

# CONSTRUCTION

## FREQUENTLY ASKED QUESTIONS



**Q – My client has a work experience student working for the company on a temporary basis, will the Employers’ Liability cover pick this up?**

A – Yes, the definition of Employee under our policy includes any person who is under a work experience or training scheme. *(page 4)*

**Q – What does your ‘Part Product’ extension cover?**

A – 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. *(page 13)*

**Q – My client has purchased some land which they intend to eventually develop – can you cover this?**

A- Yes, we are able to consider this for existing clients. *(page 41)*

**Q – Are tools covered in vehicles? And overnight?**

A – Cover applies for theft of items of plant/tools in a vehicle provided that force is used to gain entry to the vehicle and such entry causes external and visible damage and any alarms fitted to the vehicle are set, or the vehicle is garaged in a securely locked building or guarded security park. *(page 32)*

**Q – Does my client need to specify where their Plant is kept?**

A- No, cover attaches anywhere within the territorial limits under the policy. (Great Britain, Northern Ireland, the Channel Islands and the Isle of Man). Although subject to reasonable precautions being taken. *(page 30)*

**Q – What is the difference between a Bona-fide Subcontractor and a Labour Only Subcontractor?**

A – Generally, a labour-only subcontractor will work under your client’s supervision & direction, use your client’s materials & tools and must comply with your client’s health & safety policies. A bona-fide subcontractor on the other hand will work under their own supervision and direction, will provide their own materials & tools, are responsible for their own health & safety and may have additional employees of their own.

**Q – Can you cover stock?**

A – Our policy includes as standard stock in trade to the value of £15,000 any one occurrence and in the aggregate. *(page 24)*

**Q – Is damage caused by the use of Plant covered under the policy.**

A – Yes, provided that the vehicle is being used as a tool of trade. *(page 16)*

**Q – Does my client have cover for a social event such as a works outing/party for staff and guests?**

A – Yes, under the Public Liability & Employers’ Liability sections an extension applies in respect of additional activities including canteen, social, sports, educational and welfare organisations. *(page 8)*

**Q - Does the policy cover indemnity to principal?**

A - Yes, under the Public Liability & Employers' Liability sections cover is provided for any principal for whom your client is carrying out a contract to the extent required by the contract conditions. (page 8 & 19)

**Q - Does cover automatically attach for JCT clause 6.5.1 extension?**

A - No, but this can be added as an extension upon referral to us, check out this article for further information - <https://www.linkedin.com/pulse/jct-651-non-negligence-think-youre-covered-simon-foweraker/> (page 36)

**Q - Does your policy include contractual liability?**

A - Yes, this is included under our Public Liability & Employers' Liability sections of cover. (page 9 & 20)

**Q - My client requires the interest of an employer or contractor as joint insured under the Contract Works section, can this be included?**

A - Yes, this is automatically covered where required by contract - The policy also includes a non-vitiating clause. (page 26)

**Q - My client requires the interest of a mortgagee, lender or financial institution noted - can this be done?**

A - Yes, the policy automatically provides cover for interested parties provided such interest attached before the happening of any damage. (page 24)

**Q - Is your Plant cover on a 'new for old' basis?**

A - Yes, for items of Plant up to 2 years old. (page 30)

**Q - My client is storing materials for a contract off-site, will they be covered?**

A - Yes, cover applies for materials within the territorial limits identified for inclusion in any contract. The maximum we will pay is £250,000 (page 27)

**Q - Work has stopped on my client's site, do we need to notify you?**

A - Yes, you must notify us within 14 days of work stopping so that appropriate security measures can be assessed. If the stoppage continues for a period of 90 consecutive days then we are entitled to suspend/reduce cover or alter other conditions. (page 24)

**Q - Does your policy provide cover for defective parts/workmanship?**

A - Cover under our Contract Works section responds on a DE3 basis meaning that the consequences of damage due to a defect in design, plan or specification; materials; or workmanship are covered but the property in a defective condition itself is excluded. Our policy however does include the option of DE4 which will also pick up the defective property subject to an excess of £5,000 each and every claim. (page 28)

The Public Liability section also includes a professional negligence extension giving cover up to £50,000 any one claim and in the aggregate. This extension indemnifies the client in respect of compensation and costs arising from negligence, error, omission or breach of warranty but not the rectification costs (see policy for full details). (page 14)

