

Important changes to our Commercial Select policy

Allianz Insurance plc | Commercial



Cover Enhancements

The scope of policy cover has been greatly enhanced, and clients will automatically benefit from the addition of a number of new covers, which have been included free of charge. The key additional covers added are:

- **Property Damage Section:** theft damage to buildings, loss minimisation and prevention expenditure, leased and rented premises, further investigation expenses, inadvertent omission to insure, property stored, unauthorised use of supplies, undamaged tenants improvements.
 - **Business Interruption Section:** salvage sale, accumulated stocks, fines and damages, additional rent – data processing and ancillary equipment, research and development costs, essential personnel, claims preparation expenses, exhibition sites, failure of supply, moulds tools and dies.
 - **Public and Products Liability Section:** territorial limits, corporate manslaughter and corporate homicide act, and obstructing mechanically propelled vehicles.
 - **Employers' Liability Section:** Corporate Manslaughter and Corporate Homicide Act.
 - **Money:** credit card and security company contingency cover.
- The separate theft section is being discontinued. Theft will be available as a selectable event under the material damage and business interruption events sections (it is already included as standard under the all risks sections).
 - The intruder alarm condition, which is a condition precedent to liability, has been included within the policy wording, and will automatically apply where an intruder alarm is installed, unless agreed otherwise with the insurer.
 - A number of automatically applied clauses, normally shown in the schedule, have been incorporated into the standard policy wording.
 - Some covers previously only available on request have now been automatically included into the standard wording.
 - A number of standard cover limits have been significantly increased.
 - there are also a number of cosmetic and other amendments to clarify cover.

Other Amendments

- Clarifications to the types of cover offered have been made and also some minor cover limitations have been introduced. Please see the summary of key changes below for details.

When do these changes apply from?

We are introducing these changes to new business Commercial Select policies with effect from 6th April 2010.

All cover amendments will be incorporated into policies as they fall for renewal on or after the 1st of June, 2010.

Existing policyholders will automatically receive the benefit of the revised wording, which will apply to losses occurring on or after the 1st June 2010.

A brief summary of the main changes will be released to clients with their policy documents incorporating these changes following your instructions to renew or commence cover.

To assist you with dealing with any queries that may arise we enclose a summary containing more extensive information on the changes, than is contained within the client summary.

If you need any further assistance, or if you wish to make a change to a policy, please contact your local Allianz branch.

Commercial Select - Summary of Key Changes

Property Damage Section

Cover Enhancements

The following enhancements to cover have been introduced:

- **European Union and Public Authorities (and Undamaged Property)** - cover includes the cost of complying with European Union and public authorities' requirements, including the costs relating to undamaged portions of the buildings, subject to a limit of 15%.
- **Theft Damage to Occupied Buildings** – cover extended in respect of damage by theft to the fabric of the buildings, by way of the addition of a specific extension to cover. Cover will exclude loss involving any person legally on the premises or damage to unoccupied premises unless agreed otherwise by the insurer. An excess of £500 normally applies unless cover is already subject to a higher amount.
- **Loss Minimisation and Prevention Expenditure** - cover includes costs and expenses incurred by the insured with the insurer's consent in preventing or reducing imminent damage which would have been insured or reducing mitigating or otherwise alleviating damage during and after it has occurred. Cover will exclude costs and expenses in respect of damage that was reasonably foreseeable earlier and would be the natural outcome if such costs and expenses are not incurred, and damage arising from any defect in the property insured. A limit of £25,000 in respect of any one claim applies.
- **General Interests** – extends cover to automatically note the interest of other parties as requested by the insured and notified to the insurer in the event of damage.

- **Reinstatement to Match** – extends the basis of settlement for computer equipment. Where repair of property is impractical or replacement by similar property to a condition equal to its condition when new is impossible then the insured may repair or restore the property with equivalent property which employs current technology.
- **Pairs and Sets** - cover includes the cost of replacement, repair or modification of undamaged parts that form part of a matching set of articles or suite of common design or function where the damage is restricted to a clearly identifiable area or to a specific part, provided that the insured's total liability is not increased beyond the amount that would have been payable for replacement repair or modification of the whole property forming a set, suite, common design or function if such property had been wholly destroyed.
- **Leased and Rented Premises – Difference in Conditions/Limits** - cover extends to include damage to buildings and fixtures and fittings which are insured under a more specific insurance but for which the insured is legally liable as tenant and not as owner in accordance with the requirements of a lease.

Should such more specific insurance by virtue of its terms, conditions or limits of liability fail to indemnify the insured, to the extent that such indemnity is not provided by such more specific insurance but which would have been had such more specific insurance followed the terms, conditions, exclusions and limits of the cover under the policy.

A limit of £1,000,000 in respect of any one claim applies. Cover will not apply in respect of any shortfall in the indemnity provided by such more specific insurance due solely to the operation of any average (Underinsurance) condition or in respect of any damage due to any act of terrorism.

- **Further Investigation Expenses** - extends cover following damage with the prior consent of the insurer to include the costs of checking for further damage, where there is a possibility of further damage that is not immediately apparent. A limit of £5,000 in respect of any one claim applies.
- **Fire Brigade** – extends cover to include the reasonable costs charged by any public authority relating to the extinguishing or fighting of fire subject to the overall sum insured.

