



## Contractors All Risks – Small Work

**Insurer:** HSB Construction Insurance

**Policy Number:** 0006420208

**Policy Period:** 1 June 2024 to 31 May 2025

The University's Contractors All Risks (CAR) Insurance covers all contract works undertaken by the University or on behalf of the University in the United Kingdom, Channel Islands and Isle of Man for the construction, renovation, alteration and refurbishment of University own properties where it is our responsibility to provide insurance.

CAR policy does not cover existing structures as it is provided on a joint names basis with the University's Material Damage insurer. The interest of any Employer Principal, Contractor or Sub Contractor, is included but only to the extent to which that interest is required to be insured by the terms of the Contract.

The University has two annual policies covering this area of risk, currently with the same insurer:

1. "Small Work" (i.e. for works up to and including contracts of a value no higher than £7.5m)
  - It is designed to capture minor works and maintenance contracts.
2. "Mid-level Work" (i.e. for works up to and including contracts of a value of £15m)
  - It is designed to capture `mid-level` sized construction projects.

*Note: Any project with contract work value £15m requires a separate construction policy for individual project. Discussions on exact requirements should be undertaken with project managers, the Insurance Office and the University's insurance brokers as soon as is practicable.*

This leaflet is written in relation to the `Small Work` as there is a separate leaflet in relation to the `Mid-level Work`.

### **Cover Specifications**

The policy provides cover against "All Risks of Physical Loss or Damage" to the contract works described in the schedule, including contracts in force at the beginning of the insurance period and any new contract started during the policy cover, including the following perils:

- Accidental or malicious damage
- Theft
- Fire
- Explosion (even if not followed by a fire)
- Water damage (including storm, flood, burst pipes)
- Lightning
- Aircraft
- Earthquake
- Strikes, riots and civil commotion, and sabotage

The following are not covered by the policy:

- Contractors' plant
- Contractors' hired in plant
- Employees tools and personal effects
- Machinery during operations
- CPA contract lift cover
- Contents of site huts
- Immobilised plant
- Theft of fuel
- Unmanned aerial devices
- Damage caused by cyber attack
- Loss or damage resulting from infectious agents or pandemics

- Damage caused by any nuclear material
- Damage caused by pollution
- Damage caused by intentional acts
- Damage caused by intentional overloading

### **Limit of Indemnity**

- Maximum contract price = £7.5m
- Maximum contract period = 36 months
- Extended maintenance cover = 12 months
- Testing and commissioning period = 28 days

### **Excess**

The first £2,500 of each and every claim arising from any insured event.

### **Conditions**

#### **1 Premium adjustment clause**

The deposit premium paid for this insurance is provisional and has been calculated on estimates. At the end of the period of insurance the correct premium to be calculated and the relevant difference be charged or returned subject to a minimum retention of 75% of the deposit premium.

#### **2 Multiple lifting operations**

Loading shared between any items of lifting plant or lifting equipment (whether insured under The Policy or not) the lifting operation must be conducted in accordance with BS7121.

#### **3 Application of heat**

It is a Condition of this insurance that the precautions (see appendix A for a full description) should be taken when open heat sources or naked flames are used.

#### **4 Liability**

No liability shall attach to The Policy for any physical loss or damage not notified to the Insurer within 3 calendar months of the occurrence.

No liability shall be admitted and no offer promise or payment be made without the written consent of the Insurer.

#### **5 Loss reduction**

The University shall carry out and/or permit to be taken any action which may be reasonably practicable to prevent further loss or damage following an incident.

#### **6 Insured contracts**

Insurance cover applies to any Contract that is current at the beginning of the Period of Insurance as well as any Contract that is undertaken during the same period.

### **Extensions**

- 1 **Off-site storage** at University premises for contract materials up to £100,000
- 2 **Defective part** exclusion (DE4) covers consequential damage to any other property free of defective condition, but excludes damage to only that constituent part of the property that is deemed defective (the "fault part").
- 3 **'72 hours clause'** – this allows any one loss resultant from storm, tempest, flood or earthquake during a selected period of 72 hours as one loss across all sites for the purposes of the application of the Excess.
- 4 **Professional fees**, such as architects, surveyors, consulting engineers and other professional fees incurred in the reinstatement of the work but not incurred for the preparation of a claim
- 5 **Plans and documents** up to £25,000
- 6 **Fly tipping** up to £5,000
- 7 **Debris removal** up to £25,000

