



CO-OPERATIVE INSURANCE COMPANY PLC

For the people, by the people . . .

Co-op Insurance House, 74/5, Grandpass Road, Colombo 14, Sri Lanka

ERECTION ALL RISK INSURANCE Insurance Product Information Document



1. Information about the type of insurance cover

Erection All Risks (EAR) Insurance Policy is designed to protect contractors and project owners against accidental physical damage or loss to engineering projects during the erection, commissioning and testing. These projects may include plant, machinery and steel structures erection and installation projects. This policy also covers injury or property damage to third parties arising out of erection works.

2. A Summary of Basic Covers

The cover is provided in two sections under this insurance policy

Section 1 - Material Damage

This section covers any sudden and unforeseen physical loss or damage to erection works during the erection, commissioning and testing from any causes other than specifically excluded under the policy exclusion section

Section 11 - Third Party Liability

This section covers third party death, bodily injury and property damage arising out of erection works

3. Additional Covers & Extensions (as stated in policy schedule if obtained)

- i. Riots & Strike, Civil Commotion (*for more details, please refer SRCC Endorsement attached to the policy schedule*)
- ii. Terrorism (*for more details, please refer Terrorism Endorsement attached to the policy schedule*)
- iii. Removals of debris
- iv. Cover for cross liability (*for more details, please refer Clause No. 002 under the clauses section in the policy schedule*)
- v. Cover for Extra charges for overtime, night work, work on public holidays and express freight (*for more details, please refer Clause No. 006 under the clauses section in the policy schedule*)

- vi. Cover for Air Freight *(for more details, please refer Clause No. 007 under the clauses section in the policy schedule)*
- vii. Cover for property and stocks stored in outside the site *(for more details, please refer Clause No. 013 under the clauses section in the policy schedule)*
- viii. Cover of Construction/Erection Machinery *(for more details, please refer Clauses No. 202 under the clauses section in the policy schedule)*

4. Key features of the policy document including exclusions, terms and conditions applicable

i. General Exclusions

The Company shall not be liable for any loss of or damage caused by:

- a. Directly or indirectly caused by, or arising through, or in consequence of war, invasion, act of foreign enemy, hostilities or any kind of warlike operation (whether war be declared or not), mutiny, civil war, riots, strike, civil commotion, rebellion, military rising or military or usurped power, martial law, state of siege, or act of terrorism.
- b. Nuclear Reaction, Nuclear Radiation or Radioactive Contamination
- c. Willful Act or Wilful Negligence of the Insured or his representatives
- d. Cessation of work whether total or partial

(For more details about exclusion, please refer to General Exclusion section of the Policy Documents)

ii. Exclusions under Section 1 - Material Damage

- a. Penalties, losses due to delay and any kind of consequential losses
- b. Loss or damage due to faulty design, the cost of repair, replacement and rectification due to bad workmanship and defective materials or casting
- c. Wear & Tear, corrosion, oxidation,deterioration
- d. Loss or damage to Files, Account Books, Drawing, Money, Bills, Stamps, Deeds,Cheques, Securities
- e. Loss occur at the time of taking an inventory
- f. Loss of or damage to surrounding property

(For more details about exclusion, please refer to Special Exclusions to sections 1 in the Policy Documents)

iii. Exclusions under Section 11 - Third Party Liability

Any liability arising out of,

- a. Death or bodily injury to workmen of the contractor or principals
- b. Loss or damage to property belonging to or care custody or under control by the contractor or principals or their employees or workmen
- c. Any accident caused by vehicles licensed for General Roads use, Water Borne Vessels or Aircraft
- d. Contractual liability by the insured.

(For more details about exclusion, please refer to Special Exclusions to sections 11 in the Policy Documents)

iv. Terms & Conditions - Basis of loss Settlement

- a. In case of partial loss damage - cost of repair to restore to items to their condition immediately before occurrence of loss less salvage
- b. In case of total loss - Actual value of the item immediately before occurrence of loss less salvage

(For more details, please refer to Memo 2 - Basis of loss settlement in the provisions applying to sections I of the Policy Documents)

5. The mode of payment of premium – Single Payment

6. Obligations of the policyholder in disclosing material facts

If any material change is made to the subject matter of insurance (e.g., delay of erection work, temporary stopping of works due to lack of material and workforce, change of sub contractors or their works and duties, change of erection methods etc.), the policyholder shall immediately notify the Company in writing and pay any additional premium required due to the increased hazard.

