

**CONTRACTOR'S ALL RISK POLICY  
- Clauses and Endorsements -**

**CONTENTS**

001	COVER FOR LOSS OR DAMAGE DUE TO STRIKE, RIOT AND CIVIL COMMOTION (SRCC).....	3
002	COVER FOR CROSS LIABILITY .....	4
003	MAINTENANCE VISITS COVER.....	4
004	EXTENDED MAINTENANCE COVER .....	4
005	SPECIAL CONDITIONS CONCERNING THE CONSTRUCTION AND/OR ERECTION TIME SCHEDULE .....	5
006	COVER OF EXTRA CHARGES FOR OVERTIME, NIGHT WORK, WORK ON PUBLIC HOLIDAYS, EXPRESS FREIGHT .....	5
007	COVER FOR EXTRA CHARGES FOR AIRFREIGHT .....	5
008	WARRANTY CONCERNING STRUCTURES IN EARTHQUAKE ZONES .....	5
009	EXCLUSION OF LOSS, DAMAGE OR LIABILITY DUE TO EARTHQUAKE .....	5
010	EXCLUSION OF LOSS, DAMAGE OR LIABILITY DUE TO FLOOD AND INUNDATION .....	6
012	EXCLUSION OF LOSS, DAMAGE OR LIABILITY DUE TO WINDSTORM OR WIND-RELATED WATER DAMAGE .....	6
013	PROPERTY IN OFF-SITE STORAGE.....	6
100	TESTING OF MACHINERY AND INSTALLATIONS.....	6
101	SPECIAL CONDITIONS CONCERNING THE CONSTRUCTION OF TUNNELS, GALLERIES, TEMPORARY OR PERMANENT SUBSURFACE STRUCTURES OR INSTALLATIONS .....	7
102	SPECIAL CONDITIONS CONCERNING UNDERGROUND CABLES, PIPES AND OTHER FACILITIES .....	7
103	EXCLUSION OF LOSS OF OR DAMAGE TO CROPS, FORESTS AND CULTURES.....	8
104	SPECIAL CONDITIONS CONCERNING THE CONSTRUCTION OF DAMS AND WATER RESERVOIRS .....	8
106	WARRANTY CONCERNING SECTIONS .....	8
107	WARRANTY CONCERNING CAMPS AND STORES .....	8
108	WARRANTY CONCERNING CONSTRUCTION PLANT, EQUIPMENT AND MACHINERY .....	8
109	WARRANTY CONCERNING CONSTRUCTION MATERIAL .....	9
110	SPECIAL CONDITIONS CONCERNING SAFETY MEASURES WITH RESPECT TO PRECIPITATION, FLOOD AND INUNDATION .....	9
111	SPECIAL CONDITIONS CONCERNING REMOVAL OF DEBRIS FROM LANDSLIDES .....	9

112	<b>SPECIAL CONDITIONS CONCERNING FIRE-FIGHTING FACILITIES AND FIRE SAFETY ON CONSTRUCTION SITES</b> .....	9
113	<b>INLAND TRANSIT</b> .....	10
114	<b>SERIAL LOSSES</b> .....	10
115	<b>COVER FOR DESIGNER'S RISK</b> .....	11
116	<b>COVER FOR INSURED CONTRACT WORKS TAKEN OVER OR PUT INTO SERVICE</b> .....	11
117	<b>SPECIAL CONDITIONS FOR LAYING WATER SUPPLY AND SEWER PIPES</b> .....	11
118	<b>DRILLING WORK FOR WATER WELLS</b> .....	11
119	<b>EXISTING PROPERTY OR PROPERTY BELONGING TO OR HELD IN CARE, CUSTODY OR CONTROL THE INSURED</b> .....	12
120	<b>VIBRATION, REMOVAL OR WEAKENING OF SUPPORT</b> .....	12
121	<b>SPECIAL CONDITIONS CONCERNING PILING FOUNDATION AND RETAINING WALL WORKS</b> ...	13

**001 COVER FOR LOSS OR DAMAGE DUE TO STRIKE, RIOT AND CIVIL COMMOTION (SRCC)**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, and subject to the Insured having paid the agreed extra premium, this Policy shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property insured directly caused by

