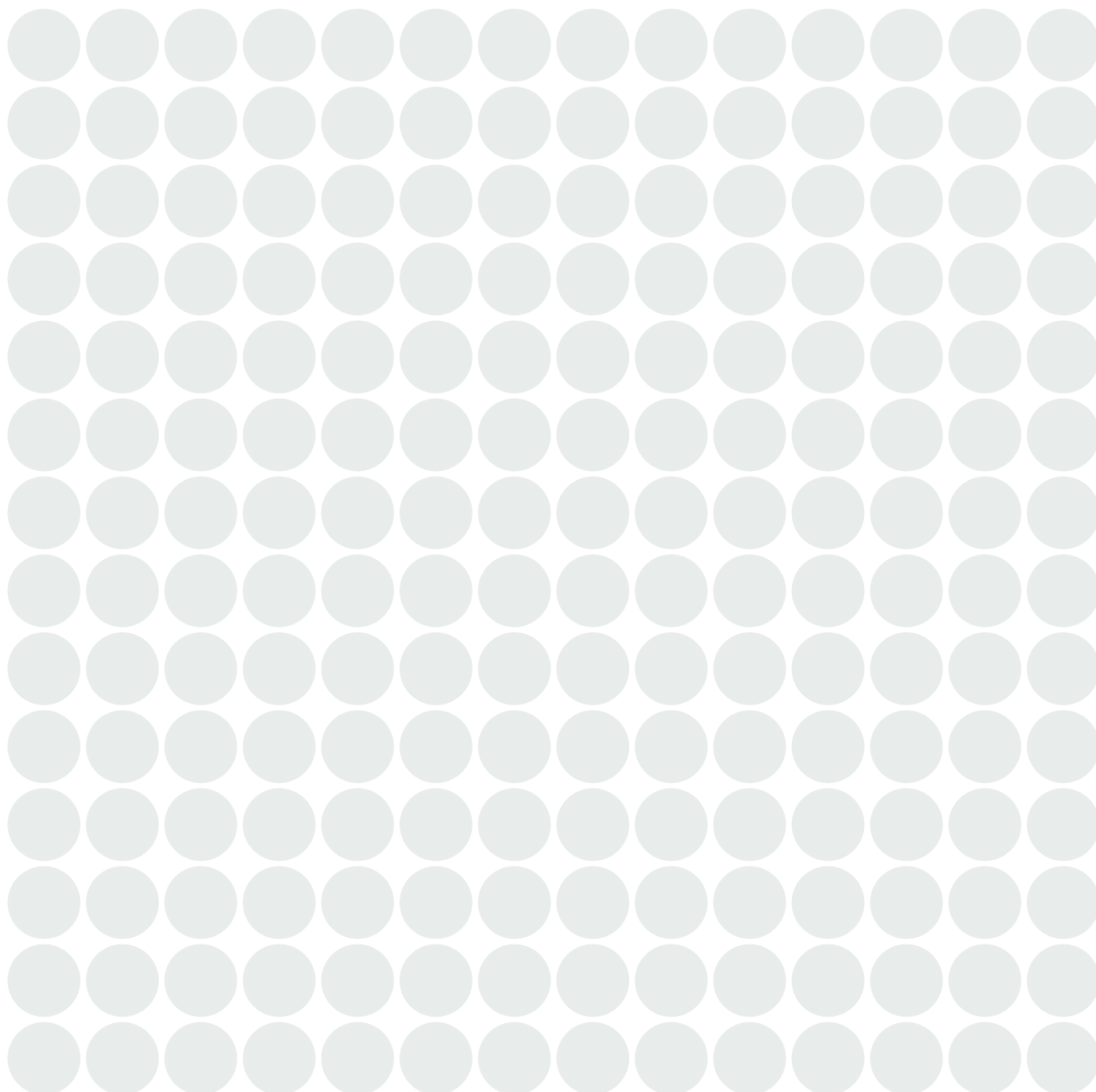


Machinery Movement

Policy document



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A warm welcome to Zurich

Thank **you** for taking out **your** Machinery Movement policy with **us** – and welcome to Zurich Insurance plc.

Zurich Insurance plc is a member of the insurance-based financial services provider Zurich Financial Services Group (Zurich). Zurich has a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872 the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

At Zurich **we** have **your** future in mind and look forward to working closely with **you**.

www.zurich.co.uk



Your Machinery Movement policy

This policy is a contract between **you** (also referred to as the Insured or **your**) and **us** (also referred to as the Company, **we** or **our**). **You** have made to **us** a proposal which is the basis of and forms part of this contract.

