

Allianz Insurance plc

Tracktion

Insurance and inspection
of railway stock

Policy Wording



Allianz 

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Thank you for choosing
Allianz Engineering.

Our technical expertise built over many years of providing engineering insurance and inspection products and services means you can trust us to be there when you need us.

If you need further details or have any questions, your broker or local Allianz Engineering branch will be delighted to help. Alternatively help and guidance can be obtained from:

Allianz Engineering
Head Office
Haslemere Road
Liphook
Hampshire
GU30 7UN
UK

Important

The insurance cover and inspection service provided by this Policy may be varied by clauses printed in the Schedule.

Please read both the Policy and Schedule to make sure that you have the insurance cover required.



Tracktion

Allianz Insurance plc (referred to as 'the Insurers') will indemnify or otherwise compensate the Insured named in the Schedule (referred to as 'the Insured') in accordance with and subject to the terms and conditions of this insurance in return for the Insured having paid or agreed to pay the Insurance Premium for the Period of Insurance.

The Insurers have arranged for an associated Company Allianz Engineering Inspection Services Ltd (referred to as 'the Inspection Company') to provide an Inspection Service for the Insured in accordance with and subject to the terms of the Inspection Service.

The proposal made to the Insurers by or on behalf of the Insured whether in writing or otherwise shall form the basis of this Policy.

The Schedule Exclusions Extensions and Conditions are all part of this Policy and shall be read together as one document.

Any word or expression to which a specific meaning has been given shall have the same meaning wherever it may appear in the Insurance or Inspection sections of this Policy.

Please read all the pages of this Policy and Schedule carefully to ensure that your requirements are met.

For Allianz Insurance plc

A handwritten signature in black ink that reads "Andrew Torrance". The signature is written in a cursive style and is positioned above a solid horizontal line.

Andrew Torrance
Chief Executive

Allianz Engineering is a trading name used by
both Allianz Insurance plc and Allianz
Engineering Inspection Services Ltd

Definitions

Insurance Definitions

Territorial Limits

Great Britain Northern Ireland the Isle of Man and the Channel Islands.

Insured Property

Owned Plant

All integral parts of plant and machinery described in the Schedule belonging to the Insured or hired to them under a hire purchase or lease agreement.

Pressure Plant

- a The integral parts of the pressure system of a steam locomotive including but not limited to the boiler firebox cylinders steam piping pistons and any superheater system

and other

- b boiler plant
- c plant subject to internal steam pressure
- d plant used to contain fluids under pressure or vacuum

forming part of Owned Plant.

Hired In Plant

- a Tools tackle and contractor's plant and equipment site huts and other temporary accommodation
- b Locomotives and rolling stock

hired by the Insured and for which they are responsible under the terms of their hiring agreement or otherwise but not plant on hire purchase or subject to a lease agreement or on free loan.

Insured Property shall not include

- a foundations masonry brickwork tanks gantries tracks grabs magnets or refractory linings/brick arches
- b tanks (including fuel storage tanks or similar containers)
- c materials being processed by or contained in the Insured Property
- d office machinery computers or other electronic data processing equipment
- e plant or machinery which is prototype experimental or untried
- f plant machinery pipes or cables situated underground

unless specifically described in the Schedule.

Market Value

The cost of the nearest equivalent item in a similar condition.

Own Surrounding Property

Property belonging to or held by the Insured in their care custody or control excluding Insured Property.

Explosion

The sudden and violent rending of the Pressure Plant by force of internal fluid pressure (other than pressure of chemical action or ignition of the contents or of ignited flue gases) causing bodily displacement of any part of the Pressure Plant together with forcible ejection of the contents.

Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the Pressure Plant caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignition of the contents or of ignited flue gases).

Schedule

The Policy Schedule Plant Schedule and Summary forming part of this Policy.

Financial Loss

- a in respect of reduction in Revenue the amount by which the Revenue during the Indemnity Period shall in consequence of an Accident fall short of the Standard Revenue
- b in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Accident but not exceeding the amount of the reduction avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business as may cease or be reduced in consequence of the Accident.

Accident

Loss or damage insured under Cover One Two or Four which is not specifically excluded by the Exclusions or General Exclusions of this Policy.

Definitions *continued*

Time Exclusion

The period shown in the Schedule beginning with the occurrence of the Accident during which Financial Loss in consequence of an Accident is not covered.

Indemnity Period

The period beginning with the occurrence of the Accident and ending when the results of the Business cease to be affected in consequence of the Accident but not exceeding the period shown in the Schedule as the Indemnity Period.

Revenue

The money paid or payable to the Insured for services rendered in the course of the Business.

Annual Revenue

The Revenue during the twelve months immediately before the date of the Accident.

Location

The address shown in the Schedule where Insured Property is situated.

Standard Revenue

The Revenue during that period in the twelve months immediately before the date of the Accident which corresponds with the Indemnity Period.

Note

Adjustments shall be made to the figures representing the Annual Revenue and the Standard Revenue as may be necessary to provide for the trend in the Business and for variations in or other circumstances affecting the Business either before or after the Accident or which would have affected the Business had the Accident not occurred so that the adjusted figures shall represent as nearly as may be practicable the result which but for the Accident would have been obtained during the Indemnity Period shown in the Schedule.

