



CONTRACTORS' ALL RISKS

ZEP-REPLACE

UNDERWRITING MANUAL & RATING GUIDE

ZEP-RE (PTA REINSURANCE COMPANY)

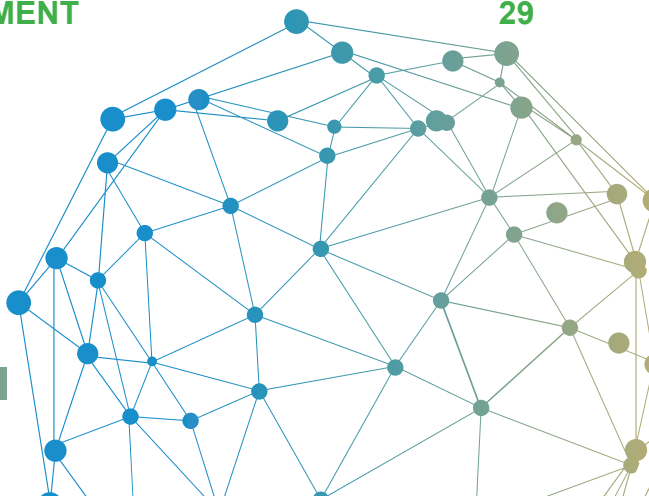




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1. GENERAL

1.1 What is CAR Insurance

Contractors' All Risk (CAR) insurance is property insurance for any building or civil engineering project.

Provides cover on site during construction period and, if required, policy can be extended to provide limited cover during maintenance period.

Legal liability to third parties can be included.

All projects are exposed to risks beyond control of Contractor(s).

1.2 Who is the Insured

A civil engineering contract, normally, involves three parties:

- The Principal (and sometimes Financiers);
- The Consultants, Architects, Engineers, etc.;
- The Contractor(s).

Only the Principal and the Contractor(s) should be covered under a CAR policy.

1.3 What can be Insured

CAR policy is suitable for any building or civil engineering project, for example:

- Residential buildings, office buildings, medical facilities, universities, churches;
- Warehouses, factories;
- Roads, railways, airports;
- Bridges;
- Dams;
- Silos, towers;
- Sewerage & water systems.



2 CAR POLICY

1. Scope of Cover

Contractors All Risks Policy, as the name implies, provides cover on an “All risks” basis, i.e. all hazards are covered except those specifically excluded.

Any unforeseen and sudden loss or damage arising from a peril that is not specifically excluded will be indemnified. Main causes of indemnifiable losses, under a CAR policy, are:

- Earthquake, Tsunami;
- Flood, inundation, rain;
- Avalanche, landslide, rockslide;
- Hurricane, cyclone, typhoon, windstorm;
- Burglary;
- Lack of skill, negligence, malicious acts.

The cover is subject to a few general exclusions which apply to all the sections of the CAR policy, namely:

- War or warlike risks, strike, riot, civil commotion, etc.;
- Nuclear risks;
- Wilful act or wilful negligence of the insured or his representatives;
- Cessation of work, whether total or partial.



INSURANCE

2.1 Period of Cover

Cover under a CAR policy attaches only upon:

- Commencement of work at the insured site or unloading of materials at the site, whichever is earlier. If, however, the commencement date on the policy is after work has commenced or materials have been offloaded, then cover attaches from the date of the policy.

Cover expires at the latest upon:

- Taking over or putting into service of any completed part of the project (i.e. for the part that has been completed);
- Expiry date specified on the policy.

2.2 Section I

a) Subject Matter Insured

Cover under CAR policy (Section I) comprises the following:

a. Contract works – all the operations to be carried out by the Contractor(s) as specified in the contract document including:

- On site storage of materials to be incorporated in the insured project (off site storage can be covered as an extension at additional premium);
- Temporary structures e.g. site offices, labour lines, diversion tunnels/ canals, coffer dams, etc.

Erection and testing/ commissioning of machinery to be incorporated in the insured project can be included under a CAR policy provided its value upon commissioning is less than half of the total sum insured.

b. Construction Plant & Equipment – this includes:

- Labour lines;
- Storage sheds;
- Preparation and mixing plants;
- Scaffoldings;
- Utilities, etc.

c. Construction machinery – this includes:

- Cranes;
- Excavating and earthmoving machinery: shovels, bull dozers, excavators, trucks;
- Crushers;
- Road building machinery – graders, scrapers, rollers, dumpers, loaders, Asphalt and concrete pavers;
- Pile driving and extracting machinery;
- Drilling rigs, etc.

