



## Contractors All Risk Policy



**We've Got You Covered!**

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10 Armstrong and Dowdeswell Streets  
P.O. Box SS-6224  
Nassau, New Providence  
THE BAHAMAS



# Thank you for choosing NAGICO Insurances for your Contractors' "All-Risks" Insurance

## **PLEASE READ THIS POLICY CAREFULLY AND SEE THAT IT MEETS YOUR REQUIREMENTS.**

WHEREAS the Insured named in the Schedule hereto has made to Insurer (hereinafter called "the Company") a written proposal by completing an Application together with any other statements made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein,

NOW THIS POLICY OF INSURANCE WITNESSETH that subject to the insured having paid to the Company the premium mentioned in the Schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon the Company will indemnify the Insured in the manner and to the extent hereinafter provided.

Signed on behalf of  
**NAGICO Insurances**

  
**CEO**

## Period of Cover

The liability of the Company shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site. The Company's liability expires for parts of the insured contract works taken over or put into service.

At the latest the insurance shall expire on the date specified in the Schedule. Any extensions of the Period of Insurance are subject to the prior written consent of the Company.

## Section I – Material Damage

The Company hereby agree with the Insured that if at any time during the period of cover the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Company will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as insured hereby.

The Company will also reimburse the Insured for the cost of clearance of debris following upon

any event giving rise to a claim under this Policy provided a separate sum therefore has been entered in the Schedule.

## Special Exclusions to Section I

The Company shall not, however, be liable for

- a) the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
- b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contact;
- c) loss or damage due to faulty design;
- d) 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 or workmanship;
- e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- f) mechanical electrical breakdown or derangement of construction plant, equipment and construction machinery;
- g) loss of or damage to vehicles licensed for general road use or water borne vessels or aircraft
- h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques;
- i) loss or damage discovered only at the time of taking an inventory.

## Provisions applying to Section I

### **Memo 1- Sums Insured:**

It is a requirement of this insurance that the sums insured stated in the Schedule shall not be less than for:

**Item 1:** the full value of the contract works at the completion of the construction, inclusive of all materials, wages, freight, customs duties, dues, and materials or items supplied by the Principal;

**Items 2 and 3:** the replacement value of the construction plant, equipment and construction machinery: which shall mean the cost of replacement of the insured items by new items of the same kind and same capacity; and the Insured undertakes to increase or decrease the amounts of insurance in the event of any material fluctuation in wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Company.

If, in the event of loss or damage, it is found that the sums insured are less than the amounts required to be insured, then-the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sums insured bear to the amounts required to be insured. Every object and cost item is subject to this condition separately.



#### **Memo 2 - Basis of Loss Settlement:**

In the event of any loss or damage the basis of any settlement under this Policy shall be

- a)** 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
- b)** 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 have been complied with.

The Company will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in above.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions improvements shall not be recoverable under this Policy.

#### **Memo 3 - Extension of Cover:**

Extra charges for overtime, night work, work on public holidays, express freight are covered by insurance only if previously and specially agreed upon in writing.

## **Section 2 – Third Party Liability**

The Company will indemnify the Insured up to but not exceeding the amounts in the Schedule against such sums which the Insured shall become legally liable to pay as damages consequent upon

- a)** Accidental bodily injury to or illness of third parties (whether fatal or not)
- b)** accidental loss of or damage to property belonging to third parties occurring in direct connection with the construction or erection of the items insured under Section I and happening on or in the immediate vicinity of the site during the Period of Cover.

In respect of a claim for compensation to which the indemnity provided herein applies, the Company will in addition indemnify the Insured against

- a)** All costs and expenses of litigation recovered by any claimant from the Insured, and
- b)** All costs and expenses incurred with the written consent of the Company, provided always that the liability of the Company under this section shall not exceed the limits of indemnity stated in the Schedule.

## **Special Exclusions to Section 2**

The Company will not indemnify the Insured in respect of:

- I. the Deductible stated in the Schedule to be borne by the Insured in any one occurrence;



2. the expenditure incurred in doing or redoing or making good or replacing anything covered or coverable under Section I of this Policy;
3. damage to any property or land 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 specifically agreed upon by endorsement);
4. liability consequent upon
  - a) 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;
  - b) loss of or damage to property belonging to or held in care, custody or control 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 an employee or work-man of one of the aforesaid;
  - c) any accident caused by vehicles licensed for general road use or by water borne vessels or aircraft;

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.

