

DISTRIBUTOR PRODUCT GUIDE

Deterioration of Stock

- This guide is for intermediary reference only.
- It doesn't contain the full terms and conditions of the contract of insurance.
- You can find more information about the product within the [policy overview](#).
- Full terms and conditions are within [the policy documents](#); you can request to have a copy of these.

Product design

We've provided Deterioration of Stock insurance for more than 25 years and work with industry experts such as, the Association of British Insurers (ABI) and the British Electrotechnical and Allied Manufacturers Association (BEAMA), in addition to our global partners across the Allianz Group. We continually draw upon this experience and insight, as well as customer research to ensure our products continue to add value and meet the evolving needs of our engineering customers.

Deterioration of Stock is a Commercial Lines General Insurance product designed for businesses that want insurance protection for their perishable stock from a range of events that may cause failure of their cold stores.

Target market

Deterioration of Stock is targeted at established UK based mid-corporate businesses with a turnover up to £450million, that store frozen and chilled food stuffs in commercial sized purpose-built cold chambers. The following standards must be met:

- refrigeration machinery, controls and ancillary equipment are adequate for the purpose intended
- during normal working hours the refrigeration system is supervised by qualified operators
- a log book is maintained to monitor temperature readings
- a contract is to be in force to provide for competent specialists to attend at least every six months to maintain and adjust the refrigerating machinery.

We're able to provide insurance solutions for a broad range of businesses and are happy to consider those that sit outside of these parameters, however this product is **not** targeted towards:

- stock in blast freezers
- freezer display cabinets
- goods in controlled atmospheres
- storage for maturity
- abattoir and other food processing risks
- refrigerated vehicles.

This product isn't suitable for:

- a person acting for purposes outside their trade, business or profession
- insuring the physical damage to the refrigeration machinery
- pharmaceutical product
- research and development facilities
- furriers
- businesses that store refrigerated or frozen ice cream and/or soft fruits
- horticultural products
- businesses that grow crops
- non-going concerns or the retired
- businesses that operate outside the UK and require a global insurance solution.

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Potential conflicts

The policyholder could be conflicted if they wish to make lots of small claims, just above the excess limit, as this may impact the terms offered at subsequent renewals.

Product value assessment

Our product value assessment is based on the premium we charge for the cover and the services we provide. We take a wide range of factors into consideration, such as historical and expected claims frequencies, incurred and projected claims costs, plus scenario analysis including likely economic and climatic trends, along with customer feedback.

Our assessment includes consideration of how the premium is influenced by our agreed commission levels for the product against the respective activities undertaken on our behalf by the placing intermediary. Any additional charges within the distribution chain may potentially erode intended product value.

Distribution strategy

Our Deterioration of Stock product has been designed for distribution by insurance intermediaries that hold commercial agency facilities with us. They must have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their business