Allianz Insurance plc

Motor Trade

Proposition

For Intermediary Use Only
We insure 35% of the 200 largest franchised dealerships within the UK. 4

Motor Trade
Our Proposition

We’ve provided the motor trade industry with insurance solutions for over 35 years and have worked in partnership with the Retail Motor Industry Federation (RMI), the UK’s leading automotive trade body, for 25 years. Consequently, we know the market well. We understand the requirements and pressures it faces and have developed our Motor Trade proposition, tailored specifically to address the unique needs of your motor trade clients.

The motor trade market is varied and competitive, consisting of new and secondhand vehicle sales, maintenance and repair businesses, fuel stations and vehicle recovery. With a greater number of older cars on the road than ever before, the vehicle repair market has remained buoyant despite the recent economic crisis.

There is significant optimism within the market. The strengthening economy and greater availability of cheaper finance has tempted consumers back, with Britain registering a record number of new cars last year. 5

With all this knowledge at hand, we can help you take advantage of this optimism to grow and develop your motor trade account.

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1 The Institute of the Motor Industry
4 http://www.am-online.com/data/am200
5 http://www.ft.com/cms/s/0/9b727552-b48e-11e5-835b-9a22b4396b2f.html#axzz4Azr7XJif
Challenges Within The Motor Trade Sector

Operating a successful motor trade business has never been easy. Today, traders operate in an increasingly competitive market and face both new and traditional challenges. An increased dependence on expensive modern technology, as well as the responsibility for safeguarding employees, puts even more pressure on profit margins. Working with a renowned and trusted motor trade insurer will ensure your clients, assets and liabilities are well protected.

New Technology

Technological developments within vehicle design, such as electric and hybrid semi-autonomous vehicles, is demanding new skills and creating extra hazards in the motor sector. In addition, consumer demand for high-quality digital displays within cars, such as reality dashboards, built-in satellite navigation and rear-seat entertainment systems has forced vehicle repair businesses to become experts in electronics and advanced mechanical engineering. As well as increased training costs, motor traders now have to invest in expensive specialist equipment and machinery in order to repair, maintain and protect modern vehicles.

Asset and Data Protection

In this age of high value, state-of-the-art technology, such as expensive diagnostic equipment, protecting assets from traditional (weather, fire and theft) risks is paramount. Motor traders are reliant on computerised systems to manage their business and fulfill their after-sales service. In addition, savvy consumers have made it essential for dealerships to have web presence. Standard property covers and conventional security arrangements can be complemented by network security services to protect your clients from the threat of hacks or malware attacks, helping them to safeguard their customer’s data. An up-to-date, comprehensive disaster recovery plan will also help resume operations quickly, mitigating the effects of a serious incident by minimising downtime.

Health and Safety

Motor trade garages, by nature, are busy and noisy environments, with multiple machines and tools being operated at the same time. There is also a heavy reliance on lifting equipment and prevalent use of chemicals, such as spray paints and flammable gases. Subsequently, workers face a variety of occupational exposures, including slips and trips, occupational asthma, dermatitis and strains from manual handling. Your clients have a duty of care to protect employees by ensuring a robust health and safety programme is in place to complement their employees’ liability cover.
According to the Occupational Road Safety Alliance, 547 people were killed, 5,168 were seriously injured and more than 44,000 were slightly injured in collisions involving a driver or rider driving for work in 2014.  

**Security**

Your client’s stock and their customer’s vehicles can be vulnerable to theft. More often than not, stock is left on open forecourts and whilst most modern cars are difficult to steal, they consist of expensive components that increase temptation for thieves. The risk during business hours is just as significant, if not more, than at night. Thieves know keys are more likely to be on the premises and in the open during the day. They may also steal a vehicle, or scope out your clients’ business, by making a bogus request for an unaccompanied demonstration or courtesy vehicle. It’s not impossible to prevent thieves from getting what they want, but by taking the appropriate risk management action, such as installing bollards, CCTV and key safes, your client can defend their property against some of the main security threats within the motor trade sector.

