

CONTRACTORS ALL RISK

SECTION 1: CONTRACT WORKS:

Defined Events

If at any time during the Period of Insurance and within the Territorial Limits stated in the Schedule, the Property Insured described in the Schedule and used in performance of the contract shall suffer any accidental sudden and unforeseen physical loss or damage at the Contract Site from any cause other than those specifically excluded, necessitating repair or replacement, the Company will indemnify the Insured in respect of all such loss or damage up to an amount not exceeding, in respect of each of the items specified in the Schedule, the sum set out opposite thereto and not exceeding in all the total sum expressed in the Schedule as Insured hereby.

Property Insured

The Permanent Works (including free issue materials the Value of which has been included, if applicable) to be undertaken in terms of the Insured Contract including all Temporary Works erected or in the course of erection and all materials and other things for incorporation therein.

“Temporary Works” shall mean all constructional aids, equipment, structures or works (not being part of the permanent works) the value of which has been included in the Contract Value used or intended for use on the Insured Contract and which:

- a) Do not comprise construction plant, tools and equipment;
- b) are not intended to be removed from the Contract Site on completion of the Contract (other than scaffolding shuttering and formwork as well as construction equipment specially designed and/or constructed or acquired for an Insured Contract and which is not intended for immediate re-use on another Contract);

Or

- c) Have no residual value at the completion of the Contract (other than scrap value) solely due to their specialised nature.

Period of Insurance

The liability of the Company shall commence and expire on the dates shown in the Schedule. The Insured Contract insured by this policy shall be subject to the following:

1. The Construction Period shall commence immediately after unloading of property to be insured on the site and the contractor has taken possession of the site of the works.
2. The Construction Period shall end for any part of the Contractors All Risks when taken over or taken into use or on the date specified in the Schedule, whichever is first.
3. Whilst in transit, including loading and unloading, or whilst temporarily stored at any premises en route to or from the Contract Site within the Territorial Limits.
4. Followed by the maintenance or defects liability period as stated in the Schedule.

Maintenance Period / Defects Liability Period

This insurance policy shall be extended for the maintenance period stated in the Schedule to cover loss of or damage to the Contractors All Risks

- caused by the insured contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract,
- occurring during the maintenance period provided such loss or damage was caused on the site during the construction period before the certificate of completion for the lost or damaged section was issued.

Insured Contract

The contracts and or work as stated in the Schedule as Insured Business and undertaken by or on behalf of the Insured but excluding:

1. Underground working of any colliery or mine
2. On an existing airport runway or airstrip or in or on any aircraft
3. in or on waterborne vessels
4. Involving harbours, jetties, offshore pipelines, piers, wharfs, dams, canals, water channels, tunnels, shaft sinking and bridges over watercourses
5. Involving the installation of plant intended for the processing of hydrocarbons
6. Any works where a major wet/water or structural or subsidence/ landslip or geological Hazard is known to exist
7. Power stations unless agreed to in writing and endorsed in the Schedule

Contract Sum Insured

The sums insured stated in the Schedule shall represent for:

Insured Contract : the estimated value of the Contractors All Risks at completion inclusive of materials, freight, customs duties, dues and cost of construction and the value of services, materials, machines and labour supplied by the Principal

Free issue material: the value of materials for which the Insured is responsible and is incorporated into the Contractors All Risks and included in the Contract Value but not included in the Bill of Quantities

Escalation

The Insured undertakes to notify the Company during this Period of Insurance of any material increase or decrease in the Contract Value insured if the change exceeds the escalation percentage stated in the schedule.

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Loss Settlement

The Company will make payments on the basis of valid bills, documentary evidence and justification, as the case may require, that the loss or damage in respect of which a claim is made falls under the scope of this Policy.

Extra charges, incurred in connection with a claim covered by this Policy, for overtime, night work, work on public holidays, express and air freight, removal of debris, fire brigade charges shall not be reimbursed, unless specially provided for by endorsements to the Policy.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair costs.

The cost of any alterations, additions and/or improvements which may be undertaken as a result of any loss or damage shall not be recoverable hereunder.

The Company may at their option repair replace reinstate or pay cash in lieu of repairs and the basis of loss settlement shall include:

- 1 the cost of repair, reinstatement or replacement of the Property Insured at the time of reinstatement of the loss or damage including supplementary charges such as packing costs, freight, customs dues, erection and profit to the extent that such charges have been Included in the Sum Insured; plus
2. Establishment and supervisory charges incurred in connection with repair, reinstatement or replacement following indemnifiable loss or damage to the Property Insured; plus all necessarily and reasonably incurred by the Insured.

Surrounding property

(Employers property) if so stated Property (other than contract works or construction plant and equipment used or intended for use on the insured contract) being worked on which is the responsibility contractually or otherwise or in the care custody and control of the contractor and arising from or in connection with the insured contract provided that this indemnity shall only operate to the extent that indemnity is not obtained under any other policy of insurance effected for the benefit of the insured.