This policy and any schedule and endorsement should be read as if they were one document.

We will insure **you** under those sections shown in the schedule during any period of insurance for which **we** have accepted **your** premium provided all the terms and conditions of the policy are kept. **Our** liability will in no case exceed the amount of any sum insured or limit of indemnity stated in this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any modifications or re-enactment thereto.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

Law applicable to this contract

In the UK the law allows both **you** and **us** to choose the law applicable to the contract. The contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon **your** address as shown in the schedule. If there is any dispute as to which law applies it shall be English law.

You agree to submit to the exclusive jurisdiction of the English courts.

For and on behalf of Zurich Insurance plc.

Stephen Lewis
Chief Executive Officer of Zurich Insurance plc, UK Branch.

This is a legal document and should be kept in a safe place.

Please read the policy, insurance agreement and schedule carefully.

If they do not meet **your** needs return them to **us** or **your** broker or agent.

How we will use your data

We hold **your** personal data in accordance with the Data Protection Act 1998. The information supplied to **us** by **you** may be held on computer and passed to other insurers for underwriting and claims purposes. **You** should show this to anyone whose personal data may be processed to administer this policy.

Policy Administration

In order to administer **your** insurance policy and any claims made under this policy **we** may share personal data provided to **us** with other companies within the Zurich Financial Services Group and with business partners including companies inside and outside the European Economic Area. If **we** do transfer **your** personal data including where **we** propose a change of underwriter **we** make sure that it is appropriately protected.

Claims History

Under the conditions of this policy **you** must tell **us** about any insurance related incidents such as fire, water damage, theft or an accident whether or not they give rise to a claim. When **you** tell **us** about an incident **we** will pass information relating to it to the relevant database. **We** may search these databases when **you** apply for insurance or in the event of any incident or claim or at time of renewal to validate **your** claims history or that of any other person or property likely to be involved in the policy or claim.

Fraud Prevention & Detection

In order to prevent and detect fraud **we** may at any time:

- a) share information about **you** with other organisations including the police
- b) undertake credit searches
- c) check and share **your** details with fraud prevention and detection agencies.

If false or inaccurate information is provided and fraud is identified details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. **We** and other organisations may also access and use this information to prevent fraud and money laundering for example when:

- a) checking details on applications for credit and credit related or other facilities
- b) managing credit and credit related accounts or facilities
- c) recovering debt and tracing beneficiaries
- d) checking details on proposals and claims for all types of insurance
- e) checking details of job applicants and employees.

Please contact **us** if **you** want to receive details of the relevant fraud prevention agencies.

We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

The cover

The insurance by this policy is in respect of loss of or damage to the **machinery** occurring in the course of the **operations** at the situation specified in the schedule or in the case of **transit** between the situations specified in the schedule.

Definitions

Operations

Operations means whichever of the following is stated in the schedule.

Transit

Conveyance other than by sea or air including loading and unloading and any transshipments incidental storage or deviations en route.

Erection

Erection or installation from the time of completion of unloading from the transport vehicle until commencement of testing or running.

Dismantling

Dismantling and/or disconnecting until commencement of loading onto the transport vehicle.

Positioning

Bodily removal from unloading point to the actual working position and placing on foundations or bedplate.

Lifting or lowering

Lifting or lowering from the commencement of slinging until slings are removed after grounding.

Resiting

Removal from one site to another and not involving the use of road or rail vehicles.

Machinery

Machinery and plant belonging to or in the custody or control of the Insured or as more specifically described in the schedule.

Limit of liability

The amount of liability under this policy shall not exceed the sum insured stated in the schedule.

Where the sum insured is reduced by payment made hereunder the sum insured shall be reinstated provided the Insured shall pay such additional premium as may be required by the Company which additional premium shall be disregarded for the purpose of any adjustment under this policy.

Conditions

1. **Observance of policy terms**

Observance of the terms limitations and conditions of the policy shall as far as the nature of them respectively will permit be precedent to any liability of the Company.

2. **Misrepresentation or non-disclosure**

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

3. **Alteration of working conditions**

If any material change in the insured risk takes place during the period of insurance or if any defects or conditions of working are discovered which render the risk more than usually hazardous the Insured shall forthwith notify the Company and take such actions as circumstances may require.