1. the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in item 2 of the Special Conditions hereof,
2. the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance,
3. the wilful act of any striker or locked-out worker performed in furtherance of a strike or in resistance to a lock-out,
4. the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

Provided that it is hereby further expressly agreed and declared that

1. all the terms, exclusions, provisions and conditions of the Policy shall apply in all respect to the insurance granted by this extension save in so far as the same are expressly varied by the following Special Conditions, and any reference to loss or damage in the wording of the Policy shall be deemed to include the perils hereby insured against,
2. the following Special Conditions shall apply only to the insurance granted by this extension, and the wording of the Policy shall apply in all respects to the insurance granted by the Policy as if this Endorsement had not been made thereon.

**Special Conditions**

1. This insurance shall not cover
  - a. loss or damage resulting from total or partial cessation of work or the retarding, interruption or cessation of any process or operation,
  - b. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority,
  - c. loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building,
  - d. consequential loss or liability of any kind or description, any payments over and above the indemnity for the material damage as provided herein.

Provided nevertheless that the Insurers are not relieved under b or c above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

2. This insurance shall not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely
  - a. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war,
  - b. mutiny, civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power,
  - c. any act of any person acting on behalf of or in connection with any organization with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism or violence.

In any action, suit or other proceeding, where the Insurers allege that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

3. This insurance may at any time be terminated by the Insurers on notice to that effect being given by registered post at the Insured's last known address, in which case the Insurers shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of termination.
4. The limit of indemnity any one occurrence as stated below shall be understood to limit the indemnity for all loss or damage covered by this Endorsement during a consecutive period of 168 hours.

The aggregate liability of the Insurers during the period of cover of this Policy shall be limited by twice the limit of indemnity any one occurrence.

Limit of indemnity: any one occurrence  
Deductible: any one occurrence

## **002 COVER FOR CROSS LIABILITY**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, the Third Party Liability cover of the Policy shall apply to the insured parties named in the Schedule as if a separate policy had been issued to each party, provided that the Insurers shall not indemnify the Insured under this Endorsement in respect of liability for

- loss of or damage to items insured or insurable under Section 1 of the Policy, even if not recoverable due to an excess or any limit,
- fatal or non-fatal injury or illness of employees or workmen who are or could have been insured under Workmen's Compensation and/or Employers' Liability insurance.

The Insurers' total liability in respect of the insured parties shall not however exceed in the aggregate for any one accident or series of accidents arising out of one event the limit of indemnity stated in the Schedule.

## **003 MAINTENANCE VISITS COVER**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended for the maintenance period specified hereunder to cover solely loss of or damage to the contract works 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.

Maintenance cover: from to

## **004 EXTENDED MAINTENANCE COVER**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended for the maintenance period specified hereunder to cover loss of or damage to the contract works

- 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 policy of completion for the lost or damaged section was issued.

Maintenance cover: from to

**005 SPECIAL CONDITIONS CONCERNING THE CONSTRUCTION AND/OR ERECTION TIME SCHEDULE**

It is agreed and understood that otherwise subject to the terms exclusions provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this insurance:

The construction and/or erection time schedule together with any other statements made in writing by the Insured for the purpose of obtaining cover under the Policy as well as technical information forwarded to the Insurers is deemed to be incorporated herein.

The Insurers shall not indemnify the Insured in respect of loss or damage caused by or arising out of or aggravated by deviations from the construction and/or erection time schedule exceeding the number of weeks stated below unless the Insurers had agreed in writing to such a deviation before the loss occurred.

**006 COVER OF EXTRA CHARGES FOR OVERTIME, NIGHT WORK, WORK ON PUBLIC HOLIDAYS, EXPRESS FREIGHT**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for overtime, night work, work on public holidays and express freight (excluding airfreight).

Provided always that such extra charges shall be incurred in connection with any loss of or damage to the insured items recoverable under the Policy.

If the sum(s) insured of the damaged item(s) is/are less than the amount(s) required to the insured, the amount payable under this Endorsement for such extra charges shall be reduced in the same proportion.