- **Continuing Interest and Hire Charges** - extends cover following damage to include continuing interest or hire charges where the insured are liable under contract and these are not recoverable under the terms of a lease or similar agreement. A limit of £10,000 any one claim and in total in any one period of insurance applies.
- **Obsolete Building Materials** - extends the buildings basis of settlement to include additional costs incurred in replacement of obsolete materials, subject to a 10% limit of the sum insured.
- **Contract Works** – provides cover for buildings and contents in respect of any permanent or temporary works undertaken as part of a contract for which the insured are responsible under the terms of the contract up to an amount of £250,000 any one contract.
- **Contractors Interest** – The insurer agrees to note the interest of a contractor or sub-contractor in the insurance, subject to any contracts valued at £250,000 or above being advised to the insurer prior to the commencement of work.
- **Value Added Tax** - extends cover to include any additional liability for VAT that may be incurred in respect of the self supply of land in order to reinstate or repair property following damage, subject to the sum insured for each separate premises.
- **Inadvertent Omission to Insure** - provides cover for properties which have been inadvertently left uninsured up to £1,000,000 in respect of buildings and contents for any one property.
- **Property Stored** - cover extends to include stock whilst elsewhere than at the premises and within the UK, excluding damage caused by theft or attempted theft. A limit of 10% of the sum insured on stock or £250,000 whichever is the less applies.
- **Sprinkler Installation Upgrading Costs** – extends cover to include the increased costs if we require the reinstating of sprinkler systems to comply with the latest regulations, up to a limit of 20% of the buildings sum insured for the premises damaged.
- **Unauthorised Use of Supplies** - covers the unauthorised use of water, gas, electricity oil or other metered supply charges up to an amount of £25,000 any one claim.
- **Drains, Sewers and Gutters** - cover extends to include costs incurred and agreed by us for cleaning and/or clearing of drains, sewers and gutters and for which the insured is responsible, following insured damage.
- **Moulds, Tools and Dies** - cover extends to include moulds, tools, and dies or those the insured is responsible for, at the premises or at any premises not in the insured's occupation and whilst in transit to and from by road rail or inland waterway in Great Britain. A limit £250,000, or the sum insured whichever is the less applies at the time of damage.
- **Branded Goods** - extends cover so that any salvage of branded or labelled merchandise will not be disposed of by sale without the insured's consent. If salvage is not disposed of by sale then damage will be assessed at the value agreed between the insured and the insurer at the settlement of the loss. The insured may at the insurer's expense stamp 'salvage' on the merchandise or its containers or may remove or obliterate the brands or labels if such stamp removal or obliteration will not physically further damage the merchandise and provided the insured re-label the merchandise or containers in compliance with the requirements of law.
- **Undamaged Stock and Loss on Re-Sale** – following insured damage the basis of settlement extends to include the loss the insured incur (less the value of any salvage) in the event of undamaged stock deteriorating and/or being condemned or otherwise becoming unusable, or due to the enforced sale of stock which the insured is obliged under contract to accept from any other party but are unable to use. Cover is limited to the sum insured.
- **Fixed Glass and Sanitary Ware** - cover extends to include fixed shelves, showcases and mirrors, fixed sanitary ware and neon and illuminated signs.
- **Fire Extinguishers and Sprinklers** - cover extends to include costs the insured incur in re-filling recharging or replacing local or fixed fire suppression systems or sprinkler installations, and having any fire and/or intruder alarms and closed circuit television equipment re-set in consequence of insured damage. The insurer shall not be liable in respect of any costs and expenses recoverable from the maintenance company or fire service and the insurer shall maintain all such equipment in accordance with the manufacturer's instruction under contract with a company approved by the insurer. A limit of £25,000 any one claim applies.

- **Interested parties** - existing clause replaced by freeholders, lessors and mortgagee's clause automatically noting the interest of such parties. A non invalidation clause also protects their interest in the event of any alteration or act or neglect of any leaseholder or lessee or mortgagor or occupier without the authority or knowledge of the freeholder, lessor or mortgagee. In addition a general interest clause has also been added automatically noting the interest of any other party if requested by the insured subject to their identity being disclosed in writing to the insurer by the insured in the event of damage. A separate contracting purchaser's interest clause has been added.
- **Undamaged Tenants Improvements** - in the event of damage by a specified event to buildings or contents in consequence of which the insured's lease is terminated by the lessor pursuant to a valid condition of the insured's lease, cover extends to include the value of undamaged tenants fixtures fittings alterations installations or additions, made at the expense of the insured and which cannot legally be removed, in or on a building occupied but not owned by the insured. Cover excludes retaining walls, foundations or supports below the surface of the lowest floor or basement and outdoor trees shrubs plants or lawns. A limit of £100,000 any one claim applies.
- **Motor Vehicles** - provided they are more specifically insured, cover extends to indemnify the insured for loss or destruction or damage to motor vehicles licensed for road use owned or leased by the insured whilst parked at the premises in respect of any amount over and above that recoverable under such more specific insurance.
- **Foundations** - cover for buildings extend to include an amount in respect of foundations. If following damage, re-building is carried out upon another site, the insurer agrees to treat abandoned foundations as damaged, whether or not such foundations are damaged. Where abandoned foundations increase the resale value of the original building site, the increased value shall be regarded as salvage.
- **Subsidence Cover** - automatically included in all risks sections unless cover not selected by the insured or the insurer advises the insured otherwise.