Estimate

The amount declared to the Insurers as representing not less than the Revenue which the Insured anticipates will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (proportionately increased where the Indemnity Period exceeds twelve months).

Inspection Service Definitions

Allianz Engineering

Allianz Engineering Inspection Services Limited trading as Allianz Engineering, hereafter referred to as 'the Inspection Company'.

Competent Person

An engineer surveyor employed and authorised by the Inspection Company to perform the Inspection Service.

Inspection Service

An Inspection of Plant by a Competent Person and (where applicable) in accordance with the requirements of such statutory regulations as apply to the Plant and the provision of a report of the Inspection by electronic mail.

Inspection

Certain regulations require thorough examinations to be undertaken whilst others require Inspections. For the purpose of this Policy, the two expressions are synonymous and the generic expression used throughout is 'Inspection'.

Normal Working Hours

8.00 am to 6.00 pm Monday to Friday excluding public bank and local holidays.

Plant

The machinery and equipment shown or summarised in the Schedule for which the Insured has requested an Inspection Service.

Sites

The locations shown in the Schedule.

Schedule

The Policy Schedule Plant Schedule and Summary forming part of this Policy.

Inspection Service

The Inspection Company shall during the Period of Insurance subject to earlier termination provide the Insured with an Inspection Service for Plant within Normal Working Hours at the Sites within the Territorial Limits.

For the avoidance of doubt the Insured acknowledges that:

- a it is responsible for the care, custody and control of the Plant at all times
- b the purpose of the Inspection Service is only to identify and assess defects in the workings of the plant and where the regulations require it, the deterioration that affects the safety of the Plant but not defects in existing designs or in any proposed design changes
- c it is solely their obligation to ensure that the design of its Plant and any part of it is fit for purpose and reasonably safe, both by:
 - i arranging such analysis of its design as may be found necessary; and
 - ii promptly rectifying any design defects of which they are or ought to be aware, including:
 - 1 any design defects to which any Competent Person may, without obligation, draw attention and/or
 - 2 by taking the Plant out of service until these matters have been attended to
- d unless agreed in writing between the Inspection Company and the Insured the Inspection Company will not undertake the approval or the verification of the fitness for purpose of any design or design features of the Plant or any part of the Plant and observations and recommendations made by the Competent Person on aspects of a design that affects safety, shall not imply that the Inspection Company accepts any responsibility for the fitness for purpose of the design
- e unless agreed in writing between the Inspection Company and the Insured the Inspection Company shall not:
 - i carry out any witnessing of ultrasonic, radiographic or other tests of a non-routine nature or any proof load, load, stability, anchorage or similar tests
 - ii specify, re-inspect, verify or approve repairs unless agreed in writing between the Inspection Company and the Insured or unless required to do so by a regulation
- f the Inspection Company has and accepts no responsibility for damage sustained by the Plant as a result of the failure of the Plant to withstand a test applied as part of the Inspection Service
- g statutory regulations made under the Health and Safety at Work Act 1974 require the Insured to have the plant inspected. The provision of the Inspection Service does not relieve the Insured of the responsibility.

Insurance Cover

The insurance defined under each Cover Option applies to the Insured Property during the Period of Insurance while at and while in transit to or from any situation in the Territorial Limits.

The insurance defined under each Cover applies only if shown in the Schedule.

Cover One

Damage to Owned Plant

Loss of or damage to Owned Plant excluding Explosion and Collapse of Pressure Plant.

Cover Two

Explosion and Collapse of Pressure Plant

Damage to Pressure Plant due to Explosion or Collapse.

Cover Three

Own Surrounding Property

Damage to Own Surrounding Property directly consequent on and solely due to Explosion of Insured Property insured by Cover Two or Cover Four.

Cover Four

Hired In Plant

The legal liability of the Insured under the terms of their hiring agreement or otherwise to pay

- a compensation for loss of or damage to Hired In Plant and
- b continuing hire charges as a result of loss of or damage to Hired In Plant for which indemnity is provided by a above.

In addition the Insurers will pay all legal expenses for which the Insured may be liable where legal proceedings have been defended with the written consent of the Insurers.

Provided that the liability of the Insurers under Cover Four for

- a loss or damage and continuing hire charges in respect of any Hired In Plant which is more than one year old shall be no more extensive than the liability which would be incurred under
 - i the Model Conditions for the hiring of Plant approved by The Construction Plant-hire Associationor where agreed with the Insurers in writing and shown in the Schedule
- ii the hiring conditions used by the Insured.
- b loss of or damage to Hired In Plant while loaned or hired out is conditional on the terms of the agreement under which the loan or hiring out takes place being no less onerous than the terms under which the Hired In Plant has been hired by the Insured.

Cover Five

Financial Loss

The Financial Loss of the Insured resulting from interruption or interference with the Business during the Indemnity Period in consequence of an Accident.

