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Insurance | Risk Management | Consulting



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 may be no need to raid the management fund if the unexpected happens.

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 here 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	Inspection Frequency
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

*In practice insurers may require inspections every 12 and 24 months based on annual renewal dates.

Pressure Systems	Inspection Frequency
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	Inspection Frequency
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 – Inspection period: 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), many insurers offer a standalone inspection service, separate to an Engineering Insurance policy.

Lift Car Guide Rail – Inspection period: 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.

Goods lifts – Inspection period: 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 – Inspection period: 24 months

Hot water boilers are designed to heat water to temperatures not exceeding 100°C and typically provide heating of water for domestic and commercial use.

Pressurised hot water boilers Inspection period: 14 months

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

Refrigeration Plant – Inspection period: 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 Inspection period: 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 Inspection period: 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 Inspection period: 24 months

Inspection of engines, motors, pumps and compressors are essential. Owners and occupiers of a Block of Flats with electric gates also have duties under the workplace (Health, Safety and Welfare) Regulations 1992 regarding the construction and maintenance of the gates.

Engineering insurance

Many 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 mechanical or electrical defects and which requires repair or replacement before the plant can resume normal working.

Many 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 policyholder 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



Key features of our engineering policy

The engineering policy can 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

Checklist of engineering plant located at blocks of flats

When did you last check?

- Electric gates and barriers
- Garage doors & roller shutters
- Lifts

- Plumbing and heating systems
- Fuse boxes
- Window cleaning pulleys
- Heat exchangers
- Back-up generators
- Air conditioning and ventilation units
- Disabled access systems
- Doors and intercoms
- Smoke alarms, fire hydrants and doors
- Lightning protection systems
- Pool/spa cover systems
- Security lighting
- 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, Gallagher 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.

Would you like to talk?

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