HOW DOES MACHINERY BUSINESS INTERRUPTION WORK?

Business interruption policies provide cover for financial loss as a result of an event that causes downtime while machinery damage is being repaired or lost/irreparable items are replaced. Our Machinery Business Interruption policy covers events that may be excluded by a property policy and a property business interruption policy, such as:

• breakdown due to a mechanical or electrical defect in an item of plant or machinery
• operator error or collapse
• joint leakage, cracking, fracturing or overheating of boilers or other steam plant
• overheating or electrical burnout of plant and machinery.

COVER

Cover is provided for financial loss resulting from interruption or interference within the business, caused by sudden and unforeseen damage to machinery. We will cover financial loss during the indemnity period. The length of the indemnity period should represent the length of time that it will take to repair the damage and for turnover or revenue to return to normal levels.

What is the basis of settlement?
Cover can be arranged on either a loss of gross profit or loss of revenue basis:

Basis One – Loss of Gross Profit
We will pay:

• for the loss of gross profit during the selected indemnity period
• additional costs incurred to avoid the loss of gross profit, up to the amount of gross profit saved.

Basis Two – Loss of Revenue
We will pay:

• for the loss of revenue during the selected indemnity period
• additional costs incurred to avoid the loss of revenue, up to the amount of revenue saved.

RISK MANAGEMENT

Our specialist risk surveyor team spans the entire country, so no matter where your client is based, our specialist surveyors can assess the risk to help mitigate the chance and effects of a loss. In addition, our FREE online risk management service, can help your clients to reduce claims frequency, save money (via a range of preferred supplier discounts) and assist with complying with health and safety regulations.

For more information, visit allianz.co.uk/riskmanagement
Cover does not include financial loss due to:

- perils such as fire, explosion, lightning, theft and flood
- damage as a result of direct application of tools during maintenance (faulty workmanship)
- wear and tear
- newly installed plant (until tested and used without problems for a period of one calendar month).

Standard Extensions

The following extensions apply to our standard wording:

- claims preparation costs – up to £10,000
- payments on account – interim payments can be made ahead of final settlement for claims where we have admitted liability.

RISK APPETITE

Our Machinery Business Interruption cover is designed to work alongside our All Machinery policy, although this may be extended under special circumstances. In general, our risk appetite is for established businesses that have a sound approach to machinery maintenance.

Typical examples of trades and the plant and machinery that we will insure include:

- escalators, passenger lifts and air conditioning units within retail premises
- alarm and CCTV systems and window cleaning access equipment within museums
- production plant, fork lift trucks and pumps within a brewery
- diesel engines, circular saws and cranes within manufacturing premises.

OTHER WAYS WE CAN HELP

Allianz Engineering, Construction & Power also provides the following covers:

- Machinery Movement
- Property Engineering
- Contractors Plant
- Contractors All Risks
- Erection All Risks
- Computer
- Electronic Equipment
- Deterioration of Stock.

In addition to insurance solutions, Allianz Engineering, Construction & Power can provide inspection services for a wide range of plant and machinery that can help your clients meet their regulatory requirements. Examples of plant and machinery that we will inspect include electrical and mechanical equipment, lifts and cranes, power presses, and pressure plant (such as boilers).

Our Special Services team can help improve energy consumption and safety by providing specialist one-off inspections and advice for pressure and lifting plant, electrical installations, and more.

Please visit allianz.co.uk for details.

CONTACT US

For more information and a full list of cover options and services, please contact your local Allianz Engineering, Construction & Power office.