Limit of Liability

The liability of the Insurers under this Policy shall not exceed

a Cover One

£500,000 or any Limit of Liability shown in the Schedule in substitution for this amount

b Cover Two

£500,000 or any Limit of Liability shown in the Schedule in substitution for this amount

c Cover Three

£2,000,000 or any Limit of Liability shown in the Schedule in substitution for this amount

d Cover Four

the Limit of Liability shown in the Schedule

e Cover Five

133 ¹/₃% (one hundred and thirty three and a third percent) of the Estimate shown in the Schedule as the Limit of Liability

and in addition

f any amount shown in the Extensions

in respect of any one accident or series of accidents arising from one occurrence of loss or damage.

Insurance Cover Extensions

This Policy is extended to cover

1 Avoidance of Impending Damage

the cost incurred by the Insured in taking exceptional measures that are reasonable to avoid or reduce impending loss or damage which would have resulted in a claim under this Policy.

Provided that

- a the impending loss or damage did not arise from any defect in the Insured Property
- b the impending loss or damage did not arise from a reasonably foreseeable cause
- c the loss or damage would have been the natural outcome to be expected in the absence of the measures taken
- d the Insurers are satisfied that loss or damage which would have been insured under this Policy has been avoided or reduced in consequence of the measures taken
- e the liability of the Insurers shall not exceed the cost which would have been incurred had the measures not been taken and loss or damage insured by this Policy had occurred.

2 Debris Removal

the cost necessarily and reasonably incurred by the Insured with the consent of the Insurers in the removal of Insured Property following loss or damage insured by this Policy.

Provided that the total liability of the Insurers for the cost of rectification of loss or damage and the removal of Insured Property shall not exceed the Limit of Liability shown in the Schedule.

3 Additional Cost

necessary and reasonable cost incurred with the consent of the Insurers in effecting a temporary repair or expediting a permanent repair following loss or damage insured by this Policy.

Provided that the liability of the Insurers shall not exceed £50,000.

4 Repair Investigation Cost

necessary and reasonable cost (including Consultant Engineers Fees) incurred with the consent of the Insurers in conducting investigations and/or tests into possible repair (whether successful or not) replacement or reinstatement of Insured Property following loss or damage insured by this Policy.

Provided that the liability of the Insurers shall not exceed £25,000.

5 Payments on Account

payment as agreed between the Insured and the Insurers in advance of final settlement of a claim under this Policy where the Insurers have admitted liability.

6 Re-Railing and Recovery Cost

the cost incurred for any re-railing and/or recovery of Insured Property following loss or damage insured by this Policy.

Provided that the total liability of the Insurers for the cost of rectification of loss or damage and the re-railing and/or recovery of Insured Property shall not exceed the Limit of Liability shown in the Schedule.

7 Claims Preparation Cost

the necessary and reasonable cost incurred in producing and certifying any particulars or details required by the Insurers in connection with an event for which liability has been accepted but limited to

- a additional cost incurred by employees of the Insured
- b additional fees incurred by the usual auditors of the Insured
- c cost of materials used in furnishing the requirements of the Insurers.

Provided that the liability of the Insurers shall not exceed £5,000.

8 Plans Drawings and Other Documents

the cost of materials and labour necessarily incurred to restore plans drawings and other documents relating to the Insured Property following loss or damage for which the Insurers have admitted liability.

Provided that the liability of the Insurers shall not exceed £10,000.

Insurance Cover Extensions *continued*

This Policy is extended to cover

9 Public Authorities

additional work solely necessary to comply with European Union legislation or building or other Regulations under or framed in pursuance of any Act of Parliament or bye-laws of any municipal or local authority following loss or damage insured by this policy.

Provided that

- a Insurers shall not be liable for the cost incurred in complying with any legislation or Regulations
 - i in respect of damage occurring prior to the granting of this Extension
 - ii under which notice has been served on the Insured prior to the happening of the damage
 - iii in respect of undamaged property
 - iv in respect of any tax duty development or other charge which may be payable for compliance with any Regulations
- b no payment beyond that which would have been payable if this Extension had not been included shall be made unless the work of reinstatement is commenced and carried out without unnecessary delay
- c the liability of the Insurers shall not exceed the Limits of Liability under this Policy.

Reinstatement

In the event of loss of or damage to

Owned Plant

or

Own Surrounding Property

for which liability is accepted the basis on which the amount payable is to be calculated shall be the reinstatement of the Insured Property lost destroyed or damaged.

Definition

Reinstatement shall mean

a Insured Property

- i in the event of the complete loss or destruction of an item reinstatement shall be the value declared to the Insurers for the item. Where the value has not been declared to the Insurers the settlement shall reflect the cost of replacing the item with the nearest equivalent item in a condition equal to that which prevailed prior to the occurrence of loss or damage
- ii in the event of partial damage to an item the settlement shall be the cost of repair of the item to a condition equal to that which prevailed prior to the occurrence of damage.

b Own Surrounding Property

- i in the event of complete loss or destruction
 - 1 if a building the rebuilding of the property
 - 2 if not a building its replacement by similar plant or propertyin either case to a condition equal to but not better or more extensive than its condition when new.
- ii in the event of partial damage the repair of the damaged portion to a condition substantially the same as but not better or more extensive than its condition when new.

