



Hired-In Plant (Blanket Cover)

Have you asked your clients if they hire-in Mobile Plant as part of your fact finding/renewal review?

If the answer is yes, they may benefit from utilising the **Hired-In Plant (Blanket Cover)** under UAA's Industrial Special Plant (ISP) policy.

What benefits are there to your clients?

Exposure: Most standard Hire Agreements will hold the hirer responsible for any damage to the hired items. Many clients get confused by the Hire Agreement or simply don't bother to read the detail of their contract. This may result in an exposure to them they are unaware of.

*Your client may well have elected to pay a "Damage Waiver" offered by the Hire Company, even then there are a number of reasons to consider offering them cover under the ISP **Hired-In Plant (Blanket Cover)**.*

Savings: Many Hire Companies will use Damage Waivers as an additional revenue stream and charge upwards of a 10% loading on their standard hire fee for this extension. Using UAA's **Hired-In Plant (Blanket Cover)** will usually result in substantial savings to your client.

Consistency: Many Damage Waivers offered by the Hire Companies may only offer limited cover (e.g. Fire & Theft only – with no cover for damage incurred whilst the item is in use). Even where the Damage Waiver offered by one Hire Company does offer broad cover, if the client is hiring Mobile Plant from different Hire Companies each may have variations in the cover offered. Using UAA's **Hired-In Plant (Blanket Cover)** will ensure full Accidental Damage cover on all items, no matter where they are hired from.

Excess: There may also be significant differences between Hire Companies as to what excesses apply, with many imposing increased excesses for losses involving theft. Under UAA's **Hired-In Plant (Blanket Cover)** a standard excess will usually apply to all losses.

In addition to this, UAA's ISP policy has a "non-aggregated excess" where multiple items damaged in the one event will only attract a single excess (the highest excess that would apply to any single item that has suffered loss/damage).

Convenience: Provided the items hired are included in the description provided to UAA, and the values of the items are below the limits requested – any items hired are automatically covered under UAA's **Hired-In Plant (Blanket Cover)**. The client does not have to remember to advise you every time they arrange to hire an item, assisting greatly in reducing administrative demands on your client, and reducing the potential for uninsured losses.

Additional Benefits: In addition to covering hired-in items against unforeseen loss or damage, UAA's **Hired-In Plant (Blanket Cover)** also provides the following Additional Benefits to your client:

Legal Costs – Up to \$50,000 to your client in respect of Legal Costs which may be incurred in the event of a legal dispute between the Hire Company and your client.

Loss Of Hire Fees – Subject to a 14 day waiting period, UAA provide up to \$50,000 an item in respect of lost hire fees for which your client may be held responsible, following loss or damage to a hired item.



How does the cover work under this Section?

From your client you will need to obtain a description of all Mobile Plant items that they may hire over the next twelve months. You will then need to establish a “Limit Any One Item” – this should reflect the maximum exposure or Market Value for any single item they may hire.

Also required will be a “Limit Any One Time” – this will reflect if the client is likely to hire-in multiple items for use in the one location at the same time.

Finally, you will need to obtain an estimate of the hire fee payments your client expects to pay in relation to the nominated items over the next twelve months.

We determine a rate based on the type of Mobile Plant hired and the limits requested, and then apply this to the estimated hire fees to obtain a deposit premium. Upon expiry of the period of cover, we obtain a declaration of the actual hire fees for the period and then adjust the premium accordingly.

Some Frequently Asked Questions:

- *If loss or damage occurs to an item not noted under the Description of items provided, will it be covered?*

No, it is important that the description of items likely to be hired-in is as broad and detailed as possible, and that any items not noted must be advised to UAA (& their inclusion confirmed in writing) – prior to cover applying.

- *Will an item be covered if its Market Value exceeds the nominated “Limit Any One Item”?*

Yes, the item will have limited cover up to but not exceeding the nominated “Limit Any One Item”.

Is there a minimum premium that applies?

Yes, a minimum of 75% of the deposit premium will usually apply.

- *Won't my client have cover for Hired-In items under “Substitute Vehicles” or “Automatic Additions & Deletions”?*

You will have to carefully examine the applicable policy wording. Most policies providing cover for “Substitute Vehicles” will limit cover to items that are similar in size, function & value to insured items that are being repaired or serviced – and will only provide cover until the insured item has been returned. If the item hired-in is a different size, value or performs different functions from an existing item, there may be no cover. Where a machine has been hired-in to provide additional capacity there will be no cover.

Cover under “Automatic Additions & Deletions” is usually limited to items that have been purchased by the client and does not extend to cover items hired-in.

- *Does my client need to have cover under other Sections of UAA's ISP policy to take out cover for **Hired-In Plant (Blanket Cover)**?*

No, cover can be taken out for **Hired-In Plant (Blanket Cover)** as a "stand alone" cover. Many Tradespeople such as Painters, Signwriters & Electricians may not have any other Mobile Plant to insure and UAA would not be seeking to provide Broadform Liability cover for these occupations – however we are happy to arrange **Hired-In Plant (Blanket Cover)** for them.

- *What if my client has Hired-In Plant from a Hire Company that has an agreement specifying that any Insurance cover must be for "Replacement Value"?*

It is important that you have advised your client that cover is for replacement of hired-in items in their current condition (i.e. Market Value), not "new-for-old". Many Hire Companies will use this as a means of trying to ensure Hirers pay their "Damage Waiver" rather than arranging their own coverage. The client will need to ensure that the Hire Company is aware and has agreed to, the cover under UAA's **Hired-In Plant (Blanket Cover)**. If the Hirer is in a position to indicate they will source Plant from elsewhere, the Hire Company will usually agree to allow this cover.

- *Can you provide cover in respect of Registered items?*

Yes, where we have been advised that items being hired-in may be registered, provisionally registered or have permits to operate on roadways, we can provide Liability cover under Section 6 (Road Risk) of our ISP policy, This cover however, does specifically exclude cover in respect of items whilst they are operating as a "Tool Of Trade".

- *What about Liability cover for items being operated as a "Tool Of Trade"?*

You should be ensuring that the client's existing Liability cover includes this extension (including for non-owned items of Plant)

- *My client may hire-in Plant items and then "Dry Hire" these items to their own customers, can this be covered?*

Yes, whilst this is not a standard cover under UAA's **Hired-In Plant (Blanket Cover)**, there is an optional Additional Benefit known as "On-Hire On Dry Hire Terms" which is available under this section. This will usually involve an additional charge and also require the client to provide a copy of their Hire Agreement (where we do not already cover their own Plant for Dry Hire). This activity must be advised to us and cover for the Additional Benefit confirmed in writing for the cover to apply.

For any additional information you should review our Industrial Special Plant Policy Wording (copies available on our website: www.uaa.com.au) or discuss this cover with your local UAA office.