

IN-GAUGE



INSURANCE PROSPECTUS

(INCLUDING THE POLICY SUMMARY)

TAILORED BUSINESS INSURANCE PACKAGE FOR ENGINEERS

**Precision Engineers • Light Engineers
Pressworkers • Toolmakers • Sheet Metalworkers
(and Associated Trades)**



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IN-GAUGE INSURANCE - TAILORED BUSINESS PACKAGE

INTRODUCTION

Morgan Richardson Ltd, Insurance Brokers has been arranging insurance for the Commercial Market for many years. “In-Gauge” is a tailored insurance package representing outstanding value specifically devised and designed for businesses in the Engineering Industry.

It brings together the Property, Business Interruption and Liability covers you would expect from a Business Package Policy - plus it is loaded with extra features.

The insurance is arranged with one of the strongest organisations in the industry providing financial security and stability to match.

Insurance Values

It is very important that you insure your business at its correct value. You should review and update your cover periodically to ensure it remains adequate.

The basis of settlement for Stock and Goods in Trust is the Cost Price. Machinery and Plant and all other Contents will be insured for Reinstatement Value and with no Average Condition applying (Underinsurance Condition).

Your sum insured should take into account a value for all Machinery, Plant, Fixtures and Fittings, Improvements and Decorations, Personal Effects and Equipment.

Buildings, including Landlords Fixtures and Fittings should be insured for the full rebuilding cost, not the market value. You may need expert advice to calculate the rebuilding cost, which often differs significantly from market value. A sum should also be added for Architects’ Fees, Debris Removal, the cost of meeting any Local Authority requirements and Loss of Rent, where applicable.

Automatically Included in the Policy (Please see Policy Sections overleaf for list of Benefits)

- Accidental Damage; Subsidence, Landslip and Heave.
- No Average Condition applying under Stock and Contents.
- Seasonal Increase for Stock and Money during Peak Periods.
- Business Interruption - 24 months Indemnity Period.
- Supplier or Customer Dependency; Failure of Utilities Supply to the Premises; Denial of Access; Notifiable Human Disease; Loss of Key Employees.
- Employer's Liability and Public/Products Liability.
- Loss of Cash.
- Violent or Criminal Assault.
- Personal Accident - Occupational Cover only.
- Dishonesty of Employees.
- Computer Breakdown and Hacking Attack or Virus.
- Directors' and Officers' Liability.
- Stress Counselling Helpline for all Employees; 24 hours Legal Advice Helpline.
- No Claims Discount (subject to previously satisfactory claims record).
- Monthly Premiums.
- No lengthy proposal forms required - the insurance is based on Statement of Fact from the details you give us and facts assumed about you.
- 24 hours direct access to Fasttrack Claims Helpline every day of the year, and dedicated Claims Handlers are available to be on site if and when necessary.

POLICY SUMMARY

Important Notice

This is a summary of the cover provided by the Policy. It does not contain the full Terms & Conditions of the Insurance Contract. Full details of the cover and the relevant Terms, Conditions & Exclusions are contained in the Policy Document, a copy of which will be sent to you on completion of your contract or will be sent to you on request from Morgan Richardson Ltd.

The "In-Gauge" Policy is a Morgan Richardson Ltd product arranged with AIG UK Ltd. The Policy is an annual contract of insurance, which may be renewed each year subject to your needs and Insurer's Terms & Conditions.

Important Information

The Customer Service Section of this Policy Summary gives you important information on the following:

- Your Cancellation Rights
- How to make a Claim
- What to do if you have a Complaint
- The Financial Services Compensation Scheme (FSCS)

STANDARD COVERS

Policy Section A1 - Stock and Contents

On Stock and Goods in Trust, Machinery and Plant and General Contents, (including Business Records up to £30,000 Computer Equipment up to £30,000; Employee and Personal Effects up to £1,000 per person) whilst on your Premises or anywhere else within the Territorial Limits including all Transits in and between.

