

HSB Construction Insurance

Construction risk solutions

Insurance cover for the UK construction industry



All construction, erection and installation work contain an element of risk.

Whether created by the nature of the work to be carried out, by the contractual liability or by the perils of the location in which the works take place, HSB recognises the importance of providing the right insurance covers for the construction industry and has a range of policies available to mitigate the risks.

Construction insurance solutions from HSB

Specifically designed with the construction industry in mind, the focus of our covers is on minimising the disruption to a project; from contractors' plant and contract works to machinery movement and installation. Risks such as third party liability, delays in the project start-up and completion, commissioning and testing of machinery, and owned and hired-in plant can all be covered by having the right insurance in place.

Our construction insurance solutions provide the following elements of cover:

- contractors' all risks covers the contract works on an annual or single project basis
- erection all risks covers the plant and machinery during the installation and maintenance period
- contractors' plant insurance covers owned and hired-in plant
- machinery movement covers plant and machinery during the dismantling, loading, transit, unloading, erection, positioning, re-siting and taking out operations

Why choose HSB?

HSB is a leading specialist provider of construction insurance. Drawing on our vast expertise in the construction sector, we are able to provide insurance products to meet the insurable risks of a specific project.

- Policy wordings specifically designed with contractors, property developers and construction plant owners in mind
- Extensive underwriting expertise of construction projects
- Specialist engineering knowledge of plant and machinery
- Access to experienced in-house construction loss control risk engineers
- A dedicated, customer-focused in-house claims team with specialist knowledge of the construction industry
- A member of the Institute of Customer Service, demonstrating our commitment to continually improving customer service performance and professionalism

Construction, erection and installation



Construction

Contractors' all risks (CAR)

CAR insurance, sometimes referred to as contract works insurance, provides comprehensive cover for construction, buildings and civil engineering projects. Due to the complex nature of contract works, this policy is designed to provide cover for any damage that occurs during the construction process.

Available on a single risk or annual basis, our policy can be arranged in the name of the contractor, the principal or joint names depending on the project requirement.

Our CAR policy provides cover for:

- materials from the commencement of loading for despatch to site (including transit and incidental storage)
- contract works during the construction period (including automatic continuation of cover for ongoing contracts that increase in contract price; up to 125% of the sum insured)
- maintenance and defective design
- free issue materials where these are included in the declared values
- private dwelling houses and commercial buildings once completed and pending sale

Cover can be extended to include owned and hired-in contractors' plant. Single risk policies can be further extended to include advance loss of profits.

Erection all risks (EAR)

During a construction project, the responsibility for insuring against loss or damage to electrical and mechanical plant whilst in the erection and installation stage often falls to the contractor or employer.

EAR insurance provides cover for machinery installation and refurbishment, and is available on a single risk or annual basis. Like CAR, the policy can be arranged in the name of the contractor, the principal or joint names depending on the project requirement.

Our EAR policy provides cover for:

- machinery from the commencement of loading for despatch to site (including transit and incidental storage)
- erection and installation of plant and machinery during the construction period
- defective design and machinery breakdown during testing and commissioning
- free issue materials where these are included in the declared values

Cover can be extended to include owned and hired-in contractors' plant. Single risk policies can be further extended to include advance loss of profits.

Thieves steal materials stored offsite

Theft of materials occurred whilst in offsite storage. We encouraged our client to adopt a 'just in time' philosophy for delivery of materials to site, cutting down the area needed for site storage and leading to improved security. Cover remained in place for situations where materials needed to be left on site.

Claim: £38,240

Damage caused to a crane and contract works

Accidental damage occurred to a crane and contract works on a construction site. We arranged for removal and repair of the crane so remedial action could be taken on the works immediately. Our client adopted improved standards for the selection of ground conditions when undertaking lifts.

Claim: £8,629

Plant and equipment

Contractors' plant

Contractors' plant insurance recognises the dependency of the construction industry on a wide range of plant and machinery; from tower cranes and large mobile cranes, to excavators, generators and hand tools. Due to the nature and use of these types of plant, they are susceptible to risks such as damage on site, damage in transit, fire and theft.

Our contractors' plant policy provides protection for unforeseen loss or damage to construction plant and machinery. Cover is available for owned or hired-in plant and targeted at plant owners, hirers or construction industry contractors. However, it is also relevant for manufacturers and businesses that often need to hire in plant and machinery.

Our contractors' plant policy provides:

- cover on a specified or blanket basis for owned plant
- broad description of plant cover covered with owned plant insurance on a reinstatement (new for old) basis up to 24 months old
- legal liability cover for hired-in plant under the terms of the hire agreement
- cover for plant whilst hired out

Our policy contains no security conditions as standard. However, premium discounts are available for customers who install quality security systems (such as Thatcham-approved devices) and register with the Construction Equipment Security and Registration scheme (CESAR).

Cover extends to include repair investigation costs, debris removal, recovery of immobilised plant, theft of fuel from insured plant, damage to unmanned aerial devices whilst not being operated, CPA contract lifts, fire brigade charges, loss of keys, transit by roll on roll off ferry, temporary removal outside of the territorial limits but within the European Union.

Bulldozer damaged by fire

An electrically-originated fire caused damage to a bulldozer. Forensic examination showed the source of fire emanated from the engine compartment. We worked with our client to identify a suitable fire suppression system to mitigate any future fire damage should the situation ever reoccur.

Claim: £64,142

Machinery movement

Plant and machinery can be more susceptible to damage during transit and movement, causing significant difficulties and costs if the worst happens.

Our machinery movement element of cover is principally targeted at haulage contractors and manufacturers, and is also relevant to businesses that move plant or machinery on a regular basis.

Our machinery movement element of cover provides:

- cover for one-off moves or an annual basis
- cover during the dismantling, loading, transit, unloading, erection, positioning, re-siting and taking out operations



Printing press damaged during transit

During the unloading of a five-colour lithographic offset printing press from a container lorry, the lifting frame slipped and allowed the printing press to fall 2.5m to the floor. Several machined surfaces within the press suffered significant damage, requiring the press to be returned to the manufacturer in Japan for repair.

Claim: £135,000

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Picture credits: Getty Images

This is an overview of HSB's construction insurance products. For full details of the covers available and further information, please contact your local HSB Engineering Insurance office.

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