A detailed list of all insured construction machinery with individual new replacement values is necessary and should form part of the policy.



- d. Clearance of debris – clearance of debris necessitated by an indemnifiable event under Section I of the CAR policy can be covered on a first loss basis and an amount for this loss must be included under Section I of the policy schedule. Final rate and deductibles agreed for Section I are also applicable to this additional sum insured for this cover.
- e. Surrounding property – loss or damage to existing surrounding property held in care, custody, control of the Principal and/or the Contractor(s) caused in direct connection with the execution of the insured contract works can be covered on a first loss basis by incorporating Endorsement 105. A limit of indemnity for this cover should be entered in Endorsement 105.

Final rate agreed for Section I is also applicable to this limit of indemnity. Deductible for this extension should be 20% of each and every loss subject to the same minimum deductible as for Section I.

This cover does not apply to the construction/ erection plant and machinery.

b) Exclusions

Section I of the CAR policy is subject to the following special exclusions:

- The deductible stated in the schedule to be borne by the insured;
- Consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
- Loss or damage due to faulty design;
- The cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- Wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;

- Loss of or damage to construction plant, equipment and construction machinery due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubricant or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable;
- Loss of or damage to vehicles licensed for general road use or waterborne vessels or aircraft;
- Loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities, cheques;
- Loss of or damage discovered only at the time of taking an inventory.

c) Sums Insured (Memo I of the Policy Wording)

Sums insured under Section I of the CAR policy comprises of the following items:

- Contract works – full value upon completion of the project inclusive of any materials supplied by the Principal;
- Construction plant, equipment, machinery – new replacement value of the insured items.

d) Basis of Loss Indemnification (Memo II of the Policy Wording)

In the event of any loss or damage indemnifiable under the terms and conditions of the CAR policy the insurers will indemnify the insured as follows:

- In the case of damage which can be repaired – the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or
- In the case of a total loss – the actual value of the items immediately before the occurrence of the loss less salvage, however, only to the extent the costs claimed had to be borne by the insured and to the extent they are included in the sums insured and provided always that the provisions and conditions of the policy have been complied with.

2.3 Section II - Third Party Liability

a) Cover

Section II of the CAR policy provides cover against sums legally liable consequent upon:

- Accidental bodily injury to third parties;
- Accidental loss to property belonging to third parties, occurring in direct connection with the construction or erection of items insured under Section I of the policy and in immediate vicinity of the construction site.

b) Exclusions

Section II of the CAR policy is subject to the following special exclusions:

- The deductible stated in the schedule to be borne by the insured in any one occurrence;
- The expenditure insured in doing or redoing or making good or repairing or replacing anything covered under Section I of the CAR policy;
- Damage to any land or property or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement – Endorsement 120);
- Liability consequent upon:



- Bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section I, or members of their families;
- Loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is insured under Section I, or an employee or workman of one of the aforesaid;
- Any accident caused by vehicles licensed for general road use or by waterborne vessels or aircrafts;
- Any agreement by the insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

Third party liability can only be insured in conjunction with contract works.



3 RATING

Basic cover – Minimum Rates (per annum)

Minimum rates given in this manual are:

- Meant for normal risk conditions;
- Annual;
- “per mille” of the sum insured in respect of contract works;
- Includes flooding.

Deductibles

Deductibles given in this manual are generally given as a percentage of the claim amount subject to a minimum. If the insured agrees to a higher minimum deductible, then the minimum rate for basic cover can be discounted as follows:

Increase in min. deductible	x2	x3	x4	x5	x10
Discount	5%	7.5%	10%	12.5%	20%



3.1 Rating Schedule for Basic Cover

a) Buildings (Non-Industrial):

