

Legislative story to the extraordinary risk covers by Consorcio de Compensación de Seguros

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Belén Soriano Clavero

Assistant Director, Technical Area and Reinsurance
Consorcio de Compensación de Seguros

Introduction

The Consorcio de Compensación de Seguros (CCS) was established in 1954 by merging other funds together, with the aim to take charge of insurance covers for which it retains responsibility up to the present day.

Coverage of extraordinary risks is the most important of those insurance covers from the standpoint of the quantitative surcharges collected and the types of losses handled. Initially these risks were also known as catastrophic risks.



Figure 1: Busturia (Biscay), 30 August 1983. Damage caused by flooding in one of the bridges of this place.
Source. EFE.

The sections that follow single out the special legislation dealing with this extraordinary or catastrophic risk insurance scheme over the course of nearly 70 years (1954-2023). The laws specifying the covers, particularly the perils covered, are listed below together with the different surcharge rates applied over time and the deductibles discounted from coverage of these risks by the CCS.

To that end, the time elapsing between 1954 and 2023 has been split into three time intervals according to the laws specifying the covers. Each of those intervals has had different schedules of surcharge rates and deductibles, and they are also detailed in the sections that follow. The three intervals are:

- **1954 – 1986:** *Ley de 16 de diciembre de 1954 sobre refundición de los Consorcios de Compensación de Riesgos Catastróficos sobre las Cosas y de Accidentes Individuales en un solo «Consortio de Compensación de Seguros», e integrando en el mismo los Seguros Agrícolas, Forestales y Pecuarios.* [Spanish Law of 16 December 1954 merging the Catastrophic Risk Property and Accident Insurance Compensation Funds into a single “Insurance Compensation Fund” also Covering Livestock, Forestry, and Agricultural Insurance].
- **1987 – 24 February 2004:** *Real Decreto 2022/1986, de 29 de agosto, por el que se aprueba el Reglamento de riesgos extraordinarios sobre las personas y los bienes* [Spanish Royal Decree 2022/1986 enacting the Implementing Regulations concerning extraordinary risks to people and property] (the first implementing regulations specifically for the institution).
- **25 February 2004 – present:** *Real Decreto 300/2004, de 20 de febrero, que aprueba el Reglamento del seguro de riesgos extraordinarios* [Spanish Royal Decree 300/2004 enacting the Implementing Regulations concerning Extraordinary Risk Covers] (the second implementing regulations for this insurance fund, still in force today as amended by: (i) *Real Decreto 1265/2006*, [Spanish Royal Decree 1265/2006 amending the Implementing Regulations concerning Exceptional Risk Covers] (ii) *Real Decreto 1386/2011* [Spanish Royal Decree 1386/2011 amending the Implementing Regulations concerning Exceptional Risk Covers] and (iii) *Real Decreto 1060/2015* [Spanish Insurer and Reinsurer Management, Supervision, and Solvency Act]).

The changes in the covers (specifically, the perils covered), the surcharges, and the deductibles in each of the three above-mentioned intervals are discussed below in reference to the laws in which they were prescribed.

Also included are a brief conclusion together with Annexes I and II with the time series of surcharges and deductibles, respectively, during the interval spanning the CCS's current operating framework, namely, the period from 1 January 1987 to the present.

First time interval: 1954 – 1986

The **Law of 16 December 1954** merging the Catastrophic Risk Property and Accident Insurance Compensation Funds into a single “Insurance Compensation Fund” also Covering Livestock, Forestry, and Agricultural Insurance created the CCS, though the origins of the Fund for catastrophic non-personal injury risk covers date back to 1944 and the *Decreto de 5 de mayo de 1944 que crea el Consorcio de Compensación de Riesgos Catastróficos sobre las cosas* [Spanish Decree of 5 May 1944 creating the Catastrophic Risk Property Insurance Compensation Fund].

The *Decreto de 13 de abril de 1956 por el que se aprueba el Reglamento para la aplicación de la Ley de 16 de diciembre de 1954* [Decree of 13 April 1956 approving the Implementing Regulations to the Law of 16 December 1954] (**the CCS Regulations**) was published to make the above legislation maximally effective.

The basic scheme of covers, surcharge rates, and deductibles for extraordinary risks are outlined below.

Covers

By law, CCS covered unusual or extraordinary perils which were not covered under private insurance policies.

The perils covered were events of a political nature, public disorders, actions by the armed forces in peacetime, floods, volcanic eruptions, hurricanes, earthquakes, landslides, other extraordinary seismic or weather events, and more generally any extraordinary hazard not covered by regular insurance policies.

