

## Civil Engineering Completed Risks Insurance Policy

**Whereas the Insured** named in the schedule hereto has made to the

(hereinafter called "the Insurers") a written proposal by completing a questionnaire which, together with any other statements made in writing by the Insured for the purpose of this Policy, is deemed to be incorporated herein,

**Now this Policy of insurance witnesses** that, subject to the Insured having paid to the Insurers the premium mentioned in the schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon, the Insurers will indemnify the Insured in the manner and to the extent hereinafter provided.

**The Insurers hereby agree** with the Insured that if the items or any part thereof entered in the schedule suffer any unforeseen and sudden physical loss or damage caused by

- a** fire, lightning, explosion, impact of landborne or waterborne vehicles,
- b** impact of aircraft and other aerial devices or articles dropped therefrom,
- c** earthquake, volcanism, tsunami,
- d** storm (air movements stronger than grade 8 on the Beaufort Scale),
- e** flood or inundation, wave action or water,
- f** subsidence, landslide, rockslide or any other earth movement,
- g** frost, avalanche, ice,
- h** vandalism of single persons,

in a manner necessitating repair or replacement and occurring at any time during the period of insurance stated in the schedule or during any subsequent period for which the Insured pays and the Insurers may accept the premium for the renewal of this Policy,

the Insurers will indemnify the Insured for such loss or damage by payment in cash, replacement or repair (at the Insurers' option) up to an amount not exceeding in respect of each of the items specified in the schedule the sum set opposite thereto and not exceeding in any one event the limit of indemnity, where applicable, and not exceeding in all the total sum expressed in the schedule as insured hereby.

The Insurers shall not indemnify the Insured in respect of

**1** the deductible stated in the schedule to be borne by the Insured in any one event;

**2** loss or damage directly or indirectly caused by, or arising out of, or aggravated by

**a** war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lockout, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;

**b** nuclear reaction, nuclear radiation or radioactive contamination;

**c** wilful act or wilful negligence of the Insured or his representatives; in any action, suit or other proceeding where the Insurers allege that, by reason of the provisions of Exclusion a above, any loss, destruction, damage or liability is not covered by this Policy, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured;

**3** loss or damage or expense caused by, or arising out of, or substantially aggravated by inherent defects, wear and tear, gradual deterioration, expansion or contraction of insured items due to changes of temperature;

**4** loss or damage caused by, or arising out of, or aggravated by failure of the Insured to keep and maintain the insured items in a thorough state of repair;

**5** consequential loss or damage of any kind or description.

**1** The due observance and fulfilment of the terms of this Policy, insofar as they relate to anything to be done or complied with by the Insured, and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Insurers.

**2** The schedule shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy", wherever used in this contract, shall be read as including the schedule. Any word or expression to which a specific meaning has been attached in any part of this Policy or of the schedule shall bear such meaning wherever it may appear.

**3** The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurers to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.

**4 a** Representatives of the Insurers shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Insurers with all details and information necessary for the assessment of the risk.

**b** The Insured shall immediately notify the Insurers by telegram and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the cover provided under this Policy is confirmed in writing by the Insurers.

**5** In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall

**a** immediately notify the Insurers by telephone or telegram as well as in writing, giving an indication as to the nature and extent of the loss or damage;

**b** take all steps within his power to minimize the extent of the loss or damage;

**c** preserve the parts affected and make them available for inspections by a representative or surveyor of the Insurers;

**d** furnish all such information and documentary evidence as the Insurers may require.

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The Insurers shall on no account be liable for loss or damage of which no notice has been received by the Insurers within 14 days of its occurrence. Upon notification being given to the Insurers under this condition, the Insured may carry out repairs of or make good any minor damage; in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Insurers does not carry out the inspection within a period of time which could be considered reasonable under the circumstances, the Insured shall be entitled to proceed with the repairs or replacement.

Nothing contained herein shall prevent the Insured from taking such steps as are absolutely necessary for the upkeep of operations.