**Environmental Exposure**

Maintenance and repair activities often involve the use of hazardous substances, which not only can cause acute ill health to your client’s employees, but wider environmental damage if not properly contained. Our environmental consultants can carry out suitable assessments of exposure to hazardous substances and recommend remediation and risk transfer to help your clients effectively treat and manage their environmental exposures.

**Motor Prosecutions**

Tough new laws have been introduced over the last few years to clamp down on dangerous and careless driving, with penalties including large fines, driving bans and imprisonment for those caught breaking the law. As a result, any organisation requiring its employees to drive for business must ensure they drive safely and legally, or risk a charge of corporate manslaughter if there is evidence that serious management failures have been a significant contributory factor to a fatal road traffic accident. A robust and comprehensive driving at work policy, supported by relevant driver training, will help to manage this risk.

**Motor Insurance Database Misuse**

Employee personal vehicles and other vehicles not intended to be covered, are finding their way on to the Motor Insurance Database (MID). This is commonly via delegated access provided to representatives of the policyholder. Evidence shows an increase in the number of private vehicles added to the MID for commercial policies. The causes range from a misunderstanding of what vehicles should and shouldn’t be added to the database, to clear and deliberate fraudulent abuse of it. As a result, insurers are becoming increasingly involved in claims for vehicles that have been wrongfully added to the MID.

Companies with a turnover between £2,000,000 and £10,000,000, who are found to have caused a deliberate environmental offence, can expect to receive fines ranging from £45,000 to £400,000.²

² https://www.sentencingcouncil.org.uk, Environmental Offences Definitive Guideline

Tailored Cover

Specifically designed for your medium to large motor trade clients, our Motor Trade Select product offers a comprehensive range of covers designed to meet the needs of the sector.

Adrian Bott – Motor Trade Underwriting Manager, Allianz Insurance plc

Adrian has worked for Allianz for 30 years and has undertaken a number of technical underwriting roles. For the last 15 years, Adrian has specialised in motor trade insurance and is currently the Motor Trade Underwriting Manager at Allianz Birmingham. He is also ACII qualified.

“We’ve enhanced our already strong proposition to ensure that your motor trade clients get flexible and comprehensive cover to protect their business. In addition, Motor Trade policyholders can package their policy with commercial covers, such as computer and financial lines, enabling them to fulfil their insurance needs with one provider.”

We now offer your clients the option to purchase Rectification cover for the cost of replacement parts damaged as a result of faulty workmanship.

The following features of cover apply if the relevant section is purchased.

Material Damage

We offer a choice of covers for buildings, contents, stock and vehicles on an All Risks basis.

- Exhibitions cover – £15,000 limit within UK and European Union (EU) (FEA)
- Metered utilities cover for loss of metered supply charges – £25,000 limit
- 30% seasonal increase in vehicle sum insured during peak registration periods
- Financial losses on damaged and unused new vehicles (including road risks)
- Property in transit and money cover within UK
- Employees tools whilst away from the premises – £5,000 limit per employee
- Replacement locks and keys – £10,000 limit any one claim and £50,000 any one period
- Personal accident assault and victim care – benefits of up to £250,000 paid for an accidental bodily injury as a result of theft or attempted theft resulting in death or disablement
- New for old – cover available for vehicles less than 12 months old, registered in the name of your client’s customer.

Public and Products Liability (including defective workmanship)

Protection for liabilities to visitors or customers using your client’s premises or goods sold. Typical limits of indemnity are £2,000,000, with the option of increasing up to £20,000,000.

- Products financial loss – £250,000 limit
- Customers vehicles loss of use – £50,000 limit
- Increased court attendance compensation costs – up to £750 per day for directors and £250 for employees.

Road Risks

We offer a choice of covers on a comprehensive, partial comprehensive, third party fire and theft and third party only basis.

- Cover for social, domestic and pleasure use in EU countries when this cover is selected
- Any authorised and licensed driver for business and social, domestic and pleasure use
- Personal accident cover for accidental injury to the driver of an insured vehicle – £5,000 limit
- Personal effects cover when vehicle is being driven for social, domestic and pleasure use – £500 limit
- Medical expenses for any personal injury as a direct result of an accident in an insured vehicle – £250 any one person, £1,000 any one claim
- Damage from misfuelling and 20 litres of fuel replacement
- Damage to third party property – £10,000,000 limit
- Uninsured loss and motor prosecution defence – £100,000 limit any one event.
Employer’s Liability
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.