Furthermore, losses caused by hail or snow were not covered unless the events were exceptionally intense or otherwise extraordinary and had been expressly declared extraordinary by the *Dirección General de Seguros y Ahorro* [Bureau of Insurance and Savings Affairs] in a reasoned decision on the CCS's recommendation.

In addition to the perils expressly mentioned above, such other hazards as rainfall and hurricanes were also covered during this interval when associated with extremely adverse events.

Surcharge rates

The law specified a schedule of mandatory extraordinary risk surcharges as percentages of insurers' commercial premiums. These surcharge rates varied over time:

1º) Under the **Decree of 13 April 1956**, the rates ranged from 1% to 10% depending on the insurance line or type of cover:

- a. A mandatory surcharge of **10%** of the commercial premiums for the fire, theft, combined personal property fire and theft, glass breakage, comprehensive automobile, and cinema covers.
- b. A mandatory surcharge of **5%** of the commercial premiums for the insurance lines for personal accident, machinery breakdown, and land and river freight transport with supplemental dock and layover fire cover.
- c. A mandatory surcharge of **1%** of the commercial premiums for workplace accident (permanent disability and life) covers.

2º) The *Decreto 3161/1963, de 28 de noviembre*, [Decree of 3161/1963 of 28 November 1963 amending the CCS Implementing Regulations] set new surcharges on premiums ranging from 1% to 15% depending on the insurance line or type of cover. It took effect on 1 January 1964.

- a. **15 %** for the fire and combined personal property fire and theft covers.
- b. **10 %** for the cinema cover.
- c. **5 %** for the insurance lines for theft, machinery breakdown, and land and river freight transport with supplemental dock and layover fire cover.
- d. **3 %** for the insurance lines for glass breakage, personal accident (including supplemental life), and comprehensive automobile insurance where this last-mentioned line also included third-party liability cover, otherwise 5%.
- e. **1 %** for workplace accident covers and on permanent disability and life insurance premiums.

3º) Lastly, the *Orden de 22 de mayo de 1966*, [Ministerial Decree of 22 May 1966 reducing certain CCS surcharges] reduced the CCS surcharges on a series of insurance covers. It took effect on 1 July 1966:

- The surcharge for the combined personal property fire and theft cover was lowered from **15% to 10%**.
- The surcharge for the theft cover was lowered from **5% to 3%**.
- The surcharge for the glass breakage, personal accident (including supplemental life), and comprehensive automobile covers was lowered from **3% to 1%**.
- The surcharge for workplace accident covers and on permanent disability and life insurance premiums was lowered from **1% to 0.25%**.

Deductibles

The relevant provision was initially worded as follows:

“The share of the loss to be defrayed by the insured is as follows:

Where the sum insured under the clauses of the policy under which the claim is made is less than 50,000 *pesetas*, the deductible will be 1% of the sum insured.

Where the sum insured is greater than 50,000 *pesetas*, the deductible will be 1% of that amount plus 0.50% on the amount over 50,000 *pesetas*.

The minimum deductible will be 500 *pesetas*, and if that amount is exceeded, the maximum deductible will be 30% of the loss. Nevertheless, where called for by the circumstances, the Consorcio may decide that not to apply the above-mentioned minimum.

This deductible will not apply to losses caused by floods, inasmuch as in those cases, as provided in section 8, the indemnity paid will be only 60% or 40% of the loss assessed”.

This wording was amended by [*Decreto 3161/1963 de 28 de noviembre*](#), amending the CCS Implementing Regulations, which took effect on 1 January 1964. The previous deductible based on the sum insured was set aside and reworded as follows:

“Deductibles and underinsurance. Losses for which the claim or damage settlement is less than one thousand *pesetas* will not be entitled to compensation. The amount of the deductible will be applied to indemnities greater than that sum; nevertheless, in exceptional cases, where called for by the circumstances in question, the Consorcio may decide not to apply the above-mentioned deductible.

The Finance Ministry is authorised to raise the basic amount of the deductible where called for by the circumstances on the recommendation of the Consorcio de Compensación de Seguros”.

Second time interval: 1987 – 24 February 2004

The first implementing regulations concerning extraordinary risks to people and property were enacted in 1986. These regulations contained a technical definition of the perils covered, and the CCS's insurance activities in this area were brought within the scope of the principles laid down in [*Ley 50/1980, de 8 de octubre, de contrato de seguro*](#) [the 1980 Spanish Insurance Contract Act].

This enumeration and definition of the perils covered supplied the requisite legal certainty for all actors involved in the extraordinary risk coverage scheme, i.e., insurers, policyholders, and the CCS itself.