Limit of indemnity: any one occurrence

**007 COVER FOR EXTRA CHARGES FOR AIRFREIGHT**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for airfreight.

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the Policy.

Provided further that the maximum amount payable under this Endorsement in respect of airfreight shall not exceed \_\_\_\_\_ during the period of insurance.

Deductible: 20% of the indemnifiable extra charges, minimum \_\_\_\_\_ any one occurrence

**008 WARRANTY CONCERNING STRUCTURES IN EARTHQUAKE ZONES**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss, damage or liability arising out of earthquake if the Insured proves that the earthquake risk was taken into account in design according to the official building codes valid for the site and that the qualities of material and workmanship and the dimensions on which the calculations were based were adhered to.

**009 EXCLUSION OF LOSS, DAMAGE OR LIABILITY DUE TO EARTHQUAKE**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured for loss, damage or liability directly or indirectly caused by or resulting from earthquake.

**010 EXCLUSION OF LOSS, DAMAGE OR LIABILITY DUE TO FLOOD AND INUNDATION**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured for loss, damage or liability directly or indirectly caused by or resulting from flood and inundation.

**012 EXCLUSION OF LOSS, DAMAGE OR LIABILITY DUE TO WINDSTORM OR WIND-RELATED WATER DAMAGE**

It is agreed and understood that, notwithstanding the terms, exclusions, provisions and conditions of the Policy or any Endorsements agreed upon, the Insurers shall not indemnify the Insured for loss or damage or liability directly or indirectly caused by or resulting from windstorm equal to or exceeding grade 8 on the Beaufort Scale (mean wind speed exceeding 62 km/h) or any water damage occurring in connection with or as a consequence of such windstorm.

**013 PROPERTY IN OFF-SITE STORAGE**

It is agreed and understood that, notwithstanding the terms exclusions, provisions and conditions of the Policy or any Endorsements agreed upon and subject to the Insured having paid the agreed extra premium, Section I of the Policy shall be extended to cover loss or damage to property insured (except property being manufactured, processed or stored at the manufacturer's, distributor's or supplier's premises) in off-site storage within the territorial limits as stated below.

The Insurers shall not indemnify the Insured for loss or damage caused by the neglect of generally accepted loss prevention measures for warehouses or storage units. Such measures shall include, in particular:

- ensuring that the storage area is enclosed (either a building or at least fenced in), guarded, protected against fire, as appropriate for the particular location or type of property stored;
- separating the storage units by fire-proof walls or by a distance of at least 50 meters;
- positioning and designing the storage units in such a way as to prevent damage by accumulating water or flooding due to rainfall or by a flood with a statistical return period of less than 20 years;
- limiting the value per storage unit.

Territorial limits of:

Maximum value per storage unit:

Limit of Indemnity (any one occurrence):

Deductible: % of loss amount minimum any one occurrence

**100 TESTING OF MACHINERY AND INSTALLATIONS**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the period of cover shall be extended to include a test operation or a test loading but not beyond four weeks from the date of commencement of the test.

If, however, a part of a plant or one or several machine(s) is(are) tested and/or put into operation or taken over, the cover for that particular part of the plant or machine(s) and any liability resulting therefrom ceases whereas the cover continues for the remaining parts to which the above does not apply.

It is further agreed and understood that for the machines and installations undergoing a test, exclusions c and d of the Exclusions to Section 1 of the Policy are deleted and the following exclusion shall apply:

"loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection;"

In the case of second-hand items, the insurance hereunder shall, however, cease immediately on the commencement of the test.

**101 SPECIAL CONDITIONS CONCERNING THE CONSTRUCTION OF TUNNELS, GALLERIES, TEMPORARY OR PERMANENT SUBSURFACE STRUCTURES OR INSTALLATIONS**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon the Insurers shall not indemnify the Insured in respect of the expenses incurred for

- alterations in the construction method or due to unforeseen ground conditions or obstructions,
- measures which become necessary to improve or stabilize ground conditions or to seal against water ingress unless necessary to reinstate indemnifiable loss or damage,
- removing material which has been excavated, or due to overbreak in excess of the design profile and/or for refilling cavities resulting therefrom,
- dewatering unless necessary to reinstate indemnifiable loss or damage,
- loss or damage due to breakdown of the dewatering system if such loss or damage could have been avoided by use of standby facilities,
- the abandonment or recovery of tunnel-boring machines,
- the loss of bentonite, suspensions, or any media or substance used for excavation support or as a ground-conditioning agent.

