

Allianz Insurance plc

# Contractors Plant

Product Information

Allianz 

This information is for intermediaries only

# Contractors Plant Insurance Policy

Constructional plant is susceptible to losses from a wide range of causes. For example, plant can be stolen from the Insured's premises or a contract site, it can be damaged in transit or be destroyed by fire. Our Contractors Plant policy provides protection against the cost of unforeseen loss or damage to both owned and hired in plant.

The following details give an overview of the policy:

## What is the Policy Cover?

### Owned Plant and Machinery - Cover One

All Risks cover for:

- Constructional Plant
- Temporary Buildings
- Other Plant and Machinery.

### Hired In Plant – Cover Two

Cover for the legal liability of the Insured for:

- Loss or damage to the hired in plant
- Continuing hire charges as a result of this loss or damage.

## What are the Territorial Limits?

### All Covers

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

## Are there any Policy Conditions?

Yes, under the main policy conditions the Insured must:

- take all reasonable precautions to safeguard the insured property against loss or damage
- keep up to date records of values at risk and provide this information to us annually by declaration
- immediately notify the police in respect of any stolen plant or machinery
- notify us of any loss or damage as soon as practically possible.

## What are the main Extensions?

<b>Indemnity to Principal</b>	The policy is automatically extended to cover any party for which the Insured is carrying out work, where required by a contract	<b>Payments on Account</b>	Interim payments can be made ahead of final settlement for claims where we have admitted liability
<b>Damage to Security Devices Under Cover One</b>	Up to £1,000 and Nil Excess	<b>Loss of Keys Under Cover One</b>	Up to £1,000 and Nil Excess
<b>Repair Cost Investigation Under Cover One</b>	Up to £25,000	<b>Avoidance of Impending Damage</b>	Cost incurred in taking reasonable but exceptional measures to avoid or reduce impending loss or damage which would have resulted in a claim under the Policy
<b>Recovery of Immobilised Plant</b>	Up to £25,000		

## What is the basis of Settlement?

### Owned Plant and Machinery – Cover One

- If there is a total loss we will replace the property or pay for the loss or damage in money. This is limited to the market value of each item.
- If there is a partial loss we will pay for the cost of repairing the item up to the amount that would be paid had there been a total loss.

### Hired In Plant – Cover Two

We will cover the Insured's legal liability for loss or damage and continuing hire charges resulting from this loss or damage under the hiring agreement. Where the plant is over one year old, this liability is limited to liability under the Model Conditions for the hiring of plant approved by The Construction Plant-hire Association.

## What are the main Exclusions?

- The policy excess
- Loss or damage occurring during transit by air or sea
- Wear and tear
- Damage to property arising from multiple lifting operations
- Loss or damage to excluded items, such as aluminum trackway and scaffolding unless specifically noted
- Inventory losses
- Motor vehicles unless primarily for use as a tool of trade
- Terrorism and E Risks
- Vessels, craft, vehicles or devices designed to float on in or travel under or through water, air or space
- Money
- Breakdown or explosion of owned plant
- Loss or damage to owned plant caused by materials processed by it or by foreign bodies entering the plant
- Items underground
- Loss or damage caused by overloading but not overload testing if carried out in accordance with the Code of Practice for the Safe Use of Cranes BS7121

**The above detail is a summary of the cover provided under our standard contractors plant policy. If you wish to see the full terms and conditions please contact your local Allianz Engineering office for a specimen wording.**



## Why should your clients buy Contractors Plant cover from Allianz Engineering?

The main features and benefits of our Policy wording are:

<b>Insured Property</b>	<ul style="list-style-type: none"> <li>All Risks cover for:</li> <li>all Owned Plant and Machinery.</li> <li>Legal liability of the Insured for:</li> <li>loss or damage to hired in plant and any continuing hire charges resulting from this loss or damage.</li> </ul>
<b>Property Covered</b>	<ul style="list-style-type: none"> <li>The policy is designed to cover a wide range of plant and machinery. A single policy can cover all plant, machinery and temporary buildings owned by the Insured.</li> </ul>
<b>Location</b>	<ul style="list-style-type: none"> <li>Plant is covered for All Risks whether it is in use on a contract site, stored at the Insured's premises or while in transit anywhere within the Territorial Limits.</li> </ul>
<b>Hired in Plant</b>	<ul style="list-style-type: none"> <li>The policy can automatically cover all plant hired in by the Insured during the period of insurance. The policy has been designed to cover the Insured's legal liability under the agreements under which the plant is hired. Where the plant is over one year old, the payment for loss or damage is limited to liability under CPA terms.</li> </ul>
<b>Legal Expenses</b>	<ul style="list-style-type: none"> <li>In addition we will also cover the Insured for any legal expenses incurred in defending legal proceedings in respect of loss or damage to hired in plant.</li> </ul>
<b>Hired out Plant</b>	<ul style="list-style-type: none"> <li>Where the Insured hires out their plant to others, the policy automatically covers the plant while out on hire. The hire must be made subject to CPA conditions or conditions no less onerous than CPA.</li> <li>Where hired in plant is hired out, this is also covered automatically provided that the terms of hire are no less onerous than the terms under which the insured hired the plant.</li> </ul>
<b>Interim Payments</b>	<ul style="list-style-type: none"> <li>We aim to pay claims as quickly as possible. Where a large claim is made that requires further attention we can offer to make an interim payment to the Insured where we have admitted liability.</li> </ul>
<b>Optional Cover</b>	<ul style="list-style-type: none"> <li>Cover for Contractors Plant can be arranged in isolation or can be included as part of an Erection All Risks or Contractors All Risks policy.</li> </ul>
<b>Automatic Reinstatement of Cover</b>	<ul style="list-style-type: none"> <li>Under our Contractors Plant policy the sum insured is automatically reinstated following a loss.</li> </ul>
<b>Recovery of Immobilised Plant Automatic cover for the cost of recovery of any mobile item of</b>	<p>Insured Property which becomes unintentionally immobilised due to adverse ground conditions except Insured Property</p> <ul style="list-style-type: none"> <li>situated underground or underwater</li> <li>caused by breakdown or explosion or which has not been maintained properly</li> <li>avoidably lost or damaged during the process of recovery.</li> </ul>
<b>Repairable Damage</b>	<p>No deduction for wear and tear against the cost of repairable damage to Constructional Plant or Temporary buildings less than 12 months old provided this does not exceed the market value of the item.</p>

## Plant theft and security

Our Contractors Plant policy provides full theft cover for the Insured's own plant and the legal liability of the Insured in respect of hired in plant.

The statistics below highlight the extent of the problem faced by the construction industry in relation to the theft of plant:

- Recovery rates for stolen plant are only at approximately 10%\*
- The IMIA - "Theft of Construction Plant and Equipment" Working Group 2005 estimated that the annual cost of plant theft is thought to be upwards of £400m.

\* Home Office Security Guidance Document for Agricultural and Construction Plant. Publication no 64/09

**There are however a number of ways in which contractors can improve plant security reducing the risk of theft and consequently obtain lower insurance premiums. Several of these are detailed below.**

## How can Plant security be improved?

There are various security measures that can be employed to reduce the risk of theft. These measures can be categorised as plant depot security, site security and item security.

### Plant Depot Security:

- Security Fencing: This should be permanent fencing with a minimum height of 6 feet with posts set into concrete rather than temporary unfixed fencing. Razor wire or spiked rungs can be used as a further deterrent
- Locked Entrances: All entrances to the site should be secured with at least close shackled padlocks
- Flood Lighting: This is a cost effective and useful deterrent particularly where linked to motion detectors

- CCTV: Where there is a higher value of plant at risk CCTV cameras should be employed. The cameras should be overt and obvious to act as a deterrent. Depending upon the value of the plant the Insured may wish to link these to security guards or intruder alarms as well as video recording equipment
- Intruder Alarms: These can be linked to security guards or alarm receiving centres and can cover buildings and/or perimeter fences and gates
- Security Guards: These are an effective deterrent and are particularly useful at larger depots.

### Site Security:

- Secure Perimeter Fencing: This should be of a minimum height of 6 feet, while this may be temporary fencing it should be robust enough to make theft of large items of plant difficult
- Temporary Flood Lighting: This is a useful and cost effective way of deterring thieves, particularly as it can be reused in future projects
- Secure Containers: These can be used to store smaller items of plant and equipment and should be locked overnight.