## Special Conditions applying to Section 2

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled, if they so desire, to take over and in the name of the Insured any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
2. The Company may so far as any accident is concerned pay to the Insured the limit of indemnity for any one accident (but deducting there from in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

## General Exclusions

The Company will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;
- b) nuclear reaction, nuclear radiation or radioactive contamination;
- c) willful act or willful negligence of the Insured or of his representatives;



- d) cessation of work whether total or partial.

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of Exclusion a) above any loss, destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

## General Conditions

1. The due observance and fulfillment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the Application/Proposal made by the Insured shall be a condition precedent to any liability of the Company.
2. The Schedule and Application/Proposal shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Application/Proposal. Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
3. The Insured shall at his/her own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.
4. Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
  - a) The Insured shall immediately notify the Company with all details and information necessary for the assessment of the risk.
  - b) The Insured shall immediately notify the Company by telephone or telegram and in writing of any material change in the risk and cause at his/her own expense such additional precautions to be taken as circumstances may require, and the scope of cover premium shall, if necessary, be adjusted accordingly.

No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the insurance be confirmed in writing by the Company.

5. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall
  - a. immediately notify the Company by telephone or telegram as well as in writing, giving an indication as to the nature and extent of loss or damage;
  - b. take all steps within his power to minimize the extent of the loss or damage;
  - c. preserve the parts affected and make them available for inspection by a representative or surveyor of the Company;
  - d. furnish all information and documentary evidence as the Company may require;
  - e. inform the Police authorities in case of loss or damage due to theft or burglary. The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the Company within 14 days of its occurrence.

Upon notification being given to the Company under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Company does not carry out the inspection within a period of time which could be considered as adequate under the circumstances the Insured is entitled to proceed with the repairs or replacement. The liability of the Company under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

6. The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Company shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Company.
7. Any dispute or difference arising out of or in connection with this Policy shall be subject to arbitration by a single Arbitrator to be agreed between the parties. If the parties are unable to agree upon the Arbitrator within 14 days of a party proposing arbitration to the other party, one Arbitrator shall be appointed by each party, and such Arbitrators shall, before entering upon the reference, elect an Umpire to decide between them in the event of disagreement. Such Arbitrators shall have the power to obtain an expert opinion as they think fit, on any matter or question to be determined and, subject to the foregoing, the provisions of the legislation of the jurisdiction regarding arbitration shall apply. The parties to such arbitration shall pay the Arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the Umpire.

The award made by the Arbitrators or the Umpire shall be final and binding on the parties and the persons claiming under them respectively.

8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in case of arbitration taking place as provided herein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.
9. If at the time any claim arises under the Policy there be any other insurance covering the same loss, damage or liability the Company shall not be liable to pay or contribute more than its rateable proportion of any claim for such loss, damage or liability.
10. This Policy may be cancelled at any time at the request of the Insured in writing to the Company and the premium shall be adjusted on the basis of the Company receiving or retaining the customary short-term premium or minimum premium. The Policy may also be cancelled by the Company provided that seven (7) days notice be given in writing to the Insured at his/her last known address and the premium shall be adjusted on the basis of the Company receiving or retaining pro-rata premium.



# Clauses/Warranties

## A. MORTGAGE CLAUSE

In the event of loss or damage, the Company will pay the Mortgagees or said Assignees as stated on the Policy Schedule or shown below to the extent of their interest.

Provided that as between the Company and the Mortgagor or Owner of the property insured nothing contained in this Clause shall in any way constitute or be deemed to constitute any waiver of, or prejudice or affect any rights which the Company may have against the Mortgagor or Owner of the property insured, or lessen any obligations which may be imposed on the Mortgagor or Owner of the property insured either by or under this policy or by law, and such rights and obligations shall as between the Company and the Mortgagor or Owner of the property insured remain in full force and effect.