Provided that:

- 1 the liability of the Insurers shall not exceed the Limits of Liability under this Policy
- 2 where the Insured Property or Own Surrounding Property is damaged or destroyed in part only the liability of the Insurers shall not exceed the amount which would have been payable had the Insured Property or Own Surrounding Property been totally destroyed

3 no payment shall be made beyond that which would have been payable if this clause had not been included

- i unless the work of reinstatement is commenced and carried out without unnecessary delay or
- ii if at the time of any loss or damage the Insured Property or Own Surrounding Property shall be covered by any other insurance effected by or on behalf of the Insured which is not on a reinstatement basis.

4 the term Own Surrounding Property shall not include anything sold supplied processed serviced manufactured or stored in the course of the trade or business of the Insured where the basis of settlement will be indemnity and no payment shall be made beyond that which would have been payable if this clause had not been included.

Where by reason of the above provisions no payment is to be made beyond the amount which would have been payable if this clause had not been incorporated the rights and liabilities of the Insurers and the Insured in respect of the loss destruction or damage shall be subject to the terms of this Policy as if this clause had not been incorporated.

Insurance Cover Exclusions

This Policy does not cover

1 Excess

the amount stated in the Schedule as the Excess in respect of each and every occurrence for which the Insured is indemnified by this Policy.

2 Breakdown

loss of or damage to any part of Owned Plant caused by its own electrical or mechanical breakdown.

3 Maintenance or Faulty Workmanship

the cost of

- a maintenance
 - b rectification of faulty workmanship
- but not damage resulting from a or b unless otherwise excluded.

4 Goodwill Payments

the cost of any goodwill payments made either in the form of waiver or reduction in normal charges or the provision of additional services at no cost.

5 Other Consequential Loss

liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any other form of consequential loss not specifically provided for by this Policy.

6 Wear and Tear or Gradual Deterioration

- a wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure
- b gradually developing flaws or fractures which do not necessitate immediate stoppage

but not damage insured by this Policy resulting from a or b unless otherwise excluded.

7 Overloading or Application of Tools

loss damage or Financial Loss

- a caused by and occurring during intentional overloading
- b caused by the direct application of tools in the course of any modification maintenance repair or overhaul.

This Exclusion shall not apply to loss damage or Financial Loss caused by and occurring during the checking of the correct working of the Insured Property or of safety installations connected with the Insured Property.

8 Safety or Protective Devices

damage to safety or protective devices by their functioning.

9 Multiple Lifting Operations

damage arising during any lifting or lowering operation in which a load is shared between two or more machines unless the prior consent of the Insurers has been obtained.

10 Sea or Air Transit

loss or damage occurring during transit by sea or air.

11 Excluded Parts or Components

damage to cutters bits tools moulds dies heating elements driving belts and chains and similar items that require periodic replacement.

If as a result of other loss or damage provided for by this Policy these items are damaged beyond repair then the Insurers shall indemnify the Insured for any remaining residual value.

12 Hand Tools

loss of or damage to hand tools unless specifically described in the schedule.

Insurance Cover Exclusions *continued*

This Policy does not cover

13 Vessels Craft Vehicles Devices Rigs or Platforms

loss of or damage to any

- a vessel craft vehicle or device designed to float on in or travel under or through water air or space
- b marine rig or marine platform
- c equipment mounted on and fixed to such vessel craft vehicle device rig or platform.

14 Lubrication or Maintenance

damage to Insured Property caused by

- a insufficient lubrication unless this insufficiency is caused by an indemnifiable occurrence
- b failure to carry out sufficient running and planned maintenance.

15 Scratching

scratching of painted or polished surfaces unless accompanied by other indemnifiable damage to the item.

Insurance Cover General Exclusions

This Policy does not cover loss damage cost legal liability or Financial Loss consisting of or in consequence of

1 War and Kindred Risks

- a loss or damage (whether sudden and unforeseen or not) directly or indirectly caused by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power confiscation nationalisation requisition or destruction of or damage to property by order of the Government or any Public Municipal or Local Authority.
- b in the case of Insured Property outside Great Britain Northern Ireland the Isle of Man and the Channel Islands loss or damage directly or indirectly caused by warlike operations mutiny conspiracy martial law state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege riot civil commotion strike lock-out persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation.

2 Radioactive Contamination

loss or damage (whether sudden and unforeseen or not) directly or indirectly caused by or contributed to by or arising from

- a ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- c any weapon or other device utilising radioactive material and/or matter and/or ionising radiation and/or atomic or nuclear fission and/or fusion or other like reaction.

3 Terrorism

Loss or damage (whether sudden and unforeseen or not) directly or indirectly caused by resulting from or in connection with

- a in respect of England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987:
 - i any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - ii any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism

In respect of **a** above an act of Terrorism means:

Acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

- b in respect of territories other than those stated in **a** above:
 - i any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - ii any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism
 - iii riot or civil commotion in Northern Ireland

In respect of **b** above an act of Terrorism means:

Any act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

In any action suit or other proceedings where the Insurers allege that by reason of this Exclusion any loss damage or liability is not covered by this Policy (or is covered only up to a specified Limit of Liability) the burden of proving the contrary shall be on the Insured.

In the event any part of this Exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect.

