



Engineering Insurance & Inspection Services

All blocks depend on the efficient working of plant and equipment, such as lifts, boilers, lighting and pumps. Unexpected failure can disrupt your life and may increase costs.



Failure of mechanical, electrical or lifting equipment can be costly and disruptive to the leaseholders and tenants, and cause you major problems.

Independent engineering inspections help identify problems early, enabling you to organise and plan for repairs before a major failure occurs.

Independent inspectors, who are unlikely to have a vested interest in the outcome, are more likely to identify only necessary repairs.

Some inspections are a legal and statutory requirement. Passenger lifts, for example, have to be inspected twice annually, not least to meet health and safety legislation.

Insurance against breakdown can also be added to a policy. It provides cover for the cost of repairs, so there will be no need to raid the management fund if the unexpected happens.



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Are you breaking the law?

It is a legal requirement for many types of plant and machinery to be inspected on a regular basis. Unfortunately, some people believe engineering inspections are only desirable rather than essential.

The purpose of an inspection is to make sure the equipment is safe, it does not replace maintenance. An examination by a qualified inspector will:

- Detect defects and weaknesses
- Ensure the safety and continued use of the equipment
- Be sufficiently independent and impartial to allow objective decisions to be made

The items listed below have to be inspected, either as a legal requirement or to comply with other statutes and, not least, to meet the requirements of your insurance policy.

LOLER - Lifting Operations and Lifting Equipment Regulations 1998

Lifting Equipment	When
Passenger lifts	Every 6 months
Goods lifts	Annually
Lifting accessories (tackle)	Every 6 months
Vehicle lifts	Every 6 months
Window cleaning gantry	Annually

PSSR - Pressure Systems Safety Regulations 2000

Pressure Systems	When
Steam boilers and steam ovens	Every 14 months
Any equipment operated by steam	Every 26 months
Hot water boilers (>100°C)	Every 14 months
Other pressure systems	Every 26 months