7. Obligation of the policy holder when a claim is made

- I. Take reasonable all steps to minimize the extend of the loss or damage
- II. Make available for inspect the damages to contract works by a surveyor / loss adjustor or representative of the Insurance Company
- III. Provide all information and documentary evidence at the request by the Insurance Company
- IV. Inform to nearest police station in case of loss due to theft or burglary or any external party involvement of such damage

8. Procedure to be followed in the event of claim

- i. Immediately notify the Company of the incident through the Company hotline No. 0112 557 300 – 9 as soon as any loss or damage occurs.
- ii. Submit a claim form, loss estimate & price quotations, copy of BOQ documents, site plans and other supporting documents requested by the Non-Motor Claims Department within 30 days from the date of loss via email, registered post, or through any of our branch offices.

Email Address :- nonmotor.claim@coopinsu.com

Postal Address :- The Manager - Non Motor Claims,
Cooperative Insurance Company PLC,

Coop Insurance House, No. 74/5, Grandpass Road, Colombo 14.

- iii. Resolution Process of claim dispute - Claims disputes will be settled through negotiation with the Company or the process of arbitration (*please refer condition no. 07 of policy document for more details*) or referred to an insurance ombudsman and the Insurance Regulatory Commission of Sri Lanka

a. Insurance Ombudsman
Address: No 1, Bethesda Place, Colombo 05,
Tele: +94 11 250 5542 /+94 11 250 5041
Email: info@insuranceombudsman.lk

b. Insurance Regulatory Commission of Sri Lanka
Address: Level 11, East Tower, World Trade Centre, Colombo 1
Telephone: 0112396184-9 General Line :- 0112335167
Email: info@irsl.gov.lk

9. Complaint and grievance handling procedure

Policyholders may submit their complaints and grievances to the Company through any of the following channels:

- Online: Visit the Company's official website at www.ci.lk and access the Customer Complaints Web Portal
- Telephone: 011 247 2795
- Email: complaint@coopinsu.com
- Registered Post: Customer Complaint & Grievance Unit, Cooperative Insurance Company PLC, No. 74/5, Grandpass Road, Colombo 14

10. Few Things to Remember

- i. **Policy Cancellation** - This insurance may be cancelled by the insured at any time by registered letter, in which case the Company will retain the premium for the period the policy was in force, based on the short-period rate. The Company may also cancel the policy at any time by giving seven days' notice by registered letter to the insured and will refund the rateable portion of the premium for the unexpired term from the date of the cancellation.
- ii. **Sum Insured** - Full value of item after the completion of erection including custom duties, freight charges and erection cost (*For more details, please refer to Memo 1 - Sum Insured in the provisions applying to sections 1 of the Policy Documents*)
- iii. **Period of Insurance** - Cover commences at the time of unloading the item at the erection site and shall continue until immediately after taking over or after the first test operation or test loading (but not beyond four weeks) is completed, whichever is the earlier. In the case of second-hand items, the insurance cover ceases immediately on the commencement of the test.
- iv. **Extension of Policy Period** - If the erection and commissioning work is not completed on or before the expiry of the contract period stated in the policy schedule, the insured party shall request an extension of the policy period by informing the insurance company in writing and paying the applicable additional premium.
- v. **Premium Payment Warranty** - If an insurance policy is issued with a 60-day credit period from the date of issuance, the policyholder must settle the premium within this period. Failure to pay the premium before the expiry of the credit period will result in the termination of the insurance coverage (*For more details, please refer to Premium Payment Warranty in the Warranty Section in the Policy Schedule*)

11. Contact Information of the Company to get further information

- Telephone :- 011- 2557300 - Extension - 261
- Email - nonmotor.uw@coopinsu.com
- By registered post – The Manager – Non Motor, Cooperative Insurance Company PLC, No. 74/5, Grandpass Road, Colombo 14
- Visit any of the Cooperative Insurance Company PLC island wide branch offices

12. Importance Note given in the Direction

The IPID is intended to provide a summary of the main cover and additional covers, if applicable and key features of the policy and is not personalized to your specific individual needs. Complete pre-contractual and contractual terms on the full and personalized information, and exclusions of the product are provided in your policy document. The IPID shall not form a part of the policy/contract. Therefore, in case of any conflict, the terms and conditions mentioned in the policy document shall prevail.”