



IN THIS ISSUE

Page

1 Credit Crunch

Whose fault is it, and how will it affect us?

2 Driving in the European Community

What do you need to know about your driving licence?

4 Frequently Asked Questions about Medical Insurance

A short summary of some of the questions that people are asking us.

5 Got a boat?

Get the facts about insuring, and staying within the law with your boat.

6 Medical Insurance

Unexpected medical costs can be a burden. It's worth getting insurance!

6 Your letters

Win a bottle of cava!

Funny Claims

Look out for our new hilarious feature – these are real claims submitted to the insurance industry.

There's nothing appetising about the credit crunch

As the term 'credit crunch' becomes a widely used, everyday term (it's been added to the latest edition of the Oxford English Dictionary), and with both politicians and financial experts likening the current global economic crisis to the Great Depression of the 1930's, it has become clear that the financial gloom originating from the western economies has spread worldwide, impacting millions of people, both directly or indirectly.

Despite the fact that many people seek to apportion most of the blame on banks and financial institutions, it is worth remembering that if banks were lending irresponsibly then many borrowers were also at fault for irresponsible borrowing. After all, credit isn't bad per se, it's just a matter of understanding how to handle it correctly. Although this may seem quite basic, many people continue to get into difficulties – so perhaps more education is required to ensure better financial decision-making.

If, so, it could be one of the upsides to the credit crunch, forcing many people to carefully



consider their spending, be more realistic on what they can afford, and control exactly where and what their money is spent on. By being more disciplined during the crunch (reducing your outgoings and debts, and tackling the ones with the highest interest rate), it could be a positive start to gaining control of your finances. When it comes to personal financial matters, perhaps there should be a return to more traditional values and principles; useful 'back-to-basic' guidance which can be passed on, especially to younger generations, for whom 'buy now' and 'credit' have

become familiar by-words in this fast-paced consumer age.

However, for those who are reasonably financially stable, understand the meaning of prudence and have available funds, there could be a silver lining to the doom and gloom of the credit crunch. In the housing market, prices have fallen dramatically and look to continue this year, so there may be an opportunity to pick up a bargain, as long as you pick the right time to buy and view it as an investment for the long term. This may be worthwhile, particularly in the UK, where

Continued overleaf

Continued from front page

'Landlording', owning and letting out property is still a growing area. In addition, with the stock market at a low, it could be time to consider investing in stocks, bonds or currencies over the long term especially as saving rates have fallen. Or maybe it's time to trade in your car and take advantage of the situation. With the motor industry in a state of decline, particularly the UK where they experienced a 22% drop in new car sales in February (with premium brands badly affected); dealerships are offering deals and incentives in order to encourage buyers back into the market. The UK Government is considering a car 'scrapage' incentive scheme, whereby the government pays up

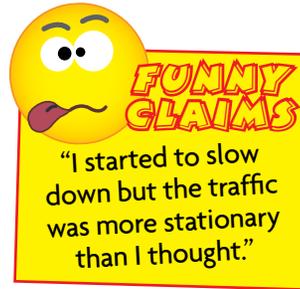


to UKP 2,000 towards the cost of a new car when the buyer trades in a car over 9 years old. Designed to assist the motor industry and to accelerate the transition to less polluting vehicles, it could help stimulate the motor market and benefit the environment by reducing CO₂ emissions. Similar schemes are already in place in Germany, France and Spain, the most successful being in Germany, where they offer 2,500€ for each scrapped car. It is thought that the incentive has contributed to the 21% rise in new car sales. Alternatively, for businesses that are cash rich, it could also be the time to purchase available businesses since the majority of their valuations are a fraction of their worth from a year or so ago.

The credit crunch has encouraged many companies to re-think or look at more creative ways to strengthen their businesses. Some companies

are turning to 'virtual jobs' and 'virtual communities', providing remote working and home working employment options. Due to the rising costs of recruitment, staffing and office overheads, some organisations are outsourcing their office and creative functions, as well as using home workers to trial new positions without the commitment of taking on full time employees. Through the use of technology, these types of flexible working practices can offer different working options for both small and large companies. The advantages in many cases, can lead to increased business productivity, reduction of transport requirements (and therefore decrease congestion and pollution), improved health as well as assisting disadvantaged groups. Additionally, it could generally improve the work/life balance, by offering the employee more time at home with their family, normally something difficult to achieve in most typical employment situations.