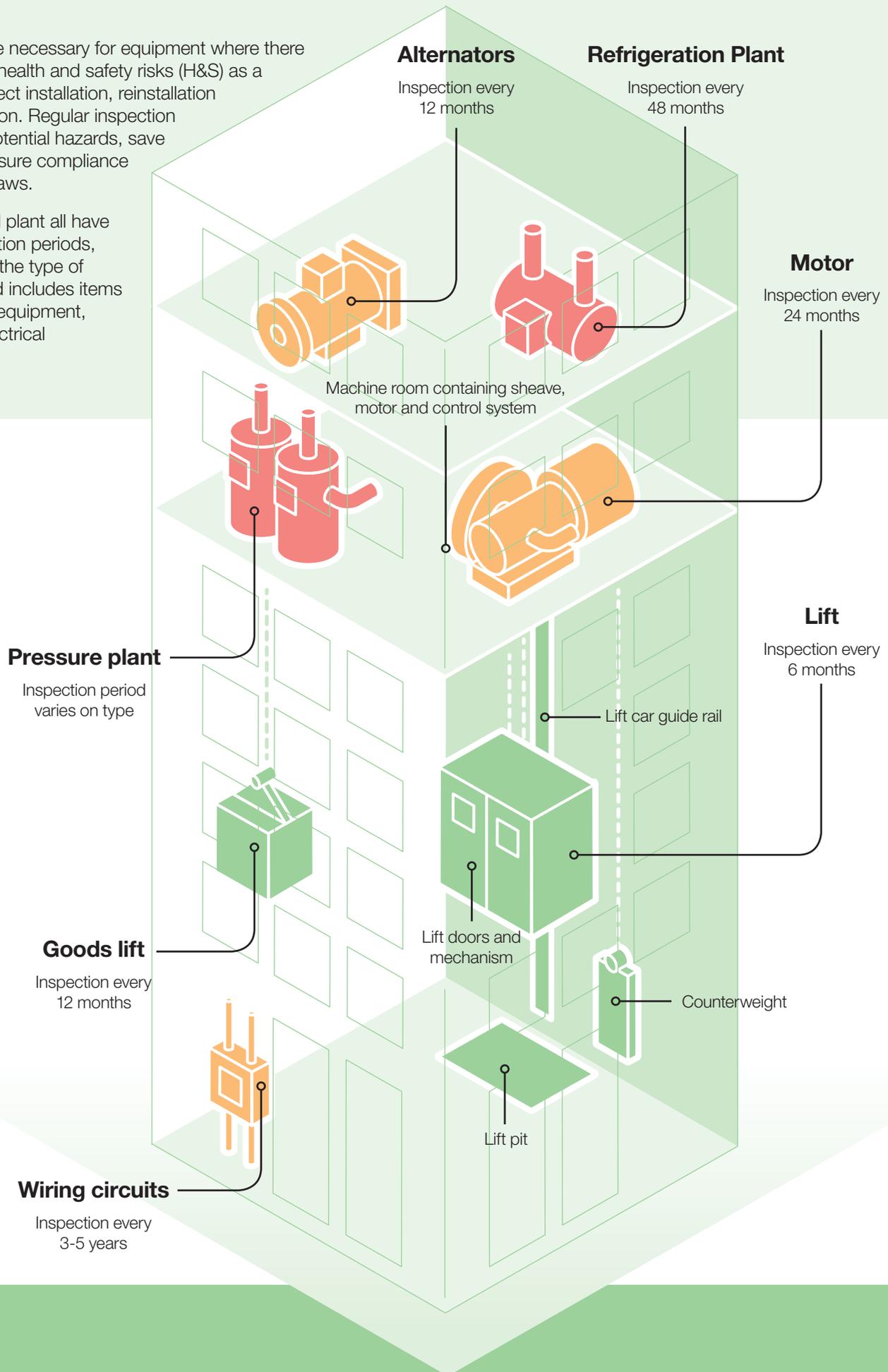
Electricity at Work Regulations 1989

Electrical	When
Electrical installations & equipment	Every 5 years
Electric gates and barriers	Every 12 months

Inspection Services

Inspections are necessary for equipment where there are significant health and safety risks (H&S) as a result of incorrect installation, reinstallation and deterioration. Regular inspection can prevent potential hazards, save money and ensure compliance with UK H&S laws.

Machinery and plant all have varying inspection periods, depending on the type of equipment and includes items such as lifting equipment, boilers and electrical installations.



Inspection guide

What you need to know

What to expect from an inspection

- Tests should be performed on site by a qualified engineer or surveyor, who may also provide advice on maintenance and usage.
- You will be issued with a “Certificate of Inspection”. Similar to an MOT for a car, this will also highlight any faults or defects that need fixing.
- Anything considered dangerous may result in the plant being taken out of service until it is repaired.

Lifting equipment

Passenger lifts – Inspected: 6 months

It is a legal requirement for lifts to be inspected by an independent competent person. Inspections should not be carried out by the same person responsible for maintenance due to conflict of interest. Be aware that a maintenance plan may not include all statutory inspection requirements.

Keep a record of inspections and a copy of the inspection certificates with your insurance documents.

To help comply with the 1998 ‘Lifting Operations and Lifting Equipment Regulations’ (LOLER), insurers offer a stand alone inspection service, separate to an Engineering Insurance policy.

Lift Car Guide Rail – Inspected: 12 months

Examination of the lift car guide rail in the shaft is essential. If faulty the lift could list, causing extensive damage and harming anyone inside.

Good lifts – Inspected: 12 months

Goods lifts are for carrying goods only and should never be used to carry people. Falling lifts and trapped limbs are among the most common risks.

Pressure plant

Inspections will depend on the type of pressure system(s) you have. In blocks of flats these are listed below:

Hot water boilers – Inspected: 24 months

Hot water boilers keep the water temperature below 100°C and typically provide heating of water for domestic and commercial use.

Pressurised hot water boilers Inspected: 14 months

They are susceptible to corrosion and fatigue caused by excessive scale in the system.

Refrigeration Plant – Inspected: 48 months

Typically used for air conditioning, the main risk for refrigeration plant failure is pressure failure due to corrosion and fatigue.

Electrics

Under the Electricity at Work Regulations Act 1989, it is a legal requirement to ensure the safety of electrical devices in blocks of flats, which are considered commercial premises for insurance purposes.

Wiring circuits Inspected: 3-5 years

Electrical wiring installations vary widely in complexity. To avoid shocks, burns and worse, the communal areas of blocks of flats have to meet strict health and safety standards determined by the government.

Alternators Inspected: 12 months

Alternators can be used as a backup in the event of an electrical power failure or interruption. Inspections identify obvious signs of wear and deterioration.

Motor Inspected: 24 months

Inspection of engines, motors, pumps and compressors are essential. In July 2010 a five-year-old girl was crushed to death by an automatic gate because it was faulty and did not meet British safety standards.

