

Construction and erection all risk insurances



Insurance Product Information Document

LocalTapiola General Mutual Insurance Company and LocalTapiola regional companies, Finland

Construction and erection all risk insurance 904
Continuous construction and erection all risk insurance 905

For the complete contractual information on this product, please see the insurance terms and conditions and the policy document.

What is this type of insurance?

Fixed-term construction and erection all risk insurance is a property insurance designed for insuring an individual construction, repair or erection work performance against property damage occurring at the worksite. The cover can be extended with cargo insurance to cover worksite-related cargo. Continuous construction and erection all risk insurance suits small construction, repair and erection works that repeat often.



What is insured?

- ✓ This insurance covers sudden and unexpected loss and damage to property.
- ✓ In a fixed-term policy, the insured works include the work performances, site raw materials and supplies and non-permanent structures that are included in the works contract and in the contract price. Usually, the sum insured for the works is equal to the contract price.
- ✓ Up to €10,000 in surrounding property can be included in the sum insured for the works. When wishing to insure surrounding property for a higher sum, a specific sum insured must be recorded for this in the policy document. Third-party-owned property in the immediate vicinity of the works is an example of surrounding property.
- ✓ In a fixed-term policy, the sum insured for the works can include up to €10,000 in separately purchased movable fixed assets, which are any subject matters of work whose value is not included in the contract sum. If wishing to insure these for a higher sum, a specific sum insured must be recorded for them in the policy document. Work machines that the customer provides to be installed at the worksite are an example of separately purchased movable fixed assets.
- ✓ In a continuous policy, the sum insured for a work performance is equal to the euro amount obtained by adding up the following: the contract price for the biggest contract to be carried out during the year, and the estimated euro amount of the highest value of the machines and equipment to be installed for which the contractor is responsible in an individual contract.
- ✓ In a fixed-term policy, in respect of loss and damage that may occur at the worksite, the sum insured for the works can include 10% in demolition and wrecking costs that are not included in the works cost estimate. If wishing to insure these for a higher sum, a specific sum insured must be recorded for them in the policy document.
- ✓ You can also take out this insurance to cover the tools and weather protection structures used at the worksite. In that case, a specific sum insured needs to be recorded for them in the policy document. The sum insured is equal to the first loss value, and it can include both your own and rented or leased property. Similarly, when wanting to insure any site buildings and worker property under this insurance, a specific sum insured needs to be recorded for them in the policy document.
- ✓ Costs for expediting the repairing of damage that occurs at the worksite, and costs of temporary erections, can be insured by indicating for them the desired sum insured in the policy document.
- ✓ Insurance other than insurance of the actual works is secondary. This means we will pay compensation if there is no entitlement to compensation under some other insurance or contract. The sum insured for them always represents the maximum compensation amount per loss event.
- ✓ You are also covered for soil inspection and cleaning measures, up to €250,000 in a fixed-term policy and up to €50,000 in a continuous policy, if they are the result of any property damage that is covered by this insurance and if the measures are based on an order issued by a public authority.



What is not insured?

The following are examples of what is not insured by this insurance:

- ✗ malicious damage and claims caused by the forces of nature to property kept outdoors, unless the property has been designed and manufactured for keeping outdoors;
- ✗ repair costs for property that has been manufactured defectively or from a defective material;
- ✗ claims caused by the movement of the ground that results from any quarrying, piling or blasting work;
- ✗ loss and damage to property caused by neglect of maintenance or repair measures, by eliminating malfunctions or by adjustment measures;
- ✗ claims caused during transport to property that is being brought to the worksite, unless cargo insurance has been taken out to extend cover;
- ✗ claims for which a third party is responsible under the law, a warranty or a comparable commitment.



Are there any restrictions on cover?

- ! Breakage insurance covers tools, site buildings and worker property only against breakage that is caused by an external event or an electrical phenomenon.
- ! Failure to comply with the safety regulations may have the effect of lowering the amount of compensation.



Where am I covered?

- ✓ Cover is in force at the worksite situated on the site, or at the address, that is indicated in the policy document.
- ✓ Outside that site or address, cover is in force at any temporary storage place set up for the purposes of the worksite.



What are my obligations?

- When concluding a contract of insurance, give true and correct information about the subject matter you are insuring.
- During the period of cover, pay the premiums, and ensure that you comply with the safety regulations.
- Let the insurer know if the cover period of your fixed-term policy needs to be extended.
- In a continuous policy, notify the insurer of any changes that occur in turnover, or in the values or types of work performances shown in the policy document. The work performance value (=sum insured) is equal to the following: the contract price of the largest contract, and the highest value of the machines to be installed.
- When loss or damage occurs or is imminent, take care to prevent or limit it.
- When presenting a claim, assist in settling the claim and help determine the scope of the claim.



When and how do I pay?

- Pay your policy through your bank using the invoice we send. Use the reference number of the invoice to make the payment. It is also possible to pay the policy using an online invoice.
- You can pay your policy in one or several instalments.



When does the cover start and end?

A fixed-term policy is in force for the period shown in the policy document, but in any case it ends at the latest when the work has been completed or handed over to the customer. If the completion certificate indicates that some work is scheduled for performance after the handover, cover is in force also in the course of carrying out this work, but in any case for up to a maximum of one month after handover.

After the end date shown in the policy document, a fixed-term policy is in force in respect of the building envelope and any yard works for up to a maximum of one year, provided that these works are the kind that need to be carried out during the warm season and that, consequently, they could not be performed during the actual construction period.

After the end date shown in the policy document, a fixed-term policy is in force in respect of repairing defects covered by warranty that are detected during the warranty period, but not longer than for three years from the completion of the works.

In the period of cover shown in the policy document, a continuous policy is in force for an individual work performance with the same terms as a fixed-term policy is. If the period of cover shown in the policy document ends, a continuous policy will end in its entirety.



How do I cancel the contract?

You can cancel your policy in writing to end at the end of the insurance period or once the work has been completed or handed over to the customer.