



# GENERAL MANUFACTURING PROPOSITION

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UK manufacturers provide a strong foundation for growth in the UK. Britain is the 9th largest manufacturer in the world and employs 2.7 million people in the UK.<sup>1</sup>

**UK manufacturing is the sector to beat on productivity – in the past decade, manufacturing productivity, as measured by output per hour, has grown three times faster than the whole economy.**

# GENERAL MANUFACTURING OUR PROPOSITION

The UK is a leading global manufacturer with a world-class reputation for quality and innovation. The diverse general manufacturing sector is a vibrant and critical element of the UK economy, with the value of UK manufacturers' product sales worth £357.8 billion in 2015.<sup>2</sup> Producing high-end niche products to everyday essentials, UK manufacturers face a variety of business pressures as they strive to compete on a global scale, making them susceptible to both traditional and emerging risks.

As part of the Allianz Group – the world's largest property and casualty insurer – we have proven technical excellence within underwriting, risk consulting and claims, ensuring we understand the requirements and pressures of this sector. From this, we have developed a General Manufacturing insurance proposition tailored to address the unique needs of your clients.



<sup>1</sup> <https://www.eef.org.uk/campaigning/campaigns-and-issues/manufacturing-facts-and-figures>

<sup>2</sup> <https://www.ons.gov.uk/businessindustryandtrade/manufacturingandproductionindustry/bulletins/ukmanufacturerssalesbyproductprodcom/intermediateestimates2015>

# CHALLENGES WITHIN THE GENERAL MANUFACTURING SECTOR

General manufacturers face both new and traditional challenges, such as geographical expansion and increased dependence on modern technology, as well as the responsibility for safeguarding their employees.

## HEALTH AND SAFETY

The general manufacturing sector tends to be more susceptible to workplace injuries due to its reliance on machinery and the use of chemicals and hazardous goods. Subsequently, workers face a variety of occupational exposures, including musculoskeletal disorders from repetitive motion jobs, illness or injury from exposure to hazardous substances, and strains from manual handling. Consequently, there is a duty of care to protect employees by ensuring a robust health and safety programme is in place to complement employers' liability cover.

**According to the Health and Safety Executive, over the past five years, an average of 31 manufacturing workers died each year as a result of a workplace accident. In addition, there were an average of 4,500 reports of major injuries and about 19,500 reports of injuries that kept workers away from work for three days or more. Many manufacturing workers also suffer ill health from exposures, such as noise and repetitive strain.**





## DIVERSIFICATION

Diversification is seen as a key tool to off-set the effects of economic pressure. As well as expanding into new territorial markets, many mid-corporate businesses look to introduce new or similar products to their ranges. Whilst related products exploit existing competencies, introducing new products and processes comes with an additional level of risk as the company moves into unknown territory. Underwriters with industry insight and expertise will ensure your general manufacturing clients get the tailored cover they need.

## PRODUCT SAFETY

With increasing globalisation, companies are looking for components further afield. This comes with a risk in terms of supply chain traceability and can make businesses more prone to compromise on quality standards, which can have serious implications for product liability exposure. Concerns about product standards can potentially translate into a major product recall.

With the rise of social media, a faulty and dangerous product can severely damage a business's reputation and lead to a loss of customer confidence and share value. Robust business continuity planning, including regular supply chain assessments, and coupled with product recall cover, can help safeguard a company's reputation.

## AUTOMATION

With growing competition, customers are demanding lower prices for the same products. The use of modern technology to drive down costs is resulting in an increased use of robotic machinery and computer assisted design and manufacture to improve operational efficiency. Alongside periodical inspection and expert advice, electronic equipment and machinery covers can help ensure that fundamental equipment is protected.

