



معهد الخليج لدراسات التأمين  
GULF INSURANCE INSTITUTE

## Applied Certificate in Construction and Engineering Insurance

Course Code	ACCE
Content	Unit 1: Application of Insurance Principles Unit 2: Scope of insurance covers involved in projects Unit 3: Policy Cover - Contractors All Risks and Erection All Risks Unit 4: Loss Control Unit 5: Underwriting Unit 6: Claims Unit 7: Reinsurance
Duration	24 hours of structured learning involving classroom sessions, Q & A and case studies.
Audience	Intermediate
Learning Objectives	At the end of this course participants will be able to:  <b>1. Application of the Insurance Principles</b> 1.1 Define the following principles and discuss their application to construction and Erection Insurance 1.1.1 Insurable Interest Definition Parties to a construction contract Insurable Interest arising under Standard Construction Contracts Joint Assureds Liability of Construction Professionals 1.1.2 Utmost Good Faith Definition Non-Disclosure and mis-representation 1.1.3 Proximate Cause Definition Perils and Hazards, Concurrent Causes Accidental Damage – Onus of proof 1.1.4 Indemnity Definition Methods of providing indemnity Reinstatement 1.1.5 Subrogation Definition Subrogation Clause; Joint Insureds, Cross liabilities Apportionment of Subrogation proceeds 1.1.6 Contribution How Contribution arises Application of Contribution



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## **2. Scope of insurance covers involved in projects**

- 2.1 Explain the scope of a Contractor's All Risks (CAR) policy
- 2.2 Define the subject matter insured
  - 2.2.1 Contract Works
  - 2.2.2 Contractors Plant and machinery
  - 2.2.3 Debris Removal
  - 2.2.4 Surrounding property
  - 2.2.5 Third party liability
  - 2.2.6 Principal's Advanced Loss of Profits
- 2.3 Explain the scope of an Erection All Risks (EAR) Policy and distinguish between the nature of projects that can be insured under and EAR policy and a CAR policy
- 2.4 Explain the scope of an annual open cover for contractors and typical conditions that a contractor must fulfill.
- 2.5 Be aware of the scope and need for the following covers
  - 2.5.1 Professional Indemnity insurance for construction professionals
  - 2.5.2 Latent defects Insurance
  - 2.5.3 Performance bonds
- 2.6 Explain the Scope of Comprehensive Project Insurance
- 2.7 Explain the Scope of Contractor's Plant and Equipment Insurance

## **3. Policy Cover - Contractors All Risks and Erection All Risks**

- 3.1 Explain the period of Cover
- 3.2 Explain the operative clause
  - 3.2.1 Be aware of the Special Exclusions in each section
- 3.3 Explain the general Exclusions and Conditions
- 3.4 Explain the basis upon which to calculate the Sums Insured for each subject matter.
- 3.5 Be aware of some of the common endorsements extending cover policy
  - 3.5.1 Strike, riot and civil commotion
  - 3.5.2 Cross liability
  - 3.5.3 Maintenance visits
  - 3.5.4 Extended maintenance
  - 3.5.5 Overtime, night work, night work on public holidays and express freight
  - 3.5.6 Extra charges for airfreight
  - 3.5.7 Property in off-site storage
  - 3.5.8 Testing of machinery and installations
  - 3.5.9 Construction plant, equipment and machinery
  - 3.5.10 Inland transit
  - 3.5.11 Designer's risk
  - 3.5.12 Contract works taken over or put into service
  - 3.5.13 Existing property
  - 3.5.14 Vibration, removal or weakening of support

## **4. Loss Control**



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- 4.1 Outline the typical contents of a loss prevention checklist with the following headings:
  - 4.1.1 Design phase
  - 4.1.2 Construction phase
  - 4.1.3 Emergency procedures
  - 4.1.4 Fire protections
  - 4.1.5 Site security
  - 4.1.6 Fuels and energy sources
  - 4.1.7 Hot work
  - 4.1.8 Waste control
  - 4.1.9 Plant and Machinery maintenance

## **5. Underwriting**

- 5.1 Outline the typical contents of a proposal form or questionnaire.
- 5.2 Outline the main underwriting and rating factors for Project Works insurance
- 5.3 Be aware of some of the risks that underwriters may exclude from cover on particular projects
  - 5.3.1 Earthquake
  - 5.3.2 Flood and inundation
  - 5.3.3 Windstorm or wind-related water damage
  - 5.3.4 Terrorism
  - 5.3.5 Crops, forests and cultures
- 5.4 Be aware of Special Conditions and Warranties that underwriters use to restrict cover or improve loss prevention.
  - 5.4.1 Construction and/or erection time schedule
  - 5.4.2 Tunnels, galleries, temporary or permanent subsurface structures or installations
  - 5.4.3 Underground cables, pipes and other facilities
  - 5.4.4 Dams and water reservoirs
  - 5.4.5 Sections
  - 5.4.6 Camps and stores
  - 5.4.7 Construction material
  - 5.4.8 Safety measures with respect to precipitation, flood and inundation
  - 5.4.9 Removal of debris from landslides
  - 5.4.10 Fire-fighting facilities and fire safety on construction sites
  - 5.4.11 Serial losses
  - 5.4.12 Laying water supply and sewer pipes
  - 5.4.13 Drilling work for water wells
  - 5.4.14 Piling foundation and retaining wall works
  - 5.4.15 Used machinery
- 5.5 Be aware of the particular requirements for overseas risks

## **6. Claims Administration and Handling**



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- 6.1 Explain the duties of the Insured following an incident
- 6.2 Explain the role of the Loss Adjuster in construction claims
- 6.3 Outline the typical contents of a Loss Adjuster's report
- 6.4 Explain the Basis of loss Settlement for each of the subject matter insured
- 6.5 Be aware the restriction for payment of claims in accordance with contractual agreements between the parties to the contract.

#### **7. Reinsurance**

- 7.1 Outline a typical reinsurance arrangement
- 7.2 Explain the need for facultative reinsurance for large projects

Private study	Students should undertake a minimum of 75 hours of private study
Assessment	Two hour multiple choice paper consisting of 100 questions.
Language	These courses are available in English and in Arabic.
Accreditation	1 credit towards Associate of the Gulf Insurance Institute