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“The guy was all over the road. I had to swerve a number of times before I hit him.”

Spanish car scrappage scheme stimulates sales

But for how long?

Knights Times readers may not be aware that following the introduction of car scrappage schemes in many European countries over the last few years, Spain has successfully followed suit and now offers options to drivers who wish to trade-in their old vehicles.

The year 2008 saw the introduction of “Plan VIVE”; (Vehículo Innovador – Vehículo Ecológico). Initially set to run until mid 2010, this plan exhausted its funds back in June 2009 and was subsequently concluded before the end of its term.

However, due to the motor industry reaching an all-time low with regard to car sales, the government recognised that without subsidies such as VIVE, it was going to be very strenuous to stimulate the depressed market.

As a result, in May of last year VIVE was substituted by a more attractive scheme that would encourage vehicle owners to trade in their old wheels for a more favourable subsidy. Known as 2000E, this plan established a new framework to aid the direct purchase of vehicles – and more importantly, was put in place to accelerate the transition to less polluting vehicles on our roads.

A generous sum of €100 million has been set-aside for the 2000E scheme and unlike with VIVE, vehicle owners



are receiving the payment of subsidies immediately following the purchase of the new vehicle – and under much more favourable conditions than with the VIVE plan.

The Minister for Industry, Tourism and Commerce, Miguel Sebastián revealed that 2000E will continue until its funds are exhausted. However, this shall be the last plan that will be set in motion to enhance the motor industry in Spain.

“As such, consumers should not wait if they wish to buy a new vehicle under the plan 2000E. This is a stimulus plan and so it would be fruitless if it was a permanent plan. And although the future of this industry is uncertain, when the funds run out 2000E will definitely be terminated”.

Under this new plan, small

businesses and individuals are encouraged to trade-in a car of at least ten years old or a vehicle with more than 250,000 kilometres on the clock, so that they may be eligible for up to €2,000 which can go towards the cost of a new car or van.

Vehicles that are included in this programme are passenger cars or small commercial vehicles up to 3.5 tonnes, and second hand cars that do not exceed five years of age.

The €2000 incentive is received through three different channels: €1,000 is from the manufacturer, €500 comes from the State and €500 is supplied by the regional government.

Following the receipt of this incentive, vehicle owners may then purchase a new car of up

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to €30,000 that meets certain CO₂ emissions criteria to help the environment.

Since the launch of this plan, as predicted car sales have boomed. November saw an astounding 37.3% rise, which is an excellent result considering that seven months previously sales were down by 45.6%.

However, despite the success of this plan with regards to car sales, there has been concern among global carmakers and industry

analysts that numbers could fall again once the incentives expire.

This month Spanish car makers' association ANFAC revealed that sales rose 25.1% year-on-year in December, but with only a few months to go, the public is asking themselves if the car industry will find itself back at square one following its termination.

Funds are already disappearing, and the recession is not yet showing signs of closure. Only time will tell.

The Moto-E Scheme

Following the initial VIVE scheme, in July 2009 the Spanish government approved another package for the purchase of new vehicles titled "Moto-E". Under this plan, motorists have been eligible to receive subsidies for the acquisition of a new motorcycle.

Manufacturers and regional governments have contributed to this scheme and have helped vehicle owners make savings of up to €750 for large motorcycles. However, the cost of a new, less

than 250cc motorcycle has been set at a maximum of €9,500.

Motorcycles under 250cc and those that are 5 years or older have been able to obtain subsidies of between €175 and €525, and motorcycles that are less than 250cc (and are 7 years or older), are being offered an incentive of between €250 and €750.

Valid until the end of June this year or until funds are exhausted, some €9 million have been set aside for this plan.

The definition of Third Party Liability:

An insurance cover which insures against an accident that damages someone else's property, or injures or kills someone else.

Third party liability, or Responsabilidad Civil in Spanish, is a very important part of your insurance policy. Because whether your car or your house is insured, normally part of your premium automatically goes towards your responsibility towards other people or their belongings.

For example, if you have a car accident, not only the injuries and damages to a person or vehicle, but to property or animals (as a direct result of the accident) would come under the third party liability. So it is very important that the box marked "Material Damage"

(daños materiales) is marked with a cross to indicate that there are more considerations other than the vehicle(s) involved.

On the reverse side of the accident statement there is further space available in which to complete details of any damage (other than the two vehicles involved), such as that to animals or property. Or you may have damaged a wall or fence, and the owner may want his property repaired or compensation received. For instance, there have been cases where a car has knocked a branch off a tree and the owner has pressed for compensation.