Increased Limits

Limits for the following extensions of cover have been increased:

Extension of Cover	Limit increased to
Alterations and Additions	£1,000,000
Trace and Access	£25,000
Locks and Keys	£25,000

New Definitions

The following new definition has been added:

- **Contract Works.**

Amended Definitions

The following definitions have been amended:

- **Buildings** - nature of construction stipulation deleted.
- **Contents** - definition widened; computer systems records limit deleted, rare books or works of art added with limits of £5,000 any one article or £10,000 in total, tobacco, wines and spirits held for business entertainment purposes added limit £1,000, contents of fuel tanks added with limit of £2,000, personal effects limit increased to £1,000, cover for visitors' personal effects deleted.
- **Premises** - the word 'solely' has been deleted before 'occupied' and now reads "occupied by the insured."
- **Unoccupied** - definition extended, with operative period now commencing after 30 consecutive days.

Basis of Settlement

Amended as follows:

- **Basis of Settlement** - clarification of the operation of the limit of liability where there is more than one insured party.
- **Index Linking** - clarified that indexing operates unless the insured advises the insurer to the contrary, and that linking continues during the period of reinstatement provided that work is commenced and carried out without unreasonable delay.
- **Automatic Reinstatement** - extended to include theft damage subject to the insurer not advising otherwise within 30 days of damage, and implementation of any risk reduction measures advised by the insurer.
- **Excess** – clarified that this will apply to each loss at each separate premises.

Exclusions

- Damage in Northern Ireland exclusion deleted.

Section Conditions

The following conditions have been amended/added:

- **Precautions** – existing condition has been extended to include the need for reasonable precautions to keep property insured secure.
- **Alteration** – existing condition has been amended with reference to unoccupied premises being removed. Cover in respect of subsidence ground heave or landslip will not apply due to any demolition, construction, ground works or excavation work being carried out on the premises or on any adjoining site.
- **Unoccupied Premises** – existing condition has been amended to clarify the insured's obligations to advise the insurer as soon as the insured become aware that any buildings or parts of building become unoccupied, and that the insurer will advise the insured of the terms and conditions that will apply to such buildings and that an additional premium may be required. The precautions to be taken by the insured during periods of unoccupancy have been revised and require an internal and external inspection of the buildings to take place at least once every seven days and that a record of such inspections is kept.

The insured must also ensure that any defects in the condition or state of repair of the buildings or defects in security or fire protection are attended to immediately. The insured must also notify the insurer immediately if the buildings are to be occupied by contractors undertaking any work. The insured is also required to complete any risk improvements we may require within the timescale specified by the insurer. Note that this remains a condition precedent to liability and cover may not operate if the terms of this condition are not fully complied with.

- **Conditions Precedent to Liability** – this condition has been deleted.
- **Intruder Alarm Condition** – this condition has been included with the section wording, and will apply where the insured's premises are protected by an automatic intruder alarm installation, unless agreed otherwise by the insurer. Currently this condition will normally be shown on the schedule as an additional clause. The wording will follow that previously used, however it does clarify the duties of key-holders. In the event of

notification of activation of or any fault in the alarm installation or interruption of the means to transmit or receive signals during any period when the alarm has been set, a key-holder must attend the premises as soon as possible in order to confirm the security of the premises and reset the intruder alarm system in its entirety. In addition if the intruder alarm system cannot be reset in its entirety or if all the means of communication used to transmit signals are not in full operation a key-holder must remain at the premises.

Business Interruption Section

Cover Enhancements

Depending on the basis of settlement selected, the following enhancements to cover may apply:

- **Salvage Sale** – amends the basis of settlement following insured damage to allow for the benefits of the insured holding a salvage sale to be reflected in the definition of turnover.
- **Accumulated Stocks** – amends the basis of settlement to allow for a reduction in turnover being postponed by reason of turnover being temporarily maintained from accumulated stocks of finished goods in warehouses or depots.
- **Claims Preparation Expenses** – cover extends to include costs, expenses and charges incurred by the insured in producing and certifying any particulars or details required by the insured in connection with any claim, which are incurred with the insurer's consent and for which the insured has admitted liability. Costs are limited to those incurred by employees and the cost of materials used, together with charges payable by the insured to the insured's auditors or professional accountants for producing information the insurer may require. A limit of £25,000 applies in addition to the sums insured or limits applying, and cover is subject to a £500 excess.
- **Fines and Damages** - cover extends to indemnify the insured against fines penalties or damages imposed by the conditions of any contract between the insured and a customer for breach of contract and the amount payable shall be such sums as the insured shall be legally liable to pay and shall pay in discharge of fines penalties or damages for non-completion or late completion of order or contracts or in respect of cancellation of orders or contracts as a result of damage and interruption for a period up to 12 months at the insured's premises. A limit of £10,000 applies.