Engineering insurance

Most claims fall under two main causes:

- Accidental damage
- Mechanical breakdown

Mechanical breakdown is usually defined as:

- Sudden stoppage caused by a mechanical or electrical defect in the plant
- Fracturing of any part of the plant caused by frost and which requires repair or replacement before the plant can resume normal working

Most policies are worded to cover 'Sudden and Unforeseen' damage, which often also includes explosion, collapse and accidental damage.

'Sudden and Unforeseen' damage would cover immediate repairs or replacement. The policy holder merely has to prove the damage was both 'sudden' and 'unforeseen'. The onus rests on the insurer to prove that any loss or damage was the result of an 'excluded' cause.

Examples of scenarios covered*:

- Smashed glass in the lift when property is being moved in or out of the building
- Short circuiting
- Over voltage
- Faulty operation or non-operation of safety or protective devices
- Faulty operation or incorrect operation of equipment
- Boilers and pressure plant: Sudden and Unforeseen Damage includes cracking, fracturing water-hammer action and frost



What if...

Mechanical Damage

A lift breaks down with people trapped inside. The fire brigade is called and during the rescue operation, damage is caused to the lift door and opening mechanism. A claim is submitted for costs to replace the doors and fitting; very labour intensive and very expensive.

Total cost: £10,071*

Mechanical Damage

The motor on a lift is relatively new, under five years old, and the encoder has stopped working. The lift develops a levelling problem which has raised health and safety issues. The costs of works includes a replacement encoder and labour charges.

Total cost: £1,201*

Accidental Damage

The lift is out of order following a power surge during an electrical storm. A lift engineer is called to identify the cause of the problem and finds the lift's lighting and safety control box has fused. These are removed from the main circuit and diagnostic checks reveal that the main circuit board and software is corrupted.

Total cost: £6,344*



* Based on actual claims received for similar work in 2017.

The opinions and views expressed in the above articles are those of the author only and are for guidance purposes only. The authors disclaim any liability for reliance upon those opinions and would encourage readers to rely upon more than one source before making a decision based on the information.

Key features of our engineering policy

The engineering policy will provide you with the following:

1. Inspection services

- ✓ Independent inspections of equipment to meet your statutory obligations. This applies to equipment such as:
 - Lifts
 - Boilers
 - Window cleaning hoists and cradles
 - PAT Testing of portable electrical equipment
- ✓ Independent inspection of any plant to ensure these are safe to use, and in good working order

2. Insurance protection

- ✓ Breakdown and other unforeseen damage for mechanical and electrical plant
- ✓ Explosion and/or collapse of boilers or other equipment operated under pressure
- ✓ Cover includes a range of extensions including consequential losses, temporary hire of replacement equipment and professional fees incurred in investigating losses
- ✓ Equipment is insured on a "replacement as new" basis

Check list of engineering plant located at blocks of flats

When did you last check?

- | | |
|---|---|
| <input type="checkbox"/> Electric gates and barriers | <input type="checkbox"/> Air conditioning and ventilation units |
| <input type="checkbox"/> Garage doors & roller shutters | <input type="checkbox"/> Disabled access systems |
| <input type="checkbox"/> Lifts | <input type="checkbox"/> Doors and intercoms |
| <input type="checkbox"/> Plumbing and heating systems | <input type="checkbox"/> Smoke alarms, fire hydrants and doors |
| <input type="checkbox"/> Fuse boxes | <input type="checkbox"/> Lightning protection systems |
| <input type="checkbox"/> Window cleaning pulleys | <input type="checkbox"/> Pool/spa cover systems |
| <input type="checkbox"/> Heat exchangers | <input type="checkbox"/> Security lighting |
| <input type="checkbox"/> Back-up generators | <input type="checkbox"/> Sprinkler systems |

If you have any questions regarding what plant does require inspection by law please contact us to discuss.

*As with all insurance policies, the policy is subject to limits, conditions and exclusions. For full terms and conditions please refer to the policy wording available on request. This document does not purport to be comprehensive or to give legal advice. While every effort has been made to ensure accuracy, Deacon cannot be held liable for any errors, omissions or inaccuracies contained within the document. Readers are always recommended to take further professional advice before making any decisions.

We would like to thank Deacon, specialists in blocks of flats insurance for more than 28 years, for their help in preparing this insurance guide. This document is designed as a helpful introduction to insurance and is provided for information purposes only. It is not intended to be comprehensive nor does it constitute legal or other professional advice, or a recommendation of any product.

DEACON
Blocks of Flats Insurance



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