Similarly, with your household insurance, if you have a water leak and the adjoining property is damaged or your tile falls off and damages your next door neighbour's railing, this would be a claim and covered under your liability.



Apart from property, if someone suffers an injury in your home due to some negligence on your part, there may be a claim for medical assistance and/or compensation. Some companies have a fixed



ceiling amount for the liability, which can start at €150,000, but there are others where you can set the limit much higher, even up to 1 million euros.

You may prefer to have a higher third party liability if the property is rented out, or is an apartment or is terraced, as the damages to others may be greater.

As well as third parties' liability, the policyholder is also protected in their private life including non-competitive sports, animal ownership and damages made to third parties outside the home. If declared, with some companies even dangerous dogs may be included.

Wherever a third party may make a claim against a policyholder and his/her family, it is always worth investigating whether it can be covered under his/her home insurance – some policies offer cover on a worldwide basis.

Of course, there are exceptions and exclusions to every policy, but in the event of a claim the claim handler will advise wherever possible. And this is yet another advantage of insuring with Knight Insurance Brokers. With offices near you, easy telephone/fax/email facilities and a comprehensive team, advice is always at hand. Contact Knights on **902 28 28 20** to find out more.



"I was on my way to the doctor with rear end trouble when my universal joint gave way causing me to have an accident."

Owning and insuring a UK-plated vehicle in Spain

It may not always seem straightforward owning or insuring a UK plated vehicle in Spain. When you want to insure your UK registered car, it is important to check the rules and regulations relating to your insurance policy as Spanish insurance regulations differ from those in the UK. Alternatively, seek guidance from an insurance broker such as Knight Insurance Brokers, your current insurance company, a Spanish lawyer, or ask direct, specific questions to the Jefatura Provincial de Tráfico.

However, much of it comes down to your status – UK nationals who are not residents may bring their car into Spain, but neither they nor anyone else can use it in Spain for more than six months in any calendar year. But, if you are resident in Spain and the vehicle is going to be in Spain for more than six months (crossing the border to Gibraltar/Portugal/France/Andorra does not exempt you as it is the total time the car spends in Spain); then you are legally obliged to import your foreign plated car onto Spanish plates. You must register it with the local authorities in the Spanish province where you reside, who will grant you permission to drive your foreign plated car through the Spanish territory; and then insure as bound by the laws of Spain. There are motoring organisations in the UK and the Real Automovil Club de España who can provide guidance, or preferably contact the Directorate-General of Customs in Madrid, an authoritative source of information.

There is no doubt that wherever the car is registered within the EU,



it should have a valid certificate of roadworthiness: for example an MOT for UK-plated cars, the equivalent being an ITV for Spanish registered vehicles. There may be some insurance companies in Spain who will insure a UK registered car without an MOT, as long as it has a valid ITV. If this is the case, carefully check that your insurance definitely covers you. As although your UK registered car may have an ITV, (but an elapsed MOT), it is likely that your insurance is invalidated because your vehicle is not compliant with EU legislation. This legislation requires that, for example, a UK registered car is insured in its country of registration, has a valid MOT certificate and fully paid up UK road tax.

Another point to take into account for those people insuring UK registered vehicles in Spain, is that the insurers send all the details for the policies to both the DVLA and the MIB (Motor Insurers Bureau) on a periodic basis. Therefore trying to 'trick' the system by declaring a car off-road (SORN) or exported or scrapped, only means that the vehicle is in limbo and is not fully legal anywhere.

So if you are a EU citizen and want to settle in Spain, then it

makes sense to obey the rules and import your car. You are exempt from import duties (if you've owned your vehicle for 6 or more months). There are particular conditions regarding import duties for those from outside the EU, so it's best to check the specifics. Once the importation procedure is completed, you will be issued a temporary registration plate, enabling you to drive your imported car in Spain. Any concession on the duty-free import of cars applies only to people who take out an official residence permit in Spain. Once imported, your vehicle will be registered on the Spanish system, meaning you will be obliged to pay the Spanish Road Tax (Impuesto de circulación de Vehículos de Tracción Mecánica: the ITV/M)

At present Knight Insurance Brokers work with three companies who can insure UK plated cars: SIS, Ibex and Liberty Seguros. They also have the facility to insure cars registered in Guernsey, Jersey and Gibraltar. So if you are unsure how to go about insuring your vehicle, then phone or call into a Knight office for the best advice and lowest quotes today. Knight Insurance Brokers S.A. can be contacted on **902 28 28 20**.