- **Additional Rent – Data Processing and Ancillary Equipment** - cover extends to indemnify the insured following damage and interruption at the insured's premises against the payment of additional rental arising for any data processing and/or ancillary equipment necessitated by the cancellation of the lease/hire contract and its replacement by a new contract for similar equipment for a period up to 12 months or until the expiry of the lease/hire contract whichever is the sooner. A limit of £25,000 applies.
- **Research and Development Costs** - cover extends to indemnify the insured in respect of additional expenditure necessarily and reasonably incurred to re-constitute records and re-work projects and to restore research and development projects to a state substantially similar to that which existed before the date of the damage. Cover applies for a period up to 12 months and a limit of £25,000 applies.
- **Essential Personnel** - cover extends to include additional expenditure necessarily and reasonably incurred as a consequence of the death or permanent disablement of any principal director or partner of the insured by accidental and external means preventing the carrying out of their usual employment or occupation for the sole purpose of avoiding or diminishing any interruption of or interference with the business carried on by the insured at the premises which but for that expenditure would have taken place during the indemnity period. Cover applies for a period up to 12 months and a limit of £25,000 any one claim applies.
- **Public Relations Expenses** - cover extends to include the additional expenditure necessarily and reasonably incurred during the indemnity period of employing suitable public relations personnel to deal with press and public announcements and other activities in the event of business interruption at the premises. Cover applies for a period up to three months and a limit of £10,000 any one claim applies.
- **Subsidence Cover** - automatically included in all risks sections unless cover is not selected by the insured or the insurer advises the insured otherwise.

Broker News – Commercial Select Policy

Extensions

The following extensions to cover have been added:

- **Failure of Supply** - cover extends to include interruption of or interference to the insured's business resulting from the accidental failure of supply of:
 - electricity at the terminal ends of the service provider's feeders at the premises.
 - gas at the service provider's meters at the premises.
 - water at the service provider's main stop cock serving the premises.
 - land based telecommunications services (excluding internet or extranet services) at the incoming line terminals or receivers at the premises.
 - other telecommunications services at the incoming line terminals or receivers at the premises.

There are a number of exclusions and limitations applying to this cover:

- cover excludes any claim for business interruption insured under the supply undertakings extension.
- cover does not apply in respect of the first four hours of interruption or interference, increased to 12 hours for telecommunications services and other telecommunications services, but does apply in full if interruption or interference exceeds these periods of time.
- cover excludes any claim resulting from failure caused by:
 - o the deliberate act of any supply undertaking or by such undertaking withholding or restricting supply or services not performed for the sole purpose of safeguarding life or protecting the supply undertaking's system.
 - o strikes or any labour or trade dispute.
 - o drought.
 - o other atmospheric or weather conditions, but this shall not exclude failure due to damage to equipment caused by such conditions.

- cover also excludes any claim resulting from:

- the failure of any overhead transmission and distributing lines and their supporting structures, other than those within one mile of the premises.
- failure of telecommunications services via satellite
 - i. due to the failure of any satellite prior to its attaining its full operating function or whilst in or beyond the final year of its design life.
 - ii. in the event of temporary interference with transmissions to and from such satellites due to atmospheric weather, solar or lunar conditions.
 - iii. resulting from the transfer of the insured's satellite facility to another party.
- in respect of telecommunications services and other telecommunication services the maximum indemnity period is limited to three months.
- a limit of £25,000 applies.
- **Exhibition Sites** – cover extends to include interruption of or interference to the insured's business due to damage at any exhibition site within the United Kingdom where the insured is exhibiting goods or services. Cover excludes exhibition sites under canvas or in the open, and a limit of £25,000 any one claim applies.
- **Moulds, Tools and Dies** - cover extends to include interruption of or interference to the insured's business due to damage to moulds, tools, and dies belonging to the insured or for which the insured is responsible whilst at the premises or any premises not in the insured's occupation and whilst in transit thereto and therefrom by road, rail or inland waterway in the United Kingdom. A limit of £25,000 any one claim applies.

The following existing extensions have been amended:

- **Supply Undertakings** – Cover continues to apply in consequence of an event insured by the business interruption section, but has been widened to include both:

A. damage to property at the land based premises of any supply undertaking service provider or producer in the United Kingdom, and;

B. damage to property comprising any land based cable, pipe or pylon, the property of any supply undertaking service provider or producer in the United Kingdom, connecting to the terminal connecting point at the insured's premises from which the insured obtain electricity (including generating stations or sub-stations), gas (including any natural gas producer linked directly therewith), water (including works and pumping stations) or telecommunications services.

Telecommunications services has been divided to differentiate between:

- i. telecommunications services (other than internet or extranet services), and
- ii. other telecommunications services. In respect of B, cover does not operate until there has been a cessation of supply for at least two hours, after which cover applies for the full period of interruption or interference to the insured's business.

Cover in respect of damage to cables, pipes or pylons to the terminal connecting point at the insured's premises will exclude damage to any overhead transmission or distributing lines or their supporting structures located over one mile from the insured's premises.

A limit of £10,000,000 any one claim applies unless the insurer has agreed otherwise.

- **Denial of Access** - amended in that damage must occur in the immediate vicinity of the insured's premises.

Amended Definitions

The following definitions have been amended:

- **Premises** - the word 'solely' has been deleted before 'occupied' and now reads "occupied by the insured."
- **Unoccupied** - definition extended, with operative period now commencing after 30 consecutive days.

Basis of Settlement

Amended as follows:

- Clarification of the operation of the limit of liability where there is more than one insured party.

- **Automatic Reinstatement** - extended to include theft damage subject to the insurer not advising otherwise within 30 days of damage, and implementation of any risk reduction measures advised by the insurer.