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
A11010	Residential and Office Buildings					
	Masonry construction upto 3 storeys	0.75	R	1,500	400	102
	Reinforced concrete construction upto 5 storeys	1.08	R	2,000	500	102
	Reinforced concrete construction upto 10 storeys + 1 basement	1.16	R	2,000	600	102,112
	Reinforced concrete construction upto 15 storeys + 1 basement	1.25	S	3,000	750	102,112
	every further storey upto 30 storeys	0.01	S	3,000	750	102,112
	every further basement upto 3 basements	0.05	S	3,000	750	102,112
More than 30 storeys &/or 3 basements	RATED INDIVIDUALLY					
A221110	Universities, Hospitals, Hotels, Shopping Malls					
	Upto 5 storeys + 1 basement	1.25	R	3,000	750	102,112
	every further storey upto 20 storeys	0.0125	S	3,000	750	102,112
	every further basement upto 3 basements	0.05	S	3,000	750	102,112
More than 20 storeys &/or 3 basements	RATED INDIVIDUALLY					
A221500	Multistorey Garages					
	Upto 5 storeys	1.00	R	3,000	750	102
	every further storey	0.01	S			102,112
A222000	Hall Type Buildings					
A222100	Churches, mosques, theatres, cinemas, concert halls					
	Upto 20m span/height	1.3	S	3,000	750	102,112
	every further 1m of span upto 30m	0.15	S	3,000	750	102,112
	Spans more than 30m	RATED INDIVIDUALLY				
A222110	Railway stations, airport terminals					
	Upto 20m span/height	1.32	S	3,000	750	102,112
	every further 1m of span/height upto 30m	0.15	S	3,000	750	102,112
	Span more than 30m	RATED INDIVIDUALLY				

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
A222300	Gymnasiums					
	Upto 20m span/height	1.34	R	3,000	750	102,112
	every further 1m of span/height upto 30m	0.15	S	3,000	750	102,112
	Span more than 30m	RATED INDIVIDUALLY				
A222600	Sports stadiums					
	Without roof	0.9	R	2,000	600	102,112
	With roof	1.6	R	3,000	750	102,112
A222700	Hangars					
	Spans upto 20m	2.25	S	3,000	750	102
	every further 1m of span upto 25m	0.15	S	3,000	750	102,112
	Span more than 25m	RATED INDIVIDUALLY				



b) Industrial Buildings

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
B33110	Warehouses, Factories					
		1.32	R	3,000	750	102,112
B33210	Cold Storage Facilities					
	Upto 10m span	1.9	R	3,000	750	102,112
	every further 1m of span upto 20m span	0.05	R	3,000	750	102,112
	Span more than 20m	RATED INDIVIDUALLY				
B33400	METAL PRODUCING INDUSTRIES, STEEL ROLLING MILLS, CEMENT FACTORIES	1.5	R	3,000	750	102,112
B33500	DIESEL POWER PLANTS	1.4	R	3,000	750	102,112
B33520	STEAM POWER PLANTS	1.45	R	3,000	750	102,112
B33560	HYDRO POWER PLANTS (BUILDINGS ONLY)	1.6	R	3,000	750	102,112

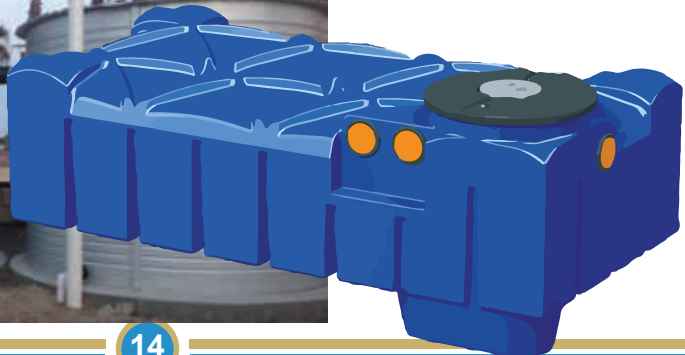


c) Chimneys, Towers, Silos

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
C44110	Water Towers					
	Capacity upto 20m3	2.95	S	2,000	500	102
	Capacity upto 30m3	3.45	S	2,000	500	102
	Capacity upto 40m3	3.80	S	2,000	500	102
	Capacity more than 40m3	RATED INDIVIDUALLY				
C44120	Communication Towers					
	Height upto 15m	3.25	S	2,000	500	102, 112
	Height upto 20m	3.50	S	2,000	500	102, 112
	Height upto 25m	3.75	S	2,000	500	102, 112
	Height upto 30m	4.00	S	2,000	500	102, 112
	Height more than 30m	RATED INDIVIDUALLY				
C44130	Chimney Stacks					
	Height upto 20m	4.00	S	2,000	500	102, 112
	Height upto 25m	4.25	S	2,000	500	102, 112
	Height upto 30m	4.50	S	2,000	500	102, 112
	Height upto 35m	4.75	S	2,000	500	102, 112
	Height more than 35m	RATED INDIVIDUALLY				
C44140	Cooling Towers					
	Height upto 20m	4.75	S	2,000	500	102, 112
	Height upto 25m	4.90	S	2,000	500	102, 112
	Height upto 30m	5.00	S	2,000	500	102, 112
	Height upto 35m	5.10	S	2,000	500	102, 112
	Height more than 35m	RATED INDIVIDUALLY				
C44200	Silos					
	Height upto 20m	3.60		3,000	750	102, 112
	Height upto 25m	3.85		3,000	750	102, 112
	Height upto 30m	4.00		3,000	750	102, 112
	Height more than 30m	RATED INDIVIDUALLY				