**Product recalls are occurring more frequently and can attract unwanted media attention. A product recall can cost a manufacturer between £25,000 and £25,000,000.\***

\*Source: RQA Group - a leading consultancy in the field of crisis management

**A survey conducted by Cambridge University, revealed that 55% of the manufacturing companies surveyed expected services to increase in scope and in their financial contribution to the business.**

## VALUE ADDED SERVICES

As well as the core business of 'making things', value added services are becoming an important strategy of the manufacturing sector, providing an additional revenue stream and helping to create long lasting customer relationships. Examples include installation of new products, traditional after-sales and repairs, overall maintenance, and technical advice. This increased service component comes with an additional risk that is not always assessed by mid-sized businesses, which tend to see themselves as manufacturers first and foremost. The range of service activities can quickly move beyond the reach of product liability policies into management liability exposures, such as professional indemnity.

## ENERGY MANAGEMENT

Energy management is becoming a key priority for manufacturers, as they strive to comply with EU regulation and reduce their energy costs. Insurance cover allowing for damaged machinery and plant to be replaced with greener models will help manufacturers to reduce their energy costs. Further value added services, including the assessment of heating and air conditioning systems, as well as advice on reducing energy consumption will help manufacturers that are looking to trade on green credentials.

## ASSET PROTECTION

In this age of high value, state-of-the-art technology, protecting assets from traditional (weather, fire and theft) risks is paramount. In addition, the growth of online sales has led to more companies becoming reliant on computerised systems. Standard property covers and conventional security arrangements can be complemented by cyber liability to protect against the emerging threat of malware attacks. An up-to-date, comprehensive disaster recovery plan will also help resume operations as quickly as possible, mitigating the effects of a serious incident by minimising downtime.





# TAILORED COVER

**For general manufacturing clients with a combined property and casualty premium of £5,000 – £100,000, we have extended our Commercial Select product by automatically including a range of cover extensions designed to meet the needs of this sector – all free of charge.**



Michelle Madden, Regional Underwriting Manager,  
Allianz Insurance plc

## MICHELLE MADDEN – OUR GENERAL MANUFACTURING UNDERWRITING EXPERT

**Michelle has specialised in property and casualty insurance for over 20 years, underwriting small manufacturing cases to large multi-national operations. She is ACII qualified.**

“As a result of more manufacturing companies adding a service element to their offering, we have witnessed an increased amount of requests for service covers. To address this, our General Manufacturing proposition allows policyholders to package a tailored property and casualty policy with commercial covers, such as fleet or personal accident insurance, along with engineering and financial lines cover. This packaged approach enables your client to fulfil all their insurance needs with one provider.”

The cover extensions listed are operative if the relevant section is selected.

## MATERIAL DAMAGE

We offer a choice of covers for buildings, contents and stock on an All Risks or Events basis. In addition, the following cover extensions will automatically be added free of charge:

- Exhibitions cover – £50,000 limit within UK, £25,000 limit within EU (FEA).
- Moulds, tools and dies – £100,000 limit within the EU (FEA).
- Faulty or defective workmanship – £25,000 limit in excess of first £10,000.
- Operational errors and omissions – £25,000 limit in excess of first £10,000.
- 25% seasonal increase in stock sum insured – not limited to a specific period.
- Replacement of damaged machinery and plant with green friendly models.

## OPTIONAL COVERS

- Metal Workers Extension: cover for damage to contents and stock at metal worker's or customer's premises – £250,000 limit within the UK and £100,000 limit within the EU.
- Molten Material Breakout: covers sudden or unforeseen damage as a result of escape of molten material – £25,000 limit.

## BUSINESS INTERRUPTION

We offer cover for protection against interruption to your client's business following an insured loss under the Material Damage section, which results in reduced earnings on a gross profit or revenue basis. This features a 12 month indemnity period with an option to increase.

In addition, the following cover extensions will be automatically included free of charge:

- Unnamed customers/suppliers – £250,000 limit within the UK and £100,000 within the EU (FEA only).
- Exhibition sites – £50,000 limit within the UK, £25,000 limit within the EU (FEA).
- Property stored and property in transit – £250,000 limit within the UK, £100,000 limit within the EU (FEA).
- Moulds, tools and dies – £50,000 limit within the UK, £25,000 within the EU (FEA).
- Faulty or defective workmanship – £25,000 limit in excess of first £10,000.
- Operational errors and omissions – £25,000 limit in excess of first £10,000.
- Research and development costs – £250,000 limit.
- Fines and damages – £25,000 limit.
- Accidental failure of supply – £100,000 limit.

