

Allianz Engineering Machinery Options

Insurance Policy Wording and Inspection Contract

Following the reforms enacted by the Insurance Act 2015, we have now updated all of our wordings.

Background

Since 2006 the Law Commission and Scottish Law Commission have been conducting a joint review to reform insurance contract law for consumer, marine and non-consumer insurance. The review has been phased with the first stage culminating in the Consumer Insurance (Disclosure and Representations) Act 2012. This covers one discrete area of consumer insurance law and applies to policies issued or renewed on or after 6 April 2013. The 2012 Act replaced the consumer's duty to volunteer information with a duty to answer the insurer's questions honestly and reasonably.

On 12 February 2015, Parliament passed the second piece of legislation, the Insurance Act 2015. This Act reforms post contractual issues for consumer and non-consumer insurance contracts alike and pre-contractual obligations on commercial policyholders to make a fair presentation of the risk. These latest reforms represent the largest overhaul to insurance contract law in England, Scotland and Wales in over a century. They are intended to bring the market into the twenty first century by rebalancing rights and remedies when things go wrong.

Insurers have the option to opt out of these changes or embrace them by August 2016. As we always have the customer at the forefront of what we do, we have gone above and beyond the actions required and intend to adopt the reforms with immediate effect.

As a result we have updated our Insurance Policy wordings and Inspection Contract, inserting Definitions, amending and adding Conditions to provide clarity.

At renewal your existing Machinery Options Insurance Policy wording and Inspection Contract will be replaced with the revised Machinery Options Insurance Policy wording and Inspection Contract and the comparison table below has been written to explain what we have updated.

If your current Insurance Policy wording carries any non-standard covers which are not included within the revised Insurance Policy wording, we will include them in the Schedule attached to your revised Insurance Policy wording.

The guidance provided below does not nor is intended to represent the complete terms and conditions of the revised Insurance Policy wording and Inspection Contract. Please read this guidance in conjunction with your revised Insurance Policy wording, Inspection Contract and Schedule. If you have any questions, please refer these to your Broker.

To download a copy of the new Machinery Options Insurance Policy wording and Inspection Contract (ACEW1287_17) please visit the below link or contact your Broker or Allianz Engineering contact to obtain a hard copy.

<http://www.allianzengineering.co.uk/home/insurance/policywordings.html>

Comparison Table

Page no*	Insurance Policy	Difference from previous Insurance Policy wording	Why it has changed
Throughout	All	We have made it clear throughout the whole of the document that the booklet is made up of two parts: part one is the Insurance Policy wording and part two is the Inspection Contract.	To make the different sections of the booklet clear.
1	Introduction	We have amended our introduction of our policy to make it clear what you need to take into consideration in order to understand your insurance policy.	To clarify the cover provided.
2	Definitions	We have inserted a definition for 'Period of Insurance' as follows: 'Period from the effective date to the renewal date as shown in the Schedule.'	To make it clear when the insurance cover commences and ceases.
2	Definitions	We have inserted a definition for 'Policy' as follows: 'The contract of insurance formed of the Policy wording Schedule and any proposal made by the Insured or on their behalf to the Insurers (whether or not such proposal is recorded in writing).'	This clarifies what is included within the term 'Policy'.
12	General Condition 3	We have removed General Condition 3 Policy Voidable and this has been replaced by General Condition 3 Fair Presentation of the Risk. We have added General Condition 3 Fair Presentation of the Risk to explain when a fair presentation must be made and what our rights of recourse are should there be a failure including when we will avoid a policy.	To clarify when the Insured must make a fair presentation of the risk and the rights of recourse of the Insured should the Insured fail to do this.
13	General Condition 4	We have amended General Condition 4 Alteration In Risk to make it clear when we need to be notified of an alteration in risk and what our actions will be when we are notified. It also describes what we will do following a failure to notify us of an alteration to the risk.	To make clear the position of the Insured and the Insurers where alterations in the risk occur.
13	General Condition 5	We have amended General Condition 5 Reasonable Precautions to make it clear that the precautions we set out in this condition must be complied with in order for you to be indemnified under this Policy.	To make clear the reasonable precautions the Insured is required to take and the consequences of non-compliance.
13	General Condition 6	We have amended General Condition 6 Cancellation to make it clear this condition does not apply where fraud is involved.	To clarify the Insurers rights of cancellation as a result of fraud.
13	General Condition 10	We have added General Condition 10 Assignment to make clear your position with regard to the assignment of your rights and benefits under this Policy.	To clarify the Insureds rights to assign this Policy.
14	General Condition 11	We have added General Condition 11 Condition Precedents to tell you what the limitations are of any 'Condition Precedent' in our wording.	To clarify the significance and implications for the Insured of Conditions Precedent.
15	Claims Condition 1	We have amended Claims Condition 1 Claims Procedures to make it clear that the requirements we set out in the condition must be complied with prior to any claims payment being made. We also advise how soon you must report any claim to us.	To make clear to the Insured the action required by them in order to make a claim under this Policy.

Comparison Table - Continued

Page no*	Insurance Policy	Difference from previous Insurance Policy wording	Why it has changed
16	Claims Condition 3	We have renamed and amended Claims Condition 3 Fraud or Wilful Act, to Claims Condition 3 Fraud and we have clarified what constitutes Fraud and what our recourse would be in the event of such an act. We also make it clear that we may also terminate the policy from the date of such an act and that no return of premium would be due to you for any period of insurance remaining.	To clarify what constitutes fraud and implications for the Insured in the event of fraud.
Page no*	Inspection Contract	Difference from previous Inspection Contract	Why it has changed
Throughout	All	We have made it clear throughout the whole of the document that the booklet is made up of two parts: part one is the Insurance Policy wording and part two is the Inspection Contract.	To make the different sections of the booklet clear.
20	Definitions	We have amended the definition of Client to make it clear that the Client is whoever is named as the Insured in the Schedule.	To clarify the terms of the Inspection Contract.

* The page number shown in the table refers to the applicable page number in the revised Insurance Policy wording and Inspection Contract.