The Regulations set out the overall framework for operation of the CCS in this field, and they have basically remained in effect up to the present time.

Royal Decree 2022/1986 of 29 August enacting the Implementing Regulations concerning extraordinary risks to people and property entered into force on 1 January 1987.

Covers

The Regulations prescribed that CCS covers would encompass claims for insured risks caused by:

- a. Extraordinary natural events: floods, earthquakes, volcanic eruptions, atypical cyclonic storms, and falling meteorites and other natural bodies from space.
- b. Events arising from acts of terrorism, riots, or civil turmoil.
- c. Acts or action taken by the armed forces or law enforcement agencies in peacetime.

Thus, coverage for losses caused by rainfall, hail, or snow came to an end, regardless of whether they were exceptional intense and extraordinary in nature.

Surcharge rates

Royal Decree 2022/1986 specified that surcharge rates were to be approved by Spain's Bureau of Insurance Affairs, today the Directorate-General for Insurance and Pension Funds.

Four surcharge rates were charged during this time interval:

1º) **Resolución de 28/11/1986**, [Decision of 28 November 1986] effective 1 January 1987.

The scheme for setting the extraordinary risk surcharge rates was changed from a percentage of the commercial premiums charged by insurers to a per mille amount charged on the sum insured specified in the original policy. The CCS's financial resources thus no longer depended on the insurers' business policies, and revenues were linked to the actual coverage.

The annual surcharges were initially set as follows:

- Residential and office building covers: **0.07‰** of the insured sum.
- Commercial and other simple risk covers: **0.14‰** of the insured sum.
- Industrial risk covers: **0.21‰** of the insured sum.
- Automobile covers: **fixed sum** (e.g., passenger cars: 580 *pesetas* = 3.49 euros).
- Personal injury covers: **0.0078‰** of the insured sum.

2º) **Resolución de 31/07/1987** [Decision of 31 July 1987] (**amending the above decision**) effective 12 August 1987.

This decision included civil works as a risk category with its own surcharge:

- Residential and office building covers: **0.07‰** of the insured sum.
- Commercial and other simple risk covers: **0.14‰** of the insured sum.
- Industrial risk covers: **0.21‰** of the insured sum.
- Automobile covers: **fixed sum** (e.g., passenger cars: 580 *pesetas* = 3.49 euros).
- Civil works covers: **a per mille amount** charged on the insured sum depending on the category (e.g., motorways and roads: **0.35‰**).
- Personal injury covers: **0.0078‰** of the insured sum.

3º) **Resolución de 20/05/1988**, [Decision of 20 May 1988] effective 1 August 1988.

This decision raised the applicable surcharge rates across the board:

- Residential and office building covers: **0.092‰** of the insured sum.
- Commercial and other simple risk covers: **0.18‰** of the insured sum.
- Industrial risk covers: **0.25‰** of the insured sum.
- Automobile covers: **fixed sum** (e.g., passenger cars: 740 *pesetas* = 4.45 euros).
- Civil works covers: **a per mille amount** charged on the insured sum depending on the category (e.g., motorways and roads: **0.35‰**).
- Personal injury covers: **0.0096‰** of the insured sum.

4º) **Resolución de 22/07/1996**, [Decision of 22 July 1996] effective 1 January 1997.

The main changes were: ending the previously extant flood surcharge for proximity to rivers, inlets, or the ocean; classifying office buildings as a separate risk category; establishing a new category of civil works, i.e., railways and pipelines; establishing a minimum surcharge for first losses; and changing the surcharge rates for certain risk categories:

- Residential building covers: **0.09‰** of the insured sum.
- Office building covers: **0.14‰** of the insured sum.
- Commercial and other simple risk covers: **0.18‰** of the insured sum.
- Industrial risk covers: **0.25‰** of the insured sum.
- Automobile covers: **fixed sum** (e.g., passenger cars: 900 *pesetas* = 5.41 euros).
- Civil works covers: **a per mille amount** charged on the insured sum depending on the category (e.g., motorways and roads: **0.34‰**).
- Personal injury covers: **0.0096‰** of the insured sum.

Deductibles

Section 9 of **Royal Decree 2022/1986** enacting the Implementing Regulations concerning extraordinary risks to people and property set out the deductibles to be borne by the insured, namely:

“a) For property insurance, 10% of the amount of the loss, not to exceed 1% of the sum insured and not to be less than 25,000 *pesetas*. The deductible will apply to each loss and to each category of risk covered for the property insured.

The Ministry of Economy and Finance is authorised to alter the minimum amount of the deductible where called for by the circumstances on the recommendation of the Consorcio de Compensación de Seguros...

b) Personal injury covers will not be subject to any deductible.”

