



**CONTRACTORS
ALL RISKS (CAR)
INSURANCE**

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Field of Engineering Activities

A historic Perspective




End of World War II sees

- ✍ Large Scale devastation
- ✍ Independence of many countries from colonial rule



R E S U L T

- ✍ Large scale reconstruction
- ✍ Building boom in the countries gaining independence

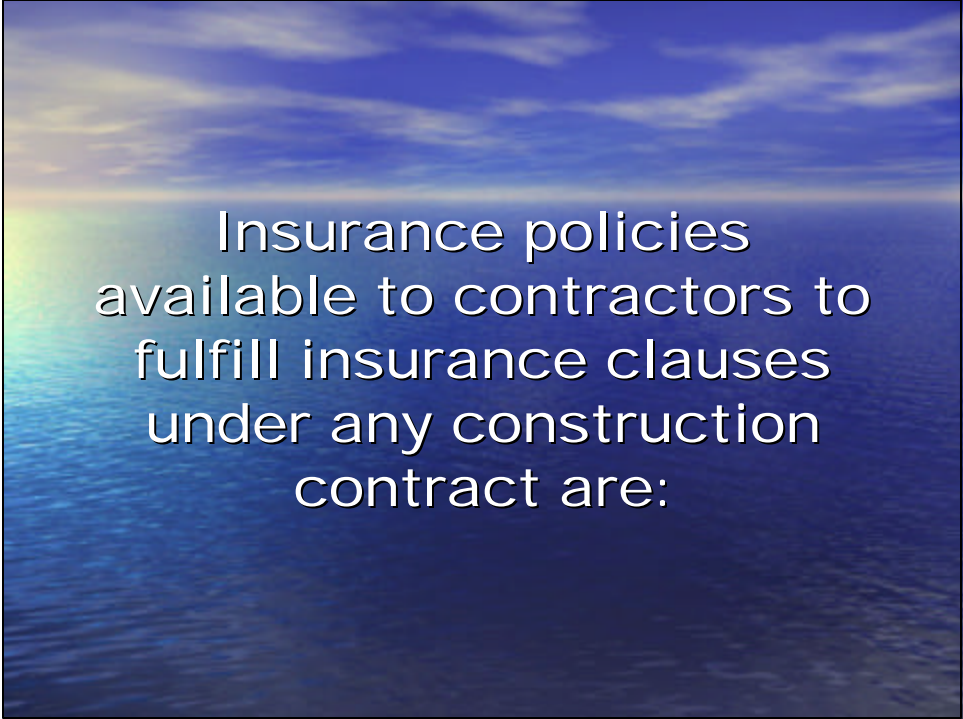


Insurance assumes an important role in every Engineering Contract



Services catered by Insurance for construction/installation

- ✍ Bond/guarantees on behalf of contractors
- ✍ Comprehensive insurance policies for:
 - project works
 - construction plant used at site
 - third party liability cover



Insurance policies available to contractors to fulfill insurance clauses under any construction contract are:

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- ✍ Contractors All Risks Insurance for works (CAR)
 - ✍ Third Party Liability Insurance (TPL)
 - ✍ Workmen Compensation Insurance to cover injuries to workmen (WC)

CONTRACTORS ALL RISKS INSURANCE (CAR)

an all risks cover for any project

Perils covered

- ✍ Acts of Nature – Flood, Inundation, Snow, Tsunami, Windstorm, Earthquake, Landslide etc.
- ✍ Fire & Allied Perils - Fire, Lightning, Explosion, Crashing aircraft, Burglary etc.
- ✍ Human Errors - Carelessness of workers, Negligence, Lack of Skill etc.

CAR Cont'd

Subject Matter Insured

The cover can be granted for any Engineering/Construction project

Inter alia

- Residential, offices, hospitals and other buildings
- Factories, Power Plants and others
- Road, Railway facilities and airports
- Bridges, dams, weirs, tunnels, water supply and drainage system, canals etc. etc.

thus any type of construction project can be insured by one policy i.e. CAR

Sum Insured (Amount of Insurance)

- ✍ Full Project Value at completion (anticipated); including
 - cost of material
 - labour cost etc.