Mobile home Insurance

Is it really that important?

The simple answer is YES! In the same manner that house insurance is vital to protect you and your loved ones from the unexpected, having purchased a mobile home and therefore having made a considerable financial investment, you should safeguard what is probably one of your most valuable assets.

With Knight Insurance, cover for mobile homes can be tailor-made to ensure that owners are protected from all eventualities. We ensure that you have adequate cover for your possessions and are protected against fire, vandalism and robbery. We ensure that you are protected against flooding, lightning and other weather-related damage; and we even provide you with rescue assistance in extreme and unforeseen circumstances.

It doesn't have to cost a fortune. The same insurance policy but for a mobile home as a holiday home can start at €170. And those that use their mobile home as a permanent dwelling can even pay as little as €148 per year. A policy of this type, for example, would provide a cover value of €50,000 with contents of €5,000 – cover with Knight Insurance Brokers really is very competitive.

What's more, as with our other policies our mobile home policies are all in English and our dedicated and highly qualified staff are always available to guide you towards purchasing the right cover.

So, if you are the proud owner of a mobile home and want to ensure that you are prepared for the unexpected, why not contact your nearest branch of Knight Insurance Brokers or call our hotline on: **902 28 28 20**.

Hole-In-One

Golfing insurance down to a tee

According to the publication USA Today, the odds of a golfer hitting a hole-in-one are 12,500 to 1 for an amateur and 7,500 to 1 for a pro. But it does happen – even here amongst expats that occasionally enjoy a casual round of nine holes or a shot at a local golf title. As a result, prize indemnity insurance is rapidly becoming a popular purchase amongst tournament sponsors, and in Spain it is no different.

With over 60 golf courses on the Costa del Sol and 20 on the Costa Blanca, Knight Insurance Brokers has realised the importance of offering Hole-In-One insurance for promotions and tournaments in which there is a significant prize up for grabs.

In this manner, instead of keeping cash reserves to cover large prizes, promoters of such events often opt for an insurance premium, which then reimburses the insured if a hole-in-one is actually achieved. Why, you may

ask, if the odds of a player getting a hole-in-one in a golf tournament are so low. Because usually the prize for such events tends to be very expensive and tournament hosts need to be prepared in case the prize is to be taken from their own funds.

With this type of insurance, a golf tournament director can offer a headline-grabbing hole-in-one prize, like a dream holiday in the Caribbean, a brand new top of the range car or even a €1,000,000 cash prize – and thus attract more players to sign up for the event. It also gives smaller businesses the chance to host events with prizes that they would not normally be able to afford.

The insurance contract between the golf tournament and insurance company outlines conditions such as: which holes on the course the



prize will be insured on, how the hole-in-one must be verified, and what to do if a contestant hits a hole-in-one on a hole other than the insured hole.

Variables that affect the cost of hole-in-one insurance include: the number of participants in a tournament, the skill of the participants (amateur vs. professional golfers), the length of the insured hole and of course, the value of the prize being offered.

If you're a golf tournament director or golf outing sponsor who is tempted to tighten up on

tournament prizes or to hold back on golf sponsorships to save a few euros, then perhaps it's time to consider getting hole-in-one insurance.

As with all of Knight Insurance Broker products, information regarding sports insurance policies are in English, and our bilingual, dedicated teams in any one of our offices are always available to advise on sports and hole-in-one cover. Simply phone our hotline on **902 28 28 20** today to find out what Knight Insurance can do for you.

Your Letters

The Editor
Knight Times

Dear Editor

I just wanted to drop you a quick line to say thanks to Vanessa in your San Pedro office.

I moved to Estepona from Kent last month and was over the moon when she helped me with my house insurance – and in record time.

I was so pleased when Vanessa

talked me through the policy step-by-step and guided me with her knowledge. It's good to see that not all companies here have a "mañana" attitude and that things can get done quickly and efficiently.

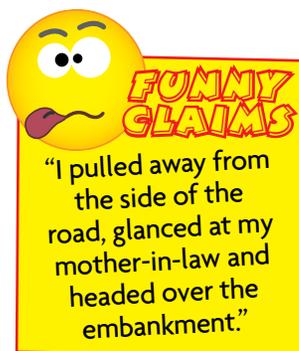
Thanks and best wishes,
Brian Whitley,

Urb Buenas Noches, Estepona



Dudley Sizen of Granada and his wife received a free bottle of Cava, from Lotti Lundstedt of our Nerja office, after his letter was published in Knight Times.

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

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