Even though many are seeing jobs and industries shrinking, there are some people and areas of business that seem to be benefitting from the credit crunch. One example being, a number of law graduates in the UK who are being offered thousands of pounds to delay their start dates (for a year) with the companies they are contracted to join. Like a traditional 'gap year' many are taking advantage of this option to go travelling around the world. Other sectors holding up well, range from (ironically) financial intermediation (for people seeking alternative areas to invest their funds), technology security, utilities, food retailing through to other areas like internet gaming, car boot sales and online dating websites, where it seems there are many singletons looking for love from home without wishing to spend a small fortune out at bars. It would appear that those



service industries, particularly those that offer people a good night out and which involve helping them take their minds off their financial woes, like theatres and cinemas are also prospering.

One cannot predict the future, but undoubtedly most commentators would admit that although there are lessons to be learnt, there is no quick fix to the current financial problems and recovery may take some time. In the meantime, perhaps it's worth educating future generations in basic fiscal responsibility, which may help avoid a repeat of these times.

Finally, on a lighter note, one wonders if it's only a coincidence that the popularity of Jazz grew in the US during the Great Depression of the 1930s, whilst in the UK during the rocketing inflation of the mid-70's, all you heard was Abba. We may not have an equivalent for 2009, but perhaps as stoic Englishmen we should stick to Monty Python's "Always Look on the Bright Side of Life".

MOJÁCAR OFFICE on the move

Customers of our Mojácar office please take note. Our office has been relocated to:

**Centro Comercial Montemar
Local 11, 04638
Mojácar (Almería)**

Telephone and fax numbers are unchanged.

DRIVING IN THE Concern your lic



There seems to be a lot of confusion when it comes to driving licence requirements, particularly those issued outside Spain. This confusion may be on-going and a rather grey area for some. However, what is certain is that within the EC there is a principle of mutual recognition when it comes to driving licences within EU states and their members, and that no person may hold more than one driving licence.

The European Commission Directive 2006/126/EC of the European Parliament and of the Council of 20 December 2006 on driving licences amends and updates The Council Directive 91/439/EEC of 29 July 1991, and will take effect on 19 January 2013. The current directive stipulates that all driving licences have to be mutually recognised within the European Union; so if the holder of a valid driving licence acquires "normal residence" in a Member State other than that which

THE EUROPEAN COMMUNITY

Worried about licences to drive?



and the holder's photograph, to be updated. All licences will have the same period of validity and will be valid in all Member States, unconditionally, for the same administrative period. All new category A (motorcycles) and category B (cars) licences issued after the Directive enters into force will be valid for 10 years. All new category C (lorries) and category D (buses/coaches) licences are valid for 5 years;

The amendments will help to improve safety, as the Directive introduces a new category of licence for mopeds and harmonises the frequency of medical checks for professional drivers. It also introduces minimum requirements for the initial qualification and the training of driving examiners.

At present the holder of a valid national driving licence issued by a Member State who has taken up normal residence in another Member State, may request that his driving licence be exchanged for an equivalent licence, but it has to be based on a purely voluntary action. It is also the responsibility of the Member State effecting the exchange to check whether the licence submitted is still valid, and subject to other observances. The Member State in which the holder has acquired normal residence can issue a Community model licence, without the need for a theoretical or practical examination.

There may be exceptions to the general principle, such as Article 1(3) of Directive 91-439/EEC, which notes "Where the holder of a valid national driving

licence takes up normal residence in a Member State other than that which issued the licence, the host Member State may apply to the holder of the licence its national rules on the period of validity of the licence, medical checks and tax arrangements and may enter on the licence any information indispensable for administration." Periodic medical checks for certain groups will come into force under Directive 2006/126/EEC, as part of the reform in connection with the introduction and harmonisation of minimum standards (physical and mental fitness) required for driving a power-driven vehicle.

At present, according to advice given on the Foreign & Commonwealth (UK in Spain) web site, "driving licences

1990, and the photocard licence issued from 1997 are accepted in Spain. However, the minimum age required to drive is 18 years. The licence holder may retain their British licence (if issued after 1990) or exchange it for a Spanish one, subject to the same medical examinations as Spanish nationals". The F&C also states "It is available to exchange UK licences for Spanish ones, which are also valid for visits to the UK. The DVLA will not put a non-British address on a replacement licence, or send one out of the country. Therefore, if a British licence is only registered with Spanish authorities and is lost or stolen, a replacement cannot be obtained from the UK, and Spanish authorities will not be able to replace one they did not issue. For more information, please contact the Jefatura Provincial de Tráfico in your area".



issued BEFORE 1990 are only accepted if accompanied by an official translation into Spanish (available from the Spanish Embassy in London and the Real Automóvil Club de España if the licence holder is already in Spain)". Or you could use an International Licence issued anywhere outside Spain.