Period of Cover (Time for Insurance)

- ✍ Total period required for construction of project; and
- ✍ Maintenance period for contractor (usually 12 months)

Extension of basic cover

- ✍ Construction machinery, plant & equipment
- ✍ Surrounding properties
- ✍ Clearance of debris, and
- ✍ Third Party Liability

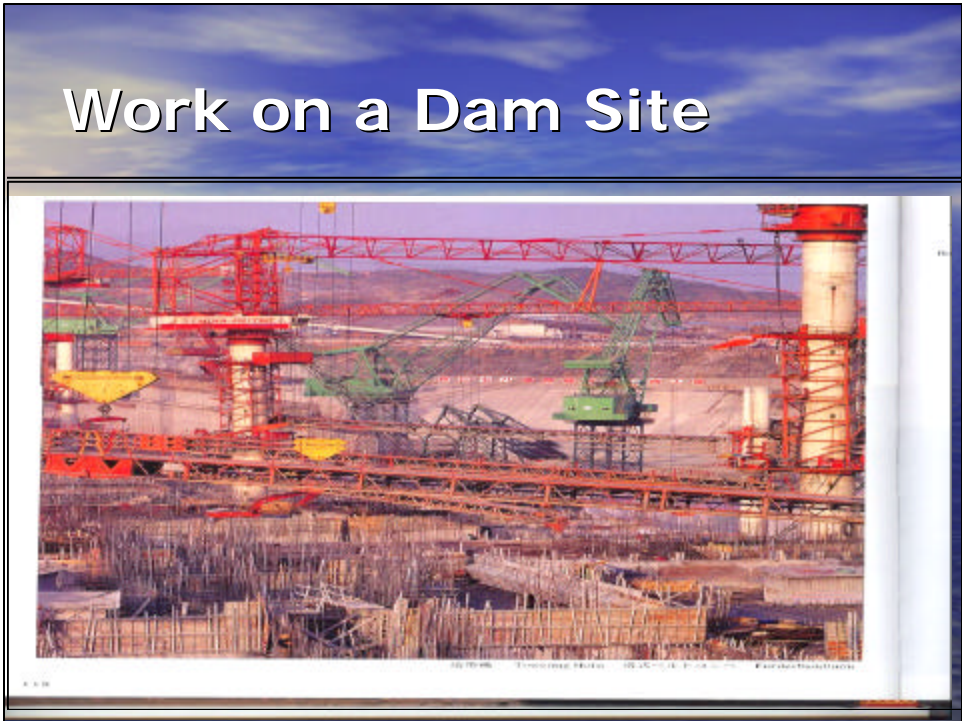
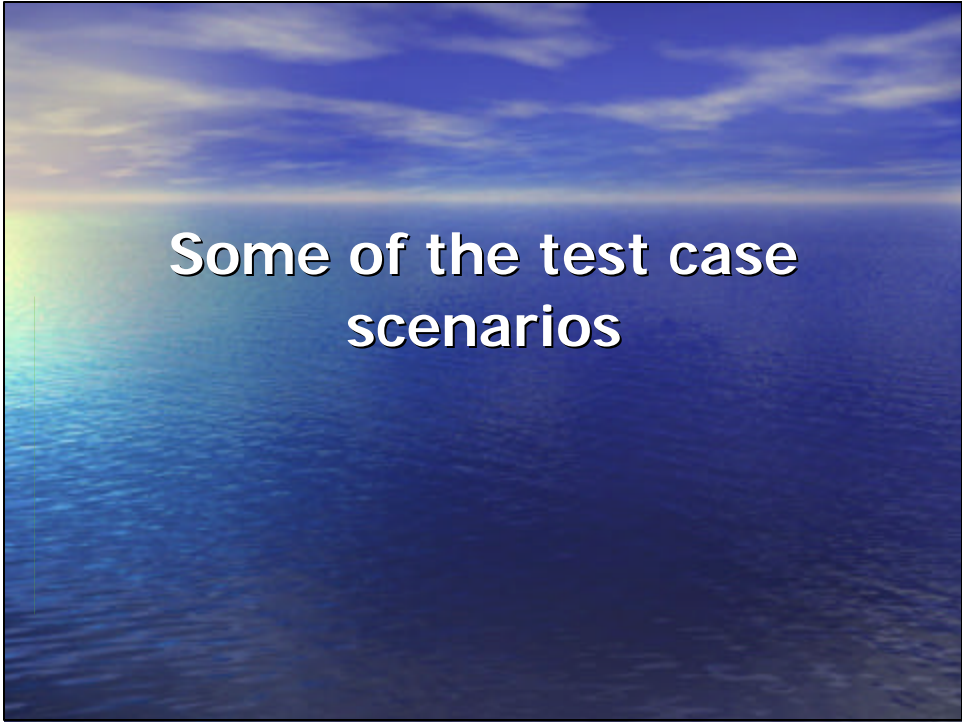
**When a CAR policy is taken
No other
Insurance Policy is needed
for Project Property
under Construction**