In the event of indemnifiable loss or damage the maximum amount payable under this Policy shall be limited to the expenses incurred to reinstate the insured property to a standard or condition technically equivalent to that which existed immediately before the occurrence of loss or damage but not in excess of the percentage as stated below of the original average per-metre construction cost of the immediate damaged area.

Maximum percentage payable:            %

**102 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 Insurers 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 taken 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 under a below, 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 the deductible stated under b below.

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.

Deductibles:       a) 20% of the loss amount, minimum \_\_\_\_\_ any one occurrence  
                      b)

**103 EXCLUSION OF LOSS OF OR DAMAGE TO CROPS, FORESTS AND CULTURES**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured for loss, damage or liability directly or indirectly caused to crops, forests and/or any cultures during the execution of the contract works.

**104 SPECIAL CONDITIONS CONCERNING THE CONSTRUCTION OF DAMS AND WATER RESERVOIRS**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify in respect of

- grouting of soft rock areas and/or other additional safety measures even if their necessity arises only during construction,
- expenses incurred for dewatering even if the quantities of water originally expected are exceeded substantially,
- loss or damage due to breakdown of the dewatering system if such breakdown could have been avoided by sufficient stand-by facilities,
- expenses incurred for additional sealing or waterproof and additional facilities for the discharge of run-off and/or underground water,
- loss or damage due to subsidence if caused by insufficient compacting,
- cracks and leakage.

**106 WARRANTY CONCERNING SECTIONS**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss, damage or liability directly or indirectly caused to or by embankments, cuttings and benchings, ditches, canals or road works if these embankments, cuttings and benchings, ditches, canals or road works are constructed in sections not exceeding in total the length stated below, irrespective of the state of completion of the insured works, and the indemnification for any one loss event shall be limited to the cost of repair of such sections.

Maximum length of section:                      metres

**107 WARRANTY CONCERNING CAMPS AND STORES**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss, damage or liability directly or indirectly caused to camps and stores by fire, flood or inundation if these camps and stores are located above the highest water level recorded anywhere on the site during the last 20 years and the individual storage units are either at least 50 m apart or separated by fire walls.

It is also agreed that the Insurers shall indemnify the Insured for any one occurrence only up to a limit of indemnity of                      for camps,                      for each individual storage unit.

**108 WARRANTY CONCERNING CONSTRUCTION PLANT, EQUIPMENT AND MACHINERY**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss, damage or liability directly or indirectly caused to construction plant, equipment and machinery by flood and inundation if, after the execution of works or in case of any interruption, such construction plant, equipment and machinery are kept in an area not endangered by 20-year floods.



**109 WARRANTY CONCERNING CONSTRUCTION MATERIAL**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss, damage or liability directly or indirectly caused to construction material by flood and inundation if such construction material does not exceed three days' demand and the exceeding quantities are kept in areas not endangered by 20-year floods.

**110 SPECIAL CONDITIONS CONCERNING SAFETY MEASURES WITH RESPECT TO PRECIPITATION, FLOOD AND INUNDATION**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss, damage or liability caused directly or indirectly by precipitation, flood and inundation if adequate safety measures have been taken in designing and executing the project involved.

For the purposes of this Endorsement adequate safety measures shall mean that, at all times throughout the policy period, allowance is made for precipitation, flood and inundation up to a return period of 20 years for the location insured on the basis of the statistics prepared by the meteorological agencies.

Loss, damage or liability resulting from the Insured's not immediately removing obstructions (e.g. sand, trees) from watercourses within the construction site, whether carrying water or not, in order to maintain free water flow shall not be indemnifiable.

**111 SPECIAL CONDITIONS CONCERNING REMOVAL OF DEBRIS FROM LANDSLIDES**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured in respect of

- expenses incurred for the removal of debris from landslides in excess of the costs of excavating the original material from the area affected by such landslides,
- expenses incurred for the repair of eroded slopes or other graded areas if the Insured has failed to take the measures required or to take them in time.