Business Interruption
Cover for protection against interruption to your client’s business following an insured loss under the Material Damage, Road Risks and Self Drive Hire policy sections, which results in reduced earnings on a gross profit basis.

- Exhibition sites – £50,000 limit within UK, £15,000 limit within EU
- Book debts – £500,000 limit
- Suppliers – cover for business interruption caused by damage at your suppliers based in the EU up to 33.3% of the gross profit sum insured, capped at £2,500,000
- Supply undertakings – cover for business interruption caused by interruption of the supply of specified utilities to the premises up to the gross profit sum insured, capped at £10,000,000

MOT Loss of Licence
Cover for interruption to your clients business following a loss or suspension of MOT licence.
- Cover with free appeal, consultancy service and advice helpline.

Engineering
We offer specialist engineering insurance and inspection services – these can be purchased together or independently:
- Inspection – we offer a wide range of inspection services in line with periodical and regulatory requirements
- Breakdown – breakdown and accidental damage cover for machinery (e.g. diagnostic equipment, lifting tables and jacks) – £50,000 limit of liability.

Full Personal Accident
Provides a financial benefit to your client should an employee suffer a bodily injury or die as a result of an accident.
- Rehabilitation and training expenses – £10,000 limit
- Age enhancement benefit – cover for death or permanent disablement for any insured person over 75 years of age – £2,500 limit.

Legal Expenses
Cover provides protection against the costs of taking a case to court; solicitors fees and expenses; barristers and court fees and the other sides costs if awarded against the claimant.

Directors & Officers
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.
- Kidnap and ransom cover – £50,000 limit
- Reputational crisis support – £100,000 limit

For a full list of available cover sections, please see the policy wording.

Other Ways We Can Help
The following additional covers are available within Allianz Insurance plc or the wider Allianz Group.

Complete Motor Trade
For small to medium sized businesses with up to £3m turnover, our Complete Motor Trade policy offers the flexibility to pick and choose cover options and limits – ensuring competitive premiums for your clients.

Computer*
Provides All Risks cover, including theft and breakdown for computers and auxiliary equipment and includes e-risks cover as standard. This covers re-creation of computer media, additional expenditure, losses following a virus or hacking, including seek and destroy cover.

Electronic Equipment*
Cover for specialist electronic equipment, including technically advanced tools and scanning devices – minimum premium £250.

Marine Cargo
Protection for new and used car parts, specialist equipment and tools when being moved within the UK, or worldwide, by any method of transportation, i.e. road, rail, sea or air.

Professional Indemnity
Protection for your client in the event that a third party claims to have suffered a loss as a result of their professional negligence.

A discount will be given from Computer and Electronic Equipment cover when purchased with a Motor Trade policy.
Additional Services

Securing business 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 Motor Trade or any other Allianz mid-corporate policy, they will have automatic access to the following additional services:

- Allianz Motor Insurance Database – providing immediate access to vehicle data to help you establish a robust reporting process. A helpdesk is also available. [www.allianzmid.co.uk](http://www.allianzmid.co.uk)
- Allianz Worldwide Partners – Pay-on-Use Breakdown Cover – provides peace of mind if your client’s vehicle were to suffer a breakdown. Rather than a subscription charge, your clients will only pay per usage – exclusively for Allianz Motor Trade policyholders.
- FREE ten minute consultancy – on how to strengthen online/system security provided by data loss prevention experts at InteliSecure.
- 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 your clients mitigate against new and traditional risks.