The F&C Office also confirm that "driving licences issued from

Having checked with The British Consulate in Alicante who have liaised with Tráfico, the Consulate have been informed that a British Citizen may drive on their British photocard driving licence without a medical examination.

In addition, information provided by the Ministerio del Interior (Dirección General de Tráfico) see their web site www.dgt.es advises drivers of countries within the European Union,

issued the licence, the host country has to recognise the licence. For the purpose of the directive, "normal" residence means the place where a person usually lives for at least 185 days in each calendar year.

The EC Directive 2006/126/EC incorporates amendments previously introduced by other directives, in order to address other substantive issues such as: reducing the scope for fraud; plastic licences will replace paper licences (existing paper licences will not be exchanged and will no longer be issued) once the new legislation applies. Member States will be able to equip the new licence with a microchip incorporating the information printed on the card, if they wish.

Driving licence holders will retain their acquired rights, but regular renewal of the document will limit the scope for fraud by allowing the protection features of all licences

Iceland, Lichtenstein and Norway that it is voluntary to exchange their driving licences. It stresses that the process is voluntary and can be undertaken at any provincial traffic headquarters.

An official application form can be obtained at the headquarters of the traffic office or via the website of the dgt (www.dgt.es).

The following is an indication of documentation that *may* be required, but please check with the traffic office or the dgt website beforehand:

- Official application form
- Fee: 26€
- Accreditation of identity and residence
- DNI or passport: original (unexpired) document
- Residence permit, identity card or passport, together with the certificate of registration at the central registry of foreigner's residence original document
- Driving licence: original (unexpired) and photocopy
- Photographs:
2 originals of 32 x 25mm

Ensure that if the documentation is not submitted by the licence holder, the person that represents them, must have their own original identity card and authorisation (of the person concerned) to carry out the process on their behalf.

At present, therefore, it would appear to indicate that it is up to the individual to decide whether to keep their current Member State driving licence or exchange it. In 2013 the phasing in of the new Community (credit card-style) licence with photograph, and possibly a microchip will begin. As Jacques Barrot, Transport Commissioner commented "The common EU driving licence will play a major role in improving security on European roads and in fighting fraud. Each European driver will carry a driving licence that is clear, modern and recognised in all EU member states." The implementation of the new Community licence should be completed by 2032, which means that until then, over 300 million European Union drivers, could still be driving on their various paper and plastic licences.

FAQ

regarding medical insurance

Q Will my previous ailments be covered in case of flare-ups in the future?

A Pre-existing conditions would usually be excluded but depending on the severity of the condition and the date of the last consultation this would be considered.

Q I had an operation five years ago for appendicitis – would that be excluded?

A No, because the appendix has been removed and there would be no after-effects. Similarly for a straightforward hysterectomy.

Q I take tablets for high-blood pressure – will I be able to claim for them?

A Medication is only usually covered when you are an in-patient in hospital.

Q I have diabetes, will my check-ups be covered in the future if I change from my present company?

A There can be many complications with diabetes so this condition would probably be excluded, but if it was accepted with your current company, then some companies will issue a policy on the same conditions. In all cases a health questionnaire would be completed and the medical team would consider all aspects before making exclusions.

Q Can I use the new hospital in Denia?

A No, this is a public hospital with a private company managing the business, so it is not a private clinic.

Q Will I have to undergo a medical on taking out a new policy?

A Depending on your age, you may have to undergo a medical assessment but this would be at the request of the company and they would pay.

Q Are annual check-ups included?

A With most companies you are covered for an annual well-woman check up including smear tests, scans and mammograms as necessary. Well-man check ups for prostate, heart etc are normally included. On the other hand, if you decide to go for another general check-up, eye test or similar for your own peace of mind and have no physical complaints then you would have to pay.

Q Can I go to a homeopathic doctor?

A Some companies now offer alternative therapy, and some doctors who are GP's give these treatments so it may be possible.

Q Can I choose any doctor?

A With the "local" Spanish companies you have a doctor's book and have to use the clinics and doctors from their lists, but if you have a more comprehensive international scheme then you would have a free choice. Of course, these schemes are more expensive, but are also more flexible so if you are travelling frequently then an international policy would be a better option.

Q Am I covered when I travel abroad?