4. **Access & reasonable precautions**

The Insured shall afford reasonable facilities for representatives of the Company to examine any property insured under this policy. The Insured shall also take and cause to be taken all reasonable precautions to prevent accidents and to safeguard the property insured against loss or damage and to ensure that all statutory and other regulations relating to the property insured are observed.

5. **Cancellation rights**

The Company shall not be bound to invite or accept renewal of this policy and may by fourteen days' notice in writing to the Insured by recorded delivery cancel this policy at any time. The Insured shall then be entitled to a rebate of premium for the unexpired period of insurance.

6. **Payment by instalments**

Reference to the payment of premium includes payment by monthly instalments. If payment is made by this method the policy remains an annual contract and the date of payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 (if applicable) the credit agreement and the policy will be cancelled immediately.

7. **Contractual right of renewal (tacit)**

If the Insured pays the premium to the Company using the Company's Direct Debit instalment scheme, the Company will have the right (which the Company may choose not to exercise) to renew the policy each year and continue to collect premiums using this method. The Company may vary the terms of the policy (including the premium) at renewal. If the Insured decides that he does not want the Company to renew the policy, provided the Insured tells the Company (or his insurance intermediary) before the next renewal date, the Company will not renew it.

8. **Declaration adjustment**

The Insured shall provide declarations to the Company on the basis agreed. The premium stated in the schedule is a deposit and if the premium payable on the basis agreed on the declarations provided exceeds or falls short of the deposit then the Insured shall pay or the Company shall refund the difference as the case may be.

Provided the Company shall retain the amount specified in the schedule as the minimum retained premium.

Claims conditions

Claims conditions

1. Other insurance

The Company shall not be liable for any loss damage or liability which at the time of the happening of such loss damage or liability is insured by or would but for the existence of this policy be insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under the policy or policies had this insurance not been effected.

2. Claims procedure

In the event of any occurrence which may give rise to a claim under this policy the Insured shall:

- a) give as soon as reasonably practicable notice by telephone and in writing to the Company supplying such proofs of claim as may reasonably be required by the Company
- b) preserve any damaged or defective property which might prove necessary as evidence for examination by the Company's representatives
- c) in the case of property lost stolen or maliciously damaged take all practicable steps (including the giving of immediate notice to the Police) to discover any guilty person and to trace and recover the missing property
- d) in the case of any claim made upon the Insured by any third party forward to the Company immediately and unacknowledged every written communication or information as to any verbal notice of claim and all proceedings
- e) in the case of property lost or damaged as a result of riot inform the company within seven days of any such occurrence.

3. Third party claims procedure

In the event of any claim made upon the Insured by a third party in respect of which the Company may be liable under this insurance the Insured shall not incur any expense whether by litigation or otherwise or make any payment settlement arrangement or admission of liability without the written authority of the Company. The Company shall be entitled to use the name of the Insured for all purposes in connection with this insurance including the bringing, defending, enforcing or settling any legal proceedings for the benefit of the Company.

4. Control of claims

The Company shall be entitled in the name of the Insured to take all necessary steps for enforcing any rights against any other party before or after meeting the Insureds claim and may at its discretion take over defend or settle any claim by a third party. The Company shall be given such information and assistance by the Insured as may be required.

5. Options for claims settlement

The Company may at its option repair, reinstate or replace any property lost or damaged or pay the amount of the loss or damage in money. The Company shall not be responsible for temporary repairs carried out without the consent of the Company (unless such temporary repairs are made in accordance with an Expediting Expenses clause) and any consequences thereof nor for the cost of any alterations, additions, improvements or overhauls carried out on the occasion of a repair. Where loss or damage is confined to a part of a machine or structure the Company shall be liable for only the value of that part plus the cost of any necessary **dismantling** and **erection** for which the Insured is responsible. The Insured shall not be entitled to abandon any property to the Company whether taken into possession by the Company or not.

6. Supplementary claims charges

In connection with any claim for loss or damage the Insured is entitled to recover supplementary charges such as custom dues packing freight profit and the like only if and so far as such charges have been provided for in the sum insured.

7. Fraudulent claims

If any claim be made by or on behalf of the Insured which shall be in any respect unfounded or fraudulent or intentionally exaggerated or if any false declaration or statement be made in support thereof then no claim shall be recoverable hereunder.

8. Arbitration rights

If any difference shall arise as to the amount to be paid under this policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions in that behalf for the time being in force. Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the Company.

