

Better safe than sorry

Your broker always keeps you informed... If you are unsure, come and find us

Monthly bulletin
Nº 72 / February 2019

Crispin, I'm going to the Gym



In 1976 Gary Gilmore robbed and murdered two people in the United States. He was sentenced to death by firing squad. Before he was shot, he said: *Let's do it.*

A decade later, Nike still had not taken off as a sports brand. Its advertising agency was inspired by this murderer's farewell message and recorded a spot with an 80-year-old runner and a tagline at the end that said: *Just do it.* The motto still remains and some people remember it when they enter the gym.

From January to May, searches on Google related to health, fitness and beauty skyrocket. We want to fulfill our New Year's resolutions and get styled up for Easter Week «operation bikini.» And we signed up for the gym with that goal in mind but if you injure yourself by bike or with weights, who is responsible?

The correct answer is «it depends on whether the machine had a failure.» Because if it

the machine failed, the gym is responsible. When you twisted your ankle because you took a bad step, it was your error.»

In any case, almost all Spanish Autonomous Communities require Civil Liability insurance prior to the business's opening license being granted. And therefore the Gym's Civil Liability Insurance will be responsible for damages caused to third parties.

To increase the tranquility and safety of those who have a gym, they also usually contract Multi-Peril Insurance. This includes fire, reconstruction expenses, machinery, water damage... Therefore, bad luck never plays a prominent role in their business.

Have you already signed up for the *Gym*? What are you waiting for? According to a study by the *Current Biology* journal, going to the gym regularly enhances memory.

Life Insurance and mortgages: do not let the bank coerce you

We'll keep reminding you: banks cannot force you to take out life insurance linked to your mortgage. It is compiled in a European Directive (2014/17/EU) and will be included in the next Spanish Mortgage Law.

The bank says: «Contract this insurance with us and we will reduce mortgage interest rates for you». **Not true!** Products offered by banks tend to be more expensive in exchange for the same or even lower benefits. And what's worse, they do not offer all necessary information to know about what you're really contracting.

With the mortgage, taking out Life Insurance is not mandatory because the Law only requires you to contract Home Insurance with Fire coverage for a reconstruction amount equal to what you owe the bank.

Life Insurance is highly advisable for dealing with special circumstances (unemployment, illness) or death (family would be free from burden in this case).

If you want to cancel your insurance with the bank because you have found better options please send a burofax to the insurer and the financial institution one month in advance and subscribe to another policy that same day.

It's that simple. We can properly advise you at our Brokerage as you know.



Saving is not just saving, if you don't know how to spend



It may be that retirement is the golden age: living quietly without any obligations, enjoying your day to day life, not getting up early to go to work. However, we are afraid of reaching retirement and losing our quality of life, not being able to handle unexpected expenses or even habitual expenses. Therefore, it is very important to start saving and the sooner the better.

1. Systematic Savings Plan (PIAS).

It was created by the Personal Income Tax Law, and its objective is to offer a systematic saving instrument whose income is exempt from paying taxes provided that it is held longer than five years and is received in the form of an annuity. It has a maximum contribution limit of €8,000 per year and the accumulated premiums shall not exceed €240,000 per taxpayer. It is fully or partially redeemable from the start, although tax exemption would be lost.

2. Individual Long Term Savings Insurance (SIALP).

Law 26/2014 modified the previous Personal Income Tax Law, creating this new savings instrument, but in this case targeted small investors. The payment cannot exceed €5,000 per year; the provision may only be in the form of capital for the total amount of the plan, not par-

tial provisions. This product guarantees that at least 85% of the money invested will be redeemed. Personal income tax returns are exempt for five years as long as there is no redemption in less than five years.

3. Insured Pension Plans (PPA).

They are regulated by Law 46/2002, Income Tax Partial Reform. It is an insurance contract consisting of the payment of guaranteed capital at retirement. It is not redeemable except for long term unemployment or serious illness that would not be penalized.

4. Unit Linked.

It is more an investment product than a savings product, where the person taking out the insurance assumes all investment risks. There are no limits on contributions and you have full availability over them.

There are other types of savings, such as Guaranteed Capital Insurance, Life and Term Income, Income Insurance... The most important thing is that hiring these is as personalized as possible, meeting the real needs and circumstances and for that, the best is to visit experts and professionals such as we have at our Brokerage.

Honeymoon or bitter moon?

How much are you going to spend on the wedding? In the worst scenario, if an unforeseen event requires you to cancel the Honeymoon how much do you lose?

San Valentín will not allow this to happen to you, but just in case you should know that Travel Insurance covers cancellation or interruption, health care at destination, delayed flights, baggage loss, repatriation and Civil Liability.

It's worth it.



Until marriage doth us part

American Quinn Duane's fiancé ditched her just hours before the wedding reception. She could not cancel the banquet and decided to reuse the \$35,000 that it cost to invite 90 homeless people to dine.

If she had contracted Event Cancellation Insurance, she would have been able to recover her money. It also includes compensation for bankruptcy of suppliers, wedding gowns, gifts, flowers, transportation, and more.

You still don't have it? I definitely want it!



Recommendation