The **Orden 28 de noviembre de 1986** [Decree of 28 November 1986] altered the deductibles as follows:

“The deductible to be borne by the insured in the case of extraordinary risk covers is 10% of the net amount of the indemnity to be paid for the loss, not to be less than 25,000 *pesetas* and not to exceed 1% of the sum insured. The deductible will apply to each loss and to each category of risk covered for the insured property that has been damaged.

Deductibles set in the original policy do not apply for the Consorcio de Compensación de Seguros. Personal injury covers will not be subject to any deductible."

[Real Decreto 354/1988 de 19 de abril](#) [Spanish Royal Decree 354/1988 amending certain sections of the Implementing Regulations concerning extraordinary risks to people and property] subsequently amended the wording as follows:

The deductible to be borne by the insured will be:

"a) For property insurance, 10% of the amount of the loss, not to be less than 25,000 *pesetas* and not to exceed 1% of the sum insured.

However, where the sum insured is less than or equal to 2,500,000 *pesetas*, there will be a unitary limit, with the deductible being set at 1% of the sum insured. Where the sum insured is greater than or equal to 1,000,000,000 *pesetas*, the deductible will be capped according to the following scale.

Sum Insured by tranche - In <i>pesetas</i>	Percentage of the loss	Absolute cap - Millions of <i>pesetas</i>
Between 1,000,000,000 and 10,000,000,000	11	12
Between 10,000,000,001 and 25,000,000,000	12	15
Between 25,000,000,001 and 50,000,000,000	13	20
Between 50,000,000,001 and 100,000,000,000	14	25
Greater than 100,000,000,000	15	30

The deductible will apply to each loss and to each category of risk covered for the property insured.

The Minister of Economy and Finance is authorised to alter the amount of the deductible specified in this section where called for by the circumstances on the recommendation of the Consorcio de Compensación de Seguros.

b) Personal injury covers will not be subject to any deductible."

Third time interval: 25 February 2004 – present

The second Implementing Regulations concerning extraordinary risk covers were enacted in 2004. They kept the overall framework for operation of the CCS and introduced significant new aspects that are discussed below.

[Real Decreto 300/2004 de 20 de febrero](#) took effect on 25 February 2004.

Covers

These Regulations added the modality of business interruption and increased coverage for atypical cyclonic storms by including losses caused by winds of 140 km/h or more and by tornados. They also altered the deductibles and the waiting period.

These Regulations have subsequently been changed by the following Royal Decrees [*Real Decreto*] amending extraordinary risk covers:

- [*Real Decreto 1265/2006, de 8 de noviembre*](#) included life insurance covers.
- [*Real Decreto 1386/2011, de 14 de octubre*](#) lowered the wind loss cover threshold to gusting speeds of more than 120 km/h.
- [*Real Decreto 1060/2015, de 20 de noviembre*](#) (Final Provision Three) established a lost profits cover for residential buildings and included a mandatory surcharge for CCS coverage of automobile third-party liability.

Surcharge rates

The surcharge rates applied are set out below:

[*Resolución de 28/05/2004*](#) [Decision of 28 May 2004] effective 12 June 2004.

This Decision set out the rates for lost profits covers:

- Residential building covers: **0.09‰** of the insured sum.
- Office building covers: **0.14‰** of the insured sum.
- Commercial and other simple risk covers: **0.18‰** of the insured sum.
- Industrial risk covers: **0.25‰** of the insured sum.
- Automobile covers: **fixed sum** (e.g., passenger cars: 5.41 euros).
- Civil works covers: **a per mille amount** charged on the insured sum depending on the category (e.g., motorways and roads: **0.34‰**).
- Lost profits covers: (i) **0.005‰** of the insured sum for residential buildings and (ii) **0.25‰** of the insured sum for business interruption for all other risks.
- Personal injury covers: **0.0096‰** of the insured sum.

[*Resolución de 27/11/2006*](#) [Decision of 27 November 2006] effective 8 December 2006.

The Decision included the rate schedule for the life insurance line and lowered the rate for personal injury covers.

- Residential building covers: **0.09‰** of the insured sum.
- Office building covers: **0.14‰** of the insured sum.
- Commercial and other simple risk covers: **0.18‰** of the insured sum.
- Industrial risk covers: **0.25‰** of the insured sum.
- Automobile covers: **fixed sum** (e.g., passenger cars: 5.41 euros).
- Civil works covers: **a per mille amount** charged on the insured sum depending on the category (e.g., motorways and roads: **0.34‰**).
- Lost profits covers: (i) **0.005‰** of the insured sum for residential buildings and (ii) **0.25‰** of the insured sum for business interruption for all other risks.
- Life and personal accident covers: **0.005‰** of the insured sum.