Exclusions

The Company shall not be liable under this policy in respect of:

1. Excess

the amount stated in the schedule as the excess in respect of the cost of each and every occurrence for which the Insured is indemnified by this policy.

2. Breakdown

Loss of or damage to any item of **machinery** caused by its own breakdown or explosion.

3. Fire and perils

Loss or damage caused by or in consequence of fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom at premises owned or occupied by the Insured.

4. Defects

Any costs necessary to correct defects in design material or workmanship whether or not such defects give rise to loss or damage indemnifiable hereunder.

5. Inventory losses

Loss of the **machinery** by its disappearance or by shortage if disappearance or shortage is only revealed when an inventory is made or loss of the **machinery** due to its being stolen or otherwise missing unless such loss is identifiable by the Insured with a specific occurrence which has been the subject of notification under the terms of the **claims procedure condition** including reporting the matter to the Police.

6. Multiple lifts

Loss or damage arising out of any raising or lowering **operations** in which a single load is shared between items of **lifting** and handling plant unless such **operations** are carried out in accordance with British Standard Code of Practice for the safe use of cranes – BS7121.

7. Wear and tear

The cost of rectification or making good of wear and tear gradual deterioration due to atmospheric conditions or otherwise rust corrosion or oxidisation or scratching of painted or polished surfaces.

8. Wilful act

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

9. Water table level

Loss or damage attributable solely to a change in the water table level.

10. Pollution

Loss or damage caused by pollution or contamination other than loss of or damage to the **machinery** caused by pollution or contamination.

11. Consequential loss

Liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or consequential loss or damage not specifically provided for herein.

12. Sonic waves

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

13. Nuclear risks

Loss of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature 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 from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any **nuclear installation, nuclear reactor** or other explosive nuclear assembly or nuclear component thereof
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes.

Definitions

For the purposes of this exclusion:

'nuclear installation' shall mean any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation adapted for:

- a) the production or use of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiation
- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the production or use of nuclear fuel

'nuclear reactor' shall mean any plant including any machinery, equipment or appliance whether affixed to land or not designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

14. Terrorism

Loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:

- 1) any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:
 - i) involves violence against one or more persons; or
 - ii) involves damage to property; or
 - iii) endangers life other than that of the person committing the action; or
 - iv) creates a risk to health or safety of the public or a section of the public; or
 - v) is designed to interfere with or to disrupt an electronic system
- 2) preparation in respect of action, or threat of action described in (1) above.

In any action or suit or other proceedings where the Company alleges that by reason of this general exclusion cover is not provided under this policy, the burden of proving that cover is provided under this policy shall be upon the Insured.

15. Northern Ireland

In so far as this policy covers riot and civil commotion the Company shall not be liable under this policy in respect of loss or damage or consequential loss occasioned by or happening through or in consequence directly or indirectly of riot or civil commotion in Northern Ireland.

16. War

Any consequence whether direct or indirect of war, invasion, act of foreign enemy hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, commandeering, nationalisation or requisition or destruction of or damage to property by or under the order of any Government Public Municipal or Local Authority.

17. Date related performance and functionality

- a) loss or damage
- b) consequential loss additional expenditure or extra expenses
- c) legal liability
- d) other fees, costs, disbursements, awards or other expenses of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:
 - i) the way in which any **data processing system** responds to or deals with or fails to respond to or fails to deal with any true calendar date
 - ii) any **data processing system** responding to or dealing in any way with:
 - 1) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates
 - 2) any data not denoting a calendar date or dates as if such data denoted a calendar date or dates

whether such **data processing system** is the property of the Insured or not and whether operating before during or after the Year 2000.

but this shall not exclude subsequent loss or damage or consequential loss additional expenditure or extra expenses (not otherwise excluded) which itself results from a **defined peril** otherwise covered by this policy.

Definitions

For the purposes of this exclusion:

'data processing system' shall mean any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer firmware.

'defined peril' shall mean 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, theft or attempted theft, earthquake, subterranean fire, storm, tempest, flood, escape of water from any tank apparatus or pipe impact by any vehicle or by goods falling therefrom or animal.

Additional clauses applicable only if stated in schedule

001 Long term undertaking

In consideration of the discount being allowed off the premium(s) on this policy the Insured undertakes with effect from the commencement date to offer annually to the Company for the specified period the insurance under this policy on the terms and conditions in force at the expiry of each period of insurance, it being understood that:

- a) the Company shall be under no obligation to accept an offer made in accordance with the above mentioned undertaking
- b) The Company may adjust the premium to take into account changes in sum insured or scope of cover.