**112 SPECIAL CONDITIONS CONCERNING FIRE-FIGHTING FACILITIES AND FIRE SAFETY ON CONSTRUCTION SITES**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss or damage directly or indirectly caused by or resulting from fire or explosion, provided always that:

1. With regard to the progress of work adequate fire-fighting equipment and sufficient extinguishing agents are available and operative at all times.

Fully operative wet riser hydrants are installed up to one level below the highest current work level and are sealed by temporary end caps;

2. The cabinets containing hose reels and portable fire extinguishers are inspected at regular intervals but at least twice a week;
3. Fire compartments as required by local regulations are installed as soon as possible after the removal of formwork.

Openings for lift shafts, service ducts and other voids are provisionally closed as soon as possible but not later than at the commencement of fit-out work;

4. Waste material is removed regularly. All floors undergoing fit-out are cleared of combustible waste at the end of each working day;
5. A "permit to work" system is implemented for all contractors engaged in "hot work" of any kind such as but not limited to
  - grinding, cutting or welding operations,
  - use of blow lamps and torches,
  - application of hot bitumen,

or any other heat producing operation.

"Hot work" is carried out only in the presence of at least one worker equipped with a fire extinguisher and trained in fire-fighting.

The area of any "hot work" is examined one hour after the work has finished;

6. Storage of material for the construction or erection shall be subdivided into storage units not exceeding the value stated below per storage unit. The individual storage units shall be either at least 50 m apart or separated by fire-proof walls.

All flammable material and especially all flammable liquids and gases shall be stored at a sufficiently large distance from the property under construction or erection and any hot work;

7. A Site Safety Coordinator is appointed.

A reliable fire alarm system is installed and whenever possible a direct communication link maintained with the nearest fire brigade.

A Fire Protection Plan and a Site Fire Action Plan are implemented and updated regularly.

The contractor's personnel are trained in fire-fighting and fire-fighting drills carried out weekly.

The nearest fire brigade is familiarized with the site and immediate access maintained for it at all times;

8. The site is fenced off and access controlled.

Value per storage unit:

### **113 INLAND TRANSIT**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section 1 of this insurance shall be extended to cover loss of or damage to the insured property whilst in transit to the contract site other than on waterways or by air within the territorial limits of \_\_\_\_\_ provided that the maximum amount payable under this Endorsement does not exceed \_\_\_\_\_ per conveyance.

Total value of property:

Deductible:

### **114 SERIAL LOSSES**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following clause shall apply to this insurance:

Loss or damage due to faulty design (if covered by endorsement), defective material and/or workmanship arising out of the same cause to structures, parts of structures, machines or equipment of the same type shall be indemnified according to the following scale after applying the Policy deductible for each loss:

100% of the first 2 losses  
80% of the 3rd loss  
60% of the 4th loss  
50% of the 5th loss

Further losses shall not be indemnified.

#### **115 COVER FOR DESIGNER'S RISK**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, exclusion c) under Special Exclusions to Section 1 of the Policy shall be deleted and exclusion d) replaced by the following wording:

"d) The cost of replacement, repair or rectification of loss of or damage to items due to defective material and/or workmanship and/or faulty design, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship and/or faulty design."

#### **116 COVER FOR INSURED CONTRACT WORKS TAKEN OVER OR PUT INTO SERVICE**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, the insurance shall be extended to cover

- loss of or damage to parts of the insured contract works taken over or put into service if such loss or damage emanates from the construction of the items insured under Section 1 and happens during the period of cover.

#### **117 SPECIAL CONDITIONS FOR LAYING WATER SUPPLY AND SEWER PIPES**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurers shall indemnify the Insured for any loss, damage or liability due to the flooding or silting of pipes, trenches or shafts only up to the maximum length of open trench stated below, partially or completely excavated, for any one loss event.

The Insurers shall be liable only if

1. The pipes, immediately after laying, have been secured in such a manner by backfilling that they cannot be displaced if the trench is flooded;
2. the pipes, immediately after laying, have been closed to prevent water, silt or the like from penetrating;
3. the trenches of tested pipe sections have been backfilled immediately upon completion of the pressure test.