- ARCO – suppliers of personal protective and safety equipment
- ATG Access Ltd – security bollards and barriers
- Autoglass – 24/7 windscreen repair service
- Emtezy – flammable liquid safety products
- Glassolutions – business glass replacement service. Your client pays VAT and excess only
- Glen Abbot – business continuity planning, supply chain assessment and crisis management support
- Graydon UK – commercial credit checking database
- Ingenium Dynamics – fleet telematics
- IntelliSecure – network security and penetration testing
- Praxis42 – online display screen self-assessments (in line with office health and safety requirements)
- Retail Motor Industry Federation (RMI) Automotive Training Academy – MOT tester training
- RosPA – driver training solutions
- Securikey – security and management of keys
- Selectamark – asset security marking
- Vero – pre-employment screening services.

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

- Compromise agreement £621
- Consultancy agreement £425
- Employee handbook £804
- Employment agreement £408
- Employment statement £143
- Non-disclosure agreement £296
- Partnership agreement £751
- Shareholder agreement £859
- Terms and conditions for website £13

Total cost £4,929*

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 compliancy 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.

www.allianzlegal.co.uk

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 Abbey 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.

* Research conducted between April 2014 and September 2015 by MyLawyer Solicitors LLP. 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.

For more information on how to access Allianz Legal Services, visit [www.allianzebroker.co.uk](http://www.allianzebroker.co.uk)
Risk Management Expertise

Our risk control team spans the entire country, so no matter where your client is based, our surveyors are on hand and can tailor our services to meet your client’s unique needs.

www.riskdirector.co.uk

Risk Director, our FREE online risk management service, has a dedicated Motor Trade portal featuring:

- Risk management advice – hints and tips on how to minimise exposure to key risks impacting this sector, such as catalytic converter thefts and workplace transportation safety.
- Sector specific news and regulation updates aimed at you and your clients.
- A full list of our specialist preferred suppliers offering risk management solutions relevant to this sector.
- Access to our sector specific health and safety toolkit, allowing your clients to assemble their own health and safety programme.
- A sector specific business continuity planning guide which allows clients to prepare their own business continuity plan in-house, saving them costly fees.
- ‘Ask the Expert’ functionality, which gives access to our in-house Motor Trade experts.

Allianz Specialist Inspection Services

We can arrange one-off inspections coupled with bespoke consultation in fields such as:

- Electrical Services – such as fixed wiring inspections and Portable Appliance Testing (PAT)
- Energy Services – options include statutory air conditioning efficiency inspections
- Environmental Services – helping your clients assess and control the risk of dangerous substances
- Fire Risk Assessment
- Health and Safety Audits.

Allianz eServices

We know how difficult it can be for your clients to keep on top of their inspections, that’s why we’ve developed our eServices tool that enables you and your motor trade clients to manage their engineering inspections online. Email reminders can be sent directly to your client informing them when an inspection is due. Following the inspection, a copy of the report can be emailed directly to your client, allowing them to take any necessary remedial action.

We also issue a sector specific risk management guide with the policy documentation. This provides detailed advice on how to mitigate exposure to typical risks in the motor trade sector.
Michael Willis – Customer Claims Team Leader, Allianz Insurance plc

Michael is ACII qualified and has worked for Allianz Insurance plc for over 35 years. He has specialised in motor trade claims since 2009. He works closely with our underwriting teams, brokers and clients to ensure we deliver efficient and professional service.

Here’s an example of how we can help your motor trade clients:

Flood affecting over 500 vehicles
The loss occurred at a temporary storage site, adjacent to the Manchester Shipping Canal, approximately 40 meters from the River Aire.

During December 2015, West Yorkshire was subject to a series of storms, leading to unprecedented levels of rainfall, causing widespread flooding. The River Aire burst its banks and during the afternoon of 26 December, the storage site was flooded to depths of up to one metre.

Our in-house engineer assessed the site on 29 December. There were 545 vehicles on-site, some with minor, some severe and some with no damage at all. We made the decision to declare all as total loss to assist the insured and the claim. We returned to the site on 4 January 2016 with our salvage experts and agreed with the insured how we would clear the site. By 15 January, all the vehicles had been removed.

Regular communication, swift decision making and early payments ensured that our insured was able to source a suitable new storage site, replace stock and resume trading with little interruption to the business.