The Company reserves the right to cancel this policy at any time as provided by the terms thereof, but in such case this policy shall continue in force for the benefit only of the Mortgagees or said Assignees for 30 days after notice to the Mortgagees or said Assignees of such cancellation, and shall then cease, and the Company shall have the right on like notice to cancel this agreement.

## B. LOSS PAYABLE CLAUSE

It is agreed that loss if any is payable to the interest stated on the policy schedule. Further concurrent insurance permitted without notice until required.

## C. DEDUCTIBLE CLAUSE

The limit of the Company's liability as regards loss or damage directly caused by the under-mentioned perils where applicable and where further defined in the Policy, shall be limited to its ratable proportion of the amount by which such loss or damage exceeds the relevant sums as follows:-

- I. Hurricane, Cyclone, Tornado, Windstorm including rain accompanying these perils, Earthquake, Volcanic Eruption and Flood (including overflow of the sea) - a sum equivalent to 2% of the Sum Insured, per item which shall apply to each item as set out in the Schedule subject to a minimum amount of \$\_\_\_\_\_.00. For subsidence and Landslip the deductible shall be 5% of the Sum Insured. It is further noted that this clause shall apply separately to each incident giving rise to such loss or damage, and that for the purpose hereof the extent and duration of an incident shall be limited to 72 consecutive hours and thereafter the clause shall apply afresh.
- II. Any other insured peril, a sum \$\_\_\_\_\_ of each and every loss.

For the purpose of I and II above, the amounts applicable shall apply to each item set out in the Schedule for which purpose all insured items set out in the Schedule at the same address will be regarded as one item

## D. ELECTRONIC DATA RECOGNITION CLAUSE

This insurance does not cover any loss, damage, cost, claim or expense, whether preventive,



remedial or otherwise, directly or indirectly arising of or relating to:

### **Section 1**

- a. the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, program or software any microchip, integrated circuit or similar device in computer equipment or non-computer equipment whether the property of the insured or not, or
- b. any change, alteration or modification involving the date change of the year 2000 or any other date change including leap year calculation, to any such computer system, hardware, programme or software or any microchip integrated circuit or similar device in the computer equipment or non-computer equipment whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense. However this section shall not apply in respect of physical damage occurring at the insured's premises arising out of the perils hereby insured against.

### **Section 2**

Notwithstanding Section 1 above, this insurance does not cover any costs and expenses, whether preventative, remedial or otherwise, arising out of or relating to change, alteration or modification of any computer system, hardware, programme or software of any microchip, integrated circuit or similar device in computer or non-computer whether the property of the insured or not.

**Section 3:** The date changed to the year 2000, or any other date change, including leap year calculations, shall not in and of itself be regarded as an event for the purposes of this insurance.

## **E. FUNGUS, MILDEW AND MOULD EXCLUSION**

This insurance does not cover:

1. Any liability, loss, cost or expense arising out of, resulting from, caused by, contributed to, or in any way related to the existence, inhalation or exposure to any fungi" and or "spores" or
2. Any cost or expenses associated in any way, or arising out of the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any fungi" and or "spores" or
3. Any obligation to share with or repay any person, organization or entity, related in any way to items and 2. above, regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to the injury or damage. For purposes of this exclusion, the following definitions apply: "Fungus/ fungi" includes, but is not limited to, any form or type of mould, mildew, mushroom, yeast, or bio-contaminant.

"Spore(s)" includes, but is not limited to, any substance produced by, emanating from, or arising out of any Fungus/Fungi

## **F. TERRORISM EXCLUSION CLAUSE**

This policy excludes loss, damage, cost or expense of whatsoever nature directly or



indirectly caused by, resulting from or in connection with the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

#### **Any Act of Terrorism**

*For the purpose of this clause an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or groups(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.*

This clause also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above. If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this policy the burden of proving the contrary shall be upon the Insured.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect

#### **G. EXTENDED MAINTENANCE CLAUSE**

Subject to the terms, exclusions, provisions and conditions contained in this Policy or endorsed hereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended for the maintenance period specified hereunder to cover loss or damage to the contract works:

1. caused by the insured in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract,
2. occurring during the maintenance period provided such loss or damage was caused on the site during the construction period before the certificate of completion for the lost or damaged section was issued.