Basis of Settlement Adjustments

- **Auditors and Accountants Charges** (re-titled from Accountants Charges)
Extended to include auditors charges.

Exclusions

- Damage in Northern Ireland exclusion deleted.

Money Section

Increased Cover Limit – the limit for non-negotiable money has been increased to - £1,000,000.

Definitions

The following new definition has been added:

- **Unattended** - Any vehicle with no person in charge or where neither the insured nor any employee are in a position to keep the vehicle under observation and able to observe or prevent any attempt by any person to interfere with the vehicle.

- **Extensions**
The following extension to cover has been added:

Credit Card - Cover extends to include the insured's legal liability for costs necessarily incurred as a result of use by an unauthorised person of bank cards credit cards charge cards or debit cards either belonging to the insured or for which the insured is responsible in respect of loss incurred and arising before the card company has received notification that a card has been lost or stolen. Cover will not apply in respect of:

- a) loss brought about by any failure to comply with the terms under which the card was issued;
- b) any card issued personally to the insured's directors partners or employees;
- c) losses arising after 48 hours from discovery of the loss of the card;
- d) losses covered in whole or in part by any other insurance.

A limit of £1,000 in respect of any one claim will apply.

Exclusions

The following exclusions have been added:

- Loss resulting directly or indirectly from forgery, fraudulent alteration or substitution, fraudulent use of a computer or electronic transfer.
- Loss resulting from use of any form of payment which proves to be counterfeit, false, invalid, uncollectible or irrecoverable for any reason.

The following exclusions have been amended:

- Exclusion 6 is amended to read as follows:
 - Loss or shortage due to depreciation, currency, fluctuations, consequential loss or damage of any kind or description.
 - Exclusion 8 has been deleted.

Basis of Settlement Adjustments

The following extension to cover applies:

Security Company Contingency Cover

Cover extends to indemnify the insured in respect of loss of money in the custody of a security company if in the event of loss the insured is unable to recover such money from the security company under the terms of the agreement with the security company. Provided that:

- a) there must be in force an agreement in respect of money in the custody of a security company;
- b) the insured must provide the insurer with a copy of the agreement with the security company at the inception of cover;
- c) the insured must obtain the insured's written agreement before any changes are made to the agreement;
- d) the insured must comply with the terms of the agreement.

Section Conditions

The following conditions have been amended/added:

- **Precautions** – existing condition has been amended to be a condition precedent to liability.
- **Transit** – the limits in respect the amounts in the personal custody of the insured or the insured's employees are increased to £7,500 for two able bodied adults and £15,000 for three able bodied adults.

- **Conditions Precedent to Liability**

This condition has been deleted.

- **Intruder Alarm Condition**

This condition has been included with the Section wording, and will apply where the insured's premises are protected by an automatic intruder alarm installation, unless agreed otherwise by the insurer. Currently this condition will normally be shown on the schedule as an additional clause. The wording will follow that previously used, however it does clarify the duties of key-holders.

In the event of notification of activation of or any fault in the alarm installation or interruption of the means to transmit or receive signals during any period when the alarm has been set, a key-holder must attend the premises as soon as possible in order to confirm the security of the premises and reset the intruder alarm system in its entirety. In addition if the intruder alarm system cannot be reset in its entirety or if all the means of communication used to transmit signals are not in full operation a key-holder must remain at the premises.

Own Goods in Transit Section

Definitions

A new definition has been added:

- **Unattended**

Any vehicle with no person in charge or where neither the insured nor any employee are in a position to keep the vehicle or goods under observation and able to observe or prevent any attempt by any person to interfere with the vehicle or goods.

Basis of Settlement

- **Automatic reinstatement clause**

Amended to read as follows:

In consideration of cover by this section not being reduced by the amount of any claim and in the absence of written notice by the insurer to the contrary within 30 days of the notification of any loss or damage the insured will pay the appropriate additional premium on the amount of the claim from the date of loss or damage to the expiry of the period of insurance and agrees to comply with any security recommendations or other measures the insurer may require to reduce the risk of further loss or damage.

Basis of Settlement Adjustments

- **Average (Underinsurance)**

Adjustment 1 has been deleted.

New Basis of Settlement adjustment added:

- **FOB Conditions**

Cover includes loss of or damage to goods forwarded under FOB conditions, within the territorial limits, for a period not exceeding 30 days from the commencement of transit in respect of any one consignment whilst at dockside/airside or in temporary warehousing until placed on board ship or aircraft.

Exclusions

A new exclusion has been added:

- Cover excludes loss or damage to goods caused by or arising from the insufficiency or unsuitability of packing or preparation.

The following exclusions have been amended:

- Cover exclusion 2f has been amended to read as follows:
 - Delay or loss of market confiscation or detention by customs or other officials
 - Exclusion 6 loss or damage in Northern Ireland has been deleted

Section Conditions

The following conditions have been amended/added:

- **Precautions** – existing condition has been amended to be a condition precedent to liability.
- **Conditions Precedent to Liability** – this condition has been deleted.

The following conditions have been added:

- **Vehicle Security Protections**
It is a condition precedent to the liability of the insurer that additional protections to any vehicle required by the insurer shall:
 - A. be installed in accordance with the specification agreed by the insurer;
 - B. not be altered or varied unless agreed in writing by the insurer;
 - C. be kept in full and working order at all times;
 - D. where appropriate to the type of protection, be serviced under a maintenance contract.