General Exclusions *continued*

This Policy does not cover loss damage cost legal liability or Financial Loss consisting of or in consequence of

4 E Risks

damage (whether sudden and unforeseen or not) to

- a any computer or other equipment or component or system or item which processes stores transmits or retrieves data or
- b any part of a computer or other equipment or component or system or item which processes stores transmits or retrieves data whether tangible or intangible (including but without limitation any data information or programs or software) and whether part of the Insured Property or not caused directly or indirectly by
 - i **Virus or Similar Mechanism**
program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self replication or not. This includes but is not limited to viruses trojan horses worms and logic bombs
 - ii **Hacking**
unauthorised access to any computer or other equipment or component or system or item whether part of the Insured Property or not which processes stores transmits or retrieves data.

but this Exclusion shall not apply to subsequent loss or damage arising from or caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal which would but for the application of this Exclusion be insured by this Policy.

5 Pollution or Contamination

loss or damage (whether sudden and unforeseen or not) directly or indirectly caused by or contributed to by or arising from pollution or contamination.

This Exclusion shall not apply to cost arising from pollution or contamination of Insured Property caused directly by an occurrence which is insured by this Policy.

6 Computer Data Recognition

loss or damage (whether sudden and unforeseen or not) directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not

- a correctly to recognise any date as its true calendar date
- b to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- c to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

but this Exclusion shall not apply to subsequent loss or damage arising from or caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons other than thieves earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal which would but for the application of this Exclusion be insured by this Policy.

Inspection Service Conditions

Where an Inspection Service is provided

1 the Inspection Company shall:

- a carry out the Inspection Service with all due care in a safe manner
- b comply with the Insured's safe systems of work as notified to the Competent Person
- c provide the Inspection Service within Normal Working Hours
- d give the Insured reasonable prior notice of its intention to attend Sites and where applicable, advise the Insured of the need to prepare the Plant for Inspection
- e produce a report as soon as is reasonably practicable and in any event not later than fourteen (14) days following completion of an Inspection.

2 the Inspection Company may:

- a appoint sub-contractors to carry out the whole or any part of the Inspection Service when absolutely necessary to maintain the service
- b decline to carry out an Inspection if in its opinion, to do so would pose a risk to the health, safety or welfare of the Competent Person or to the Insured or to any other person who may be affected
- c make a charge in addition to the Fee shown in the Schedule if:
 - i the Insured requests and the Inspection Company agrees to carry out an Inspection outside Normal Working Hours
 - ii for safety reasons more than one Competent Person is necessary to carry out the Inspection
 - iii the Insured requires Inspection reports in paper form or requires a special reporting regime
 - iv the Insured requires the Competent Person to undertake induction sessions, training or to comply with permit to work or other risk assessment regimes or procedures specific to the Insured's own health, safety and welfare procedures of which the Inspection Company was not made aware when the Policy was established or renewed
 - v the Insured fails to prepare or make the Plant available to the Competent Person on an agreed pre-appointed date and time

- vi the Competent Person is delayed from commencing an Inspection by more than 15 minutes because the Insured has failed to comply with their obligations under Inspection Service Condition 3 of this Policy
- vii the Competent Person is delayed from leaving the Sites by the Insureds requirements for services including but not limited to on-site meetings, verbal or written reports that are additional to the Policy.

3 the Insured shall:

- a provide the Competent Person with:
 - i safe access to the Sites
 - ii a safe working environment on the Sites
 - iii a safe physical means by which to gain access to carry out the Inspection of the Plant
- b properly prepare, clean, cool, decommission and dismantle the Plant as necessary to enable the Competent Person to carry out the Inspection
- c reassemble the Plant following completion of the Inspection
- d co-operate with and upon request provide the Competent Person with such information and data relating to the Plant as he requires to conduct the Inspection Service
- e provide the Inspection Company with a minimum of two working days notice in writing of the intention to cancel or postpone a planned Inspection. When such notice is not provided, the Inspection Company shall be entitled to charge up to a maximum of one man-day at the Inspection Company's standard rate
- f notify the Inspection Company either on or before the renewal date of the Policy of its intention to renew such Policy. In the event that the Insured decides to allow the Policy to lapse but fails to notify the Inspection Company prior to any Inspection Service being undertaken, the Insured shall be liable to pay for the Inspection Company's fee.

Inspection Service Conditions *continued*

Where an Inspection Service is provided

4 Fees – the Inspection Company and the Insured agree that:

- a the Insured will pay the sum shown in the Schedule as the amount payable for the Inspection Service (the Fee)
- b the Fee for the Inspection Service is calculated on Plant for which Inspection is required as notified to the Insurers by the Insured at the start of the Period of Insurance
- c the Insured may add or delete individual items of Plant from the Plant Schedule during the Period of Insurance
- d the Fee will be adjusted at the end of the Period of Insurance to take account of any Plant added or deleted during the Period of Insurance
- e the Insured will pay or the Insurers will refund the difference between the Fee and the adjusted Fee as the case may be
- f the Fee for the Inspection Service shall be subject to value added tax at the appropriate rate.

