUATTING COVER

1. Incidents occurring as a result of optional insurance coverage that the Policyholder has decided not to take out.
2. Events deliberately caused by the Insured in order to gain access to cover under the insurance contract.
3. The defence, claim and payment of amounts arising, directly or indirectly, from events caused by nuclear energy, genetic alterations, radioactive emissions, natural disasters, acts of war, riots, solar (geomagnetic) storms and terrorist acts.

### III. Insurance Clearing Consortium

Compensation clause by the Insurance Compensation Consortium for losses arising from extraordinary events in insurances with combined coverages for injuries to people and property and civil liability on land motor vehicles.

In accordance with the provisions of the amended text of the Legal Statute of the Insurance Compensation Consortium, approved by Royal Decree Law 7/2004, of 29 October, the Policyholder of an Insurance Contract that must necessarily include a surcharge payable to the aforementioned public business institution, is empowered to agree to coverage of extraordinary risks with any Insurance Company that meets the conditions required by current legislation.

Compensation resulting from claims caused by extraordinary events occurring in Spain and affecting risks situated therein and also, in the case of personal injury, those occurring abroad when the Insured has their habitual residence in Spain, will be paid by the Insurance Compensation Consortium when the Policyholder has paid them the relevant surcharges and any of the following situations occurs:

**a** The extraordinary risk covered by the Insurance Compensation Consortium or is covered by the insurance policy taken out with the Insurance Company.

**b** Where, although covered by this insurance policy, the obligations of the insurance company could not be fulfilled through having been legally declared as bankrupt or subject to liquidation proceedings where

the Insurance Compensation Consortium intervenes.

The Insurance Compensation Consortium will adjust their actions to the provisions of the Legal Statute, under Insurance Contract Law 50/1980 of 8 October, in the Regulation on Extraordinary Risks Insurance, approved by Royal Decree 300/2004 of 20 February, and supplementary provisions.

## 1. Extraordinary Events Covered

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**a** The following natural phenomena: earthquakes and tidal waves, extraordinary floods (including those caused by sea storms), volcanic eruptions, atypical cyclonic storms (including extraordinary wind gusts over 120 km/h and tornadoes), and falling astral bodies and meteorites.

**b** Those violently caused as a result of terrorism, rebellion, insurrection, riot and crowd disturbances.

**c** Acts or actions of the Armed Forces or Security Forces in peacetime.

Atmospheric and seismic events, volcanic eruptions, and falling astral bodies, will be certified, at the request of the Consortium of Insurance Compensation, through reports issued by the State Meteorological Agency (AEMET), the National Geographic Institute and other public agencies competent in the matter.

In cases of events of a political or social nature, as well as in the event of damage caused by events or actions of the Armed Forces or Security Forces or

Bodies in peacetime, the Consortium of Insurance Compensation may seek information about the events from the competent judicial and administrative bodies.

## 2. Excluded risks

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**a** Those that do not give rise to compensation under the Insurance Contract Law.

**b** Those caused to property covered by an Insurance Contract, other than those where there is an obligatory surcharge payable to the Insurance Compensation Consortium.

**c** Those due to improper use or defects of the item insured, or their apparent lack of maintenance.

**d** Those caused by armed conflict, even if it is not preceded by the official declaration of war.

**e** Those arising from nuclear energy, without prejudice to the provisions of Law 12/2011 of 27 May, on civil liability for nuclear damages or those produced by radioactive materials. Nevertheless, all direct damages in an insured nuclear facility are understood to be included, when they are the result of an extraordinary event affecting the actual facility.

**f** Those due to the mere effect of the weather and, in the case of property wholly or partially submerged on a permanent basis, those attributable to the mere effect of waves or ordinary currents.

**g** Those produced by natural phenomena other than those listed in section 1 a)

above, and in particular those produced by a rise of the groundwater level, hill-side movement, land slide or settlement, falling rocks and similar phenomena, except where these were clearly caused by the effect of rainwater that would have, in turn, caused an extraordinary flooding situation in the area and occurred at the same time as that flood.

**h** Those caused by disturbances produced in the course of meetings and demonstrations held as provided in Organic Law 9/1983 of 15 July, regulating the right of assembly, as well as during the course of legal strikes, except when those demonstrations could be classified as extraordinary events under section 1 b) above.

**i** Those caused by the bad faith of the Insured.

**j** Those arising from disasters due to natural phenomena that cause damage to property or financial loss when the issue date of the policy or effective date, if later, does not precede seven calendar days from the date on which the incident occurred, except if previous contracting of the insurance is shown to have been impossible due to lack of insurable interest. This grace period will not apply in the case of replacement or substitution of the policy, in the same or another entity, without interruption, except for the part that was subject to increase or new coverage. Nor will it apply to the part of the insured capital resulting from the automatic revaluation indicated by policy.

**k** Those corresponding to accidents that occurred before the first premium payment or when, in accordance with the provisions of the Insurance Contract Law, coverage from the Insurance Com-

pensation Consortium is suspended, or the insurance is cancelled for non-payment of premiums.