E. be secured or set whenever the vehicle is left loaded and unattended with all keys or other portable operating devices being kept in the personal custody of the driver of the vehicle or of any other person authorised to be in the vehicle.

- **Declaration Condition**

If the premium or part of any premium is calculated on estimates supplied to the insurer by or on behalf of the insured the insured shall keep a record of all such relevant particulars and shall allow the insurer to inspect such records at any reasonable time.

The insured shall furnish the insurer with such information as the insurer may require at the expiry of each period of insurance, within the period specified by the insurer. The premium shall be adjusted annually and any difference shall be paid by or returned to the insured subject to any agreed minimum or deposit premium specified in the schedule.

Specified All Risks Section

Definitions

A new definition has been added:

- **Unattended**
Any vehicle with no person in charge or where neither the insured nor any employee are in a position to keep the vehicle or goods under observation and able to observe or prevent any attempt by any person to interfere with the vehicle or goods.

Basis of Settlement

- **Automatic Reinstatement** - extended to include theft damage subject to the insurer not advising otherwise within 30 days of damage, and implementation of any risk reduction measures advised by the insurer.

Exclusions

Damage in Northern Ireland exclusion deleted.

Basis of Settlement Adjustment

The existing interested parties clause is deleted and replaced by:

- **General Interests** – extends cover to automatically note the interest of other parties as requested by the insured and notified to the insurer in the event of damage.

Section Conditions

The following condition has been added:

- **Intruder Alarm Condition** – this condition has been included with the section wording, and will apply where the insured's premises are protected by an automatic intruder alarm installation, unless agreed otherwise by the insurer. Currently this condition will normally be shown on the insured's schedule as an additional clause. The wording will follow that previously used, however it does clarify the duties of key-holders.

In the event of notification of activation of or any fault in the alarm installation or interruption of the means to transmit or receive signals during any period when the alarm has been set, a key-holder must attend the premises as soon as possible in order to confirm the security of the premises and reset the intruder alarm system in its entirety. In addition if the intruder alarm system cannot be reset in its entirety or if all the means of communication used to transmit signals are not in full operation a key-holder must remain at the premises.

Employers' Liability Section

Definitions

The following definition has been added:

An Act of Terrorism

An act including but not limited to the use of force or violence and/or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

The following definitions have been amended:

- **Employee** – definition extended to include:
 - any home worker or outworker.
 - any person working under the Community Offenders Act 1978, the Community Service by Offenders (Scotland) Act 1978 or similar legislation.
 - any prospective employee being assessed by the insured as to their suitability for employment.
 - any person a court of law in the United Kingdom deems to be an employee.

- **Business** - definition extended to include:

- the repair and/or servicing of the insured's motor vehicles;
- the training or retraining of any employee at Government or other training centres;
- participation at trade shows, exhibitions or conferences;
- the organisation of or participation by the insured in fund raising or other charitable events;
- provision of nursery crèche or child care facilities where incidental to the business;
- provision of car parking for the benefit of employees, customers and visitors.

Cover

The following amendments are made:

- **Limit of Indemnity** – extended to include liability in respect of an act of Terrorism, and the Corporate Manslaughter and Corporate Homicide Act 2007, both subject to a limit of £5,000,000. These limits would previously have been added as separate clauses to the schedule. The corporate manslaughter limit applies any one period of insurance and is also the maximum total amount payable under this and any other section of the policy in respect of one occurrence.
- **Corporate Manslaughter and Corporate Homicide Act** - cover extended to include legal costs and expenses incurred with the prior written consent of the insurer and costs of the prosecution awarded against the insured in connection with the defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought under The Corporate Manslaughter and Corporate Homicide Act 2007 in respect of any fatal injury sustained and caused during the period of insurance in the course of the business and which may be the subject of indemnity under this section. Cover is subject to our agreement of the details of the specific solicitor or counsel who are to act on behalf of the insured prior to their appointment. The insurer's liability under this cover shall not exceed the limit of indemnity.

Cover excludes:

- any fines or penalties imposed on the insured or the cost of implementing any remedial order or publicity order;
 - legal costs and expenses in connection with an appeal unless a solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the insured at all times throughout the appeals process. Any change to such prospect of success during the appeals process may result in cover being removed;
 - costs and expenses provided by another source or any other insurance or where but for the existence of this cover would have been provided by such source or insurance;
 - costs and expenses in connection with the defence of any criminal proceedings brought in any country other than in the United Kingdom;
 - costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by the insured or any partner or director or employee.
- **Indemnity to Other Parties** – in the event of the death of the insured cover has been extended to include their personal representative in respect of liability incurred by the insured.

Section Conditions

- **Compulsory Insurance Legislation** - amended to read:
The indemnity granted by this section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in the United Kingdom but the insured shall repay to the insurer all sums paid by the insurer which the insurer would not have been liable to pay but for the provisions of such law.
- **Declaration condition** - added, this applies where premium is calculated on estimates provided by the insured.

Public and Products Liability Section

Definitions

The following definitions have been added:

- **An Act of Terrorism**
An act including but not limited to the use of force or violence and/or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.
- **Asbestos**
Asbestos or fibres or particles of asbestos or any material containing asbestos.

