

# NOTICE TO POLICY HOLDER

## MACHINERY OPTIONS INSPECTION CONTRACT AND INSURANCE POLICY WORDING

At Allianz Engineering, Construction & Power we constantly review our products to ensure we remain at the forefront of the market. As part of a recent review, we are launching a refreshed Machinery Options Inspection Contract and Insurance Policy that replaces your existing wording.

### BACKGROUND

We have made a number of improvements to our Machinery Options Inspection Contract and Insurance Policy. These changes are focused around our desire to make our wording clear and easy to understand as well as necessary amendments to ensure we continue to embrace the latest changes in both regulation and market practice. Where there are any amendments or possible restriction in cover previously provided, we have made this clear in the comparison table below.

The changes included within the comparison table below are changes that potentially make a material difference to the Inspection Contract and Insurance cover provided.

We have also made a number of minor changes that simply clarify the Inspection Contract and Insurance cover provided which are not detailed below. These include a number of new definitions and reworded paragraphs to make them easier to read.

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

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

To download a copy of the new Machinery Options Inspection Contract and Insurance Policy wording (ACEW1287 23 11.18) 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 – INSPECTION CONTRACT

Page no•	Inspection Contract	Difference from previous Inspection Contract	Why it has changed
2	Definitions	A definition of <b>Enforcing Authority</b> has been added.	To clarify the regulatory body or organisation that is responsible for ensuring that the Health and Safety Law is enforced.
2	Definitions	A definition of <b>Fee</b> has been added.	To clarify the inspection Fee is the amount shown in the Schedule.
2	Definitions	A definition of <b>Health &amp; Safety Law</b> has been added.	To clarify the Health & Safety Law that is applicable which includes the Health and Safety at Work etc Act 1974.
2	Definitions	A definition of <b>Moved About Plant (MAP)</b> has been added.	To clarify that Moved About Plant is any item of Plant that is not inspected at a permanent Site during an inspection cycle.
2	Definitions	<b>Normal Working Hours</b> definition has been updated to include travel time.	To clarify that normal working hours includes travel time.
3	Definitions	<b>Territorial Limits</b> definition has been update to include:  '(to the extent only where the Inspection Company provide the Inspection Service to an office or branch of a UK domiciled Client).'	To clarify that the Inspection Service can only be provided to an office or branch of a UK domiciled Client.
4	The Contract	A new clause <b>ii</b> has been added and the subsequent roman numerals have been renumbered:  <b>ii</b> the Inspection Company may, if requested by the Client and without prejudice to the exclusion in Clause <b>iii 1</b> ), provide a "Combined Report and Written Scheme of Examination" but only for a single item pressure system included within the Inspection Service. The Client must advise the Inspection Company immediately in writing of any changes or modifications to its single pressure system, its use and operation which occur between the date of this Contract and the issuance of the WSE by the Inspection Company to the Client;	To clarify that when the Inspection Company provides a Combined Report and Written Scheme of Examination the Client has a responsibility to advise the Inspection Company of any changes to the pressure system for which it has been provided.

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## COMPARISON TABLE – INSPECTION CONTRACT

