

Annual erection all risks factsheet

Chubb's annual Erection All Risks (EAR) policies are designed to cover the material damage risks associated with contractors' activities on industrial mechanical and electrical contracts.

CHUBB®



Our extensive client base ranges from specialist machinery installation contractors to industrial customers to major utility and power companies. Chubb understands the unique exposures of each contractor and principal/owners and offers a tailored policy covering the building works, along with the associated contractor's plant and equipment exposures.

Our policies are tailored and can be presented on

- An annual basis covering a specific contractor's activities or construction activity performed by or for a principal / owner during a 12 month period. Cover can be extended to include third party liability on a primary basis, normally being no more than GBP1,000,000
- Excess third party liability cover is available upon request from our Casualty department
- A single project basis for the full length of a specific contract period including the contractual defects liability period for a contractor and their sub-contractors and/or a principal / owner including their lenders. Cover can be extended to

include third party liability on a primary basis, normally being no more than GBP1,000,000.

- Excess third party liability cover is available upon request from our Casualty department principal / owner policies can also be extended to include Advanced Loss of Profit (ALOP) or Delay in Start-Up Cover (DSU) to cover the financial loss to the principal / owner for the delay in project following an indemnifiable incident covered with material damage policy for a given indemnity period.

Policy offering

- Contract materials, including cover whilst in inland transit, whilst stored offsite and during the defects liability period
- Owned plant and equipment
- Hired plant and equipment including continuing hire charges
- Employees' tools

Limits

Policy limits are tailored for each client

Appetite

We like to insure	We are cautious of
<ul style="list-style-type: none"> • Engineers and specific electrical and mechanical installation contractors and projects • Light and heavy industrial works and projects including <ul style="list-style-type: none"> - Bottling plants - Pharmaceutical factories - Cement plants - Aluminum and steel plants - Water and associated utilities - Industrial factories and plants • Mining and mineral processing • Oil and gas / petrochemical projects 	<ul style="list-style-type: none"> • Power construction works and projects including <ul style="list-style-type: none"> - Gas fired power plants - Coal fired power plants - Diesel plants Renewable and alternative energy - <ul style="list-style-type: none"> - Biogas / anaerobic digestion - Biomass - Waste to energy - Solar - Onshore wind • Specialist installation contractors • Process engineers
	<ul style="list-style-type: none"> • Offshore risks • Providing cover for employers' liability

Why choose Chubb?

Experience. Chubb's skilled underwriters take time to understand a contractor's business and then tailors policies to its specific requirements. Our underwriters are experienced, dedicated and empowered to provide the best product to our client base.

Broad, all risks policy. Chubb's policy has no security warranties which helps create certainty and avoids dispute in the event of a theft or malicious damage loss.

Risk management surveys. Chubb's Engineers and loss control team has specialist knowledge of the construction industry, technology and process and the associated risks. Surveys are carried out at no additional cost to the client. Our engineers also offer support and advice via our guidance documents for the prevention and protection from fire.

Award winning claims service. Brokers state our claims service is a key differentiator for such risks. At Chubb we have a dedicated and experienced claims team supporting our clients.

Highest AM best rating. This indicates Chubb's financial strength and long-term ability to pay claims.

Key selling points

Cover/Service	Benefit
Experienced underwriters, not off-the-shelf policies	Chubb's dedicated underwriters take time to understand each client's needs and create bespoke policies- rather than a one-size-fits-all solution. Your clients gain from cover and limits that reflect their specific business activities.
Local underwriting authority	Your local underwriter will have the authority necessary to make decisions and adapt the policy to the client's needs.
Broad, all risks form	Provided as standard. Chubb then tailors additional policy elements and limits.
No security warranties	Provided as standard. Chubb takes the time to understand each clients' security procedures and does not penalise them with onerous security warranties. Unlike many other insurers, there are no security warranties withdrawing cover for theft or malicious damage of unsecured non-ferrous metals or of contractors' plant and equipment.
Risk management services	Chubb's dedicated construction loss control resource can provide pre-cover visits, risk advice and ongoing risk management support.
Multinational capability	Chubb aims to support its clients where possible and to provide cover where contractors are expanding their operations outside of the UK. Chubb can access an international network of Chubb offices and affiliates, to enable cover to be placed efficiently and in the legally correct manner.

Case studies

<p>Fire caused by hot works</p> <p>Sparks from welding a handrail caused extensive fire damage to surrounding contract works, due to an employee's non-compliance with the hot work permit in place. A substantial claim in excess of £1.5m was made.</p>	<p>The Chubb advantage</p> <p>The Chubb EAR policies do not have any heat work warranties. The claim was paid. Many other policies contain warranties that exclude cover for fire unless there has been compliance with hot works procedures. Whilst Chubb expects clients to manage hot works effectively, They won't penalise non-compliance in the event of a claim.</p>
<p>Construction Issue</p> <p>Failure in equipment caused a bridge deck to slip. The likely cause was a subcontractors failure to follow agreed working methods. Not only was the insured under significant time pressure, but the sub-contractor threatened to withdraw use of vital equipment until a hold harmless agreement was signed, precluding them from any liability and preventing Chubb from pursuing a subrogated recovery.</p>	<p>The Chubb advantage</p> <p>We invested a significant amount of time understanding the optimal outcome for the client and broker. The biggest threat was the withdrawal of the sub-contractors equipment. Chubb agreed the Insured could sign the hold harmless agreement, if the client agreed the indemnity settlement would be reduced. The matter was resolved and works completed in deadline.</p>

Also available

Chubb also offers insurance solutions for:

- Owner controlled insurance and associated advanced loss of profit / delay in start-up
- Contractors' and erection project policies
- Operational power property cover (including seamless form construction)
- AD and solar packages
- Incidental primary third party liability
- Excess third party liability via our Casualty department
- Contractors' plant and equipment
- Environmental site liability via our Environmental department

- Contractors' pollution liability via our Environmental department
- Directors and officers insurance via our D & O department
- Personal accident and travel via our A & H department
- Marine via our Marine department
- Property package via our Property department

Contact us

For more information or to obtain a quote please call your local underwriting or sales contact.

chubb.com/uk



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