d) Tanks

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
D44310	Non-Water Tanks Above Ground					
	Capacity upto 200m ³	2.25	S	2,000	500	102
	Capacity upto 300m ³	2.35	S	2,000	500	102
	Capacity upto 400m ³	2.50	S	2,000	500	102
	every further 100m ³ upto 1000m ³	0.15	S	2,000	500	
Capacity more than 1000m ³	RATED INDIVIDUALLY					
	Non-Water Tanks Below Ground					
	Capacity upto 500m ³	2.75	S	2,000	500	102
	Capacity upto 1000m ³	2.85	S	2,000	500	102
	Capacity upto 1500m ³	3.00	S	2,000	500	102
	Capacity upto 2000m ³	3.15	S	2,000	500	102
	Capacity upto 3000m ³	3.25	S	2,000	500	102
	Capacity upto 4000m ³	3.35	S	2,000	500	102
	every further 1000m ³ upto 10,000m ³	0.10	S	2,000	500	102
Capacity more than 1000m ³	RATED INDIVIDUALLY					



e) Earthworks, Roads, Railways, Runways

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
E55110	Earthworks – excavations, filling, levelling, grading	1.90	R	2,000	500	102
E55120	Trenching only (for pipelines)					
	Depth 1m	3.00	R	2,000	500	102,103,105, 117
	Depth 2m	3.25	R	2,000	500	
	Depth 3m	3.50	R	2,000	500	
	Depth greater than 3m					
E55200 E55210	Roads					
	Urban areas only	1.50	R	2,000	500	102,117
	Highways flat areas	1.50	R	3,000	750	005,102,103
	Highways hilly areas	1.75	S	4,000	1,000	106,110
	Highways mountain areas	2.00	S	5,000	1,500	111,112,117
	Resurfacing only	1.25	R	2,000	500	102
	Flyovers on land					
	Span upto 15m	1.50	R	2,000	500	102
Span more than 15m	1.75	S	3,000	750	102	
E55400	Airport runways, aprons & taxiway	1.50	R	2,000	500	102
E55500	Railways					
	Flat terrain	1.30	R	3,000	750	005,102,103, 106,110, 111,112
	Hilly terrain	1.45	S	5,000	1,000	



f) Hydraulic Structures

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
F66110	Riverworks, Weirs, etc.	RATED INDIVIDUALLY				
F66200	Coastal Harbor Works, Jetties, Terminals	RATED INDIVIDUALLY				
F66250	Dry docks	RATED INDIVIDUALLY				
F66300	Dams	RATED INDIVIDUALLY				
F66400	Hydropower projects	RATED INDIVIDUALLY				
F66500	Land reclamation work	RATED INDIVIDUALLY				

g) Underground Construction Work

G77100	Galleries, Tunnels, Shafts, Caverns	RATED INDIVIDUALLY				
G77500	Mines	RATED INDIVIDUALLY				

h) Protection Structures

H88100	Retaining walls	RATED INDIVIDUALLY				
H88200	Sea erosion protection structures	RATED INDIVIDUALLY				
H88300	Rockfall protection structures	RATED INDIVIDUALLY				



i) Bridges

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
I88200	Beam bridges					
	Spans upto 10m	2.75	S	3,000	750	005,107,110
	every further span of 1m upto 20m additional	0.5				
	Span greater than 20m	RATED INDIVIDUALLY				
I88300	Arched bridges					
	Spans upto 10m	3.00	S	3,000	750	005,107,110
	every other span of 1m upto 20k additional	0.6				
	Span greater than 20m	RATED INDIVIDUALLY				
I88300	Arched bridges					
	All other types of bridges	RATED INDIVIDUALLY				



