

Contract Works Insurance under Material Damage & Business Interruption Policy

COVER

Contract Works insurance under Material Damage & Business Interruption policy to any insured property in the course of installation, construction, demolition, erection, or testing following any of them.

Note: As there is an obligation of any insured party to disclose a material change in risk to the insurer, it is important to note that certain works are not automatically covered, including but not limited to structural works, seismic strengthening, extensions to existing properties, reinstatement of property after a loss, and new stand-alone structures.

If you have any uncertainties about whether your project falls into one of these categories, reach out to [AIB](#) for guidance.

PERILS INSURED

Accidental physical loss or damage to any insured property during the period of insurance. This includes natural disaster cover where this option has been selected and declared in schedule of insured property.

LIMIT

The policy will cover Contract Works projects up to maximum contract price stated in the policy schedule. This limit includes provisions for the contract price, costs of demolition, professional fees, value of items to be incorporated, an allowance for an increase in construction costs and an allowance for increased reconstruction costs. This limit is within (not in addition) to the declared value of the insured property.

EXISTING PROPERTY

Damage to the existing structure arising from contract works is covered up to the declared value of the existing property in the course of installation, construction, demolition, erection, or testing following any of them.

POLICY CONDITIONS

- Standard policy deductibles apply.
- Automatic reinstatement does apply. Reinstatement from natural disaster is on application only.
- The policy will not be cancelled for non-payment of premium without prior notification.
- There will be no settlement delay due to the exercise of subrogation.
- The policy runs annually with a cut-off date of 1 January unless renewed for a further 12 months.
- Policy cover, exclusions, conditions and memoranda are joint and several. A breach by one party may impact the other's ability to claim under the policy.
- The policy will not be cancelled mid-term without notice to all interested parties.

OTHER INTERESTS

Where the insured has agreed to insure the interests of other persons or corporations, their interest will be included to the extent of their interest within the policy, including any contractor or subcontractor required to be a co-insured to the extent required by the contract.

WAIVER OF RIGHT OF RECOVERY

The insurance will not be invalidated by the insureds agreement to waive recovery against any contractor as may be required in any contracting agreement.

CONFIRMATION OF INSURANCE

Certificate of Insurance can be provided upon request to us. However, please note that we do not warrant that our policy complies with the requirements of your specific contract. The insurance is issued subject to the current terms and conditions of AIB RML's Material Damage and Business Interruption policy.

AIB Risk Management Limited