Risks Covered: All Risks i.e. Accidental Damage and Loss or Damage caused by Fire, Lightning, Explosion, Aircraft or Earthquake; Full Theft including Unforced Theft or Attempted Theft; Malicious Persons; Riot, Civil Commotion; Storm or Flood; Falling Objects; Escape of Water; Impact by Vehicles; and Subsidence, Landslip or Heave.

Policy Section A1 Benefits Included As Standard:

- Copper and Brass (excludes Aluminium this being part of main Stock item) up to £10,000, **(option to increase available).**
- Damage to Stock and Goods in Trust whilst at any Engineers; Metalworkers; Agents or Sub-Contractors whilst in Transit to and from such Premises and also anywhere in the U.K. - £100,000.
- Automatic Reinstatement of the Sum Insured.
- Business Contents at Private Residence of the Insured or Employee £10,000.
- The cost of Removing Debris from the Premises.
- Stock and Contents whilst at Exhibitions, Shows or Fairs (up to 21 days) anywhere in the U.K. including Transits - £50,000.
- Worldwide cover for Computer Equipment and Computer Records - up to £5,000.
- Hire Charges of substitute item for Machinery - £5,000.
- Portable Tools (other than Machine Tools - £5,000 (Limit £1,000 any one item).
- Hacking Attack or Virus - £30,000.
- Loss of Rent - Up to 25% of the Sum Insured on Stock and Contents.
- Replacement of Locks in the event of the Theft of keys - up to £10,000.
- Loss of Metered Water as a result of Damage, up to £10,000.
- Theft Damage to Buildings - £25,000.
- Damage to grounds caused by Emergency Services - up to £10,000.
- Clearing of drains following Damage - up to £5,000.
- Glass, Signs, Lettering and Sanitaryware - Replacement Value.
- Trace and Access - Locating the source of the Damage and making good - Unlimited.
- Excess - £250 of every claim.

Policy Section A2 - Business Interruption (Financial Consequences of Damage)

If Damage occurs to, or within your Premises preventing you from your being able to trade as normal, the policy will compensate you for any net Loss of Income up to £1,000,000.

The maximum Indemnity Period is 24 months.

Included:- Book Debts (£250,000); Notifiable Human Disease; Murder or Suicide; Defective Sanitation; Vermin; Denial of Access; Exhibition Expenses (£10,000) Loss of Attraction; Damage to Suppliers' and Customers' Premises (£250,000); Failure of Utility Supply (Gas, Water, Electricity, Telecommunications); Oil or Chemical Pollution (£25,000); Bomb Scare/Hoax (£25,000); Additional Expenditure (£250,000); Property in Transit; Hacking Attack or Virus (£30,000); Loss of Key Employees as a result of Death or Bodily Injury (£100,000); National Lottery Win (£250,000).

Policy Section A3 - Employers Liability

Cover is provided up to £10,000,000 to protect your Legal Liability in the event of an Employee suffering Bodily Injury arising out of, and in the course of their employment. Work Experience Schemes included. Nil excess.

Policy Section A4 - Public/Products Liability

Cover is provided up to £5,000,000 to protect your Legal Liability towards members of the public following Bodily Injury or Damage as a direct result of your Business activities or arising from any goods or services sold or supplied by your Business. Including: Motor Contingent Liability; Car Park Liability; Court Attendance Compensation; Libel and Slander (£50,000); Financial Loss £100,000 - (Your Legal Liability to pay Damages, Costs and Expenses of Claimants in respect of Accidental Financial Loss, where such loss is not consequent upon Injury or Damage to Material Property). Excess £250 of every claim, except Bodily Injury where there is a nil excess.

If you are involved in "Work Away" from your Premises and/or application of heat work away from Premises please provide us with details so these activities can be included in the insurance.

Excluded: Liability arising from Products which to your knowledge are for use as a critical part in connection with, in or on any Aircraft, Spaceship, Rocket, Missile or Satellite.