### Item Security:

- Physical Security Devices: Individual items of plant can be fitted with physical devices that prevent the item from being stolen such as wheel clamps, ram, leg and boom locks and ram posts. Hydraulic locks and fuel locking devices can also be purchased
- Tracking Devices: A tracking device can be fitted to individual items of plant to aid recovery and again may be used as a deterrent where warning signs are used
- The following pages provide details on the CESAR (Construction Equipment Security and Registration) scheme which provides details of the benefits to registering items of plant and increase their item security through the use of security marking and identification technologies

# CESAR Scheme

Allianz Engineering are actively supporting the new CESAR (Construction Equipment Security and Registration) scheme to encourage plant manufacturers, owners and users to register their plant, deterring theft and increasing the likelihood of recovery. We are offering premium discounts for voluntary registration of plant insured under our Contractors Plant Policy.

## How big is the plant theft problem?

Home Office statistics suggest that the incidence rate of theft is significantly higher than that of motor vehicles – combine this with a recovery rate of approximately 10%\* and it is clear that the construction industry faces a major problem. The annual cost of plant theft is thought to be upwards of £400M.\*\*

\* Home Office Security Guidance Document for Agricultural and Construction Plant. Publication no 64/09

\*\* IMIA – “Theft of Construction Plant and Equipment” Working Group, 2005.

## Why is plant and equipment targeted?

While constructional and other types of plant will always be attractive to opportunistic thieves due to its high value, it is now a target for organised criminals.

Plant is a particular target as:

- there is a huge demand for used plant but it is difficult to check the actual ownership and finance status of the item
- despite the significant value of items there is little in-built security such as immobilisers and tracking systems. The need for ease of use by a number of employees leads to difficulties in introducing any further security once in use such as boom or leg locks
- there is no compulsory register of ownership, such as the DVLA for motor vehicles, making identification of ownership more difficult.

## What is the CESAR Scheme?

The Construction Equipment Security and Registration (CESAR) scheme is a voluntary construction plant and equipment registration and security scheme, which allows plant manufacturers, owners and users to register equipment on a central database and increase plant security with a system of security marking and identification technologies.

These features should not only deter theft, but provide enforcing authorities with an easily accessible point of contact to establish plant ownership and aid recovery of stolen plant.

The scheme includes:

- A registration service – construction plant and equipment will be registered on a central database with a secure 24/7 call centre administered by solution providers Datatag
- Registration documentation – the issue of registration certificates detailing equipment details, which includes change of keeper forms for subsequent owners
- Registration will include automatic inclusion onto the DVLA off road register (ORR) for appropriate plant
- Plant Identification – a system of tamper proof triangular identification plates, together with embedded state of the art chips and tags will enable instant verification of plant details and ownership
- Security Marking – advanced data-dots and a data DNA solution applied to equipment enables identification of machine details and the authorised owner
- Datatag scanners are programmed to read and identify plant details. Large numbers have been supplied to enforcing authorities to enable quick identification of the rightful owners.

The CESAR scheme is subject to a fee, please contact Datatag for details.

The Construction Equipment Security and Registration scheme (CESAR) is a new construction plant and equipment scheme aimed at reducing all plant theft.

The scheme has wide support and is:

- Sponsored by the Construction Equipment Association (CEA)
- Endorsed by the Plant Theft Action Group (PTAG) an advisory group to the Home Office
- Recommended by the Association of Chief Police Officers (ACPO)

## What are the benefits?

Premium discounts of up to 20% will be available for plant registered under the CESAR scheme and insured under a Contractors Plant insurance policy taken out or renewed with Allianz Engineering.

The discount is based on the standard rates applicable to an Allianz Engineering Contractors Plant policy and will only be available in respect of contractors plant and equipment which has been voluntarily registered under the CESAR scheme.



## Conditions

To qualify for the discount we will require policyholders to provide evidence of voluntary registration for the categories of plant included under the scheme.

This promotion is subject to the policy terms and limits of liability.

## Contact Details #

### Allianz Engineering

Please contact your local Allianz Engineering office for more details.

### Construction Equipment Association (CEA)

Web: [www.coneq.orq.uk](http://www.coneq.orq.uk)

Tel: +44 (0) 1883 334499

E-mail: [cesar@admin.co.uk](mailto:cesar@admin.co.uk)

### Datatag ID Ltd:

Web: [www.datatag.co.uk](http://www.datatag.co.uk)

Tel: +44 (0) 1932 358100

E-mail: [info@datatag.co.uk](mailto:info@datatag.co.uk)

**# The above contacts are for information only and do not in any way constitute membership of any organisation or endorsement of products and services**