A You are usually covered for up to 60 days worldwide for emergencies, and repatriation is included as well.

Q What about dentistry?

A On the general policies most cover you for check-ups, cleaning and extractions but you must use the dentists in the book and take out a separate dental policy if you require discounts on other types of

treatment. This is usually a very low premium if you have healthcare as well.

Q We are four people in the family so are any discounts available if we all take out a policy?

A Yes, most companies will offer a discount either for multiple policies, or discounts for children and also for annual payments.

Q I can't afford a whole years payment in one go, can I pay monthly?

A Yes, for a small charge and provided the payments are direct debit through your bank you can pay monthly, quarterly or half-yearly.

Q Do I need to have complete cover, or can I opt for doctor only visits?

A There are some companies who offer a basic policy, which covers you for doctors, specialists and tests or small operations done on an out-patient basis only. There would be no cover for in-patients, medication or travel abroad but this is a very useful top-up policy if you have cover with Social Security and want to avoid queues for doctors, blood tests, x-rays etc. The premiums are very reasonable.

Q Do I have to give notice if I wish to cancel a policy?

A The companies usually require two month's notice in writing before the end of the contract, which is usually at the end of December. Remember to cancel any direct debit payments with your bank too.



"I told the police that I was not injured, but on removing my hat found that I had a fractured skull."

Sink or swim?

Make sure you have the best marine insurance

As one of the oldest forms of insurance, it is believed that marine insurance was adopted between the twelfth and fourteenth centuries by the commercial cities of Italy and the towns of the Hanseatic League. However, it wasn't until the sixteenth century when it was more widely introduced, with business conducted mainly at Lloyd's Coffee House in London and where much of the law and custom governing marine insurance was developed.

In Spain the government introduced compulsory Third Party liability insurance for pleasure boats sailing in Spanish waters, mainly due in part to the increase in boats sailing in Spanish waters and the consequent increase in accidents and injuries caused. The third party insurance covers all motor yachts including motorsailers, jet skis and jet bikes as well as sailing yachts over 6 metres, the minimum limit of indemnity is 336,566.78 euros although higher limited are available. The insurance must provide cover for third party injury, material damage and any consequential economic losses suffered.

All vessels must carry evidence of the Third Party Liability Insurance. For vessels having flags from outside of Spain, this is normally indicated on the certificate of insurance; in the case of Spanish flagged vessels this is normally shown on the policy schedule and receipts. Despite the fact that third party insurance is the minimum legal requirement, most boat owners take out comprehensive policies, in order



to provide additional cover. Such coverage could include: an all risks of physical loss of damage, physical loss and/or damage to machinery when the vessels is less than five years old; underwater gear cover on the rudder, strut, shaft, propeller, electrical equipment, cables and fittings; no claims bonus up to 25% after 5 years (and when the maximum is earned this is protected, provided not more than one claim has been made in that current policy period); third party liability up to 4 million euros; liability to, and of, water-skiers and towing of toys liability to 2 million euros; personal accident cover; medical expenses up to 5 million euros. Marine insurance can cover other risks and perils, not just those specified in the policy. Nevertheless, it is important to remember and

understand the stipulations, which may render a policy null and void.

As there are different types and sub sets of marine insurance, it is advisable to seek out an insurance broker who can discuss the variety of coverage and different liabilities. But with the wide selection of insurance companies and options available, it shouldn't take long to find the most suitable marine insurance to suit your specific requirements and craft.

Of course, apart from ensuring you have the correct insurance, don't forget that you will be required by law to have the relevant Certificate of Competence (for your particular craft and country). The UK ICC (International Certificate of Competence) should allow UK Citizens

and bonafide UK residents to navigate pleasure craft to or in the waters of foreign states that participate in Resolution 40 (which refers to The United Nations Economic Commission for Europe Inland Transport Committee Resolution 40); without the need to comply with those states' Cabotage laws, particularly their national certification requirements which in many cases are compulsory. However, the UK is only one of a few countries who have fully accepted Resolution 40; Spain, Greece and Portugal have not, though they may apply Resolution 40 in part or with caveats attached. Despite the fact, that ICC is widely accepted as proof of the holder's competence, the onus is on ICC holders to determine its acceptability by foreign states, as it was never intended to be an alternative to individual national qualification requirements. Unfortunately, until there is wider acceptance of Resolution 40 and it is universally adopted, it may be some time until the ICC becomes more like an international driving licence.