Specific Exceptions

The Company shall not be liable for

1. Loss of or damage to:
 - a) Repairing replacing reinstating or making good any part of the Property Insured which is defective in material workmanship design plan or specification. Should any defect in material workmanship design plan or specification give rise to loss or damage which but for this exception would be insured by this Policy the Company shall in respect of such loss or damage only be liable for costs additional to the costs that would have been incurred in replacing reinstating or repairing the defect had the resultant damage not occurred
 - b) Re-design improvement betterment or alteration on the occasion of repair replacement or reinstatement
2. loss or damage to any locomotive, aircraft or waterborne vessel or craft
3. loss of or damage to any item of constructional plant tools or equipment unless endorsed on this policy and stated in the schedule
4. loss of or damage to refractory linings following application of heat thereto or from withdrawal of heat there from
5. consequential loss of any nature including penalties, fines, loss of contracts and loss arising from delay in completing or negotiating contracts
6. Loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities or cheques, packing materials, such as cases, boxes or crates
7. loss of any property insured or any part thereof by disappearance or by shortage where such loss is revealed only by the taking of a routine inventory or periodic stocktaking
8. wear and tear corrosion, rust, erosion, oxidation and deterioration due to normal atmospheric conditions (unless caused as a result of a peril which is otherwise insured by this policy)
9. expenses incurred in the continuous dewatering following ingress of water into the Insured Contract from any naturally occurring underground source
10. loss or damage due to total cessation of work and abandonment of the Insured Contract for a period exceeding 90 consecutive days
11. loss of or damage to and Property Insured due to its own electrical or mechanical breakdown or explosion following the testing period stated in the schedule during which it operated under load conditions (partial or full load) prior to the commencement of any Maintenance Period (whether before or after the introduction of feed stock if applicable)
12. physical loss or damage occurring as a result of:
 - a) Scheduled interruptions of the public power supply;
 - b) Interruption of electricity due to shortage of primary energy at the power stations.

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SECTION 2: LIABILITY

Defined Events

The Company will indemnify the Insured against all sums not exceeding the limits of liability stated in the Schedule which the Insured shall become legally liable to pay as compensation for:

1. Accidental bodily injury or illness to third parties
2. Accidental loss of or damage to property belonging to third parties occurring in direct connection with the performance of the contract insured by this Policy and happening on or in the immediate vicinity of the contract site during the period of insurance as specified in the schedule.

Limit of Indemnity

The liability of the Company under this section shall not exceed the limits stated in the Schedule for any one accident arising out of any one event.

Legal Defence Costs

In respect of a claim for compensation to which the indemnity provided herein applies, the Company will in addition indemnify the Insured against:

1. All costs and expenses of litigation recovered by any claimant from the Insured, and
2. All costs and expenses of litigation incurred with the written consent of the Company in resisting any claim.

Provided that the liability of the Company in respect of any one occurrence shall not exceed the limit of indemnity as stated in the schedule

Period of Insurance

The Period of Insurance under this section is identical to the Period of Insurance specified in the Schedule.

Specific Exceptions

The Company will not indemnify the Insured in respect of:

1. Expenditure incurred in repairing or replacing any work or property covered or coverable under the material damage section of this Policy.
2. Liabilities arising from loss or damage to any property or land or building caused by vibration, or by the removal or weakening of support, or injury or damage to any person or property occasioned by or resulting from any such damage unless agreed to in writing and endorsed in the Schedule liability arising in respect of death, injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination unless caused by a sudden unintended and unforeseen occurrence
3. loss of or damage to any item of constructional plant tools or equipment unless endorsed on this policy and stated in the schedule
4. the cost of removing, nullifying or cleaning up seepage, pollution or contaminating substances
5. 5 fines penalties punitive or exemplary damages resulting from seepage, pollution or contamination
6. 6 liabilities arising out of:
 - 6.1 bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal or any other firm connected with the contract work
 - 6.2 loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal or any other firm connected with the contract works, or of an employee or workman of one of the aforesaid
 - 6.3 Any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft a
 - 6.4 Any contract or agreement unless such liability would have attached in the absence of such contract or agreement technical or professional advices given by the Insured or by any person acting on behalf of the Insured.

Specific Conditions

The Insured shall not negotiate, pay, settle, admit or repudiate any claim under the Policy without the consent of the Company, who shall be entitled, if they so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.

The Company may in respect of any claim(s) pay to the Insured the amount of the limit of indemnity, as stated in the Schedule, or such lesser sum for which the claim(s) can be settled, subject in either case to deduction of any sum(s) already paid on account of such claim(s), and thereafter the Company shall be under no further liability in respect of such claim(s) except for payment of costs and expenses incurred prior to the date of such payment and for which the Company may be liable hereunder.

Special conditions concerning underground cables, pipes and other facilities

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall only indemnify the Insured in respect of loss of or damage to existing underground cables and/or pipes or other underground facilities if, prior to the commencement of works, the Insured has inquired with the relevant authorities about the exact position of such cables, pipes or other underground facilities and takes all necessary steps to avoid damage to same.

Claims in respect of loss of or damage to such underground facilities which are in the same position as shown on the underground maps (drawings indicating the position of the underground facilities) shall be payable after applying a deductible of 20% of the loss amount or the deductible Stated in the Schedule, whichever is the greater?

Claims in respect of loss of or damage to underground facilities incorrectly shown on the underground map shall be payable after applying a deductible of 25% of the loss. The indemnity shall in any case be restricted to the repair costs of such cables, pipes or other underground facilities, any consequential damage and penalties being excluded from the cover.