

# CONSTRUCTION & ERECTION ALL RISKS INSURANCE

# WHAT IS A CONSTRUCTION & ERECTION ALL RISKS INSURANCE?

Construction insurance may apply to an individual project or all building projects undertaken during a specified period (usually twelve months). This type of coverage is also referred to as Contract Works, Contractors All Risks, Erection Risk or Builders Risk. Insurance is often arranged as a combined material damage and legal liability policy.

The material damage section of the policy provides coverage for physical loss or damage to:

#### The Contracted Works:

- Materials for the project stored on-site and off-site
- Temporary structures
- Hired-in plant and equipment
- Contractors plant and equipment
- Transit to or from the contract site

The legal liability section of the policy provides protection against claims for third party bodily injury (including death) or property damage arising out of the construction project and ensuing maintenance obligations.

Insurance may be arranged by either the principal (owner), project manager or contractor. The policy will usually provide coverage for the principal, project manager, contractors and sub-contractors as one insured entity with a cross liabilities clause applying.

Coverage is also provided during any maintenance (or defects) liability period when contractors are required to visit the site after completion of the project to comply with their maintenance obligations.

#### Coverage variations/ extensions:

##### Some common extensions to cover are:

- Damage to existing buildings or property on-site
- Demolition and removal of debris costs
- Expediting costs
- Professional fees
- Damage to neighbouring property
- Employees' tools and personal effects on-site
- Legal liability for hired-in plant

##### Coverage variations include:

- Advance Loss of Profits (financial loss arising from delay of the project, e.g. loss of future profit or revenue and additional charges and expenses).
- Integrated Project (or Wrap-up) insurance program combines construction, marine cargo, delay in start-up, operational property damage/business interruption and third party liability insurance for both construction and operational periods.

#### Who We Are And What We Do

PT. Howden Insurance Brokers Indonesia is part of the Howden Broking Group. We are able to offer our customers a truly global reach in expertise and know-how supported by over 300 colleagues in the region and 1500 around the world.

Through our worldwide network of Howden Broking Group, we have available a depth and diversity of experience that is unmatched by others. Our global outlook and worldwide alliances with international insurers and Lloyds of London enables us to combine local knowledge with international perspective.

As an independent broker, we are free to source and select the best possible solutions for your particular needs.

Our office in Jakarta can service all areas of the Indonesian Archipelago.

We assist our clients with the design, negotiation and implementation of the most effective and competitive insurance coverage available. Unlike insurance company sales staff, Howden only acts on behalf of our clients. In case of a claim, our dedicated claims executives will assist you in the management and negotiation of your claim to ensure that the settlement is expedient, fair and in accordance with the applicable insurance coverage.

#### How May We Serve You

As an integral part of Asian life, rice is both a daily essential and a sign of wealth. Like your assets, it has to be cultivated, nurtured and harvested. Protecting what is most important to you becomes a crucial task.

PT. Howden Insurance Brokers Indonesia invites you to consider a partnership that would work to your greatest advantage.

## CONTACT US

For more information and an initial discussion free of charge to find out how Howden can help you. We look forward to the pleasure of serving you.

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