5 Termination of Inspection Service

- a The Inspection Company may terminate the Inspection Service on thirty (30) days notice. If the Insured has paid the Fee for the Inspection Service in full the Insured shall be entitled to a refund of the Fee in respect of Inspections outstanding.
- b Either the Insured or the Inspection Company may terminate the Inspection Service by giving written notice to the other if the other:
 - i commits any breach of the Inspection Service Conditions and fails to remedy the breach within thirty (30) days after being required to do so
 - ii goes into liquidation
 - iii (in the case of an individual or partnership) the individual or individuals become(s) bankrupt make(s) a voluntary arrangement with their creditors or has/have a receiver or administrator appointed.

6 Confidentiality

- a Regarding the Inspection Service and unless otherwise agreed, each party shall keep confidential the terms of the Policy and all information that it may acquire in relation to the business or affairs of the other party. Neither party shall use the other party's information for any purpose other than to perform its obligations under this Policy.
- b The Inspection Company shall in the case of a:
 - i merger between two or more Insured or the purchase of one Insured by another, make the Inspection information available to all relevant parties subject to approval in writing from the principal Insured or new owner or their appointed agent
 - ii de-merger or sale where all parties remain Inspection policy holders, make the Inspection information available to all relevant parties subject to approval in writing from the organisation holding the original Policy rights.

7 Indemnity

The Insured shall indemnify and keep the Inspection Company indemnified in respect of any claims made against and all damages costs and expenses suffered or incurred by the Inspection Company as a result of any third party claim arising out of the Insured's failure to comply with their obligations under the Inspection Service.

Inspection Service Conditions *continued*

Where an Inspection Service is provided

8 Liability for Defective Services

- a In substitution for all rights which the Insured would or might have but for the Inspection Service the Inspection Company undertakes that if an Inspection is performed in a defective or erroneous manner then the Inspection Company will at their discretion either credit to the Insured the Fee paid by the Insured and attributable to the Inspection or re-perform the Inspection (other than the time of performance).
- b Except in the case of death or personal injury caused by the Inspection Company's negligence or in other circumstances where liability may not be so limited under applicable law the Inspection Company's liability under or in connection with the Inspection Service whether arising in contract tort negligence breach of statutory duty or otherwise shall not exceed the sum of £25,000,000 (twenty five million pounds).
- c Neither the Inspection Company nor the Insured shall be liable to the other party in contract tort negligence breach of statutory duty or otherwise for any loss damage costs or expenses of any nature whatsoever incurred or suffered by that other party of an indirect or consequential nature including without limitation any economic loss or other loss of turnover profits business or goodwill.

9 General

- a If any provision in the Inspection Service is held by any competent court to be unenforceable in whole or in part the validity of the other provisions and the remainder of the provision in question shall not be affected.
- b English Law will apply to the Inspection Service unless the Insured and the Inspection Company agree otherwise.

Inspection Service Complaints Procedure

Allianz Engineering aim to get it right, first time, every time. If we (the Inspection Company) make a mistake, we will try to put it right promptly.

Any enquiry or complaint you (the Insured) have regarding your Inspection Service should be addressed either to the intermediary who arranged the Inspection Service for you, or to the office which issued the Policy document, or to your usual commercial or technical contact within the Inspection Company. Please have the details of your Policy ready and in particular your Policy Number to help us to deal with your enquiry speedily.

Should you be dissatisfied with the way in which a complaint has been dealt with, please contact the Regional Business Manager:

Northern 0161 831 3000
(including Scotland, N. Ireland and the Republic of Ireland)

Midlands 0121 200 1558

Southern 0207 264 1530

If you are still not satisfied, contact:

Customer Satisfaction Manager
Allianz Engineering
Head Office
Liphook
Hampshire
GU30 7UN

Tel: 01428 722407

Fax: 01428 724824

Email: customer.satisfaction@allianz.co.uk

Insurance Cover General Conditions

1 Survey and Risk Improvement – Subjectivity Condition

It is a Condition of this Policy that

- a the Insurers have the right to carry out a survey of the risks insured at any time mutually agreed with the Insured
- b the Insured shall comply with all survey risk requirements stipulated by the Insurers within the completion time scales specified by the Insurers.

In the event that a risk requirement is not completed or risk requirement procedures are not introduced within the completion time scales specified by the Insurers then the Insurers reserve the right to either continue cover subject to alteration of the terms and Conditions of such cover or to suspend cover effective from the expiry of any time period specified by the Insurers for completion/introduction of the required survey risk improvements until such risk requirement is completed or risk requirement procedures introduced.

If the terms or Conditions of cover are amended by the Insurers then the Insured will have fourteen (14) days to accept or reject the revised basis of cover

If the Insured elect to reject the revised basis of cover then the Insured will be entitled to a refund of premium (subject to an administration charge) provided that no claim has been made during the current Period of Insurance

If the Insurers exercise the right to suspend cover then the Insured will be entitled to a refund of premium in respect of such period that cover is suspended provided that no claim has been made during the current Period of Insurance

All other terms and Conditions of this Policy shall apply to the extent that they are not in conflict with this Condition.

2 Observance of Policy Terms

The liability of the Insurers will be conditional on the Insured complying and as appropriate any other person entitled to indemnity complying as though they were the Insured with the terms of this Policy.

3 Policy Voidable

This Policy shall be voidable in the event of misrepresentation misdescription or non-disclosure in any material particular.