j) Water and Sewerage Line & Plants

Risk code	Type of project/ construction works	Minimum rate permil/ annual	Earthquake hazard	Deductible – 5% of claim amount subject to a minimum of		Warranties (End. Nos.)
				Acts of God/ Burglary	All other perils	
J99110	Sewage channels and pipelines					
	Depth upto 2m	2.00	R	3,000	750	005,102,103, 110, 117
	every additional 1m of depth upto 5m	0.10	R			
	For depth greater than 5m	RATED INDIVIDUALLY				
J99200	Sewage treatment plants	RATED INDIVIDUALLY				
J99410	Water and sewage reservoirs above ground					
	Capacity upto 500m ³	1.50	R	3,000	750	005,101,102
	Capacity upto 1000m ³	1.75	R	3,000	750	103,104,107, 110
	Capacity greater than 1000m ³	RATED INDIVIDUALLY				
J99410	Water and sewage reservoirs above ground					
	Capacity upto 500m ³	2.00	R	3,000	750	005,102,103
	Capacity upto 1000m ³	2.25	S	3,000	750	107,110
	Capacity greater than 1000m ³	RATED INDIVIDUALLY				
J99500	Water treatment plants	1.60	R	3,000	750	102,103,107



3.2 Rating Schedule for Extensions of Basic cover

a) Rating Schedule – Third Party Liability

Rates for third party liability are dependent upon the following factors:

- Combined limit of indemnity for both Third Party Bodily Injury (TPBI) and Third-Party Property Damage (TPPD).
- Location of contract works
 - Urban centres or close to public roads/highway
 - Rural areas

Rating table:

Rates are given as a percentage of the basic rates for contract works.

Location	Limit of indemnity - % of sum insured for contract works			
	Upto 1%	1% - 2.5%	2.5% - 5%	5% - 7.5%
Urban	7.5%	15%	20%	25%
Rural	5%	10%	15%	20%

Deductibles:

0.5% of limit of indemnity, subject to a minimum of USD 1000

Loadings:

Endorsement 002 – cover for cross liability – 10% loading

If TPL is required during maintenance period

- upto 12 months – 5% loading
- upto 24 months – 10% loading

b) Rating Schedule – Earthquake Risks

The table below gives basic rates, permits per annum, for the risks of earthquake, volcanism and tsunami. If this cover is not required, Endorsement 009 must be applied.

Earthquake susceptibility category	Zones of Earthquake Intensity Modified Mercalli Scale		
	Degree I-V	Degree VI-VII	Degree VIII
R	0	0.10	0.20
S	0	0.15	0.45

For periods longer than a year, the premium rates must be adjusted on a pro-rata basis.



c) Rating Schedule – Maintenance Period

Rates for maintenance period cover are dependent upon the following factors:

- a. Type of cover – Maintenance Visits Cover (Endorsement 003) or Extended Maintenance Cover (Endorsement 004)
- b. Duration of the maintenance period

Rates are given as a percentage of the basic rates for contract works for the period of cover.

Type of cover	Period (months)		
	6m	12m	24m
Maintenance visits (003)	2.5	5.0	10
Extended Maintenance (004)	5.0	7.5	15



d) Rating Schedule – Construction Machinery

Rates for construction machinery are dependent upon the following factors:

- a. Type of machinery (split into 3 broad groups)
- b. Hazards relating to location of construction work

Group 1:	Road construction and earthmoving machinery e.g. excavators, graders, rollers, bulldozers, piling machinery, trucks, lorries, dumpers, mobile cranes, concrete vibrators.
Group 2:	Cranes stationary.
Group 3:	Stone crushers, pavers, concrete pumping plant.

Classes of hazards:

These can be split into three categories as follows:

Class A – construction work on level terrain and in low rainfall areas, and not near bodies of water.

Class B – construction work in hilly terrain, and/or near bodies of water, medium rainfall areas.

Class C – construction work in mountainous areas and high rainfall areas.

Rates:

The table below gives rates, permille per annum, for different groups of machinery and different working hazards.