Key features of our motor trade claims service:

- **flexible reporting options** – via phone, online or email
- **rapid claims settlement under £5,000** – for accidental and malicious damage, theft, storm and escape of water claims. Provide us with one estimate over the phone and we will settle the claim instantly
- **dedicated claims handlers** – will proactively manage claims and keep you and your clients informed from notification to final settlement
- **quick on-site motor assessment and authorisation** – of repair estimates via our in-house expert motor engineers
- **quick decisions on payments for total losses** – for vehicles beyond repair, our motor trade professionals will ensure a swift and fair settlement
- **on-site property assessments** – our leading loss adjuster panel will swiftly be on site to assess the level of loss and agree actions to get the claim moving
- **motor trade legal expertise** – specialist motor trade solicitors to deal with any liability disputes relating to your client’s claim.

In addition, we have the following specialist services to help your clients and manage certain losses:

**24/7 Vehicle Recovery Assistance Line** – if your client needs recovery assistance only following an accident they can call us on 0344 412 9996. Once their vehicle is recovered we will contact them within 24 hours to register a claim. Please note that if a claim is not made or is unsuccessful they will be liable for the costs of the recovery.

**Major Loss Expertise** – our specialists have expertise in dealing with claims worth over £100,000. Managing a small portfolio of claims allows our experts to gain a deep understanding of each case and forge solid relationships with the parties involved. Expertise and empathy is central to our approach.

**Claims Business Consultants (CBC)** – a dedicated claims contact for you and your larger clients. Our CBCs work closely with you, helping to coordinate case reviews and training, managing queries and providing a direct point of contact to ensure a tailored claims service is delivered to your client.

**Credit Hire** – our expert team are able to leverage their specialist knowledge of the credit hire industry and accident management companies to negotiate down the ultimate cost of claims involving third-party vehicle credit hire, offering greater protection to your client’s ultimate premium spend.

**Rehabilitation Services** – our clinically qualified professionals, which include registered nurses, physiotherapists and occupational therapists, will assess a claimant’s needs, and, if appropriate, will activate a tailored rehabilitation and counselling programme.

**Employable** – our rehabilitation service, can be purchased at point-of-sale and activated when your client needs it. It’s designed to get your client’s injured employees back to full health and able to return to work, irrespective of establishing liability.

**Fraud** – our counter-fraud activity utilises an unrivalled range of analytical and investigatory skills. In addition, our experts have an enviable knowledge of clinical medicine and the insurance market, ensuring that we are well equipped to detect and prevent fraud. By keeping claims costs down, we can protect your client’s premiums.

**Disease** – our specialists deal with all types of occupational disease and conditions, such as noise-induced hearing loss, stress and harassment, vibration white finger and upper limb disorders.

**Case Analysis Tool (CAT)** – helps to pin-point where a motor trade business is most at risk by providing a detailed breakdown of your client’s property, liability and road risk claims, allowing trends to be recognised quickly and risk control measures to be put in place.

*Full details of the claim must be provided over the phone and the loss must not have occurred over eight weeks before the notification. Cost of repair/replacement must be provided from a written estimate and we will require details of the Contractor, description of works, breakdown of costs and the contractors’ VAT number.*
Our Risk Appetite for Motor Trade

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
- 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.

Road Risks

We want to work with businesses that adopt a culture of driver safety and:

- have driver training programmes in place
- regularly assess driver competences
- have a vehicle introduction programme in place.

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 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 that:

- take a proactive approach to health and safety and environmental risk control
- control the movement of vehicles around the work place and compounds
- 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 Motor Trades We’re Focusing On

Our Motor Trade proposition extends over a wide range of services and covers a variety of businesses including:

- motor vehicle sales
- body repairers
- motor vehicle servicing and mechanical repairs
- motorcycle sales, servicing and mechanical repairs
- tyre and exhaust fitters
- auto electricians.

Why Allianz?

Allianz Insurance plc is one of the largest general insurers in the UK and part of the Allianz Group. We are financially strong, with an AA- Standard & Poor’s rating. With over 100 years of experience, we’re confident we know our business and have the technical expertise to ensure 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 Motor Trade proposition, please contact your local Allianz Insurance plc representative.