#### **H. UNDERGROUND SERVICES CLAUSE**

Subject otherwise to the terms, exceptions and conditions of this policy, the Company shall only indemnify the Insured in respect of loss of or damage to existing cables pipes or other services if, prior to the commencement of work, the Insured has enquired with the relevant authorities about the exact location of such cables, pipes or other services.

The indemnity shall (in any case) be restricted to the actual cost of repair or replacement of such cables, pipes or other services as assessed by an independent surveyor and shall not extend to cover any additional costs for loss of use or penalties and/or fines which are imposed on the Insured by the relevant authorities as a result of consequential loss or damage.

#### **I. CUTTING AND BURNING WARRANTY**

It is a condition precedent to the liability of the Company to indemnify the Insured that whenever oxyacetylene or similar welding or cutting apparatus or blowlamps or torches are in use away from the Insured's premises the following should apply:

##### **General**

1. The area in which the work is to be carried out is free from movable combustible material before operations commence.
2. The area on the other side of a wall or partition where work is being carried out is inspected to ensure there are no combustible materials directly or indirectly in danger of ignition.

3. Appropriate fire extinguishing appliances are kept near the scene of work for immediate use.
4. An examination in the vicinity is carried out after each period of work to ensure that there is no danger of fire breaking out.
5. A suitable employee is appointed to be responsible for fire safety for each period of work.
6. Blowlamps and blowtorches are lit strictly in accordance with manufacturer's instructions and not left unattended while alight.

**Gas or Electric Welding and Cutting Apparatus**

7. The work area is adequately segregated by use of fire resistant materials.
8. Combustible floors and fixtures in the work area are protected with overlapping sheets of non-combustible materials or covered with sand.
9. The stub ends or welding rods do not come into contact with combustible materials.
10. Gas cylinders not being used for the work in hand are kept outside the building in or on which the work is carried out and away from obvious fire hazard.

**J. INDUSTRIES. SEEPAGE, POLLUTION AND CONTAMINATION NUMBER 3, (N.M.A. 1685)**

This Insurance does not cover any liability for:

1. Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph shall not apply to liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
2. The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
3. Fines, penalties, punitive or exemplary damages.

This Clause shall not extend this Insurance to cover any liability which would not have been covered under this Insurance had this Clause not been attached.

**K. AUTOMATIC REINSTATEMENT OF SUM INSURED CLAUSE.**

In consideration of the Insurance by this Policy not being reduced by the amount of any loss, the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof or the date of the expiring of the period of Insurance.

**L. LEGAL ACTION CLAUSE.**

The Company shall not be liable to indemnify the Insured against any claim where action for damages is brought in a court of law outside the territory specified in the Schedule, or where action is brought in a court of law within that territory to enforce a foreign judgment whether by way of Reciprocal Agreement or otherwise.

**M. PANDEMIC EXCLUSION CLAUSE.**

This Policy excludes and does not cover any loss or loss adjustment expenses arising out of or related to including but not limited to interruption or interference with the use of any

insured premises in consequence of:

- a. Infectious or contagious disease manifested by any person while on the Insured's premises or within 25 miles of the Insured's premises.
- b. Murder or suicide occurring on the Insured's Premises.
- c. Food or drink poisoning or contamination, or,
- d. Closure by any competent authority due to infectious or contagious disease, vermin or pest.

**N. JURISDICTION CLAUSE.**

It is also understood and agreed that this Policy is governed by the laws of the Commonwealth of The Bahamas and shall be subject to the jurisdiction of the Courts of the Commonwealth of The Bahamas.

**O. CURRENCY CLAUSE**

It is hereby understood and agreed that this Policy is issued in the currency of the coverage territory shown on the Schedule.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20

**For and Behalf of the Company**

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Authorized Signature



*To find a convenient location near you,  
visit our website at [www.nagico.com](http://www.nagico.com)*

The Bahamas

BVI

Anguilla

St. Maarten / St. Martin

Saba

St. Eustatius

St. Kitts

Nevis

Montserrat

Guadeloupe

Dominica

Martinique

St. Lucia

Grenada

Tobago

Trinidad

Aruba

Curaçao

Bonaire



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