

# ERECTION ALL RISK ADDENDUM TO AND FORMING PART OF CONTRACTORS ALL RISK POLICY WORDING



## ERECTION ALL RISK ADDENDUM Policy Wording

This **Addendum** supersedes all previous Policy Wordings and / or **Annexures** to which cover has been agreed in terms of **Our** Erection All Risks Product. All of which are cancelled and replaced with this Erection All Risks **Addendum** and must be read together with:

1. the CIB Engineering Contractors All Risks **Policy** Wording, and / or
2. **Your** Erection All Risks **Schedule**, and /or
3. **Your** Erection All Risks **Annexure**.

These documents will tell **You** all that **You** need to know about the Cover, Terms, Conditions and Limitations relating to the insurance that **You** have purchased.

Any extension / benefit which do not have a wording assigned within this Addendum will have the cover provided as contained in the CIB Engineering Contractors All Risks **Policy** Wording.

For the purpose of this Erection All Risks Product **Addendum** the following **Sections** which appear in the CIB Engineering Contractors All Risks **Policy** Wording are deleted

Section 1: Material Damage

POLICY REFERENCE	COMMENT
<b>PART 3</b>	
<b>SECTION 1: OPERATIONS</b>	
<b>DEFINITIONS</b>	
<b>Demonstration</b>	means demonstration of the <b>Insured Property</b> at the <b>Designated Site</b> .
<b>Designated Site</b>	means the location stated in the <b>Schedule</b> where Erection / Dismantling / Positioning works will be performed.
<b>Dismantling</b>	means the disconnection / dismantling or stripping into component form inclusive of packaging of the <b>Insured Property</b> prior to movement.
<b>Erection</b>	means <b>Insured Property</b> at a designated site noted on the <b>Schedule</b> from the time of commencement of erection until: <ol style="list-style-type: none"> <li>1. in the case of new property; the completion of erection or installation inclusive of (where applicable) all intermediate testing followed by a final testing / commissioning period of 30 days or part thereof (accumulative) or handover / takeover by the Principal, whichever is the earlier date, or</li> </ol>



	2. in the case of used property as in (1) above but intermediate or final testing /commissioning of used property is excluded.
<b>Exhibition</b>	means exhibition or display of the <b>Insured Property</b> at the <b>Designated Site</b> .
<b>Insured Property</b>	means 1. Plant and Machinery belonging to <b>You</b> (as stated in the <b>Schedule</b> ), 2. Property while in <b>Your</b> care custody or control while being worked upon for the purpose of repair refurbishment or alteration.
<b>Positioning / Re-siting</b>	means movement of <b>Insured Property</b> .
<b>Repair</b>	means repair, modification or overhaul of <b>Insured Property</b> .
<b>COVER PROVIDED</b>	
<p><b>We</b> will indemnify <b>You</b> in respect of sudden and unforeseen physical loss of or damage to <b>Insured Property</b> as described in the <b>Schedule</b> and arising out of the performance of the <b>Operations</b> all as specified in the <b>Schedule</b> within the Territorial Limits from any cause not otherwise excluded.</p>	
<b>Basis of Loss Settlement</b>	<ol style="list-style-type: none"> <li>In the case of new property or plant machinery and equipment forming part of the <b>Insured Property</b> <b>We</b> will in the event of loss or damage which forms a valid claim under this <b>Policy</b> have the option to repair replace reinstate or pay cash in lieu of repairs.</li> <li>In the case of used or second hand plant machinery and equipment as in (1) above but not exceeding the market value of such plant machinery and equipment.</li> </ol> <p>Provided always that <b>Our</b> liability will not exceed the <b>Sum Insured</b> stated in the <b>schedule</b>.</p>
<b>SPECIFIC EXTENSIONS</b>	
<p>The Basis of Loss Settlement indicated in (1) or (2) above will be inclusive of necessary and reasonable costs incurred for:</p> <ol style="list-style-type: none"> <li>express delivery, overtime, Sunday and holiday rates of pay in connection with repair or replacement subject to a maximum limit of 50% of the amount which the repair or replacement would have cost had these extra expenses not been incurred,</li> <li><b>Dismantling</b> or demolition of structures or the removal of debris or in providing erecting and maintaining any hoarding propping or shoring by <b>You</b>, limited to a maximum of 20% of claim,</li> <li>legal and professional fees (excluding any such fees incurred in connection with the preparation of a claim hereunder) in connection with the replacement or reinstatement of <b>Insured Property</b> but not in respect of any improvement or extension to the <b>Insured Property</b>, cover is limited to a maximum of 20% of the claim,</li> <li>costs and expenses incurred in producing or certifying any particulars or details required by <b>Us</b> to investigate or substantiate the amount of any claim under this <b>Policy</b> is limited to the amount stated in the <b>Schedule</b>.</li> </ol>	
<b>WARRANTIES</b>	
<b>Testing / Commissioning Warranty</b>	Regardless of anything contained to the contrary it is noted and agreed that all <b>Testing / Commissioning</b> is restricted to New equipment only.

<b>Rigging Warranty</b>	<p>Regardless of anything contained to the contrary it is noted and agreed that only qualified and professional riggers certified by the Engineering Council of SA may be used for rigging operations.</p>
<b>SPECIFIC EXCLUSIONS</b>	
<p>In addition to any of the Exclusions contained in the CIB Engineering Contractors All Risks Policy (insofar as they apply) <b>We</b> will also not indemnify <b>You</b> in respect of:</p>	<ol style="list-style-type: none"> <li>1. any loss of or damage to any item of new <b>Insured Property</b> due to its own explosion breakdown or derangement occurring after 30 days on which the <b>Insured Property</b> has operated under load conditions prior to the commencement of the <b>Maintenance Period</b>,</li> <li>2. any loss damage or liability arising from electrical or mechanical breakdown or explosion of any item of used <b>Insured Property</b> or plant,</li> <li>3. any loss or damage to the <b>Insured Property</b> or part thereof occurring during the <b>Maintenance Period</b> other than provided for under the definition of <b>Maintenance Period</b>,</li> <li>4. any loss or damage to refractories arising from the application or withdrawal of heat.</li> </ol>