Workmen Compensation Insurance

- ✍ Covers compensation of injuries to workers, in accordance with workmen compensation Act, Fatal Accident Act & At Common Law
- ✍ Employees other than workers to be covered by employers liability insurance

Service of Engineering Insurance to Engineers

Exchange
of
Accumulated knowledge of
Claims & Damages



Subsidence



A 30-story building and many other structures in the city of New York, N.Y., were destroyed by the collapse of a large tunnel. The collapse was the result of a major engineering failure. The collapse was the result of a major engineering failure. The collapse was the result of a major engineering failure.



About 500 cm of concrete had been poured, the Bridge collapsed at last. The scaffolding capacity had not been properly calculated. The contractor had not taken out any INSURANCE for the project, he went bankrupt as a consequence of the losses involved.

The wall of a construction pit was not properly secured. When the soil got heavy with rain, the wall slipped into the pit. A building standing near the edge of the pit tumbled down with the soil.



Loss at a Construction Site due to Flooding

The construction site was flooded due to inadequate protection. Although the construction works sustained only minor damage, considerable effort and expenses were necessary to clear the debris and clean the site.

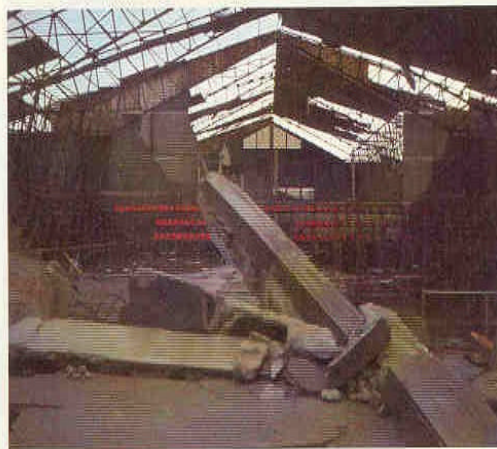


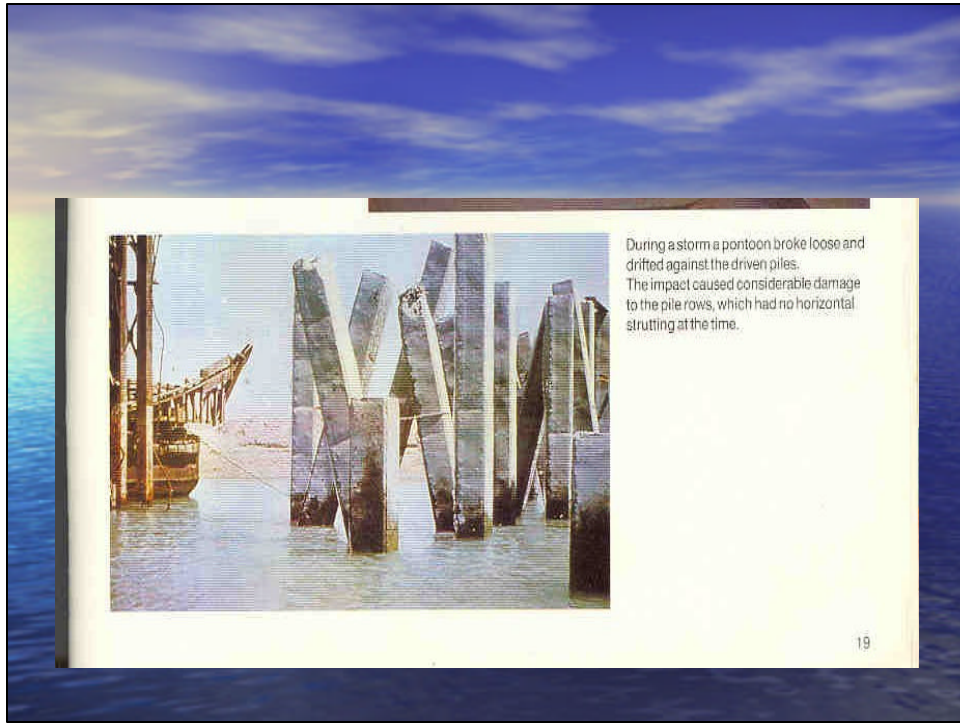
Loss at construction site due to natural hazard

Natural hazards



Storm damage to the formwork of a shed and a storage shed that had almost been completed.





Thank you

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