- 8 Fire brigade charges** up to £50,000
- 9 Loss prevention measures** up to £25,000  
Costs incurred in taking exceptional measures to prevent or mitigate impending loss or damage for which indemnity is provided by The Policy; provided that
- loss or damage would reasonably be expected if such measures were not implemented
  - The Insurers are satisfied that loss or damage has been avoided or mitigated by means of the exceptional measures
  - the amount payable will be limited to the cost of loss or damage which would have otherwise occurred
  - the terms Conditions and Exclusions of The Policy apply as if loss or damage had occurred
- 10 Expediting costs**  
The Insurer will pay costs necessarily and reasonably incurred in making temporary repairs upon and / or expediting the repair reinstatement or replacement of Insured Property
- 11 Repair costs investigation**  
With their prior written agreement the insurer will pay costs relating to repair investigations and tests following indemnifiable damage to Insured Property by consulting engineers

### **Exclusions (not exhaustive)**

The policy does not cover the following:

- 1 Penalties or consequential losses**  
Liquidated damages penalties under contract for guarantees of performance or efficiency delay or non-completion or consequential loss or damage of any kind or description.
- 2 Unexplained losses**  
Unaccountable losses or losses discovered on the occasion of checks or inventories unless The University can produce reasonable proof that such losses are as a result of an identifiable incident.
- 3 Road vehicles**  
Loss of or damage to licensed cars, lorries, vans, trucks, or other road vehicles which are used in circumstances requiring insurance under any road traffic legislation other than:-
  - Contractors plant used solely as a tool of trade
  - as specifically provided for elsewhere within The Policy
  - Quad bikes or motorcycles
- 4 Money or guarantees of money**  
Cash notes, postal orders or money orders, cheques, stamps or other securities for money.
- 5 Breakdown**  
Loss of or damage to any Insured Property from its own explosion, mechanical or electrical failure, or breakdown other than where The University is responsible for such loss under the terms of a hiring agreement.
- 6 Cessation of works**  
Physical loss or damage where work ceases on the site of the Contract for a continuous period exceeding 30 days unless expressly agreed by the Insurer in writing.
- 7 Loss or damage underground or underwater**  
The exclusion is in respect of plant and equipment not works themselves and the intention of the clause is not to exclude basement works but exclude claims for recovery costs of plant and equipment that is underground or in water.
- 8 Completed pending sale**  
Physical loss of or damage to any part of the CAR cover of the Insured Property after completion pending sale or lease.
- 9 Completed taken into use**  
Physical loss of or damage to any part of the CAR cover of the Insured Property after such property has been completed handed over, taken into use, or for which a Certificate of Completion has been issued other than as provided for under any relevant.
- 10 Existing structures**  
Physical loss of or damage to any property or part of any property which has formed part of any structure prior to commencement of the Contract.

**11 Defective property**

Physical loss of or damage to and the costs necessary to replace, repair or rectify Insured Property which is in a defective condition due to a defect in design, plan specification, materials or workmanship of such Insured.

**12 Refractory linings**

Loss of or damage to refractory linings from the first application of heat.

**13 Non-ferrous metals**

Loss resulting from theft in respect of unfixed non-ferrous metals of any description unless at the time of theft either an authorised employee is on site or security measures were in place.

**University Obligations**

As and when required (most likely when the University is renewing or tendering its insurance portfolio) the insurance office will require timely receipt of the following information to ensure the University meets its legal obligations under the Insurance Act 2015. This relates to the provision of all known expected facts on the risk in question and not misrepresenting those facts. Expected questions when notifying of a contract:

- 1 Major refurbishment work or extension work (£5m or higher):
  - contract work value (see appendix B for guidance and definition)
  - period of work, including all phases
  - any specific insurance requirements or potential risk identified (such as roof hot work)
  - details of the existing building where applicable
  
- 2 Minor refurbishment work (<£5m):
  - What renovation works are you planning?
  - Is your property occupied or vacant?
  - Schedule of work – what date is work due to start? What date is work due to finish?
  - Does the builder have a Contractors All Risk policy?
  - Also how much are you planning to spend on renovations?

Individuals responsible for authorising hot works should ensure that:

- Less hazardous work method have been considered (e.g consideration of using cold adhesive-applied roofing systems for roof replacement or patch repairs work)
- The contractor as well as subcontractors have been checked that their workers have the qualifications, their equipment has insurance and test certificate and references of previous work have provided
- Project specific work and method statements have been compiled
- A work area risk assessment has been conducted
- Those carrying out the work have signed an authorisation to work as per the agreed method
- Periodic inspections are carried out to ensure contractors adhere to the Hot Work Permit system
- A final check on the work area is made at the end of each working day
- There is a plan in place for an emergency should a fire occur

**Notification Requirements**

All contracts with a value in excess of £2.5m must be declared in advance of being undertaken.

