

Notice to
Policyholder

Allianz Insurance plc | Engineering www.allianzengineering.co.uk

Allianz Engineering Property Engineering

Insurance Policy Wording and Inspection Contract

At Allianz Engineering, we constantly review our products to ensure we remain at the forefront of the market. Following our latest review, we are launching an enhanced Property Engineering Policy.

Background

We are delighted to tell you that we have made a number of improvements to our Property Engineering Policy wording. These changes are focused around enhancing the cover provided in a number of areas to ensure you benefit from the wider cover. Where there are any enhancements or possible restrictions in cover previously provided we have made this clear in the comparison table below.

Your Property Engineering Policy will be replaced with this new wording, so please refer to your original Policy wording to confirm how the changes affect your Policy cover.

The changes included in the comparison table below are changes that potentially make a material difference to the cover provided.

We would like to stress that if your current Policy carries any non-standard covers which are not included within the new Policy, we will include them in the Schedule attached to your new Policy.

The guidance provided below does not nor is intended to represent the complete terms and conditions of the revised Insurance Policy wording and Inspection Contract. Please read this guidance in conjunction with your revised Insurance Policy wording, Inspection Contract and Schedule. If you have any questions, please refer these to your Broker.

To download a copy of the new Property Engineering Insurance Policy wording and Inspection Contract (ACEW1576_15) please visit the below link or contact your Broker or Allianz Engineering contact to obtain a hard copy.

<http://www.allianzengineering.co.uk/policywordings>

Comparison Table

| Page no * | Insurance Policy | Difference from previous Insurance Policy wording | Why it has changed |
|-----------|--------------------|---|---|
| 2 | Definitions | Territorial Limits amended to our standard definition of Great Britain Northern Ireland the Isle of Man and the Channel Islands. | To enable risks outside of the standard Territorial Limits to be assessed and ensure compliance with local law and tax regulations. |
| 2 | Definitions | Insured Property has been amended to provide cover on all plant and machinery subject to the exclusions specified in the definition. The existing itemised basis is still available where required or already agreed and shown in the Schedule. | To provide cover on all plant and machinery where required. |
| 2 | Definitions | A Breakdown definition has been added. | To clarify the cover provided in respect of Breakdown. |
| 2 | Definitions | The Explosion definition has been amended. | This clarifies that this cover applies to Pressure Plant including by force of internal steam pressure. |
| 2 | Definitions | A Definition of Collapse has been added. | To clarify the cover provided in respect of Collapse of Pressure Plant. |
| 2 | Definitions | A Premises definition has been added. | This clarifies where the cover available under Optional Extension E/1100 Alternative Costs of Accommodation and E/1102 Loss of Rental Income applies. |
| 2 | Definitions | A definition of Pressure Plant has been added. | To clarify the cover provided. |
| 2 | Definitions | Production or Process Equipment definition added. | To clarify the exclusion of Production and Process Equipment from Insured Property. |
| 2/3 | Definitions | Definitions of Rental Income, Annual Rental Income Standard Rental Income and Estimate added. | To clarify the cover available under the new optional Loss of Rental Income Extension. |
| 3 | Definitions | Definition of Indemnity Period amended. | To allow separate Indemnity Periods to be applied to Cover Three Increase In Cost Of Working cover and Optional Extension E/1102 Loss of Rental Income. |
| 3 | Definitions | Hazardous Substances definition added. | To clarify the cover provided under Extension 16 Hazardous Substances. |
| 4 | Insurance Cover | Cover One Damage to Insured Property has been amended to include Breakdown and Collapse. | To make it clear what is included within sudden and unforeseen damage. |
| 4 | Insurance Cover | Cover Two Surrounding Property is amended to Own Surrounding Property (Pressure Plant). | To clarify the extent of cover provided. |
| 4 | Limit of Liability | Cover One Limit of Liability increased from £500,000 to £1,000,000. | Increase the cover provided. |