4 Alteration In Risk

The insurance provided by this Policy shall be avoided in respect of any item of Insured Property where there is any alteration after the commencement of this insurance which increases the risk of loss or damage unless continued cover is agreed by the Insurers in writing.

5 Reasonable Precautions

The Insured shall take all reasonable precautions to safeguard the Insured Property against loss or damage.

6 Cancellation

The Insurers may cancel this Policy by giving the Insured thirty (30) calendar days notice in writing at their last known address. Provided the premium has been paid in full and no claim has been made during the Period of Insurance the Insured shall be entitled to a proportionate rebate of premium in respect of the unexpired period of the insurance.

If the premium for this Policy is paid by instalments and in the event that the Insured fail to pay one or more instalments whether in full or in part the Insurer may cancel the Policy by giving the Insured seven (7) working days notice in writing at their last known address.

7 Hiring Out or Loaning of Owned Plant

The liability of the Insurers under Cover One and Cover Two for loss of or damage to Owned Plant loaned or hired out is conditional on the terms of the agreement under which the loan or hiring out takes place being no less onerous than

- a the Model Conditions for the hiring of Plant approved by The Construction Plant-hire Association

or where agreed with the Insurers in writing and shown in the Schedule

- b the hiring conditions used by Insured.

Insurance Cover General Conditions *continued*

8 Declarations

Cover One - Owned Plant

Six weeks prior to the expiry of the Period of Insurance the Insured shall supply to the Insurers a declaration of:

- a each locomotive forming part of Insured Property together with its Market Value
- b each item of rolling stock with a value of more than £10,000 forming part of Insured Property together with its Market Value
- c the total Market Value of all other items forming part of Insured Property.

Cover Four - Hired In Plant

The premium payable under Cover Four is based on estimates declared to the Insurers and is subject to adjustment.

Within one month following expiry of the Period of Insurance the Insured shall supply to the Insurers a declaration of the total hiring charges paid or payable for Hired In Plant on hire during the Period of Insurance.

Cover Five - Financial Loss

The premium payable under Cover Five is based on the Estimate declared to the Insurers and is subject to adjustment.

Within six months following the expiry of the Period of Insurance the Insured shall provide to the Insurers a declaration of the Revenue or the Revenue certified by the auditors of the Insured earned during the financial year most nearly concurrent with the Period of Insurance.

9 Adjustment of Premium

Cover Four - Hired In Plant

If the premium calculated on the basis agreed between the Insurers and the Insured on the declarations made for the Period of Insurance exceeds or falls short of the deposit then the Insured shall pay or the Insurers shall refund the difference as the case may be subject to a minimum retention of 75% (seventy five percent) of the deposit or the minimum annual premium retention specified in the Schedule whichever is the greater.

Cover Five - Financial Loss

In the event of the declaration (proportionately increased where the Indemnity Period exceeds twelve months) being less than the Estimate a pro rata return of premium not exceeding 50% (fifty percent) of the premium paid on the Limit of Liability will be made in respect of the difference. If the declaration (proportionately increased where the Indemnity Period exceeds twelve months) is greater than the Estimate the Insured shall pay a pro rata additional premium in respect of the difference.

If any Accident shall have occurred giving rise to a claim under this Policy the Insurers will increase the declaration for the purpose of premium adjustment by the amount by which the Revenue was reduced during the financial year in consequence of the Accident.

10 Applicable Law

English Law will apply to this contract of Insurance unless the Insured and the Insurers agree otherwise.

Insurance Cover Claims Conditions

1 Claims Procedures

In the event of any occurrence giving rise or likely to give rise to a claim under this Policy the Insured shall

- a notify the Insurers as soon as practicably possible by telephone and in writing
- b preserve any damaged or defective Insured Property for inspection by the representatives of the Insurers
- c in the case of Insured Property lost stolen or wilfully damaged take all steps (including immediate notification to the Police) to discover any guilty person and recover the property
- d carry out and permit to be taken any reasonable action to prevent further loss damage legal liability cost or to avoid or reduce Financial Loss
- e in the case of any claim made on the Insured by any third party forward every claim writ or other document immediately and unacknowledged to the Insurers
- f not pay or offer or agree to pay any money or make any admission of liability without the prior consent of the Insurers
- g furnish at their own expense all particulars and information as the Insurers require
- h allow the Insurers in the name of and on behalf of the Insured to take over and during such periods as they think proper to have the absolute conduct and control of all negotiations and proceedings which may arise in respect of any claim and its settlement and the Insured shall give the Insurers all necessary assistance for that purpose
- i in the case of Financial Loss within thirty (30) days of the expiry of the Indemnity Period or any further period the Insurers may allow in writing provide details of the loss and produce books of account or other business books or documents or any other proofs information or evidence as the Insurers may require for the purposes of investigating or verifying the claim.

2 Options for Claims Settlement

- a The Insurers may at their option repair reinstate or replace what is damaged or pay for the damage in money.

If any Insured Property is to be reinstated or replaced by the Insurers the Insured shall at their own expense provide all such plans documents books and information as may reasonably be required.

The Insurers shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner.

- b The Insurers shall not be liable for Financial Loss or the cost of any repairs where repairs are undertaken without their written consent except in urgent cases where it has been necessary to put minor repairs in hand.