The following definitions have been amended:

- **Employee** – definition extended to include:
 - any home worker or outworker.
 - any person working under the Community Offenders Act 1978, the Community Service by Offenders (Scotland) Act 1978 or similar legislation.
 - any prospective employee being assessed by the insured as to their suitability for employment.
 - any person a court of law in the United Kingdom deems to be an employee.
- **Business** - definition extended to include:
 - the repair and/or servicing of the insured's motor vehicles.
 - the training or retraining of any employee at Government or other training centres.
 - participation at trade shows, exhibitions or conferences.
 - the organisation of or participation by the insured in fund raising or other charitable events.
 - provision of nursery crèche or child care facilities where incidental to the business.
 - provision of car parking for the benefit of employees, customers and visitors.

- **Territorial Limits**

A. the United Kingdom.

B. in respect of injury, loss or damage caused by or arising from:

i. manual and non-manual work occurring during any temporary visit or journey anywhere in the world (other than the United States of America or Canada) and;

ii. non-manual work occurring during any temporary visit or journey to the United States of America or Canada by any partner, director or employee of the insured normally resident within the United Kingdom.

C. anywhere in the world in respect of products.

Cover

The following amendments are made:

- **Limit of Indemnity** – extended to include liability in respect of an act of Terrorism, and the Corporate Manslaughter and Corporate Homicide Act 2007, both subject to a limit of £5,000,000 or the amount shown in the schedule whichever is the lesser. These limits would previously have been added as separate clauses to the schedule. The corporate manslaughter limit applies any one period of insurance and is also the maximum total amount payable under this and any other section of the policy in respect of one occurrence.
- **Corporate Manslaughter and Corporate Homicide Act 2007**
Cover extended to include legal costs and expenses incurred with the prior written consent of the insurer and costs of the prosecution awarded against the insured in connection with the defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought under The Corporate Manslaughter and Corporate Homicide Act 2007 in respect of any fatal injury occurring during the period of insurance in the course of the business and which may be the subject of indemnity under this section.

Cover is subject to the insurer's agreement of the details of the specific solicitor or counsel who are to act on behalf of the insured prior to their appointment. The insurer's liability under this cover shall not exceed the limit of indemnity.

Cover excludes:

- any fines or penalties imposed on the insured or the cost of implementing any remedial order or publicity order.
 - legal costs and expenses in connection with an appeal unless a solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the insured at all times throughout the appeals process. Any change to such prospect of success during the appeals process may result in cover being removed.
 - costs and expenses provided by another source or any other insurance or where but for the existence of this cover would have been provided by such source or insurance.
 - costs and expenses in connection with the defence of any criminal proceedings brought in any country other than in the United Kingdom.
 - costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by the insured or any partner or director or any employee.
- **Obstructing Mechanically Propelled Vehicles** - cover extends to include where a mechanically propelled vehicle which is not the property or responsibility of the insured causes an obstruction within the United Kingdom to the extent of interfering with the carrying out of the insured's business then notwithstanding exclusion 5 (mechanically propelled vehicles) the insurer indemnify in respect of the legal liability of the insured for injury or loss of or damage to material property arising from the movement of such vehicle by the insured or any employee.

Cover is subject to the following terms:

- such movement shall be limited to the minimum necessary to clear the obstruction.
- cover shall not apply to loss of or damage to the vehicle or its contents.

- cover shall not apply to circumstances for which a certificate of insurance or security is required in accordance with road traffic legislation.

- **Indemnity to Other Parties** – in the event of the death of the insured cover has been extended to include their personal representative in respect of liability incurred by the insured.

- **Data Protection Act**
Inner limit removed and cover now applies within the section limit of indemnity cover now as follows:

The insurer will indemnify the insured and if the insured so requests any employee or director or partner of the insured for damage or distress occurring as a result of an offence under section 13 of the Data Protection Act 1998 committed during the period of insurance within the United Kingdom and arising in connection with the business provided that the insured is a registered user in accordance with the terms of the Data Protection Act 1998 the insurer will not pay for.

a. any damage or distress caused by any deliberate act or omission by the insured the result of which could reasonably have been expected by the insured having regard to the nature and circumstances of such act or omission;

b. the payment of fines or penalties;

c. the costs and expenses of replacing reinstating rectifying or erasing blocking or destroying any data or personal data

d. any damage or distress caused by any act of fraud or dishonesty;

e. liability arising from the recording, processing or provision of data or personal data for reward or to determine the financial status of any person.

Data and personal data shall have the meaning defined in the Data Protection Act 1998.

Extensions

The following extensions are amended:

- **Defective Premises Act** – exclusion of the presence of asbestos added.
- **Court Attendance Compensation** - daily payment increased to £750 in respect of any director or partner and £250 in respect of any employee.

Exclusions

- Exclusion 6 amended to read:

“liability arising out of the ownership, possession or use by or on behalf of the insured of any

a. aircraft or other aerial device made or intended to travel through air or space.

b. any water-borne vessel or craft other than.

i. those used for business entertainment purposes within inland waters

ii. hand propelled or sailing watercraft whilst within inland waters and not exceeding 75 feet in length
- Exclusion 11 “21.2.1” replaced with 6.5.1”

Section Conditions

Declaration condition added. This applies where premium is calculated on estimates provided by the insured.