Excluded: Liability arising from Products supplied which to your knowledge are exported to the United States of America or Canada.

Policy Section A5 - Health & Safety at Work

In addition to the above liabilities, this policy will pay for legal costs and expenses awarded or incurred in defence of alleged breaches of the Health & Safety at Work Act 1974, up to a maximum of £5,000,000.

Policy Section A6 - Money

Loss of Business Money on your Premises during Business Hours or in Bank Night Safe £7,500; Money in transit or in the Custody of the Insured or an Employee £7,500. On the Premises contained in a locked safe outside Business Hours £7,500; outside Business Hours not contained in locked safe £500; in Private Residence of the Insured or his Employees £500; Use of the Insured's Computer System to achieve Theft of Monies - £7,500. Excess £250 of every claim.

Policy Section A7 - Assault

You are covered up to £25,000 if you or an Employee suffers Actual Bodily Injury as a direct result of violent or criminal assault whilst in the course of your Business. Temporary Total Disablement is also covered for £250 per week up to 104 consecutive weeks; Medical Expenses £500.

Policy Section A8 - Personal Accident - Occupational Only

This Section covers Accidents at Work to any Employee who sustains Bodily Injury during the course of their employment. Insurers will pay relevant benefits; Death £25,000; Permanent Total Disablement £50,000; Loss of Limbs or Sight £25,000; Temporary Total Disablement £100 per week. The benefits include cover for Loss of Hands, Fingers and Feet and Toes.

Policy Section A9 - Employee Dishonesty

Insurers will pay up to £25,000 if you suffer Damage, Stock or Contents or Theft of Money discovered during the Period of Insurance sustained through an act of fraud or dishonesty and committed by an Employee. Excess £250 of every claim.

Policy Section A10 - Computer Breakdown

You are covered up to £30,000 for Breakdown or failure of any part of your Computer Equipment or computer records arising from either mechanical or electrical defect. You are insured up to £30,000 for Additional Expenditure and Reinstatement of Data, Cover also includes up to £30,000 for Damage to Systems following Hacking Attack or Virus. Excess £250 of every claim.

Policy Section A11 - Directors' and Officers' Liability

Directors' and Officers' of the Insured are covered up to £100,000 for any one claim resulting from a Wrongful Act by the Company's Director(s) or Officer(s). Costs and Expenses for defence of such claims are included. Cover is provided against claims or circumstances discovered and notified to Insurers during the Period of Insurance. Excess £250 of every claim.

Excluded: Claims arising out of USA or Canada or breach of professional services or circumstances which already exist.

Policy Section A12 - Engineering Breakdown

This Section covers Damage caused by or resulting from an Accident arising from Breakdown of or to Manufacturing, Production or Process Equipment and cover includes Collapse of Boilers. The maximum liability is £50,000. Additional Increase Cost of Working is included up to £10,000 and contamination by Hazardous Substance up to £6,000. Excess of £500 for every claim.

OPTIONAL COVERS

Policy Section B - Buildings (Optional with Section A)

Buildings (the Structure of the Premises) should be insured for full Reinstatement value and cover includes; Accidental Damage or Damage caused by Fire, Lightning, Explosion, Aircraft or Earthquake; Theft or attempted Theft; Malicious Persons; Riot, Civil Commotion; Storm or Flood; Falling Objects; Escape of Water; Impact by Vehicles; and Subsidence, Landslip or Heave.

Features:

- Architects', Consulting Engineers' and Surveyors' fees; Fees necessarily incurred in the reinstatement of damaged Buildings.
- Expenses incurred in Removing Debris resulting from Damage to Buildings.
- Loss of Rent receivable for up to 24 months of the Sum Insured on Buildings in the event of the building becoming unusable due to Damage.
- Damage to Grounds caused by the attendance of the Emergency Services up to £10,000.
- Replacement Locks up to £5,000
- Loss of Metered Water up to £5,000.
- Property Owner's Legal Liability to the public, up to a maximum of £5,000,000.
- Trace and Access - locating the source of the Damage and making good.
- Excess - £250 of every claim, other than Subsidence, Landslip or Heave, where the Insured is responsible for the first £1,000 of every claim.