This Decision has been amended twice:

(i) the [*Resolución de 12/11/2008*](#) [Decision of 12 November 2008] appreciably reduced rates for property damage covers. It took effect on 21 November 2008:

- Residential building covers: **0.08‰** of the insured sum.
- Office building covers: **0.12‰** of the insured sum.
- Commercial and other simple risk covers: **0.18‰** of the insured sum.

- Industrial risk covers: **0.21‰** of the insured sum.
- Automobile covers: **fixed sum** (e.g., passenger cars: 3.50 euros).
- Civil works covers: **a per mille amount** charged on the insured sum depending on the category (e.g., motorways and roads: **0.28‰**).
- Lost profits covers: (i) **0.005‰** of the insured sum for residential buildings and (ii) **0.25‰** of the insured sum for business interruption for all other risks.
- Life and personal accident covers: **0.005‰** of the insured sum.

(ii) the [*Resolución de 31/05/2016*](#), [Decision of 31 May 2016] added a rate for vehicles with the compulsory Motor car Third-Party Liability (MTPL) Insurance and lowered the rate for vehicle damage covers. It took effect on 1 July 2016:

- Residential building covers: **0.08‰** of the insured sum.
- Office building covers: **0.12‰** of the insured sum.
- Commercial and other simple risk covers: **0.18‰** of the insured sum.
- Industrial risk covers: **0.21‰** of the insured sum.
- Automobile covers (MTPL and CASCO insurance): **fixed sum** (e.g., passenger cars: 2.10 euros).
- Civil works covers: **a per mille amount** charged on the insured sum depending on the category (e.g., motorways and roads: **0.28‰**).
- Lost profits covers: (i) **0.005‰** of the insured sum for residential buildings and (ii) **0.25‰** of the insured sum for business interruption for all other risks.
- Life and personal accident covers: **0.005‰** of the insured sum.

[*Resolución de 28/03/2018*](#), [Decision of 28 March 2018] effective 1 July 2018 and currently in force.

This Decision reduced the rates for property damage, personal injury, and pecuniary loss covers.

Property damage covers: the rates for residential building and industrial covers were lowered; two risk categories, “commercial and other simple risk covers” and “industrial risk covers” were combined into an “other risk covers” category; the first loss rate schedule was simplified; seasonal insurance cover rates were eliminated (replaced by a proportional calculation based on the validity period), and a minimum surcharge of one euro cent was set.

Personal injury covers: rates were lowered, the first loss rate schedule and seasonal insurance cover rates were eliminated.

Pecuniary loss covers: rates were lowered, the seasonal insurance cover rates were eliminated, and the minimum surcharge was set at one euro cent.

- Residential building covers: **0.07‰** of the insured sum.
- Office building covers: **0.12‰** of the insured sum.
- Other risks: commercial and industrial covers and other risks: **0.18‰** of the insured sum.
- Automobile covers (MTPL and CASCO insurance): **fixed sum** (e.g., passenger cars: 2.10 euros).
- Civil works covers: **a per mille amount** charged on the insured sum depending on the category (e.g., motorways and roads: **0.28‰**).
- Pecuniary loss covers: (i) **0.0035‰** of the insured sum for residential buildings and (ii) **0.18‰** of the insured sum for business interruption for all other risks.
- Life and personal accident covers: **0.003‰** of the insured sum.

Deductibles

Royal Decree 300/2004 enacted the implementing regulations for extraordinary risks and set the following deductibles:

1. The deductible to be borne by the insured in cases of direct losses will be:
 - a. For property damage covers, 7% of the amount of the indemnifiable damage caused by the loss. This deductible will not apply for losses involving vehicles with automobile insurance policy coverage, residential building coverage, or condominium residence coverage.
 - b. Personal injury covers will not be subject to any deductible.
2. For lost profits covers, the time excess or monetary deductible to be borne by the insured will be as stipulated in the policy for claims for lost profits from ordinary losses. Where various deductibles apply to the coverage of ordinary claims for lost profits, the applicable ones will be the deductibles specified for the main cover.
3. The Ministry of the Economy is authorised to change the amount of the deductibles specified in this section where called for by the circumstances on the recommendation of the Consorcio de Compensación de Seguros.