## GOODS IN TRANSIT

Cover to meet the compulsory legislative requirements to a standard £10,000,000 limit of indemnity, with the option to increase up to £25,000,000.

In addition, the following extension is automatically included free of charge:

- Personal accident cover – benefits of up to £10,000 paid for an accidental bodily injury occurring at work resulting in death or disablement.

## PUBLIC LIABILITY AND PRODUCTS LIABILITY

Protection for liabilities to visitors or customers using your client's premises or goods sold. Typical limits of indemnity are £2,000,000 – £5,000,000 with potential to increase up to £25,000,000.

In addition, the following extensions are automatically included free of charge:

- Liability for the spread of Legionella bacteria – up to £1,000,000 limit of indemnity.
- Pollution clean-up costs – £1,000,000 limit.
- Products financial loss – £100,000 limit.
- First party product recall expenses – £100,000 limit (optional).

## BUSINESS TRAVEL

Complementary business travel cover is available.

- Medical emergency travel expenses for up to 30 trips – £1,000,000 limit within the EU.
- Medical expenses and associated covers for up to 30 trips – £1,000,000 limit.

For wider business travel cover, standard charges will apply.

### ADDITIONAL COMPLEMENTARY COVERS

**For your metalworking and precision engineering clients we have an additional suite of cover extensions. Please refer to the Metalworking and Precision Engineering insert for details.**

# OTHER WAYS WE CAN HELP

**Additional covers are available as optional sections within our General Manufacturing proposition.**

## **All Machinery\***

Provides cover for the cost of repair or replacement of machinery, such as forklift trucks or handling equipment in the event of a breakdown or some other form of loss or damage.

## **Machinery Business Interruption\***

Provides protection against financial losses arising from unforeseen damage to machinery.

## **Computer\***

Innovation and technology underpin many UK manufacturers; as such, there is an increased reliance on computerised equipment. Our Computer section offers all risks cover, for the loss, theft, damage or breakdown of computers and supporting equipment.

## **Cyber Select**

Provides comprehensive cover to ensure that your client's general manufacturing business is protected in the event of a data loss or cyber security incident. Policyholders will also benefit from access to a variety of prevention and post-incident services via our panel of specialists.

## **Directors & Officers\*\***

Our Directors & Officers insurance offers personal liability cover for company directors, officers and managers to protect them from claims that may arise from the decisions and actions taken within the scope of their regular duties. It covers the personal liability of company directors and officers as individuals, but also the reimbursement of the insured company in case it has to pay the claims of a third party on behalf of the directors.

## **Professional Indemnity\*\***

Professional Indemnity insurance is required to protect your client's legal liability arising from their services in the event that a third party claims to have suffered a loss as a result of their professional negligence.

## **Full Personal Accident\*\***

Personal Accident insurance provides a financial benefit (up to £2,000,000 for any one life) to your client should an employee suffer a bodily injury or die as a result of an accident.

## **Full Business Travel\*\***

Worldwide medical emergency travel expenses, baggage, money and cancellation cover for a single trip or multiple trips.

\*A sectional premium discount will be given if the optional section is selected for All Machinery, Machinery Business Interruption and Computer. This discount cannot be more than the total value of the additional cover.

\*\*A one-off introductory discount off the Property and Casualty sections is available if your client purchases these covers at point-of-sale. This discount cannot be more than the total value of the additional cover.





**The following additional covers are available from Allianz Insurance plc or the wider Allianz Group.**

**Motor Fleet**

Our Motor Fleet solution is designed to give general manufacturing businesses total protection and control over their fleet operations.