Page no•	Inspection Contract	Difference from previous Inspection Contract	Why it has changed
4	The Contract	Sub clauses <b>iii 4 &amp; 5</b> have been amended to: <b>4</b> provision of a professional to give consultancy Services to include but not be limited to advice; guidance and training; <b>5</b> any inspections beyond the scope of the Client's Schedule relating to this Contract	To clarify that, unless specifically detailed within the Contract, these services are not included in the Inspection Service although such services may be available subject to additional charges.
5	The Contract	The previous <b>ix</b> now <b>x</b> (with renumbering) has been amended to include: 'but not limited to Disclosure and Barring Service (DBS) checks; supply chain assessments; Safety Assessment Schemes.'	To provide further clarity where the client has an additional requirement or request which may involve payment of an adjusted Fee.
6	The Contract	Condition <b>2.2 The Inspection Company: i</b> has been amended to include: 'including but not limited to where there is no responsible person on site who can advise of any event (planned or unplanned) or in the event of an emergency, can initiate emergency procedures; or'	To provide further clarity when the Inspection Company may decline to carry out an Inspection.
6	Inspection Service Conditions	Condition <b>2.3 The Inspection Company: iii</b> has been amended to remove the words 'non-standard'.	Amended for clarity as there is an additional charge for any paper reports and/or special reporting regimes.
7	Inspection Service Conditions	A new condition <b>3.2 The Client shall: v</b> has been added. <b>v</b> access to suitable welfare facilities and first aid arrangements;	To clarify what facilities the Client has to provide the Competent Person with.
7	Inspection Service Conditions	A new condition <b>3.9 The Client shall:</b> has been added. <b>3.9</b> notify the Inspection Company in writing of any change to their contact details;	To clarify the clients responsibilities.
7	Inspection Service Conditions	A new condition <b>3.10 The Client shall:</b> has been added. <b>3.10</b> provide the Inspection Company with the location details in writing of any MAP plant at least ten (10) working days, prior to the Inspection due date; and	To clarify the clients responsibilities.

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7	Inspection Service Conditions	A new condition <b>3.11 The Client shall:</b> has been added. <b>3.11</b> notify the Inspection Company in writing at least twenty-one (21) days prior to an Inspection of any identification or security requirements necessary for a Competent Person to gain access to the Site. Any data of the Competent Person obtained from such request shall not be kept by the Client longer than is strictly necessary.	To clarify the clients responsibilities.
8	Inspection Service Conditions	Condition <b>4.6 Fees</b> has been amended to include Condition <b>4.7</b> and <b>4.8</b> . The subsequent clauses have been renumbered.	To clarify when the client adds or deletes plant there may be an adjusted fee payable or refundable.
8	Inspection Service Conditions	A new condition <b>5.3 Termination of Contract: iv</b> has been added. <b>iv</b> has a change in control, which shall mean an event involving the transfer of more than fifty percent (50%) of voting common stock.	To further clarify where either the Client or the Inspection Company may terminate the Contract by giving written notice to the other if the other has a change in control.
9	Inspection Service Conditions	A new condition <b>5.4 Termination of Contract</b> has been added and the subsequent clauses have been renumbered: <b>5.4</b> In the event that the Client has a Long Term Undertaking (LTU) with the Inspection Company, the terms relating such LTU will be set out in the Schedule.	New condition to highlight where the terms of a Long Term Undertaking will be detailed.
9	Inspection Service Conditions	Condition <b>6 Anti Bribery &amp; Modern Slavery</b> title has been renamed to include the words 'Modern Slavery'.	Condition amended to include Modern Slavery Act.
9	Inspection Service Conditions	Previous Condition <b>6.2 Anti Bribery</b> has been moved to <b>6.1 vi</b> .	To ensure consistency in the contract.
9	Inspection Service Conditions	A new Condition <b>6.2 Anti Bribery &amp; Modern Slavery</b> has been added: <b>6.2</b> Both parties shall comply with all applicable laws; regulations; codes and sanctions relating to anti-slavery including but not limited to the Modern Slavery Act 2015 and shall not engage in any activity, practice or conduct which could constitute an offence under the Modern Slavery Act 2015 (regardless of where such activity; practice or conduct is carried out).	To clarify the applicable laws that both parties should comply with.
10 & 11	Inspection Service Conditions	Condition <b>10.1 – Transfer of Employees</b> has been amended.	This clause has been amended to reflect the latest changes in both regulation and market practice.

