

Machinery Movement

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 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 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.

Machinery Movement

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.

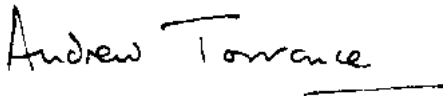
The proposal made to the Insurers by or on behalf of the Insured whether in writing or otherwise shall form the basis of the contract.

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 with a horizontal line underneath the name.

Andrew Torrance
Chief Executive

Allianz Engineering is a trading
name used by Allianz Insurance plc

Cover

- 1 Loss of or damage to Insured Property belonging to the Insured
- 2 the legal liability of the Insured under the terms of a contract or otherwise to pay compensation for loss of or damage to Insured Property in their care custody or control

described in the Schedule occurring within the Territorial Limits during the Period of Insurance and in the course of the Operations specified in the Schedule.

Limit of Liability

The liability of the Insurers under this Policy shall not exceed

- a the Limit of Liability shown in the Schedule.

Provided that liability for any individual item of Insured Property shall not exceed the market value of the item at the time of the loss or damage

and in addition

- b any amounts shown in the Extensions

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

Definitions

Territorial Limits

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

Insured Property

Plant machinery or equipment shown in the Schedule.

Operations

Dismantling

From commencement of dismantling or disconnection of Insured Property during movement to the loading point until commencement of loading on to transport vehicles.

Transit

From the commencement of loading on to transport vehicles during movement of Insured Property (other than by sea or air) until completion of unloading at the destination.

The cover includes transfer to other vehicles incidental storage not exceeding fourteen days and necessary deviations en route.

Erection

From the completion of unloading from transport vehicles during movement to the working situation and until the Insured Property is ready for use upon completion of assembly and any testing or commissioning.

Positioning

- a From the completion of unloading from transport vehicles during movement to the actual working position until connected up on the foundations or bedplate or
- b from the commencement of disconnection during movement from the foundations or bedplate in the actual working position
 - i to the loading point until the commencement of loading on to transport vehicles or
 - ii to another working position at the same premises until the Insured Property is reconnected at the new working position

Loading and Unloading

When shown in the Schedule

- a Dismantling will continue until the completion of loading on to transport vehicles
- b Erection will start upon the commencement of unloading from transport vehicles
- c Positioning
 - i will start upon the commencement of unloading from transport vehicles or
 - ii will continue until the completion of loading on to transport vehicles.

Extensions

This Policy is extended to cover

1 Additional Cost

necessary and reasonable cost incurred by the Insured following loss or damage to Insured Property owned by them and which is insured by this Policy

- a in effecting a temporary repair and/or expediting a permanent repair.

Provided that the liability of the Insurers shall not exceed 50% (fifty percent) of the normal repair costs.

- b in respect of increased cost of working incurred to prevent or minimise interruption to the business in consequence of the loss or damage excluding those costs incurred in the 48 hours immediately following the occurrence of the loss or damage.

Provided that the liability of the Insurers in connection with a and b above shall not exceed £5,000 in total.

2 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.

3 Debris Removal

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

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

4 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 the

- 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 £2,500.

5 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 defect in the Insured Property
- 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
- e the liability of the Insurers shall not exceed the cost which would have been incurred had the measures not been taken and damage insured by this Policy had occurred.

Exclusions

This Policy does not cover loss damage cost or liability arising from or consisting of

1 Excess

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

2 Breakdown

damage to the Insured Property caused by its own electrical or mechanical breakdown its own explosion or its own derangement.

3 Maintenance/Faulty Workmanship

The cost of

- a maintenance
- b damage by direct application of tools

4 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.

5 Wear and Tear

the cost of rectification of

- 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

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

6 Excluded Items

loss of or damage to glass porcelain or similar materials unless accompanied by loss of or damage to the complete item.

7 Expendable Items

cutters bits machine 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 insured by this Policy these items are lost or damaged beyond repair then the Insurers shall indemnify the Insured for any residual value.

8 Defects

the cost of repairing replacing or rectifying Insured Property which is defective in material design or workmanship but not resultant loss or damage unless otherwise excluded.

9 Inventory Losses

loss of the Insured Property

- a by its disappearance or by shortage if such disappearance or shortage is only revealed when an inventory is made or
- b due to its being stolen or otherwise missing unless the loss is identifiable by the Insured with a specific occurrence which has been the subject of notification under the terms of the Claims Conditions and which has been reported to the Police.

10 Multiple Lifting Operations

loss or damage arising from 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.

11 Overloading

loss of or damage to any item of Insured Property caused by or arising from deliberate overloading overload testing or the imposition of abnormal conditions.

12 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 caused directly by an occurrence which is insured by this Policy.

Exclusions (continued)

This Policy does not cover loss damage cost or liability arising from or consisting of

13 Waterborne Vessels

waterborne vessels or Insured Property mounted on or while being loaded onto or unloaded from such a vessel other than vessels on inland waterways or canals.

14 Fire and Perils at Insured's Premises

loss or damage while the Insured Property is situated at the Insured's premises caused 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 or civil commotion.

General Exclusions

This Policy does not cover loss damage cost or liability arising from or consisting of

1 War and Kindred Risks

loss or damage 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.

2 Radioactive Contamination

loss or damage 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

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

4 Terrorism

loss or damage 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:

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 proceeding 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 or liability arising from or consisting of

5 E Risks

loss of or 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 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 a Specified Event which would but for the application of this Exclusion be insured by this Policy.

Definition

Specified Event

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.

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 loss damage or legal liability 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. The Insured shall also take all reasonable steps to ensure that all Government and other regulations relating to the operation and use of the Insured Property are observed.

6 Cancellation

The 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 supplied by the Insured they shall keep an accurate record of information on matters for which estimates have been given. This 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 of 75% (seventy five 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 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 cost or liability
- 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
- 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 repair reinstate or replace what is lost or damaged or pay for the loss or 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 the cost of any repairs 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
 - 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 the value of that part plus the cost of any necessary dismantling and erection for which the Insured is responsible.
- d 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 loss or damage be of greater new replacement value than the Limit of Liability then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of the loss or damage.

Claims Conditions (continued)

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 loss damage cost 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.

7 Arbitration

If any difference arises as to the amount 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.

8 Onus of Proof

In the event of a claim the onus is on the Insured to show that the loss or damage occurred during the Operations and the Period of Insurance covered by this Policy.

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

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

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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