**Machinery Options**

Combines our Machinery All Risks insurance cover with our Engineering Inspection Service, which provides periodical assessment of key items, ensuring your clients fulfil their regulatory objectives.

**Marine Cargo<sup>^</sup>**

Provides cover against loss or damage to goods whilst being transported worldwide by road, rail,

sea or air. It can also cover the goods whilst held in storage within the UK. Any business that imports or exports are likely to have a need for Marine Cargo insurance, as it goes above and beyond the cover typically provided under goods in transit insurance.

**Reputation Protect<sup>^</sup> (Brand Protection)**

A crisis management service providing protection and defence of a company's brand and reputation by offering rapid PR consultancy in order to reduce the impact of negative press.

**Trade Credit<sup>^^</sup>**

Protects against the failure of your client's customers to pay their trade credit debts as a result of that customer becoming insolvent or failing to pay within agreed terms and conditions (i.e. protracted default).

For a full list of additional cover options, please contact your local Allianz representative.

<sup>^</sup> These covers are available via Allianz Global Corporate & Specialty, a sister company of Allianz Insurance plc.  
<sup>^^</sup> This cover is available via Euler Hermes, a sister company of Allianz Insurance plc. Please contact your local Allianz representative for a quote. Full terms and conditions apply.

# ADDITIONAL SERVICES

**Securing business in the mid-corporate premium bracket can be tough, especially when you need something extra to impress your clients and get that new business over the line or hold on to an important case.**

When your client has a General Manufacturing or any other Allianz mid-corporate policy, they will have automatic access to the following additional services:

- **FREE ten minute consultancy** – on how to strengthen online/system security provided by data loss prevention experts at IntelliSecure.
- **FREE Disaster Recovery Protection** – which can help your clients get back up and running in the event of an incident leaving their insured premises unfit for on-going occupation. Within 48 hours, we can source alternative office space and set up phones and internet connections to local networks, enabling your clients to concentrate on resuming their business.
- **FREE business helpline** – advice for your clients on health and safety and business continuity matters via Actionline. Tel: 0344 873 0244.

## **Preferred Suppliers**

We work with an extensive network of renowned service providers, who supply discounted services to help mitigate against new and traditional risks faced by general manufacturers.

- **Allianz Inspection Services** – plant and machinery inspection services in line with periodical regulatory requirements.
- **Allianz Specialist Inspection Services**
  - one-off inspections coupled with bespoke consultation in fields such as electrical testing, energy and environmental services.
  - occupational health and safety audits for which we can offer an exclusive 10-15% discount, depending on the inspected item.

We also work with:

- **Arco** – suppliers of personal protective and safety equipment.
- **Cunningham Lindsey** – valuation services for both property and plant.
- **DCUK FM** – specialist cleaning services for ductwork and ventilation systems.
- **Glen Abbot** – business continuity planning, supply chain assessment and crisis management support.
- **Nobel** – fire suppression solutions.
- **Reactec** – hand, arm and vibration assessments.
- **Storage Equipment Safety Service** – racking and shelving safety inspection services.



## ALLIANZ LEGAL SERVICES\*

Designed for customers with Allianz Legal Expenses cover in place, Allianz Legal Services\* provides free legal and business tax advice, as well as a range of free and discounted legal services.

These additional benefits can help to remove the legal worry of running a business, support your customers in fulfilling their compliance requirements and help them avoid costly legal fees, such as those associated with employment tribunals and health and safety fines.

### CLICK Legal

Allianz Legal Online allows your customers to personally check and update their legal documentation, saving them costly solicitor's fees. Our website includes:

- **a free legal health check** – an online questionnaire which identifies legal risks and gaps within your customer's legal documentation.
- **over 140 legal templates** – your customers can save time and money in preparing complex, legally binding contracts and policies online.
- **safe storage of legal contracts** – legal documents can be safely stored and edited online.
- **an easy to use law guide** – written by lawyers, our guide helps your customers to understand legal processes and requirements.
- **monthly legal bulletin** – your customers can stay up-to-date with employment and health and safety legislation.

