Kshema Contractor's All Risk Insurance Policy

FAQ's

What is Contractor's All Risk Insurance Policy?

Contractor's All Risk Insurance goes beyond conventional insurance by offering tailored, comprehensive protection throughout the construction phase. It covers a wide range of unexpected incidents from accidental damage at the site and structural failures to third-party injuries or property claims linked to ongoing work. What makes this policy unique is its ability to encompass various aspects of a construction site under a single plan, offering a solid financial safety net for contractors, sub-contractors, and project owners.

This insurance is especially crucial for projects involving multiple stakeholders, significant investments, and strict timelines. It not only covers material damage but also fosters trust among clients and partners by minimizing financial risks. The policy remains active from the beginning of groundwork until project completion and handover, making it a vital risk management tool for smooth execution and long-term business stability.

Why should You opt for Contractor's All Risk Insurance Policy?

Construction sites are naturally exposed to numerous risks such as accidental damage, theft of materials, weather-related destruction, and unexpected third-party claims. A Contractor's All Risk Insurance policy provides all-encompassing protection under one plan, covering both material damage and liability. It removes the complexity of managing multiple insurance policies and simplifies the claims process.

For contractors, developers, and financiers, this policy serves as a powerful risk mitigation strategy that helps maintain project momentum even during setbacks. It also boosts the project's credibility with stakeholders by showcasing preparedness and accountability. Moreover, many construction contracts require such coverage to ensure financial security and responsibility. Whether you're constructing a home, commercial property, or large infrastructure, investing in this insurance is key to ensuring smooth and uninterrupted project progress.

Who needs Contractor All Risk Insurance Policy?

Contractor All Risk Insurance is vital for a wide range of professionals and institutions engaged in construction and infrastructure development. It offers broad protection against physical damage and third-party liabilities across all project stages. Whether you're building a residential tower or a high-speed rail, this policy ensures peace of mind and uninterrupted progress.

Stakeholder	Use Cases

Builders & Developers	Residential buildings, townships, gated communities
Contractors & Subcontractors	Civil works, structural erection, electrical and mechanical installations
Engineering Firms	Technical project execution, project management
Financiers & Lenders	Protecting funded projects from construction-related risks
Government Agencies	Infrastructure projects such as roads, bridges, and railways
Hospitality & Commercial Chains	Construction of hotels, malls, and business parks
Healthcare Institutions	Hospitals and clinics under development
Infrastructure Investors	Airports, metro systems, tunnels, and renewable energy sites

Key Features of Contractor's All Risk Insurance

Contractor's All Risk Insurance offers comprehensive protection tailored to the dynamic needs of construction projects. It ensures operational continuity, regulatory compliance, and financial security in unpredictable environments.

Feature	Description
Comprehensive All-Risk Cover	Covers all types of losses unless specifically excluded in the policy
Third-Party Liability	Provides coverage for legal liabilities due to third-party injury or property damage
Phased Coverage	Offers protection across all project stages—storage, construction, commissioning, etc.
Customizable Add-ons	Flexible enhancements based on specific project requirements
Multiple Stakeholder Protection	Includes coverage for principals, contractors, financiers, and other involved parties

What are the perils covered under a Construction All Risk (CAR) policy?

This is an 'All Risk' policy covering sudden and unforeseen physical damage to civil projects under construction insured by any cause or peril not specifically excluded under the policy. Important Perils which will be covered include:

- Fire and Allied Perils
- Flood, storm, tempest & cyclone
- Earthquake, fire & shock

What are the Exclusions under the CAR policy?

- War and Nuclear risks
- Willful Act or Willful Negligence of the Insured
- Partial/total cessation of Work
- Defective material or bad workmanship
- Normal wear and tear
- Normal Maintenance or Making Good
- Loss or damage due to faulty design
- Disappearance or shortage (inventory losses)
- Contractual liabilities
- Consequential losses

What are the Add on coverages under a CAR policy?

- Express freight, Holiday and Overtime
- Air freight
- Loss due to breakage of glass
- Additional customs duty
- Removal of debris
- Escalation Cost
- Cover for Offsite Storage
- Construction machineries, plant and equipment extension
- Owner's surrounding property
- Terrorism