

# Deterioration of Stock

Essential Business Insurance  
Your policy wording



Lloyds TSB | for the journey...

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Thank you for choosing Lloyds TSB and their commercial insurer of choice, Allianz Insurance plc.

## Introducing Allianz Insurance plc

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 help and guidance can be obtained from:

Essential Business Insurance Centre

PO Box 2934  
Bristol  
BS1 9ES

Tel: 0844 893 9560  
Fax: 0844 893 9591

## Important

The insurance cover 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.

# Deterioration of Stock

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.

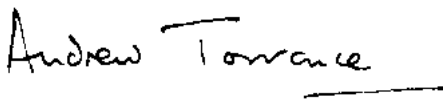
The proposal made to the Insurers by or on behalf of the Insured whether in writing or otherwise shall form the basis of the contract.

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 this Policy.

Please read all the pages of this Policy and Schedule carefully to ensure that your insurance 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 black horizontal line.

Andrew Torrance  
Chief Executive

Allianz Engineering is a  
trading name used by  
Allianz Insurance plc

## Cover

Damage to the Insured Property at any Location shown in the Schedule within the Territorial Limits by deterioration putrefaction or contamination solely and directly due to an Accident.

## Limit of Liability

The liability of the Insurers shall not exceed

- a the Limit of Liability shown in the Schedule or the Replacement Value of the damaged Insured Property at the time of the Accident whichever is less

and in addition

- b the amounts shown in the Extensions

in respect of any one Accident or series of Accidents arising from one occurrence.

# Definitions

## Territorial Limits

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

## Insured Property

Goods specified in the Schedule contained in a cold chamber at the time of an Accident or which are at the Location and would have been placed in a cold chamber but for the happening of the Accident.

## Accident

- a A rise or fall in temperature in a cold chamber at any Location described in the Schedule as a result of
  - i damage to or a fault in the refrigeration system
  - ii damage to the permanent structure of the cold chamber
  - iii failure of the public supply of electricity at the terminal ends of the electricity supply company's service feeders at the Location
  - iv failure of the electrical installation connecting the refrigerating machinery and controls to the electricity supply company's feeders.
- b The action of refrigerant or refrigerant fumes which have escaped from the refrigerating system.

## Replacement Value

The amount paid by the Insured for the purchase of raw materials or products plus the cost of any processing and packaging undertaken by the Insured.

# Extensions

This Policy is extended to cover

## 1 Disposal of Condemned Goods

the cost incurred for the disposal of Insured Property which has been condemned by a Public Health Authority as a result of an Accident for which the Insurers have admitted liability.

Provided that the liability of the Insurers under this Extension shall not exceed the lesser of 10% (ten percent) of the Limit of Liability stated in the Schedule or £25,000.

## 2 Decontamination of Cold Chambers

the cost incurred for the cleaning or decontamination of the cold chamber following an Accident for which the Insurers have admitted liability.

Provided that the liability of the Insurers under this Extension shall not exceed the lesser of 10% (ten percent) of the Limit of Liability stated in the Schedule or £25,000.

## 3 Payments on Account

payments 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.

## 4 Avoidance of Impending Damage

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

Provided that

- a the impending damage did not arise from any known defect in the refrigeration system cold chambers or electrical installation
- b the impending damage did not arise from a reasonably foreseeable cause

- c the damage would have been the natural outcome to be expected in the absence of the measures taken
- d the Insurers are satisfied that damage which would have been insured under this Policy has been avoided or reduced in consequence of the measures taken or would have been avoided or reduced had the measures taken been successful
- e the liability of the Insurers shall not exceed 20% (twenty percent) of the Replacement Value of the goods.

# 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 Perils

damage caused directly or indirectly by

- a fire however caused
- b fire extinguishing fluid
- c explosion
- d lightning earthquake storm tempest flood inundation water aircraft or other aerial devices or articles dropped therefrom
- e subsidence or other ground movement or displacement
- f theft or attempted theft
- g riot strike lockout and civil commotion.

This Exclusion shall not apply to failure of the public supply of electricity.

## 3 Electricity Supply

damage in consequence of a failure or fluctuation of the supply of electricity directly or indirectly due to

- a a deliberate act unless performed for the sole purpose of safeguarding life or protecting a part of the supply system
- b a scheme of rationing unless necessitated solely by damage to the generating or supply distribution equipment
- c drought
- d the inability of the supplier to maintain the supply due to industrial action.

## 4 Wilful Negligence

damage caused by the wilful act or wilful neglect of the Insured.

## 5 Faulty Packing

damage caused by faulty packing or storage.

## 6 Trade Loss

any form of trade loss.

## 7 Unexplained Loss

damage to the Insured Property unless identifiable by the Insured with a specific Accident which has been the subject of notification under the terms of Claims Condition 1.

## 8 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 insured by this Policy.

## 9 Pollution and Contamination

any cost arising directly or indirectly from pollution or contamination.

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

## 10 Transit

damage occurring while Insured Property is in transit or is situated in a refrigerated vehicle.

# General Exclusions

This Policy does not cover

## 1 War and Kindred Risks

damage or cost directly or indirectly caused by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection 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.