### TALK Legal

We have a range of telephone advice lines to help your customers with their legal and tax issues:

- **Allianz Lawphone** – a free 24/7/365 legal advice helpline. Our solicitors can provide advice on ANY legal matter.
- **free business tax advice** – provided by Market Tax.
- **discounted undisputed debt recovery service** – legal action for undisputed debts over £250, provided by our specialist commercial solicitors, DWF LLP (15% discount).
- **discounted solicitor employment support** – DWF LLP can assist with a redundancy programme or provide guidance on pursuing an internal disciplinary (15% discount).
- **discounted uninsured legal action** – DWF LLP can take action on behalf of your customers for any commercial matter not covered by their Allianz Legal Expenses policy (15% discount).
- **discounted crisis communication service** – DWF LLP can provide your customers with best practice advice on crisis communications.

For more information on how to access Allianz Legal Services, visit [allianz.co.uk/legalservices](https://allianz.co.uk/legalservices)

**Using a solicitor or other specialist to help prepare legal documents is expensive. Here is what our research found:**

- Settlement Agreement £636
- Consultancy Agreement £600
- Employee Handbook £985
- Employment Agreement £488
- Shareholder Agreement £583
- Partnership Agreement £551
- Non-Disclosure Agreement £250

**Total cost £4,093\*\***

\*Allianz Legal Services is only available to policyholders with Allianz Legal Expenses cover in place.

\*\* Research conducted between 2018 and 2019 by Epq Legal Ltd. Cost savings calculated by mystery shopping law firms in seven major UK regions, for comparable documents to those offered on this website. Costs shown exclude VAT.



# RISK MANAGEMENT EXPERTISE

**We go beyond the traditional insurance offering by helping your clients manage their general manufacturing business more efficiently, economically and ultimately more safely.**

## SELF-SERVE RISK MANAGEMENT

Our free risk management website features:

- Guidance on a range of topics and a series of forms and check lists to assist your clients in managing the risks impacting the general manufacturing sector.
- News and regulation updates aimed at you and your clients.

- A full list of our preferred suppliers offering risk management solutions relevant to this sector.
- A-Z of key UK legislation providing an outline of its purpose, who's responsible for compliance, and what needs to be done.
- 'Ask the Expert' functionality – access to our in-house General Manufacturing experts.

For more information, visit [allianz.co.uk/riskmanagement](http://allianz.co.uk/riskmanagement)



Mark Pearce, Loss Control Engineer Technical Lead,, Allianz Insurance plc

### MARK PEARCE – OUR GENERAL MANUFACTURING RISK MANAGEMENT EXPERT

**Mark joined Allianz Commercial in 2002 as a Risk Control Surveyor and now holds the position of Loss Control Engineer Technical Lead.**

His technical expertise, gained from visiting a diverse range of manufacturing clients and witnessing a wide variety of manufacturing processes, means that he is perfectly positioned to assist your clients with their approach to managing risk. Mark completed his NEBOSH Diploma qualification in 2005/2006.

# CLAIMS

**When your general manufacturing client makes a claim, they need an insurance provider that understands their loss and will be there at the crucial moments, providing them with the necessary help to get them trading again as quickly as possible.**

We're confident that our in-house claims team will give your clients the reassurance and help that they require at the time they need it the most.

We will provide your client with:

- **A dedicated claims handler** – a UK based, expert claims handler will be appointed to manage your client's claim.
- **Out of hours helpline** – we know that accidents don't always happen during the working day, which is why our experts are available 24/7.
- **Claims analysis** – we can provide your clients with data to show trends in their claims and help identify the appropriate risk management solutions.
- **Fraud prevention** – our award-winning anti-fraud team can help to keep claims costs down, a benefit which we can then pass on to your clients.
- **Expert legal advice** – we work with a panel of sector specific solicitors to help defend claims.

