

# A Practical Workshop on Dealing with Construction Insurance

## INTRODUCTION

- This training workshop, Dealing with Construction Insurance – The A to Z of Handling Claims and Issues is presented to enable delegates to understand the key features of this critical construction insurance product and coverage aspects. It is a contractual requirement that is often overlooked by project personnel and management while preparing for site mobilization and commencement of physical work on the ground.
- This workshop is led by an experienced and well known subject facilitator who uses inter-active learning methods to enhance the learning process. The delegates will be taught the technical aspects of the insurance coverage and also shown how claims are handled. Focus will be given on two main documents - the Contraction All Risks (CAR) and Erection All Risk (EAR) policies both of which are a requirement under various local and international construction contracts (FIDIC, for example).
- Case studies will be used to ensure that the learning is effective and equally enjoyable.

This training will highlight the following key features:

- A Study of the Contraction All Risks (CAR) Policy Wording – understanding using the Munich Re of Germany standard wording format
- Considering Risk Appetite and Concerns of the Underwriter when looking at New Project Insurances
- Appreciate How Claims are Evaluated and Managed by Different Insurance Companies
- Special Attention on Specific Clauses, Endorsements and Warranties of the C.A.R. Policy
- Discussion on Best Practice to obtain a more Effective Coverage from the Policy

## OBJECTIVES

At the end of this workshop, you will learn to:

- Understand the Basic Principles of Insurance
- Learn how the Contraction All Risks (CAR) policy is used as a risk transfer mechanism
- Analyze the policy operative clause and endorsements applicable to various risks scenarios
- Learn how the the policy responds to construction insurance claims
- Determine policy terms like Sum Insured, Limit of Liability and Period of Cover in regards to policy drafting

## **TRAINING METHODOLOGY**

- This Dealing with Construction Insurance – The A to Z of Handling Claims and Issues workshop will utilize a variety of proven adult-learning techniques to ensure maximum understanding, comprehension and retention of the information presented during the five days.
- The facilitator employs active - learning techniques, group discussion and role play(s) to enhance the training session. The delegates will also be provided a few challenging case studies with actual site scenarios – and the facilitator will guide them through achieving appropriate and effective solutions. A proper understanding of the Construction All Risks (CAR) policy coverage is essential to appreciate this activity.
- Meanwhile delegates are urged to raise own work related engineering insurance experience to the class for further review and group discussion.

## **ORGANISATIONAL IMPACT**

The knowledge gained over the five days will enable staff to appreciate the policy and specific operative issues relating to this insurance coverage. The specific details are presented here:

- Appreciate the Insurance Coverage Issues
- Learn how to apply policy terms in obtaining better Compensation for the Organization
- Apply correct policy deductible and use appropriate clause(s) for specific projects
- Use correct Risk Management methods to safe guard the project risk in question

## **PERSONAL IMPACT**

- This Dealing with Construction Insurance – The A to Z of Handling Claims and Issues practical workshop will be an eye opener to industry personnel and the like. Using real life case studies and examples the facilitator efforts will clear all doubts on coverage and policy issues. Delegates will take home an excellent knowledge and know-how – this will definitely bring better results in their own work contributions when in office.

## **WHO SHOULD ATTEND?**

- This risk related subject is appropriate for various construction related industry personnel and are described further here.
- This five day Dealing with Construction Insurance – The A to Z of Handling Claims and Issues workshop will benefit delegates who are dealing with Construction Insurance technical aspects – underwriting, claims and marketing. It will be pitched at an Intermediate level and various technical aspects of this technical insurance product will be addressed.

This workshop is suitable to a wide range of professionals but will greatly benefit:

- Construction Personnel – Project Engineers, Quantity Surveyors, Project Managers and relevant team members from the following firms:
- Contractors, Builders, Sub - Contractors, Developers & Suppliers (who are buyers or consumers of insurance products)
- Construction Professionals - Building Surveyors, Architects, Consultants (who advise contractors and builders)
- Lawyers, Para-Legals and Managers / Senior Officers from:
- Legal firms, solicitors offices, Government agencies and Authorities / Local Council and Utility companies (who are involved in establishing insurance coverage needs and deal with insurance claims disputes & litigation)
- Senior Officers and Managers from Insurance Companies and Reinsurance Companies (who mainly arrange or deal with insurance coverage for the industry)

## Course Outline

### An Overview & Contractual Requirements of Construction Projects

- Projects in the MENA Region
- The Need for Insurance in Construction Projects
- Projects Contract Administration
- Conditions of Contracts (FIDIC and other contracts)
- The Insurance Industry and the Role of the Insurance Authority

### Application of the Policy and its Coverage

- How the CAR policy is handled?
- Munich Re Standard Wording and Formats in Various Regions
- The Difference with the EAR Policy
- The Sections (I & II) and Relevant Coverage

### Material Damage under Section 1

- Policy Operative Clause
- Sum Insured
- Exclusions
- Basis of Loss Settlement
- Design Coverage - DE 3 and Related Coverage

## Third Party Liability (referred as Third Party Cover)

- Who are Third Parties?
- Limit of Liability
- Exceptions and Conditions
- Interesting Clauses and Endorsements
- Role of Loss Adjusters in Claims Handling

## Handling Project Risks and Claims Management

- What are Underwriters Concerns?
- Risk Management and How it Works
- Claims Management and Progress Monitoring
- Declined Claims
- Case Studies
- Computation of Adjustment