

# Policy Wordings Update – Commercial Select

Insurance law is changing and the Insurance Act introduces reform to the way in which insurance policies are written and how claims are dealt with. Legally we must apply required changes to policies incepted or renewed from 12 August 2016.

We are committed to the early adoption of Insurance Act reforms, and a number of improvements are being made to our policies prior to the new Act coming into effect.

In addition we are introducing other changes, such as updates to our Terrorism wordings and the introduction under the Public Liability and Public/Products Liability Sections of a new exclusion in respect of Asbestos.

A summary of the key changes is detailed below.

## Key changes:

### Introduction/General Section

The introduction text describing the parts of the Policy has been amended to more fully clarify the correct position. In consequence the following Policy Definitions have been amended for the same reason:

Policy  
Schedule

The following General Conditions have been amended:  
Policy Voidable – this has been re-titled Fair Presentation of the Risk and explains what is required from the Insured and sets out the Insurer's rights in the event of the Insured's failure to make a fair presentation of the risk.

Cancellation – the period of notice in relation to failure to pay premium instalments is corrected to 14 days.

Fraud – the wording has been updated to clarify what is meant by fraud and to set out the Insurers rights in the event of fraud.

Survey & Risk Improvement – the wording has been updated to reflect the Insurance Act 2015.

The following General Condition has been consolidated at General Section level and removed from individual Section level:  
Discharge of Liability

The following new General Condition has been added:  
Loss Reduction Conditions – this clarifies how cover will or will not operate if a condition is not complied with by the Insured.

### All Sections (as appropriate to specific Sections)

The following Section Condition has been updated as required at Section level (where applicable to specific Sections):  
Alteration in Risk

The following contact numbers and addresses have been amended:  
Notifying a Claim numbers  
Legal Expenses Section – Lawphone Legal Helpline number  
Legal Expenses Section – Insurer's address

### Property Damage and Business Interruption Events Section(s)

Changes have been made to correct the wordings used within our Property Damage and Business Interruption Events Sections for Cover Events 7a Storm and 7b Flood, to both bring clarity to what is and is not covered, and to more closely fall in line with current market practice.

## Terrorism Section

Earlier this year, Pool Re announced changes to the UK terrorism risk reinsurance programme which came into effect, 1 October 2015. These are the first significant amendments since 2003 and are intended to enable Pool Re to continue to deliver a scheme reflective of today's threat and environment.

As members of the scheme, these changes have implications for Allianz UK and for our mutual clients. It is our intention to be compliant with all facets of the latest version of the Pool Re manual.

As a result, we will be implementing the following changes to our Terrorism wordings:

- Excluded Property Insured
  - to clarify that Bankers Blanket Bonds are not insured
  - to better explain cover available in respect of an individual and occupancy for residential purposes by an individual
  - to clarify cover in respect of blocks of flats and private houses when the Insured is a trustee or body of trustees or a sole trader
- Definitions, by introducing a definition for Phishing.
- Exclusions, to better clarify the terms of the Digital and Cyber Risk Exclusion.

### Adverse selection

If property is insured on a composite basis, each individual Insured is deemed to have a separate contract of insurance.

Where an Insured effects Terrorism cover they must do so in respect of all property for which they effect general cover and which is eligible for Terrorism cover.

For the purpose of clarification, this includes property of all entities, e.g. subsidiary companies, and all property, regardless of how the general cover insurances are arranged, e.g. across many policies and/or with multiple carriers.

Please ensure we are made aware of the existence of any other policies.

## Public Liability and Public/Products Liability Sections

The following Section Exclusion has been added in line with broader current market practice:

Asbestos