Policy Section C - Goods in Transit (Optional with Section A)

Your Stock and Contents can be insured against Loss or Damage whilst they are in Transit, in your own vehicles; or by Carriers in Transit or by Road Hauliers, Rail and also Post whilst anywhere in the United Kingdom. You may select a Sum Insured up to £35,000. Cover includes Loading and Unloading, Reloading and Temporary Warehousing. Excess £250 of every claim.

Policy Section D - Personal Accident (Optional with Section A) (24 Hours)

If you, your partners or individual Employees suffer Accidental Death or Bodily Injury, benefits will be paid at a level dependent on the nature of the injury, for example, this Section can provide Benefits specifically to cover the cost of a Temporary Manager to run the Business whilst the Permanent Manager is incapacitated.

Each unit will pay £5,000 for Death, Permanent Total Disablement, Loss of Limbs or Eyesight and £50 per week for Temporary Total Disablement, (Subject to no payment for the first seven days).

Policy Section E - Legal Expenses - (included automatically with Policy Section A)

The Policy will assist you in meeting Legal Expenses incurred over Employment Contracts Disputes and Compensation Awards; Legal Defence against Criminal Prosecution; Statutory Licence Protection; Property Protection; Data Protection Act 1998; H.M. Revenue and Customs Investigations or VAT Disputes and Appeals. The maximum sum insured under this section is £250,000.

Legal Advice Helpline

Confidential Advice for legal matters connected with your business - 24 hours a day, 365 days a year. **Confidential Counselling Helpline** for all Employees (and where appropriate, onward referral to relevant voluntary and/or professional services).

Your Policy is Subject to the Minimum Standards of Security - (Operative in respect of Policy Sections A1 - Stock and Contents, Policy Section A6 - Money and Policy Section B - Buildings)

It is a condition precedent to Insurer's liability in respect of Damage occurring more than 30 days after inception of the Policy that

- Sliding and/or folding doors, where the door meets the site, are to be secured with a locking bar and close shackle padlock.
If a multi-leaf door then each leaf should be secured internally by bolts top and bottom.
- Roller shutters which are manually operated are to be secured with bullet locks or alternatively a locking bar and close shackle padlock, with a staple set into concrete and the locking bar secured to the shutter.
Roller shutters which are automatically operated internally are to have operating chains secured with a hardened shackle padlock to the door frame or any other part of the building structure.
Roller shutters which are electrically operated externally are to be fitted with automatic cut-off devices in the event that keys are not used.
- Wicket gate doors are to be secured by a mortise deadlock which has five or more levers and/or conforms to BS3621 and a matching box striking plate must also be fitted. Alternatively, a locking bar and close shackle padlock.
- Single leaf, solid or panelled doors, are to be secured by a mortise deadlock which has five or more levers and/or conforms to BS3621 and a matching box strike plate. Alternatively, a locking bar and close shackle padlock. Double leaf, solid or panelled, doors are to be secured by flush or barrel bolts top and bottom on the first closing leaf and
 - a mortise deadlock which has five or more levers and/or conforms to BS3621 and a matching box striking plate, or
 - a locking bar and close shackle padlock on the second closing leaf.
- Aluminium or uPVC framed doors are to be fitted with integral cylinder key operated mortise deadlocks.

Internal Doors

- Internal doors giving access to any part of the Building not occupied by the Insured or for the Insured's Business are to be fitted on the Insured's side of the door with either
 - a mortise deadlock which has five or more levers and conforms to BS3621 with a matching box striking plate and the Insured is to be the whole sole key holder, or
 - two key operated security bolts, one fitted approximately 30cm from the top of the door and the other 30cm from the bottom, or
 - a locking bar and close shackle padlock.