Hazard class	Group		
	1	2	3
A	10	7	4
B	12.5	10	6
C	15	12.5	9

Deductibles:

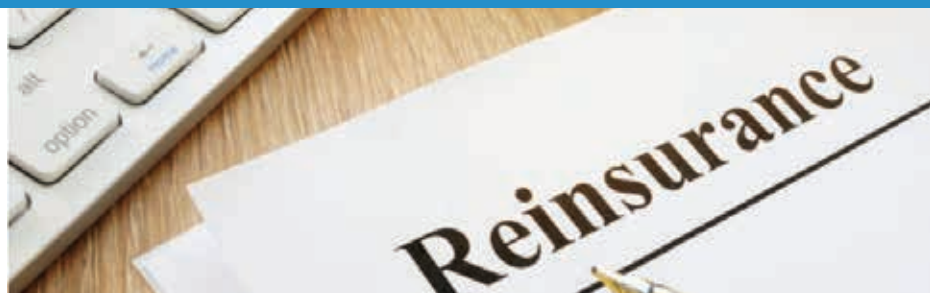
Hazard class A and B – 10% of each and every loss, minimum USD 500

Hazard class C – 20% of each and every loss, minimum USD 1000

If the insured agrees to a higher minimum deductible, then these CPM rates can be discounted as follows:

Increase	x2	x3	x4	x5	x10
Discount	5%	7.5%	10%	15%	25%

Note: if construction machinery is to be insured on its own, i.e. independently of contract works, then this should be done under a Contractor's plant and machinery policy. No TPL cover should be granted.

**e) Rating Schedule – Extension of Construction Period**

If in the event an extension of the construction period as agreed between the Principal and the Contractor stated on the CAR policy is required, reasons for the delay in completing the construction works must be determined.

Premium rate for the extension of the construction period will be dependent upon these reasons. Under normal circumstances the additional premium rate will be pro rata plus a loading.

- Loading for building risks – 10%
- Loading for civil engineering risks – 25%

f) Rating Schedule - Clearance of Debris

If cover for clearance of debris resulting from an indemnifiable claim under the CAR Policy is required, a limit of indemnity must be specified under Section I of the CAR policy.

Generally, an amount between 2% and 10% of the contract value should suffice.

The premium rate to be applied to the limit of the indemnity and deductibles for clearance of debris are identical to the final rate and deductibles applied to Section I of the CAR policy.



3.3 Extension of Cover

a) Cover for Strike, Riot and Civil Commotion (SRCC) – Endorsement 001

Political risks including SRCC are a general exclusion under the CAR policy. Cover for SRCC, however, can be included by incorporating Endorsement 001.

A limit of indemnity per occurrence should be stipulated and should not exceed 10% of the sum insured under Section I of the policy.

Additional premium as follows:

- Rural areas: 5% of premium for Section I
- Urban areas: 10% of premium for Section I

Deductible: identical to all the other claims deductible under Section I.

b) Cover for Expediting Expenses

Extra charges incurred for overtime, night work, express freight and air freight as a result of an indemnifiable claim under Section I of the policy can be covered by incorporating Endorsement 006/7.

Cover, is however, subject to a limit of 25% of the amount which the repair or replacement would have cost if the extra expenses had not been incurred, subject to a maximum of 2.5% of sum insured under respective item of Section I of policy schedule.

Additional premium – 10% of the final rate applied to Section I of the CAR policy.

Cover is limited to indemnifiable claims – repair cost (without the extra charges) must exceed the deductible for respective item of Section I of policy schedule.

c) Existing Structures and/or Surrounding Property (Endorsement 119)

Loss of or damage to existing property located on or adjacent to the construction site of the Principal or the Contractor(s) can be indemnified only if it occurs during the period of cover and in direct connection with execution of the insured contract works under Section I of the CAR policy. A full description of these existing structures/properties should be specified by the insured on the proposal form with a limit of indemnity for this cover.

This information should be entered on Endorsement 119 which extends the policy to provide this cover.

The premium rate to be applied to the limit of indemnity for existing structures and/or surrounding property is identical to the final rate applied to Section I of the CAR policy.

A deductible of 20% of loss amount subject to a minimum amount equal to the minimum deductible in respect of all other claims under Section I of the CAR policy.



d) Cover for Vibration, Removal or Weakening of Support

Under Section II of the CAR Policy, liability consequent upon loss or damage caused by vibration or by the removal or weakening of support. The CAR Policy can be extended to provide this cover by incorporating Endorsement 120.

A limit of indemnity per occurrence should be stipulated.

Additional premium and deductible for this cover is dependant upon many factors, for example:

- Type of soil conditions;
- Depth of excavation;
- Method of excavation;
- Number, age and condition of neighbouring buildings;
- Type and depth of foundations of neighboring buildings.

For ratings and deductibles Reinsurers should be contacted.



4 MAPS

5 ACKNOWLEDGEMENT





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