Comparison Table – continued

| Page no * | Insurance Policy | Difference from previous Insurance Policy wording | Why it has changed |
|-----------|--------------------------------------|---|--|
| 5 | Insurance Cover Extension | Extension 2 Temporary Removal is no longer restricted to temporary removal solely just for the purpose of repair service or maintenance. | To provide increased cover. |
| 6 | Insurance Cover Extension | Extension 9 Hired in Plant, the replacement value of plant hired to the Insured and the Hired in Plant Limit of Liability are increased from £10,000 and £20,000 respectively, to £25,000 each. | To provide increased cover. |
| 6 | Insurance Cover Extension | Extension 10 Cost of Hiring Replacement Item added. Covers hire charges incurred for the hire of replacement plant during the period of repair/replacement following loss or damage to Insured Property. | Cover enhancement. |
| 7 | Insurance Cover Extension | Extension 11 Damage to Building Automation Systems added. Cover includes Installed Equipment and Computer Media where its main purpose is the control and monitoring of the building's mechanical and electrical services. | Cover enhancement. |
| 8 | Insurance Cover Extension | Extension 12 Environmental and Efficiency Improvements added. Covers additional costs incurred by the Insured following loss or damage where replacement is with a more environmentally friendly or more energy efficient item. | Cover enhancement. |
| 8 | Insurance Cover Extension | Extension 13 Fire Brigade Costs added. Cover for charges made by the fire brigade following their activities in dealing with the consequences of loss or damage. | Cover enhancement. |
| 8 | Insurance Cover Extension | Extension 14 Undamaged Parts or Components added. Covers costs incurred in replacing or modifying undamaged parts or components following a loss or damage. | Cover enhancement. |
| 8 | Insurance Cover Extension | Extension 15 Trace and Access added. Covers costs incurred in locating source of water escape and also making good. | Cover enhancement. |
| 8 | Insurance Cover Extension | Extension 16 Hazardous Substances. Covers costs incurred for repairing or replacing Insured Property due to contamination by a Hazardous Substance following a loss or damage including clean up or disposal costs. | Cover enhancement. |
| 9 | Optional Insurance Cover Extensions | E/1100 Alternative Costs of Accommodation. Covers costs incurred for alternative accommodation following damage insured by this Policy which renders the residential portion of the premises uninhabitable. | Optional cover enhancement. |
| 9 | Optional Insurance Cover Extensions | E/1101 Own Surrounding Property (Cranes and Lifting Plant). Covers damage to property (other than property being carried or handled by the Insured Property) belonging to or in the care custody or control of the Insured due to the ordinary use of cranes and lifting plant. | Optional cover enhancement. |
| 9 | Optional Insurance Cover Extensions | E/1102 Loss of Rental Income. Covers the Insureds Loss of Rental Income following loss or damage insured under this Policy which results in interruption to or interference with the Business carried out by the Insured at the Premises. | Optional cover enhancement. |
| 10 | Reinstatement and Public Authorities | This has been amended and a definition of Other Property added. | Amended to make the basis of settlement under this policy clear. |

Comparison Table – continued

| Page no * | Insurance Policy | Difference from previous Insurance Policy wording | Why it has changed |
|-----------|------------------------------------|---|--|
| 11 | Insurance Cover Exclusions | Exclusion 10 Multiple Lifting Operations has been added. | To allow cover during multiple lifting operations to be underwritten on an individual basis. |
| 16 | Insurance Cover General Conditions | General Conditions 13 Declarations and 14 Adjustment of Premium are added. | To allow the cover to be written on a declaration basis. |
| – | Insurance Cover Claims Condition | Claims Condition Average deleted. Removes the requirement of the Insured to bear a share of the loss or damage costs if the declared sums are lower than the new replacement value. | Cover enhancement. |

* the page number shown in the table refers to the applicable page number in the revised Insurance Policy wording and Inspection Contract