Windows, Fanlights, Rooflights and Skylights

- All opening external basement, ground floor and other accessible windows, fanlights, rooflights and skylights are to be fitted with key operated window locks or padlock and locking bar or padlock, hasp and staple.
- Note:- An accessible window is one which can be easily reached such as a window adjacent to a flat roof or fire escape balcony canopy or downpipe.
This requirement does not apply to windows protected by solid steel bars weld mesh or expanded metal grilles securely fixed to brickwork surrounding window or demountable weld mesh or expanded metal grilles secured by means of a hardened shackle padlock.

Fire Exit

Any door or window officially designated a fire exit by a Fire Authority is excluded from the above requirements. These are to be secured internally by panic bolts or fire exit bolts (capable of opening at all times). Any additional device must be approved by the Fire Prevention Officer.

General Conditions and Exclusions

Please refer to the General Conditions and Exclusions in the Policy Wording/Schedule.

General Conditions

- 1 The Policy and Schedule shall be read together as if they are one document.
- 2 Reasonable Precautions.
- 3 Notification of Changes in Circumstances.
- 4 Fraud and Misrepresentation.
- 5 Cancellation by Insurer.
- 6 Cancellation by Insured.
- 7 Monthly Instalments.
- 8 Arbitration.
- 9 Death of the Insured.
- 10 Breach of Warranty.
- 11 Contracts Rights.

Claims Conditions

1. 1.1 Immediate written notice to Insurer.
1. 1.2 Immediate notice to Police.
1. 1.3 Writ and Summons.
1. 1.4 Supply full details of claim, including supporting documentation.
1. 1.5 Minimise the Damage.
2. Written Consent and Conduct of Claim.
3. The Insurer's right to settle a claim.
4. The Insurer's Liability.
5. Salvage Rights.
6. Dual insurance Rights.

General Exclusions

- 1.0 Radioactive Contamination.
- 2.0 War and Similar Risks.
- 3.0 Sonic Bangs.
- 4.0 Confiscation.
- 5.0 Terrorism.
- 6.0 Date Recognition.
- 7.0 Foot and Mouth Disease.
- 8.0 Pollution.
- 9.0 Mould.

Special Conditions

- 1 Inspection of Plant and Equipment.
- 2 Security (Alarm).
- 3 Minimum Standards of Security (Physical Security).
- 4 Unoccupied Premises.
- 5 Waste Condition.
- 6 Fire Break Doors and Shutters.
- 7 Fire Extinguishing Appliances.
- 8 Burning and Welding Work and use of Heat Condition (use of Heat away from your Premises).

CUSTOMER SERVICE SECTION

Your “Right to Cancel”

If, once you have checked your policy, you decide not to proceed with the insurance you may cancel your policy during a period of 14 days either from the day of purchase of the contract or on the day on which you received your policy documentation, whichever is the later.

If the insurance cover has not yet commenced, you will be entitled to a full refund of the premium paid.

If the cover has commenced and should you wish to cancel the policy during the 14 day period, you will be entitled to a full refund of the premium paid, except where you have already made a claim under your policy, in which case there will be a deduction for the time you have been covered.

After the 14 day period the ‘Cancellation Rights’ are as set out in the policy.

If you do not exercise your right to cancel your policy, it will continue in force for the term of the policy and you will be required to pay the full premium.

To cancel your policy, please contact Morgan Richardson Ltd.

How To Notify a Claim

To make a claim please telephone the dedicated Claims Helpline which is available 24 hours a day, please have your Policy Number ready when calling;

Telephone: **0870 241 2239**.

Complaints Procedure - What To Do If You Have A Complaint

We aim to ensure that you are totally satisfied with our service. However, there may be occasions when you feel this objective has not been achieved. If you are unhappy because we have not delivered the service you expect, we would like to put things right. We would encourage you, in the first instance, to contact our Customer Services Manager at Morgan Richardson Ltd, Westgate Court, Western Road, Billericay, Essex CM12 9DY or telephone 01277 630666. You will be sent a copy of our Complaint Handling Procedure that has information on how to take your complaint further, if we cannot resolve your complaint to your satisfaction.

