



CONSTRUCTION THIRD PARTY LIABILITY (TPL) INSURANCE

WHAT function does this insurance have?

This insurance applies to all construction sites in Spain. It will fend off unwarranted demands or settle any damages Third Parties may have suffered from the construction taking place. The mere existence of the building activity taking place creates unnumbered risks. The principal may be liable with his entire wealth even though he took all possible precautions to avoid damages to others.

WHO should have this insurance?

Every principal of a construction site should have this insurance. The additional costs are negligible in relation to the construction costs and potential claims. The notion that architects and building companies have insurance for each project is misleading. If these firms are not responsible for certain damages their insurance will not respond.

WHAT does this liability insurance cover?

- Personal Injuries to Third Parties
- Material damages resulting from the construction activity

HOW high are liability limits in Spain typically?

For historic reasons even today liability limits in Spain are surprisingly low.

- EUR 600.000 are a frequent standard.

WHAT deductibles apply?

- EUR 600 are common
- Damages due to welding works:
10% with a minimum of EUR 1.500.
- Damages to subterranean cables:
20% with a minimum of EUR 1.500 and a maximum of EUR 15.000

WHEN does the liability cover expire?

Cover starts with the beginning of the construction activity and ends with it – at the latest 12 months after.

WHAT should the principal observe?

Besides employing qualified people and companies for the many tasks the principal should fence the premises off as best as possible. This includes putting up signs forbidding trespassing, etc.

WHAT documents will insurers request?

- Description of the planned project
(Descripción de la construcción)
- Description of the planned construction
(Proyecto Ejecución de la Obra)
- Construction plans (Memoria de Obra)
- Copy of all cost estimates (Presupuestos)
- Projected duration of the construction
(Duración de Obra)
- Estimate of the project value (Valor de Obra)