Accident and Business Travel Sections

- A number of minor amendments and some clarifications of cover have been made, but these do not amend the extent of existing cover.

General, Definitions, Exclusions and Conditions

General Definitions

The following definition is added:

United Kingdom

Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

General Conditions

- **Claims** - a note has been added to highlight that in addition to the general claims condition, special or additional claims conditions also apply to the individual sections of the policy. Please refer to each individual section for details.
- **Cancellation** – part of the existing wording relating to payment by instalments amended as follows:

“If the premium for this policy is paid by instalments and in the event that the insured fail to pay one or more instalments whether in full or in part the insurer may cancel the policy by giving seven working day’s notice in writing to the insured sent to their last known address.”

- **Fraud** – part of the existing condition amended to include false or fraudulent document device or statement, as follows:

“If the insured or anyone acting on behalf of the insured makes any false or fraudulent claim or supports a claim by false or fraudulent document device or statement this policy shall be void and the insured will forfeit all rights under the policy. In such circumstances the insurer retains the right to keep the premium and to recover any sums paid by way of benefit under the policy.”

- **Choice of Law (re-titled Applicable Law and Jurisdiction)** - amended to include jurisdiction provision para c. “Unless otherwise agreed by the insurer.

c. each party to this policy agrees to waive any right that it may have to object to an action being brought in the English courts or to claim that the action has been brought in an inconvenient forum or to claim that the English courts do not have jurisdiction.”

- **Assignment** – new condition added as follows:

“The insured shall not assign any of the rights or benefits under this policy or any section of this policy without the prior written consent of the insurer.

The insurer will not be bound to accept or be affected by any notice of trust charge lien or purported assignment or other dealing with or relating to this policy or any section of this policy.”

- **Survey and Risk Improvement - Subjectivity Condition** – new condition incorporated into the policy; this normally appears automatically as a clause on the schedule.

Subject to Survey

If this policy has been issued or renewed subject to the insurer completing a survey or surveys of the premises or of any other location(s) as specified by the insurer, then pending completion of such survey(s) indemnity is provided by the insurer on the terms conditions exclusions and limits as specified in the policy and in the sections of the policy.

In the event that a survey should show that the risk or any part of it is not satisfactory in the opinion of the insurer, then the insurer reserves the right to:

- a. alter the premium or terms and conditions.
- b. exercise their right to cancel the policy
- c. leave the premium or terms and conditions unaltered.

The insurer will advise the insured of their decision and the effective date of such decision. If the premium terms or conditions are amended by the insurer then the insured will have 14 days to accept or reject the revised basis of indemnity.

If the insured elect to reject the revised basis of premium terms or conditions then they shall be entitled to a proportionate refund of premium (subject to an administration charge) for the unexpired period of cover provided that no claim has been made during the current period of insurance.

If the insurer exercises their right to cancel the policy, then the insured shall be entitled to a proportionate refund of premium (subject to an administration charge) for the unexpired period of cover provided that no claim has been made during the current period of insurance.

Risk Improvements

It is a condition precedent to the liability of the insurer that the insured must comply with all survey risk improvements required by the insurer within completion time scales specified by the insurer.

In the event that a risk improvement is not completed or risk improvement procedures are not introduced within the completion time scales specified by the insurer, then the insurer reserves the right to:

- a. alter the premium or terms and conditions
- b. exercise their right to cancel the policy
- c. leave the premium or terms and conditions unaltered.

The insurer will advise the insured of their decision which will be effective either from the expiry of any time period specified by the insurer for completion/introduction of the required survey risk improvements or any other period specified by the insurer.

If the premium terms or conditions are amended by the insurer then the insured will have 14 days to accept or reject the revised basis of indemnity.

If the insured elect to reject the revised basis of premium terms or conditions then they shall be entitled to a proportionate refund of premium (subject to an administration charge) for the unexpired period of cover provided that no claim has been made during the current period of insurance.

If the insurer exercises their right to cancel the policy, then the insured shall be entitled to a proportionate refund of premium (subject to an administration charge) for the unexpired period of cover provided that no claim has been made during the current period of insurance.

The above conditions do not affect the right of the insurer to void the policy if they discover information material to their acceptance of the risk.

To the extent that this condition conflicts with any other cancellation condition then this condition shall prevail.

Except in so far as they are expressly varied by this condition all of the terms conditions exclusions and limits of this policy and of the sections of the policy shall continue to apply until advised otherwise by the insurer.

Notifying a Claim

(Not applicable to Commercial Legal Expenses claims).

Allianz Claims Handling Office Telephone Numbers

For property damage claims (handled in Birmingham) Tel: 0844 871 0786.

For liability and accident claims (handled in Milton Keynes) Tel: 0844 871 0789.

For engineering claims (handled in Liphook)
Tel: 01483 265825
Fax: 0870 060 5329.

Lines are open from 9am to 5pm Monday to Friday. Outside our normal opening hours contact us on our 24 hour claim notification line Tel: 0845 604 9824.

For medical emergency whilst overseas Tel: +44(0) 208 763 4810.

Allianz addresses for claims correspondence:

For all claims, other than engineering claims:

Claims Division,
Allianz Insurance plc
500 Avebury Boulevard
Milton Keynes
MK9 2XX.

For engineering claims:
Claims Department
Allianz Engineering
Haslemere Road
Liphook GU30 7UN.