In addition, we have specialist claims teams to manage certain losses:

**Dedicated Risk Teams** – expert teams specialising in property and liability claims.

**Major Loss Team** – property and casualty specialists who have expertise in dealing with claims worth over £100,000.

Each member of our Major Loss Team manages a small portfolio of claims, allowing them to gain a deep understanding of each case and forge solid relationships with the parties involved. Expertise and empathy is central to our approach. Regular communication, as well as face-to-face meetings, help us gain a better understanding of both your client's and claimant's needs. Where appropriate, claims assessments are enhanced by conducting accident reconstructions.

**Disease Claims Team** – we have an in-house team of specialists which deal with all types of occupational disease and conditions, such as noise-induced hearing loss, stress and harassment, pleural plaques, vibration white finger and upper limb disorders.

**Engineering Claims Team** – our UK-based team is highly trained and has a comprehensive understanding of the complex engineering sector. Supported by a select group of specialist risk surveyors and loss adjusters, the team is able to make accurate, swift decisions on machinery and computer related claims.

**Rehabilitation Team** – a team of clinically qualified professionals, including registered nurses, physiotherapists and occupational therapists, which will assess a claimant's needs, and if appropriate will activate a tailored rehabilitation and counselling programme.

**Allianz Claims Inspectors** – our claims field force's priority is to understand your client's business. The success of the team is down to its ability to build strong long-term relationships with your client's Health and Safety Manager. By doing so, our inspectors can help to identify trends in the claims reported and make recommendations for ways to mitigate the effect of the claims. As well as liaising with our Risk Management Team, so your client can take the appropriate risk management action.



Karen Parsons, Technical Claims Manager,  
Allianz Insurance plc

#### **KAREN PARSONS – OUR GENERAL MANUFACTURING CLAIMS EXPERT**

**Karen is a Chartered Insurer with over 38  
years of experience in the insurance industry.**

During this time, she has gained in-depth knowledge of both property and casualty claims. In recent years, her expertise in property claims has led her to becoming one of our leading property claims specialists.

“Here’s an example of how we can help your manufacturing clients. A bitumen manufacturer notified an incident in which an employee got his arm caught in a conveyor roller resulting in a serious injury. Despite the employee being fully trained, there was inadequate guarding in place.

After conducting an early investigation, we maintained contact with the insured and arranged for them to continue paying the employee his normal wage, which we subsequently refunded. In addition, we funded rehabilitation for the employee. As a result of our proactive handling we had a controlled recovery programme in place and ensured the injured employee returned to work at the appropriate time.

Our lawyers dealt with the Health and Safety Executive investigation, which despite the lack of guarding, resulted in no prosecution.”

# OUR RISK APPETITE FOR GENERAL MANUFACTURING

**We recognise that every client is unique. However, in general our risk appetite is for businesses that are established and have a sound approach to risk management.**

Your clients can demonstrate this by:

- Placing a high importance on keeping abreast of current legislation and trade issues.
- Working to quality standards, for example ISO 9000.
- Having a proactive approach to the reporting of risk issues.
- Being well established and financially stable.
- Seeking long-term relationships with their broker and insurer.

## PROPERTY RISKS

Our preference is for businesses that operate from fixed premises, which are:

- Purpose-built or suitably converted, and in a good state of repair.
- Single tenure and compartmentalised to reflect activities and raw materials involved.
- Located in a low crime area.
- Located in an area free from obvious flood hazards.
- Appropriately protected against fire, explosion and unlawful access.

## CASUALTY RISKS

We prefer businesses which:

- Take a proactive approach to health and safety and environmental risk control.
- Control the movement of vehicles around the work place and yards.
- Take precautions for use of machinery or hazardous substances.
- Take precautions to manage noise exposures.
- Have an appreciation of the legal and regulatory climate.