### **Claims Notification and Procedure**

In the event of loss or damage likely to involve a claim under this insurance, inform the Insurance Office as soon as practicable who in turn will notify the University's insurance broker.

- (a) notify the Insurer giving full particulars and information and notify the Police in the event of loss where The University has reason to believe a criminal offence has been committed.
- (b) take all reasonable action to prevent or minimise the loss and prevent further loss or damage.  
**Note: the Insurer shall not be liable for any further damage resulting from the continued use of the Insured Property until repaired to the satisfaction of the Insurer.**
- (c) retain any damaged property or parts
- (d) when required to do so but in any event no later than 30 days after the expiry of any Indemnity Period deliver to the Insurer a statement in writing of all particulars and details relating to the incident and other evidence as may be required.

It is a condition precedent of the policy that the University notifies the Insurers as soon as practicable about any claim and to take action to minimize any loss or damage.

### **IMPORTANT NOTE**

No liability shall attach to The Policy for any physical loss or damage not notified to the insurer **within 3 calendar months** of the occurrence

For emergency or out of business hours notification, please contact Griffiths & Armour Claims Division on:

Griffiths & Armour Claims Division  
12 Princes Parade  
Princes Dock  
Liverpool L3 1BG

Email: [gheron@griffithsandarmour.com](mailto:gheron@griffithsandarmour.com) / 0151 600 2155  
[swilliams@griffithsandarmour.com](mailto:swilliams@griffithsandarmour.com) / 0151 600 2167

### **Summary**

The University has taken a comprehensive `works` policy and this leaflet is designed to give a general appraisal of the main considerations in relation to project size, coverage of projects, conditions that need to be complied with in order to keep cover valid, general & specific exclusions and extensions to the standard cover provided by the insurer.

This document is not an exhaustive appraisal of the cover and should not be solely relied upon to understand the policy.

To fully understand the insurance coverage the applicable policy schedule and wording must be read to fully appreciate the contract of insurance in place. The insurance office and the University's Insurance broker can assist on specific queries as required.

On occasion additional coverage to that provided in the policy may be required and this could be in the form of (not exhaustive):-

- Third Party / Non-negligence
- Delay-Start-Up
- Latent defect

Where this could be required due to the specifics of the contract please contact the Insurance office where they would be pleased to assist.

## Appendix A

### Application of heat work conditions

It is a Condition of this insurance that the following precautions should be taken when open heat sources or naked flames are used.

#### (a) **Blow Lamps Blow Torches Welding and Cutting Equipment**

- (i) The area in which they are to be used is first cleared of loose combustible materials and any fixed combustible material should be protected with asbestos blankets or other similar equipment.
- (ii) A suitable fire extinguisher of 7lb or equivalent capacity is kept available for immediate use.
- (iii) Blow lamps and blow torches are lit for as short a time as possible before use and extinguished immediately after use.
- (iv) Lit blow lamps or blow torches are never left unattended.
- (v) Blow lamps are filled only in the open.

#### (b) **Vessels for the Heating of Bitumen or Bituminous Compounds**

- (i) Vessels are continuously attended whilst heating is taking place.
- (ii) Vessels are only used in the open whilst heating is taking place.
- (iii) If Vessels are to be sited on roofs or combustible floors a sheet of metal or incombustible materials of not less than 10 feet square placed under the vessel before heating takes place.
- (iv) A suitable fire extinguisher of 2 gallons or equivalent capacity or two 2 gallon buckets full of sand are kept available for immediate use.

The area in which such equipment has been used is to be thoroughly examined one hour after the end of each period of work to ensure that there are no signs of fire.

## Appendix B

### Definition

#### 1 **Contract work value**

A typical definition of Contract Work value is the cost of the whole construction work project minus any costs that would not be incurred in the reinstatement of Damaged Property Insured as estimated at Inception and stated within the Limit of Liability.

If a piece of refurbishment work is conducted in phases, unless there is a clear completion or handover at each stage or between phases, all parts of individual work should be considered as one single project and the Contract Work value should be the total value of all parts of work.

If the project includes an initial stage of decant work, such as moving people to a temporary location before the start of the refurbishment work, this cost can be excluded from the total Contract Work value as this is a cost that is needed to incur to proceed with the project.

If the overall project work requires the contractor to decorate the area (fixture) and install specific furniture or equipment, the cost of this should be included in the total Contract Work value.

#### 2 **Free Issue Materials**

Materials supplied to the University for incorporation into the Contract Works and for which they are responsible but which have not been included in the final valuation of the work provided that the value of Free Issue Materials shall be included in any declaration made under the Premium Adjustment Condition of this Specification.