The above undertaking applies to any policy (or policies) which may be issued by the Company in substitution for this policy and the same discount shall be allowed off the premiums on any substituted policy (or policies) issued by the Company.

Payment of the first or renewal premium due at the commencement date with the benefit of the appropriate discount shall be deemed acceptance by the Insured of this undertaking.

The discount, commencement date and specified period are as specified in the schedule or endorsed hereon.

002 Testing (applicable to new items of machinery only)

The insurance by this policy is extended to cover loss of or damage to the **machinery** occurring during the period not exceeding seven days from the completion of **erection** at the situation specified in the schedule whilst undergoing testing or commissioning.

Exclusion

Exclusion 2 is deleted and replaced by the following:

- 2 loss of or damage to any item of **machinery** (other than any item of new **machinery**) caused by its own breakdown or explosion

003 Sea or air transit

The insurance by this policy is extended to cover loss of or damage to the **machinery** occurring in the course of **transit** by sea or air.

The insurance provided by this additional clause is in accordance with the following Institute clauses details of which can be obtained from the Company on request.

In respect of transit by sea:

- 1 Institute Cargo clauses (A)
- 2 Institute Classification clause
- 3 Institute Replacement clause
- 4 Second Hand Machinery clause
- 5 Institute War clauses
- 6 Institute Strikes clauses

In respect of transit by air:

- 1 Institute Cargo clauses (Air)
- 2 Institute Classification clause
- 3 Institute Replacement clause
- 4 Second Hand Machinery clause
- 5 Institute War clauses
- 6 Institute Strikes clauses

Exclusion

The Company shall not be liable under this additional clause in respect of loss of or damage to any item of **machinery** caused by

- a) its own electrical or mechanical derangement
- or
- b) rust oxidisation or discoloration of unpacked machinery.

Our complaints procedure

We value the opportunity to investigate any concerns you may have about any aspect of our service and are committed to handling all complaints fairly, thoroughly and promptly.

Who to contact in the first instance

Many concerns can be resolved straight away therefore in the first instance please get in touch with your usual contact as they will generally be able to provide you with an immediate response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

If we cannot resolve your complaint straight away we will aim to resolve your concerns as soon as possible and we will keep you informed of progress while our enquiries are continuing.

The majority of complaints we receive are resolved within 4 weeks of receipt.

Next steps if you are not happy with the response provided

We are dedicated to our customers and seek to do what is right however sometimes we may not be able to reach an agreement with you. If this is the case and you remain dissatisfied once you have received our response to your complaint we will refer your complaint to our Customer Relations Team for a separate review.

The Customer Relations Team will contact you to let you know they have received your complaint and when their review is complete they will provide you with a final response on our behalf.

The Financial Ombudsman Service (FOS)

If we are unable to resolve your complaint to your satisfaction within 8 weeks or if you remain dissatisfied following receipt of our final response letter you can ask the FOS to formally review your case. You must contact the FOS within 6 months of our final response.

The FOS contact details are as follows:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

You can telephone for free on:

08000 234 567 for people phoning from a "fixed line" (for example, a landline at home)

0300 123 9 123 for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02

Or e-mail: complaint.info@financial-ombudsman.org.uk

This is a free and impartial service and will not affect your legal rights.

The FOS can help with most complaints if you are:

- a consumer
- a business employing fewer than 10 persons that has an annual turnover or balance sheet that does not exceed €2 million
- a charity with an annual income of less than £1 million
- a trustee of a trust with a net asset value of less than £1 million.

If you are unsure whether the FOS will consider your complaint please contact them directly for further information.

You are entitled to contact the FOS at any stage of your complaint.

The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation should we be unable to meet our obligations. Further information is available on www.fscs.org.uk or you may contact the FSCS on 0800 678 1100.

Following this complaints procedure does not affect your legal rights.



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Zurich Insurance plc

A public limited company incorporated in Ireland. Registration No. 13460.

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UK Branch registered in England and Wales Registration No. BR7985.

UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Zurich Insurance plc is authorised by the Central Bank of Ireland and subject to limited regulation by the Financial Services Authority. Details about the extent of our regulation by the Financial Services Authority are available from us on request. FSA registration number 203093. These details can be checked on the FSA's register by visiting their website www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

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