Maximum length:                      metres

#### **118 DRILLING WORK FOR WATER WELLS**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the cover for well drilling work shall be restricted to loss or damage due to or resulting from the following named perils:

- Earthquake, volcanism, tsunami
- Storm, cyclone, flood, inundation, landslide

- Blow-out and/or cratering
- Fire/explosion
- Artesian water flow
- Mud loss, which cannot be overcome by known practices
- Collapse of hole including collapse of casing due to abnormal pressure or heaving shales, which cannot be overcome by known practice.

The indemnity shall be calculated on the basis of the costs (including material) spent for drilling the well up to the very moment when the first phenomena of the above perils are apparent and the well has to be abandoned due to a hazard insured against, and the Insured shall bear a deductible of 10% of the loss amount, minimum as stated below for any one occurrence.

**Special exclusions**

The Insurers shall not be liable for

- loss of or damage to drilling rig and drilling equipment (for which the drilling contractor may conclude a special Insurance),
- costs of fishing operations of all kinds,
- costs of reconditioning and workover operations to restore well conditions including all stimulation work (acidizing, fracturing, etc).

Deductible: 10% of the loss amount, minimum any one occurrence

**119 EXISTING PROPERTY OR PROPERTY BELONGING TO OR HELD IN CARE, CUSTODY OR CONTROL THE INSURED**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section 1 of this insurance shall be extended to cover loss of or damage to the existing property or property belonging to or held in care, custody or control by the Insured caused by or arising out of the construction or erection of the items insured under Section 1.

Insured property:  
Sum insured:

The Insurers will only indemnify the Insured for loss of or damage to the insured property provided that prior to the commencement of construction its condition is sound and the necessary safety measures have been taken.

In respect of loss or damage caused by vibration or by the removal or weakening of support Insurers shall only indemnify the Insured for loss or damage as a result of a total or partial collapse of the insured property, and not for superficial damage which neither impairs the stability of the insured property nor endangers its users.

The Insurers shall not indemnify the Insured for

- loss or damage which is foreseeable having regard to the nature of the construction work or the manner of its execution.
- the costs of loss prevention or minimization measures which becomes necessary during the period of insurance.

Deductible:

**120 VIBRATION, REMOVAL OR WEAKENING OF SUPPORT**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section 2 of this insurance shall be extended to cover liability consequent upon loss or damage caused by vibration or by the removal or weakening of support.

Provided always that

the insurers will indemnify the Insured in respect of liability for loss or damage to any property or land or building only if such loss or damage results in the total or partial collapse,

- the Insurers will indemnify the Insured in respect of liability for loss or damage to any property or land or building only if prior to the commencement of construction its condition is sound and the necessary loss prevention measures have been taken,
- if required, the insured, before commencement of construction and at his own expense, prepares a report on the condition of any endangered property or land or building.

The Insurers will not indemnify the Insured in respect of liability for

- loss or damage which is foreseeable having regard to the nature of the construction work or the manner of its execution,
- superficial damage which neither impairs the stability of the property, land or buildings nor endangers the users,
- the costs of loss prevention or minimization measures which become necessary during the period of insurance.

Limit of indemnity (any one occurrence):

Total limit of indemnity:

Deductible:

## 121 SPECIAL CONDITIONS CONCERNING PILING FOUNDATION AND RETAINING WALL WORKS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured in respect of **expenses incurred**

1. for replacing or rectifying piles or retaining wall elements
  - a) which have become misplaced or misaligned or jammed during their construction,
  - b) which are lost or abandoned or damaged during driving or extraction or
  - c) which have become obstructed by jammed or damaged piling equipment or casings;
2. for rectifying disconnected or declutched sheet piles;
3. for rectifying any leakage or infiltration of materials of any kind;
4. for filling voids or for replacing lost bentonite;
5. as a result of any piles or foundation elements having failed to pass a load bearing test or otherwise not having reached their designed load bearing capacity;
6. for reinstating profiles or dimensions.

**This endorsement does not apply to loss or damage caused by natural hazards. The burden of proving that such loss or damage is covered shall be upon the Insured.**