Royal Decree 1265/2006 amending the Implementing Regulations changed the deductibles as follows:

“Where a policy specifies a combined deductibles for property damage and lost profits, the Consorcio de Compensación de Seguros will apply the deductible of section 1 from the property damage settlement and the deductible specified in the policy for the main cover from the lost profits less the deductible applied to the property damage settlement”.

Royal Decree 1060/2015 (Final Provision Three) amending the Implementing Regulations provided:

- “1. For automobile damage and third-party liability, the deductible set by the Minister of Economy and Competitiveness on the recommendation of the Consorcio de Compensación de Seguros will apply.
2. Personal injury covers will not be subject to any deductible.”

Orden ECC/2845/2015, de 23 de diciembre [Ministry of Economy and Competitiveness Decree 2845/2015 of 23 December 2015] contains the provisions concerning deductibles currently in force. It took effect on 1 January 2016 and reads:

“Sole section. Deductibles to be applied by the Consorcio de Compensación de Seguros in cases involving extraordinary risk covers.

1. For direct losses, the deductible to be borne by the insured in the case of property damage covers will be 7% of the amount of the indemnifiable damage caused by the loss. No deductibles will apply in the case of losses involving residential building covers, condominium residence covers, or vehicles with automobile insurance policy coverage.

2. In the case of miscellaneous pecuniary losses under the covers set forth in section 3 Implementing Regulations concerning Exceptional Risk Insurance Covers enacted by Royal Decree 300/2004 of 20 February 2004, the time excess or the monetary deductible to be borne by the insured will be stipulated specified in the policy for claims for lost profits from ordinary losses. Where various deductibles apply to the coverage of ordinary claims for lost profits, the applicable deductibles will be the ones specified for the main cover.
3. Where a policy specifies a combined deductible for property damage and lost profits, the Consorcio de Compensación de Seguros will apply the deductible of section 1 from the property damage settlement and the deductible specified in the policy for the main cover from the lost profits less the deductible applied to the property damage settlement."

Conclusion

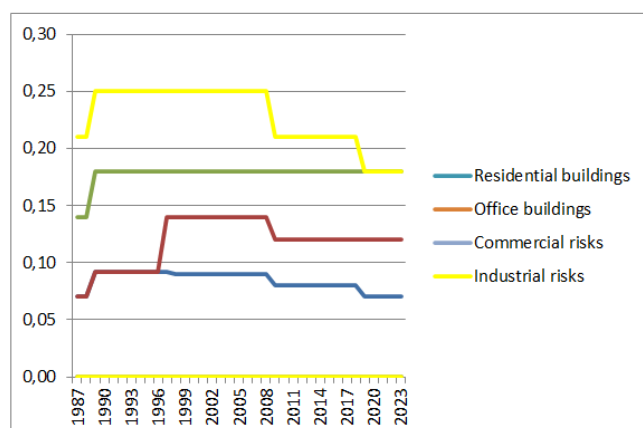
The preceding discussion shows that the covers, rate schedules, and deductibles of the Consorcio de Compensación de Seguros have evolved in keeping with the principles of conservation and continuity to stay aligned with needs as required at all times.

The trend for the perils covered has been for them to undergo more detailed enumeration and definition and subsequently expansion, while the rates tended to increase up to 2008 and since then have tended to decrease. Deductibles have in turn tended to undergo reductions in the applicable rates, and risk categories have tended to be exempted.