Provided that

- i the requirements of Claims Conditions 1 and 5 have been complied with and
 - ii the repairs are carried out to the satisfaction of the Insurers.
- c Where loss or damage is confined to a part of a machine or structure the Insurers shall be liable for
 - i the value of that part plus the cost of any necessary dismantling and erection for which the Insured is responsible
 - ii Financial Loss incurred for the period of repair or replacement of the part plus any necessary dismantling and erection.
 - d The Insured shall not be entitled to abandon any property to the Insurers whether taken into the possession of the Insurers or not.

Insurance Cover Claims Conditions *continued*

3 Fraud or Wilful Act

If a claim is fraudulent in any respect or if fraudulent means are used by the Insured or by anyone acting on their behalf to obtain any benefit under this Policy or if any damage is caused by the wilful act or wilful neglect of the Insured all benefit under this Policy shall be forfeited.

4 Other Insurances

The Insurers will not indemnify the Insured in respect of loss damage or liability which is insured by or would but for the existence of this Policy be insured by any other policy except in respect of any excess beyond the amount payable under the other policy or which would have been payable under the other policy had this insurance not been effected.

5 Subrogation

Any claimant under this Policy shall at the request and expense of the Insurers take or permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Insurers.

6 Arbitration

If any difference arises as to the amount to be paid under this Policy this difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this condition to be referred to arbitration the making of the award shall be a condition precedent to any right of action against the Insurers.

Insurance Complaints Procedure

Allianz Insurance plc aim to get it right, first time, every time. If we (the Insurers) make a mistake we will try to put it right promptly.

We will always confirm to you (the Insured) the receipt of your complaint within five working days and do our best to resolve the problem within four weeks. If we cannot we will let you know when an answer may be expected.

If we have not resolved the situation within eight weeks we will provide you with information about the Financial Ombudsman Service.

Should you wish to make a complaint then it should be directed to the Customer Satisfaction Manager at the Allianz location shown below:

Allianz Engineering
Head Office
Haslemere Road
Liphook
Hampshire
GU30 7UN
UK

Tel: 01428 722407
Fax: 01428 724824
Email: customer.satisfaction@allianz.co.uk

Using our complaints procedure or referral to the Financial Ombudsman Service does not affect your legal rights.

Financial Services Compensation Scheme

Allianz Insurance plc contributes to the Financial Services Compensation Scheme (FSCS)

You (the Insured) may be entitled to compensation from the FSCS if we (the Insurers) are unable to meet our liabilities. Further information about compensation scheme arrangements is available from:

Financial Services Compensation Scheme
7th Floor, Lloyds Chambers
Portsoken Street
London E1 8BN

Tel: 0800 678 1100 or 020 7741 4100
Fax: 020 7892 7301
Email: enquiries@fscs.org.uk
www.fscs.org.uk

Data Protection Act

We (the Insurers) may use the personal and business details you (the Insured) have given us or which are supplied by third parties including any details of directors officers partners and employees to provide you with a quotation; deal with your Policy; to search credit reference and fraud agencies who may keep a record of the search; to pass to fraud or theft investigation agencies for the purposes of detecting and preventing fraud; to share with other insurance organisations to help offset risks; to help administer your Policy and to handle claims and prevent fraud; to support the development of our business by including your details in customer surveys and for market research and compliance business reviews which may be carried out by third parties acting on our behalf. You agreed when you applied for the Policy that your directors officers partners and employees have consented to our using their details in this way.

We may need to collect data relating to the individuals referred to above which under the Data Protection Act is defined as sensitive (such as medical history) for the purpose of evaluating the risk or administering claims which may occur. It is your responsibility to ensure that you have explicit verbal or written consent from these individuals to such information being processed by us and that this fact is made known to these individuals.

We may share your details with other companies within the Allianz group of companies or pass them to third parties so that we may tell you by telephone email or post of products and services which we think may be of interest to you. If you do not want to know about these products and services please write to:

Customer Satisfaction Manager
Allianz Engineering
Haslemere Road
Liphook
Hampshire
GU30 7UN

to let us know. Your details will not be kept for longer than is necessary.

Under the Data Protection Act 1998 individuals are entitled to a copy of all the personal information Allianz Insurance plc holds about them. Please contact the Customer Satisfaction Manager at the address above.

Personal details may be transferred to countries outside the EEA. They will at all times be held securely and handled with the utmost care in accordance with all principles of English law.

Notifying a Claim

Claims under this Policy should be notified to the Insurers in accordance with the Claims Conditions of the Policy at the following Allianz Office.

Please provide your Policy number and as much information as possible about the claim:

Allianz Engineering
Claims Department
Haslemere Road
Liphook
Hampshire
GU30 7UN

Tel: 01483 265825

Fax: 0870 060 5329

Email: claims@allianzengineering.co.uk

Lines are open from 9am to 5pm Monday to Friday

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Allianz Engineering also provides the following covers:

Machinery

All Machinery
Machinery Movement
Machinery Options
Property Engineering Policy

Contractors

Contractors All Risks
Contractors Plant
Erection All Risks

Electronics

Electronic Equipment
Computer

Consequential Loss

Deterioration of Stock
Machinery Business Interruption

www.allianzengineering.co.uk

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