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## COMPARISON TABLE – POLICY WORDING

Page no•	Insurance Policy	Difference from previous Insurance Policy wording	Why it has changed
16	Definitions	A definition of <b>Accidental Damage</b> has been added.	To clarify the cover provided in respect of Accidental Damage.
16	Definitions	A definition of <b>Boiler</b> has been added.	To clarify the cover provided in respect of Boilers.
16	Definitions	A definition of <b>Electrical Plant</b> has been added.	To clarify the cover provided in respect of Electrical Plant.
16	Definitions	<p><b>Insured Property</b> deflection enhanced to:</p> <ul style="list-style-type: none"> <li>• include the Insureds relationship to the Insured Property</li> <li>• make it clear that the insurance cover applies to the plant itemised in the Plant Schedule</li> <li>• tie the Insured Property definition to a number of new definitions added to the policy</li> <li>• align the Insured Property exclusions with the actual categories of plant to which they apply</li> <li>• correct the tanks exclusion to take account of <b>Extension 9 Fuel Storage Tank contents</b>.</li> </ul>	To clarify the basis of insurance cover.
16	Definitions	A definition of <b>Lift and Crane Plant</b> has been added.	To clarify the scope of the cover provided in respect of Lift and Crane Plant.
17	Definitions	A definition of <b>Local Exhaust and Ventilation Plant</b> has been added.	To clarify the cover provided in respect of Local Exhaust and Ventilation Plant.
17	Definitions	Definition of <b>Other Property</b> has been moved from Reinstatement and Public Authorities section to the Definitions section of the Policy.	All Definitions moved to one place to make the policy easier to understand.
17	Definitions	A definition of <b>Power Press Plant</b> has been added.	To clarify the cover provided in respect of Power Presses and to tie in with the new Power Press exclusion.
17	Definitions	The definition of <b>Pressure Plant</b> has been amended.	To clarify the cover provided in respect of Pressure Plant.
17	Definitions	A definition of <b>Pressure and Mechanical Plant</b> has been added.	To clarify the scope of the cover provided in respect of Pressure and Mechanical Plant.
17	Definitions	A definition of <b>Sudden and Unforeseen Damage</b> has been added.	To clarify the cover provided in respect of Sudden and Unforeseen Damage.

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## COMPARISON TABLE – POLICY WORDING

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18	Cover Options	<b>Cover One Sudden and Unforeseen Damage</b> has been reworded.	To ensure alignment with the new Sudden and Unforeseen Damage definition.
18	Cover Options	<b>Cover Two Breakdown Explosion and Collapse</b> has been amended as follows:- <ul style="list-style-type: none"> <li>Title amended to make clear that this is a more limited cover option.</li> <li>Definitions of Breakdown and Explosion moved to the Definitions section of the policy.</li> </ul>	To clarify that this is a more limited Cover Option and to move all definitions into one place to make the policy easier to understand.
18	Cover Options	<b>Cover Three Accidental Damage</b> has been amended as follows:- <ul style="list-style-type: none"> <li>Title amended to make clear that this is a more limited cover option.</li> <li>wording amended to tie in with new Accidental damage definition.</li> </ul>	To clarify that this is a more limited Cover Option and ensure alignment with new Accidental Damage definition.
21	Insurance Cover Extension	<b>Extension 9 Fuel Storage Tanks Definition</b> moved to Definitions section of the Policy.	All Definitions moved to one place to make the policy easier to understand.
23	Exclusions	<b>Exclusion 4 Wear and Tear or Gradual Deterioration</b> amended to exclude: <ul style="list-style-type: none"> <li>defects deformation distortion cracks partial fractures or loose parts which do not necessitate an immediate stoppage</li> <li>defective joints or seams unless caused directly by overheating brought about by shortage of water in Insured Property which is subject to steam or fluid pressure.</li> </ul>	To clarify what is excluded in this Exclusion.
24	Exclusions	<b>Exclusion 13 Excluded Plant</b> added to remove insurance cover in respect of Power Press Plant (PP) unless shown in the Policy Schedule as covered.	To clarify that insurance cover is not available on Power Press Plant unless specifically agreed and shown as insured in the Policy Schedule.

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