**l** In the case of property damage, indirect damage, or losses arising from direct or indirect damage, other than the pecuniary losses defined as compensable by the Extraordinary Risk Insurance Regulations. In particular, this coverage does not include loss or damage suffered as a result of cutting or altering the external supply of electricity, fuel gas, fuel oil, diesel oil or other fluids, or any other indirect damage or losses other than those mentioned above, even if these alterations result from a case included in the extraordinary risk coverage.

**m** Accidents which due to their magnitude and severity are described by the Government of the Nation as a "disaster or national calamity".

**n** In the case of civil liability on land motor vehicles, personal injuries resulting from this coverage.

### 3. Excess

1. The excess payable by the Insured shall be:

**a** In the case of direct damage, in insurance against damage to things, the excess payable by the Insured party shall be seven percent of the amount of compensable damage caused by the incident. Nonetheless, no deduction shall be made for any excess for damage affecting housing, communities of home owners, or vehicles that are insured by auto insurance policy.

**b** In the case of diverse pecuniary losses, the excess payable by the Insured shall be the same under the policy, in time or amount, for damages produced as a consequence of ordinary claims of lost profits. If there are different excesses to cover ordinary claims for loss of profits, the provided excesses will be applied for main coverage.

**c** Where a policy establishes a combined excess for damage and loss of profits, the Consortium of Insurance Compensation will settle the property damage with a deduction of the corresponding excess by applying that which is provided for in the previous section a), and the loss of profits produced with deduction of the excess agreed upon in the policy for main coverage, reduced in the excess applied to the liquidation of property damage.

2. In personal insurance there will be no excess deduction.

## 4. Extension of Coverage

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1. Coverage of extraordinary risks will include the same people and property, as well as the amounts insured in the insurance policy for the purposes of ordinary risk coverage.

2. Notwithstanding the above:

**a** In policies covering damage to motor vehicles, the extraordinary risk coverage by the Insurance Compensation Consortium will guarantee the entirety of the insurable interest even if the ordinary policy only does partially.

**b** Where vehicles only have a liability policy on land motor vehicles, the extraordinary risk coverage by the Consortium of Insurance Compensation will guarantee the vehicle's value in the state immediately preceding the occurrence of the accident according to the generally accepted market purchase prices.

**c** In life insurance policies that, according to the provisions of the Contract and in accordance with the regulations of private insurance, generate a mathematical provision, the coverage of the Consortium of Insurance Compensation will refer to the capital at risk for each Insured, i.e. the difference between the amount insured and the mathematical provision that the Insurance Company that issued it should have provided. The amount corresponding to the mathematical provision will be paid by the above insurance company.

## 5. Communication of Damage to the Insurance Compensation Consortium

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1. The application for compensation for damages whose coverage corresponds to the Consortium of Insurance Compensation: will be communicated by the Policyholder, the Insured, or the policy beneficiary, or by anyone acting for and on behalf of the above, or the insurer or the insurance intermediary with whose intervention the insurance will be handled.

2. Communicating the damage and obtaining any information related to the procedure and the state of processing

claims may be done:

- By calling the Call Centre of the Insurance Compensation Consortium (+34 900 222 665 or +34 952 367 042).
- Through the website of the Insurance Compensation Consortium ([www.consoseguros.es](http://www.consoseguros.es)).

3. Assessment of damage: The assessment of losses arising from extraordinary events will be made by the Insurance Compensation Consortium, without this being bound by assessments, if any, made by the insurance company covering ordinary risks.

4. Compensation payment: The Insurance Compensation Consortium will make the compensation payment to the insurance beneficiary by bank transfer.

## IV. Enquiries and Complaints. Customer Ombudsman. Procedure Followed

1. The Insured Party may contact the Complaints and Objections Department to raise any complaints regarding this Policy or the handling of an incident. Any complaints or objections must be submitted in writing to the following address:

LÍNEA DIRECTA ASEGURADORA, S.A.  
Complaints and Claims Department  
Ronda de Europa 7  
28760 Tres Cantos

For more information on submitting complaints and objections please consult the website.

2. The Financial Ombudsman service is also available. The claim, which will be free for the Insured, must be caused by any circumstance arising from the Insurance Contract. Both Customer Services and the Customer Ombudsman will acknowledge receipt of complaints, which will be resolved in accordance with the Law and within one month from receipt of the claim, as determined under the Regulations for the Customer's defence that is available to the Insured at the offices of the company and at its website. **Linea Directa** will be bound to what is decided by the Customer Ombudsman, provided that the sum claimed **does not exceed €60,101.21**.

3. If the Insured Party is not satisfied with the solution given to their claim, they can contact the Claims Service of the Insurance and Pension Funds Division, on whose website they will find updated addresses and telephone numbers.



For more information  
[www.lineadirecta.com](http://www.lineadirecta.com)



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