The liability of the Insurers under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

**6** The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurers are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Insurers.

**7 a** If the proposal or declaration of the Insured is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Policy shall be void and the Insurers shall not be liable to make any payment hereunder.

**b** In the event of the Insurers disclaiming liability in respect of any claim and if an action or suit is not commenced within six months after such disclaimer or, in the case of arbitration taking place in pursuance of Condition 9 of this Policy), within three months after the arbitrators or umpire have made their award, all benefit under this Policy in respect of such claim shall be forfeited.

**8** This Policy may be terminated at the request of the Insured at any time, in which case the Insurers will retain the customary short-period rate for the time this Policy has been in force. This Policy may equally be terminated at the option of the Insurers by seven days' notice to that effect being given to the Insured, in which case the Insurers shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Insurers may have incurred.

**9** If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.

**10** If at the time any claim arises under this Policy there is any other insurance covering the same loss, damage or liability, the Insurers shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss, damage or liability.

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# Provisions

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## **Memo 1 – Sum insured**

It shall be a requirement of this Policy that the sums insured stated in the schedule are not less than the cost of replacement of the insured items by new items of the same kind and capacity, inclusive of all materials, wages, freight, customs duties and dues.

The Insured shall undertake to increase or decrease the amounts of insurance in the event of any material fluctuation in wages or prices, provided always that such increase or decrease takes effect only after the same has been recorded in this Policy by the Insurers.

If in the event of loss or damage it is found that the sums insured are less than the amount required to be insured, the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sums insured bear to the amounts required to be insured. Every item entered in the schedule shall be subject to this condition separately.

## **Memo 2 – Basis of loss settlement**

In the event of loss or damage the basis of any settlement under this Policy shall be

**a** in the case of damage which can be repaired – the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage (excluding the cost of clearance of debris),

**b** in the case of a total loss

– the replacement costs of the insured items if the loss occurs within the period stated in the schedule,

– the actual value of the items immediately before the occurrence of the loss less salvage, such actual value to be calculated by deducting proper depreciation from the replacement value of the items,

however, only to the extent the costs claimed had to be borne by the Insured and to the extent they are included in the sums insured and provided always that the provisions and conditions have been complied with.

The Insurers shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for under b above.

The Insurers shall also reimburse the Insured for the cost of clearance of debris following upon any event giving rise to a claim under this Policy in accordance with Memo 3, provided a separate sum therefor has been entered in the schedule.

The cost of any provisional repairs shall be borne by the Insurers if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

## **Memo 3 – Extension of cover**

In consideration of the Insured having paid the additional premium agreed upon with the Insurers, indemnification for loss or damage otherwise covered under this Policy shall be extended to include the cost of clearance of debris forming part of the insured items including the cost of removal or demolition of any portion of the insured items no longer useful for the purpose for which it was intended, but only if a valid law or ordinance requires the Insured to effect such removal or demolition and only up to an amount not exceeding in any one event the limit of indemnity specified therefor in the schedule.

# Schedule

Policy No Incorporated in this Policy is Questionnaire and Proposal No	Name and address of Insured
The following endorsements are attached to and form part of this Policy	Period within which the replacement cost of the insured items is indemnified in the case of a total loss: _____ years after completion (ie up to _____ )
Period of insurance 12 months beginning _____ at noon	Total premium

Item No	Insured items and location	Deductible	Sums insured
Total sum insured			
			Limits of indemnity
Limit of indemnity in respect of  Limit of indemnity in respect of each and every loss or damage and/or series of losses arising out of		removal of material and debris (Memo 3)  earthquake, volcanism, tsunami, storm, cyclone, tempest, flood, inundation	

In witness whereof the Undersigned being duly authorized by the Insurers and on behalf of the Insurers has (have) hereunto set his (their) hand(s)

Executed at \_\_\_\_\_ Date \_\_\_\_\_ Signature \_\_\_\_\_