

# CONSTRUCTION

## KEY FEATURES



### **HSE Fee For Intervention**

From 1st October 2012 the HSE has been able to recover costs for carrying out some of its activities from those found to be in material breach of health and safety law. This cost recovery approach is known as Fee for Intervention (FFI) This policy will meet the costs where an inspection results in a letter, enforcement notice or investigation by the HSE. The average cost of a FFI invoice in 2016 was £650

### **Part Product**

Most Contractors Public/Products Liability policies will as standard exclude damage caused to a product by its own defect. We will interpret the Product as being any and all work undertaken by or on behalf of the Insured under a contract. A Product means anything constructed altered repaired etc by the Insured and no longer in their possession or control. Our policy only excludes that part of the product which is defective. This allows cover to be brought back in on the overall product and limits the exclusion to the defective part of the product only. Giving the example of a new build property as the Product which is destroyed by fire the excluded defective component part may be as small and inexpensive as a fuse, the rest of the product now being covered.

### **Environmental Impairment Liability**

A standard pollution policy will pick up circumstances where the incident giving rise to a claim is sudden and takes place in its entirety at a specific moment in time. EIL allows cover to be brought back in where the incident giving rise to a claim is gradual. Giving the scenario where a fuel tank on site has been gradually leaking into the drains our policy will respond in the event of bodily injury or damage arising from such cause.

### **Defects Extensions**

Most Contract Works policies will as standard exclude damage to property which is in a defective condition but will provide cover to other parts of the property which are damaged as a consequence of, this is referred to as DE3 and is common amongst most policies. Uplifts may be available to DE4 and DE5 to give wider cover. As an example, a marble column fails because its inner steel supporting rod is defective in design. The roof collapses, causing extensive damage to an expensive tile floor. Under DE3 the floor and roof would be covered but not the column. DE4 would cover the floor, the roof and the column but not the rod. DE5 covers everything except the cost of an improved type of supporting rod. Our wording provides DE3 cover with the option to uplift to DE4 post loss should this be economically viable to the insured. DE5 cover can be considered upon request.

### **Professional Negligence**

Professional Negligence cover will offer protection against financial loss to an employer arising from the design activities of the Insured. For example, a plumber designing and installing all the waterworks for a new home may find the system fails. If there is no damage and no injury but the system just doesn't work due to an error in the design or specification, Professional Negligence insurance may cover the financial losses incurred by the employer. They may for example need to find alternative accommodation and place furniture into storage while the work is being rectified.

### **Speculative Build**

When a build under contract reaches practical completion, cover under a standard contract works policy ceases with the transfer of risk moving from the insured to their employer. If there is no employer and no contract and the insured has purchased land to build in the hope of an onward sale this is classed as speculative. Where practical completion is reached without a buyer the insured retains ownership of the risk pending sale. Our policy will provide cover up to 365 days for residential speculative build and 90 days for commercial speculative build pending sale, lease or rental of the property subject to the contract works policy remaining in force.