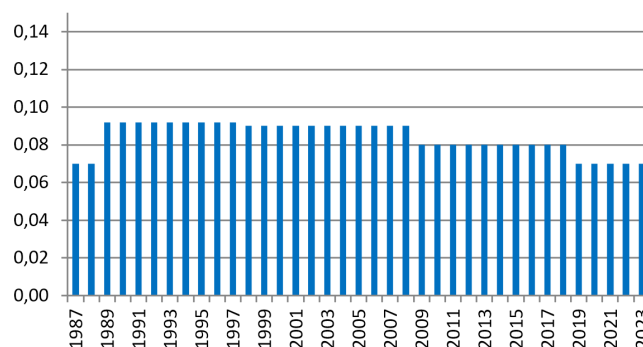
Annex I

EXTRAORDINARY RISK RATES from 1987	FIRST EXTRAORDINARY RISK REGULATIONS (Royal Decree 222/1986)				SECOND EXTRAORDINARY RISK REGULATIONS (Royal Decree 300/2004)				
Bureau Ins./Pension Fund Decision	28/11/1986	31/07/1987 with amendments	20/05/1988	22/07/1996	28/05/2004	27/11/2006	12/11/2008 with amendments	31/05/2016 with amendments	28/03/2018
Effective date	01/01/1987	12/08/1987	01/08/1988	01/01/1997	12/06/2004	08/12/2006	21/11/2008	01/07/2016	01/07/2018
Most important changes:	- first rate ‰ on insured sum instead of % on insurer's premium	- including civil works	- increasing rates	- changing rates - cancelling flood surcharge - adding office bldgs. - minimum premium first losses - adding railways and pipelines	- including lost profits	- reducing personal injury: Accident and Life cover (new)	- reducing rates	- reducing automobile (damage & MTPL)	- reducing rates - merging categories - simplifying / cancelling first table risk. - Uninsured seasonal - minimum surcharge
Residences and condominiums	0.07‰	0.07‰	0.092‰	0.09‰	0.09‰	0.09‰	0.08‰	0.08‰	0.07‰
Office buildings	0.14‰	0.14‰	0.18‰	0.14‰	0.14‰	0.14‰	0.12‰	0.12‰	0.12‰
Commercial and simple risks	0.14‰	0.14‰	0.18‰	0.18‰	0.18‰	0.18‰	0.18‰	0.18‰	0.18‰
Industrial risks	0.21‰	0.21‰	0.25‰	0.25‰	0.25‰	0.25‰	0.21‰	0.21‰	0.18‰
Motor vehicles (e.g., pass. cars)	3,49 €	3,49 €	4,45 €	5,41 €	5,41 €	5,41 €	3,50 €	2,10 €	2,10 €
Civil works (e.g., motorways and roads)	--	0.35‰	0.35‰	0.34‰	0.34‰	0.34‰	0.28‰	0.28‰	0.28‰
Lost profits:									
Residences and condominiums	--	--	--	--	0.005‰	0.005‰	0.005‰	0.005‰	0.0035‰
Other risks	--	--	--	--	0.25‰	0.25‰	0.25‰	0.25‰	0.18‰
Personal injury	0.0078‰	0.0078‰	0.0096‰	0.0096‰	0.0096‰	0.005‰	0.005‰	0.005‰	0.003‰

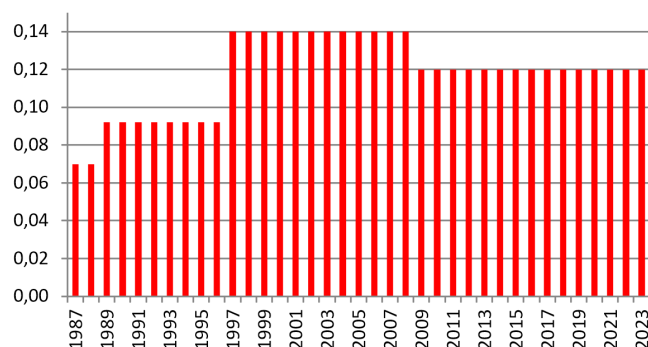
Surcharge rate time series:



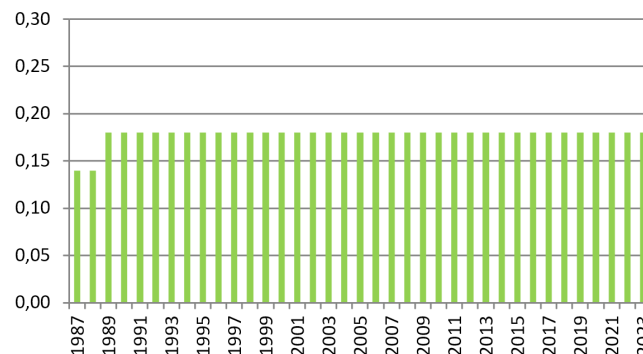
Residential buildings



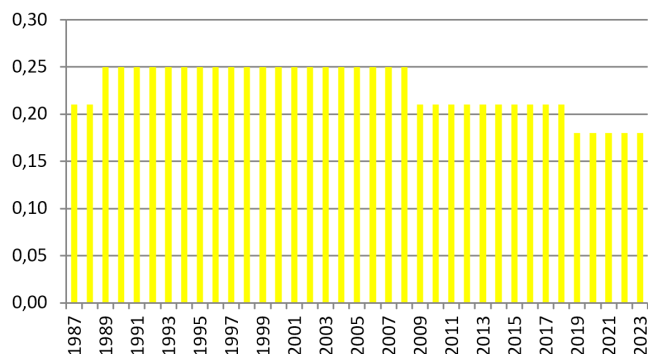
Office buildings



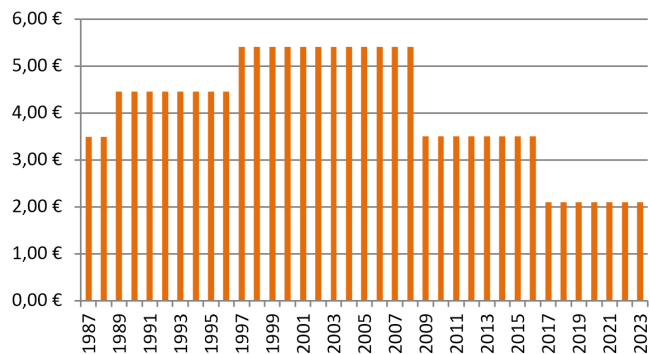
Commercial risks



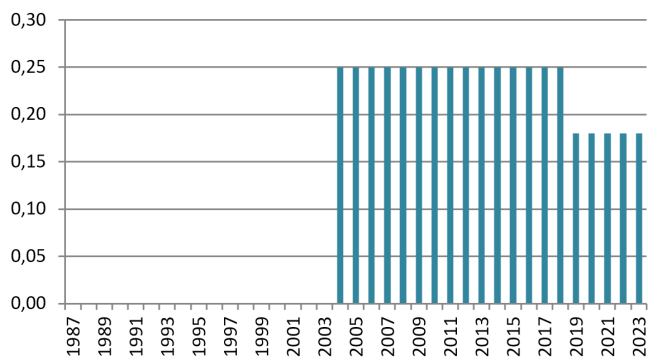
Industrial risks



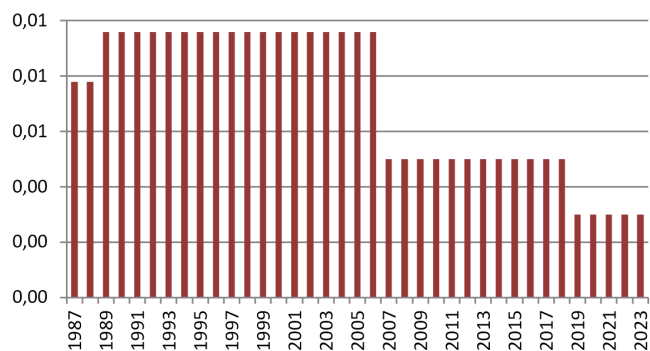
Automobile



BI



Personal Injury



Annex II

EXTRAORDINARY RISK DEDUCTIBLES from 1987	FIRST EXTRAORDINARY RISK REGULATIONS (Royal Decree 2022/1986)			SECOND EXTRAORDINARY RISK REGULATIONS (Royal Decree 300/2004)			
Legal precept:	Royal Decree 2022/1986	Decree 28/11/1986 Implementing Regulations	Royal Decree 354/1988 with amendments 24/04/1988	Royal Decree 300/2004	Royal Decree 1265/2006 with amendments 23/11/2006	Royal Decree 1060/2015 (Final Provision Three) with amendments 01/01/2016	ECC DECREE/2845/2015
Effective date	01/01/1987	01/01/1987		21/02/2004			01/01/2016
Characteristics:	a) PROP. DAMAGE: Deductible = = MIN (MAX (€150; 10% loss); 1% sum insured).	a) PROP. DAMAGE: Adds: The deductible will apply to each loss and to each category of risk covered for the insured property that has been damaged.	a) PROP. DAMAGE: Adds: If sum insured ≤ €15,025: Deductible = = MIN (10% loss; 1% sum insured) If sum insured > €6,010.121: Deductible = = MIN (X% loss; €Y), by sum insured tranche. 11% ≤ X ≤ 15%	1. PROP. DAMAGE Deductible = = 7% indemnifiable loss Exemption: - automobiles - residences and condominiums	1. PROP. DAMAGE same as previous same as previous	1. PROP. DAMAGE As decided by the Ministry of the Economy on the CCS's recommendation.	1. PROP. DAMAGE Deductible = = 7% indemnifiable loss Exemption: - - automobiles - residences and condominiums
	b) PERSONAL INJURY No deductible	b) PERSONAL INJURY No deductible	b) PERSONAL INJURY No deductible	2. PERSONAL INJURY No deductible	2. PERSONAL INJURY No deductible	2. PERSONAL INJURY No deductible	2. PERSONAL INJURY No deductible
				3. LOST PROFITS As specified in the policy for the main peril	3. LOST PROFITS same as previous Adds: If combined deductible, in BI CCS' property damage deductible is discounted.	3. LOST PROFITS As decided by the Ministry of the Economy on the CCS's recommendation.	3. LOST PROFITS As specified in the policy for the main peril If combined deductible, in BI CCS' property damage deductible is discounted.

Deductible time series:

% Deductible