## 2 Radioactive Contamination

damage or cost directly or indirectly caused by or contributed to by or arising from

- a ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

## 3 Sonic Bangs

damage or cost directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

## 4 Terrorism

damage or cost 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 or 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:

An 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

## 5 E Risks

an Accident caused directly or indirectly by damage 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 refrigeration system 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 which processes stores transmits or retrieves data

# Special Conditions

## 1 Temperature Readings

- a A log book will be maintained showing readings of the temperature in each cold chamber. The readings will be taken no less frequently than
  - i every morning and afternoon on all working days and
  - ii once during every non-working day.

Provided that the interval between readings is no more than 24 hours.

- b Where continuous temperature monitoring and recording equipment is in use
  - i evidence shall be provided that temperatures are manually read at the same frequency as above or
  - ii the monitoring system shall include an alarm which will be activated should the recorded temperature be outside acceptable parameters and which is connected to an alarm receiving centre when the location is unattended.

## 2 Maintenance

A contract will be kept in force providing for competent specialists to attend no less frequently than every six months to maintain the refrigerating machinery and controls.

# Conditions

## 1 Right to Survey

It is a Condition of this Policy that the Insurers have the right to carry out a survey of the risks insured at any time mutually agreed with the Insured.

## 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 where there is any alteration after the commencement of this Insurance which increases the risk of 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 damage. The Insured shall also maintain the refrigerating system and cold chambers in an efficient condition and take all reasonable steps to ensure that all Government and other regulations relating to the operation and use of the refrigerating systems cold chambers and electrical installation are observed.

## 6 Cancellation

This Policy may be cancelled by the Insurers sending thirty days notice to the Insured at the last known address of the Insured. Provided the premium has been paid in full the Insured shall be entitled to a proportionate rebate of premium in respect of the unexpired Period of Insurance. For cancellation following a default in payment of the premium or any agreed installment the period of notice may be reduced to seven days.

## 7 Declarations

Where the premium is a deposit and has been calculated on estimates of Replacement Values supplied by the Insured they shall keep an accurate record of the Replacement Values for which estimates have been given. The record shall be supplied to the Insurers within one month following expiry of the Period of Insurance to enable the adjustment of premium to be calculated.

## 8 Adjustment of Premium

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 by the Insurers of 50% (fifty percent) of the deposit or the minimum annual premium retention shown in the Schedule whichever is the greater.

## 9 Applicable Law

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

# How to Make a Claim

Claims under this Policy should be notified to the insurer 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:

Essential Business Insurance Claims  
500 Avebury Boulevard  
Milton Keynes  
MK9 2XX

Tel: 0844 893 9580

Lines are open from Monday to Friday

# 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 keep any damaged Insured Property for inspection by the representatives of the Insurers or until a condemnation certificate has been issued by a Public Health Authority
- c in the case of Insured Property lost stolen or wilfully damaged take all steps (including immediate notice to the Police) to discover any guilty person and recover the property
- d carry out and permit to be taken reasonable action to prevent further damage
- e in the case of any claim made against 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 including a condemnation certificate
- 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.

## 2 Options for Claims Settlement

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

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

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

- b The Insured shall not be entitled to abandon any property to the Insurers whether taken into the possession of the Insurers or not.

## 3 Fraud

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 loss or damage is caused by the wilful act or wilful neglect of the Insured all benefit under this Policy shall be forfeited.

## 4 Average

If the Insured Property shall at the time of any damage be of greater Replacement Value than 133 % of the Limit of Liability then the Insured shall be considered as being his own insurer for the difference between the Limit of Liability and the Replacement Value and shall bear a rateable share of the amount of the damage.

## 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 Other Insurances

The Insurers will not indemnify the Insured in respect of damage or cost 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 such other policy or which would have been payable under such other policy had this insurance not been effected.

## 7 Arbitration

If any difference arises as to the amount to be paid under this Policy the 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.

# Complaints Procedure

Our aim is to get it right, first time, every time. If we make a mistake we will try to put it right promptly.

We will always confirm to you 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:

Essential Business Insurance Centre  
PO Box 2934  
Bristol  
BS1 9ES

**Tel:** 0844 893 9590

**Fax:** 0844 893 9591

**Email:** [CSM@essentialbusinessinsurance.co.uk](mailto:CSM@essentialbusinessinsurance.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 may be entitled to compensation from the FSCS if we are unable to meet our liabilities. Further information about compensation scheme arrangements is available from:

Financial Services Compensation Scheme

7th Floor, Lloyds Chambers  
Portoken Street  
London E1 8BN

**Tel:** 020 7892 7300

**Fax:** 020 7892 7301

**Email:** [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

[www.fscs.org.uk](http://www.fscs.org.uk)

# Data Protection Act

We may use the personal and business details you 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 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 consent to our using their details in this way.

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

We may share your details with other companies within the Lloyds TSB Insurance Services Ltd and 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 please write to: Customer Satisfaction Manager, Essential Business Insurance Centre, PO Box 2934, Bristol, BS1 9ES 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.

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