You may subsequently be able to refer your complaint to the Financial Ombudsman Service.

The Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (“FSCS”). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. For other classes of insurance, advising and arranging is covered for up to 100% of the first £2,000 of a claim and 90% of the remainder of the claim. There is no upper limit in either case.

Further information about compensation scheme arrangements is available from the FSCS.

“IN-GAUGE” AT-A-GLANCE

For full details of the Policy Sections, Exclusions and Limits,
please read the Policy Wording/Schedule/Policy Summary/Prospectus

All Stock and all Contents Insured for: All Risks

Full Theft including Unforced Entry or Attempted Theft

Accidental Damage; Subsidence

Business Records	- £ 30,000	
Non-ferrous Metals	- £ 10,000	(Standard Limit - option to increase available)
Stock at other Engineers, Metalworkers, Agents or Sub-Contractors in UK	- £ 100,000	
Seasonal Stock Increase	- 50% during peak periods	
Property in Open	- £ 10,000	
Contents in Private Residence	- £ 10,000	
Portable Tools	- £ 5,000	
Exhibitions, Shows or Fairs	- £ 50,000	
Computer Equipment Worldwide	- £ 10,000	
Hire Charges of Substitute item	- £ 5,000	
Hacking Attack or Virus	- £ 30,000	
Loss of rent	- 25% of Sum Insured	
Replacement Locks	- £ 10,000	
Loss of Metered Water	- £ 10,000	
Theft Damage to Buildings	- £ 25,000	
Emergency Services Damage	- £ 10,000	
Clearance of Drains	- £ 5,000	
Glass and Signs	- Replacement Value	

Business Interruption (Insured for All Risks - and Full Theft including Unforced Entry or attempted theft,

Accidental Damage and Subsidence)

- ◆ Loss of income 24 months indemnity Period - £1,000,000
- ◆ Book Debts - £250,000
- ◆ Additional Expenditure - £250,000
- ◆ Notifiable Human Disease; Murder, Rape or Suicide; Defective Sanitation; Vermin; Denial of Access; Exhibition Expenses (£10,000); Loss of Attraction, Bomb Hoax/Bomb Scare (£25,000), Pollution (£25,000), Damage to Suppliers' or Customers' Premises, (£250,000), Failure of Utilities Supply, Property in Transit, Hacking Attack or Virus (£30,000); National Lottery Win (£250,000); Loss of Key Employees (£100,000).

Employers Liability	- £ 10,000,000	
Public & Products Liability	- £ 5,000,000	
Financial Loss	- £ 100,000	
Libel and Slander	- £ 50,000	
Health & Safety at Work	- £ 5,000,000	
Money	- £ 7,500	- (see Limits under Policy Section)
Violent or Criminal Assault	- £ 25,000	- (see Benefits under Policy Section)
Employee Dishonesty	- £ 25,000	
Personal Accident - Occupational Only	- £ 25,000	- (see Benefits under Policy Section)
Computer Breakdown	- £ 30,000	
Directors' and Officers' Liability	- £ 100,000	
Engineering Breakdown	- £ 50,000	
Buildings, including Fees and Debris Removal		Optional Cover - All Risks including Accidental Damage and Subsidence; Property Owners Liability (£5M).
Personal Accident		Optional Cover £5,000 per unit up to 10 units.
Goods in Transit		Optional Cover up to £35,000
Legal Expenses	- £ 250,000	
Trace and Access		Locating source of Damage and making good

INSURANCE PROSPECTUS

IN-GAUGE



Morgan Richardson Ltd
Insurance Brokers

Freepost CL4071

Westgate Court, Western Road
Billericay, Essex CM12 9ZZ

Tel: 01277 630666, Fax: 01277 632255

E-mail: quotes@morganrichardson.co.uk

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