# KEY MANUFACTURING TRADES WE'RE FOCUSING ON

Our General Manufacturing proposition extends over a wide range of services and covers a variety of businesses including:

- Plastics – UPVC and injection moulding.
- Clothing and textiles.
- White goods.
- Office equipment.
- Electronic – component parts.
- Display and point-of-sale equipment.
- Double Glazing – UPVC, metal, timber
- Construction products brick - concrete, ceramic, plastic, metal.
- Stationery and greeting cards.
- Ceramics – tiles, sanitaryware.

Wherever possible, we would encourage you to detail in your presentation the:

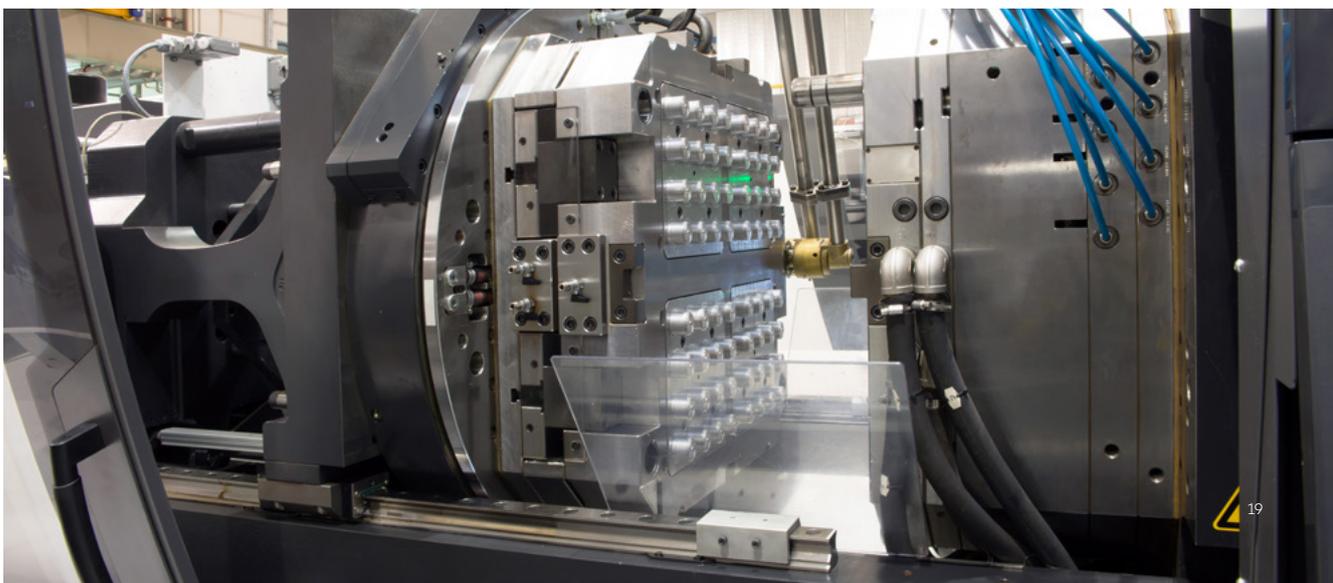
- Nature of processes undertaken, especially if they may differ from the trade norms.
- Nature of equipment present and the extent of any automation.
- Actual goods sold and the source of any imports or destinations of any exports.

## ADDITIONAL TRADES WE'RE FOCUSING ON

Please refer to the **Metalworking and Precision Engineering** insert for details of the trades we are focusing on within this sub-sector.

## WHY ALLIANZ?

Allianz Insurance plc is one of the largest general insurers in the UK and part of the Allianz Group, the largest property and casualty insurer in the world. We are financially strong, with an AA- Standard & Poor's rating. With over 100 years of experience, we're confident we know our business. Our technical expertise ensures your clients get the cover they need, tailored risk management advice and a claims service that's committed to getting them back in business as quickly as possible. If you would like to know more about our General Manufacturing proposition, contact your local Allianz representative.



**allianz.co.uk**

Allianz Insurance plc.  
Registered in England number 84638  
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Conduct Authority and the Prudential Regulation Authority.

Financial Services Register number 121849.