

Allianz Insurance plc

Deterioration of Stock

Product Information

Allianz 

This information is for intermediaries only

Deterioration of Stock Insurance Policy

Wherever there is storage of goods in a refrigerated environment there is the risk of damage from a variety of causes. For example there may be a failure in the power supply, impact damage caused by a forklift or simply a breakdown that prevents the plant used to control the atmosphere from functioning. Our Deterioration of Stock policy provides protection against the cost of unforeseen damage for goods owned and for goods in the care of the Insured.

The following details give an overview of the policy:

What is the Policy Cover?

Cover is provided for damage to Insured Property due to deterioration, putrefaction or contamination caused by an Accident.

What is an Accident?

A rise or fall in temperature as a result of:

- damage to or a fault in the refrigeration system
- damage to the structure of the cold chamber
- accidental failure of the public electricity supply to the Insured's premises
- failure of the electrical installation connecting the refrigeration machinery and controls to the electricity supply company's feeders.

The policy also provides cover for the action of refrigerant or refrigerant fumes that have escaped from the system.

Are there any Policy Conditions?

Yes, under the main policy conditions the Insured must:

- take manual temperature readings every morning and afternoon on working days and once a day on non-working days
- where continuous temperature monitoring equipment is used incorporate an alarm connected to an alarm receiving centre
- have a current maintenance contract providing for at least six monthly checks by competent specialists
- notify us of any loss or damage as soon as practically possible
- keep up to date records of values at risk and provide this information to us annually by declaration.

In addition:

- average will apply where the Replacement Value of the Insured Property is greater than 133 1/3% of the limit of liability.

What are the Territorial Limits?

The standard Territorial Limits are Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.



What are the main Extensions?

Disposal of Condemned Goods

The lesser of 10% of the Limit of Liability or £25,000

Decontamination of Cold Chambers

The lesser of 10% of the Limit of Liability or £25,000

What is the basis of Settlement?

We will provide cover for the Insured Property on an indemnity basis. Following a loss, we will replace what is lost or pay for the loss or damage in money.

What are the main Exclusions?

- Perils commonly covered under a property policy such as fire, explosion, lightning, flood, theft, etc are excluded
- The policy excess
- Trade losses caused by a failure of electricity supply caused by the deliberate act of the supplier, drought, rationing or industrial action
- Damage caused by the Insureds wilful act or wilful neglect
- Damage caused by faulty packing
- Trade losses
- Unexplained losses
- Any consequential losses such as penalties for delay or loss of profits
- Pollution and contamination other than where this is caused by an Accident insured under the Policy
- Damage occurring while the Insured Property is in transit
- Terrorism
- E Risks

The above detail is a summary of the cover provided under our standard deterioration of stock policy.

If you wish to see the full terms and conditions please contact your local Allianz Engineering office for a specimen wording.

Why should your clients buy Deterioration of Stock cover from Allianz Engineering?

The main features and benefits of our Policy wording are:

Insured Property	<ul style="list-style-type: none">• The policy can be used to cover a wide range of vulnerable goods that require refrigerated environments.• Cover can be provided for either the owners of the goods or for owners of public cold stores. Under the conditions of storage the owners may be required to have Deterioration of Stock insurance to cover their liability in the event of an Accident.• The policy automatically provides cover for goods damaged that are not in the cold chamber but would have been put in the cold store but for the occurrence of the accident.
Interim Payments	<ul style="list-style-type: none">• We aim to pay claims as quickly as possible. Where a large claim is made that requires further attention we can make an interim payment to the Insured where we have admitted liability.
Avoidance of Impending Damage	<ul style="list-style-type: none">• The policy is automatically extended to cover the costs of any measures that are taken in order to reduce impending damage. This is limited by the amount that would have been incurred as a claim had these measures not been taken. This would include, for example, the cost of transferring goods to an alternative store with the associated labour and transport costs.
Automatic Reinstatement of Cover	<ul style="list-style-type: none">• Under our Deterioration of Stock policy cover is automatically reinstated following a loss.
Other Products Available	<ul style="list-style-type: none">• Our All Machinery or Machinery Options policies can provide cover for the repair or replacement of the actual refrigeration machinery or other plant used by the Insured, such as forklift trucks in a warehouse, following sudden and unforeseen damage.• Where we provide cover for loss or damage to machinery, we can also provide cover for financial losses not only through repair costs but also the loss of profit while the plant is out of use. Our Machinery Business Interruption policy will provide cover for any reduction in profit or revenue.