



BUILDINGS AND CONTENTS INSURANCE

WHAT does buildings and contents insurance include in Spain?

Buildings insurance or household contents insurance in Spain offers significantly better protection than usual in northern European countries. The standard catalog of insured risks such as fire, mains water, burglary/theft, storm, hail, etc. is fully insured anyway. The building glazing is automatically included in the building or household contents insurance. Household contents insurance also covers glass breakage. This mirrors and ceramic hobs, and buildings and contents insurance always includes home and landowner's liability insurance. In contrast, personal liability insurance is included free of charge in household contents insurance, provided that the policyholder has their main residence in Spain. Dog owner's liability is also insured free of charge. Surcharges are only charged for dog breeds classified as dangerous. It is worth asking which breeds are classified as dangerous in Spain.

Robbery on the open road is also covered. In addition, natural hazards are included in both buildings insurance and household contents. There are often no insurance options for this outside Spain! , avalanches are not usually to be expected, but foreigners also like to buy a house in the mountain regions of Spain. This bundling of buildings insurance and household contents insurance in Spain has the advantage that the premiums significantly lower than if each risk were insured separately. As a rough classification, it can be said that in the area of buildings insurance, the entire house with its components and foundations is insured at REPLACEMENT VALUE.

Household contents insurance covers all items in the house that are not permanently attached to the building - such as furniture, clothing, books, appliances, etc. The REPLACEMENT VALUE applies here. In addition, there is an automatic compulsory insurance or reinsurance in Spain in the form of the state Concorcio pool. However, this does not apply to business insurance or car insurance. In the event of exceptional loss events, the pool checks its responsibility. If the pool declares itself responsible for certain claims, the insurer you have chosen is relieved of its responsibility. Exceptional loss events can be: earthquakes, particularly severe storms or floods, etc.

HOW do you distinguish between building and homeowner's insurance?

In the event of damage, the building insurance compensates the restoration value of everything that attributable to the building. You should always make sure that you correctly assess the restoration value of your building or have it assessed by a specialist. Many people confuse the restoration value with the purchase price. In vacation regions in particular, the high price of land is a major factor - this should not be included in the sum insured. The correct sum insured should roughly reflect what it would cost to

would be to the bare plot in the same manner and quality.

Household contents include almost everything that is located in the insured property and can be classified as "movable property". This includes technical equipment, furniture, items of clothing, jewelry and anything else that would be taken with you when you move. With household contents insurance, the replacement value is reimbursed. This is an important feature, as policyholders often their household contents to be old and therefore of low value. However, in the event of damage, you must purchase the damaged items new and not second-hand. Too

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It must be ensured from the outset that all valuables have been addressed before the contract is concluded. All items that exceed a certain value are considered . This applies in particular to jewelry, art and other items coveted by thieves. For some insurance companies, the limit here is as low as 6,000 euros.

WHAT are the main insured risks of Spanish buildings / contents insurance?

- Fire, explosion and lightning
- Water damage
- Storm and hail damage
- Surge damage
- Damage caused by forces of nature, earthquakes, floods, etc.
- Glass breakage
- Burglary, theft and robbery
- Including liability insurance
- Aesthetic restoration
- Natural hazards
- Landslide and subsidence as well as other covers
- Costs - including costs arising from damage for clean-up work or alternative accommodation that becomes necessary.

WHY is the premium higher for vacation properties?

Vacation properties are often not used for months at a time. This means that minor damage that would normally be noticed and repaired quickly can develop into unnecessarily extensive damage.

HOW long is insurance valid in Spain?

The term of Spanish insurance policies is always one year. The policy is then renewed from year to year unless it is terminated 1 month before expiry.

WHAT do I need to consider when taking out buildings / contents insurance?

Some brokers make false entries when calculating the quote in order to lure the customer with a favorable premium or to be able to undercut a competitor. In the event of a claim, this can have very detrimental effects, as the actual situation will certainly not escape the attention of the loss adjuster. And the small savings in premiums will no longer pay off after the first claim. Vacation homes in Spain have the classification "habitual"

or "residencia secundaria". Outside the immediate urban area, the location in built-up areas is to be declared as "urbanización". Outside these areas, the location is to as "despoblado".

In any case, you should pay attention to how comprehensive the insurance cover is and where restrictions are made due to the use of the house or apartment.

WHERE is it better not to take out insurance?

Banks are particularly tricky! Often a mortgage is only granted if the application for insurance signed at the same time. Then a usually completely inadequate building insurance policy is taken out in the amount of the mortgage or the estimated value. Household contents insurance is often completely overlooked. The bank mainly wants to cover its own risk with the policy. The scope of cover and the sum insured are therefore usually based on the loan debt or the estimated value rather than on the actual values and needs of the insured. In addition, professional, expert support - especially in the event of damage - can hardly be expected from the bank employee, as the insurance is only a secondary business for the bank. Banks may insist on insurance being taken out to cover a mortgage, but this can be done with any insurance company registered in Spain. This insurance company will then enter your bank as the primary beneficiary in the insurance contract in the event of a claim.

Insurance agents are more conscientious. However, the agents are tied to one insurer and cannot offer any variety.

Insurance brokers are obliged to offer their customers an overview of the options. Only there can you receive objective insurance proposals.