It is also worth remembering that in Spain, the Guardia Civil may carry out checks to ensure you have the correct insurance, recognised certificate of competence, fire extinguishers, first aid kit and at least one lifebelt (which should always be attached with a line). Also remember to fly the flag – your craft should always show the flag from whichever country it is registered in.

This may all seem very complicated, however it pays to get protected and understand the rules and regulations because once you're out at sea, it may seem like a small price to pay for the pleasure it gives you.

For more information regarding marine insurance contact **Knight Insurance Brokers S.A.** on **902 28 28 20**.

Your health is important

Don't leave anything to chance – get covered



For those expats leaving the UK, medical insurance can be of considerable benefit, especially when seeking treatment in Spain. Apart from the fact that undergoing treatment can be nerve-racking at the best of times, there can be additional worry when requiring treatment in a different country, especially if you can't speak the language. Because even in resort areas, you can't be assured that all medical staff will speak English – despite the fact that in some tourist towns there may be a voluntary translation service available for doctors appointments. But bear in mind,

that as a result of communication problems, such as not being able to explain your symptoms to ensure you receive the correct treatment, there are possibilities of serious misunderstandings between doctors and foreign patients.

If you are moving to Spain, then it's a good idea to apply for the new European Health Insurance card (EHIC), which replaced the old E111. This will cover you for emergency healthcare treatment in Spain, but as it's only really intended for tourists, it should not be relied on a permanent source of health cover if you're living in Spain.

Since the UK National Health Service is primarily for the benefit of people living in the UK, and because healthcare systems in EEA member states vary, the Department of Health recommend all UK residents have private insurance as well as the European Health Insurance Card for visits to EEA member

states. However, since health and social security issues among EEA member states is a complex issue, then if you're in any doubt it's best to seek guidance from official departments or the UK Department of Health's website.

So when it comes to health issues and protecting yourself and your families from unexpected medical costs and treatment, it's worth considering taking out private medical insurance. There are many companies offering a number of schemes with specialist products aimed specifically at

British expats. Or closer to home, some "local" health companies (for example, Alicante-based ones) offers in-patient and out-patient cover combined from as little as 39 euros per month. Whatever you decide, there are a range of insurers with different policies covering a range of treatments type and in your own – all of which will be guaranteed to give you greater peace of mind.

For more information about medical insurance, contact **Knight Insurance Brokers S.A.** on **902 28 28 20**.

Your Letters



Dear Editor

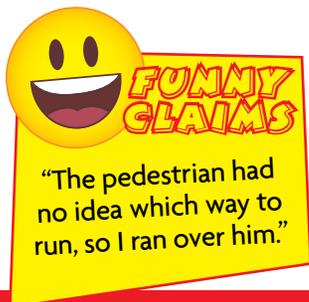
This is a heartfelt compliment rather than a suggestion. For years, we bought insurance for our apartment in Fuengirola through a Spanish bank. Unexpectedly, the Bank advised customers they were changing their provider. For a few months after that, until the new provider was in place, insurance services were virtually non-existent. One of the advantages of engaging with the new provider was trumpeted repeatedly; an English speaker would be available for English speaking customers. Alas, we discovered when we needed assistance,

we had to make a phone call, hang on for at least 5 minutes for someone who we reckoned was learning English rather than fluent in English. It was very unsatisfactory.

Then, casually as part of a group, I heard a woman praising Knight Insurance Brokers where she said she always received attention from a fluent English speaker in an office where she could describe her needs and be given advice. This testimony prompted us to try Knight Insurance Brokers. It was just as described. What a difference. I only wish we had known about Knight sooner. *Beatrice Wortley*

Please send us your comments or suggestions.

A bottle of Cava will be awarded for each letter published.



Knight Times is published by **KNIGHT INSURANCE BROKERS S.A.**

Contributions and suggestions for content will be gratefully received. Please email to: plc@plcspain.com

Knight Insurance Brokers (KIBSA) has been serving the expatriate community in Spain since 1966. As independent insurance brokers, we can offer a broad spectrum of insurance: Car; House and Contents; Life; Medical; Business and Communities; Marine; Pet; Travel; Golf and Legal and we work with a variety of companies in order to ensure that our clients obtain the best cover at the lowest price. Call **902 28 28 20** for an instant quote.

HEAD OFFICE: Ed. Lance del Sol, Pta.1, 1ª, Avda. Jesus Santos Rein s/n, Los Boliches, Apartado 113, 29640 Fuengirola, Malaga, Spain

www.knight-insurance.com GOOD PRICES · GOOD SERVICE · GOOD KNIGHT!

