

### 3. What happens if I am a contractor and my project is delayed due to the lock down?

We have had clients contact us for advice regarding coverage under a Contractors All Risks insurance policy for losses associated with the lockdown and resultant delays with construction projects.

#### Insurance Coverage and Wording

In general, a CAR policy covers any accidental sudden and unforeseen physical loss or damage at the Contract Site from any cause other than those specifically excluded.

There is usually a specific exclusion under a CAR policy which excludes consequential loss of any nature including penalties, fines, loss of contracts and loss arising from delay in completing or negotiating contracts”

There is also the General Exception under the policy for cessation of work whether total or partial for a period exceeding the stated number of consecutive days.

Ultimately, a CAR policy is not designed to provide cover for losses as a result of delays caused by the COVID-19 lock down.

If you have a CAR policy and the contract works are going to experience delays as a result of the lockdown, please read the following two articles:

- [JBCC ADVISORY NOTE: EDITION 6.2 and](#)
- [COVID-19 LOCK DOWN THE IMPACT ON CONSTRUCTION CONTRACT CLAIMS](#)

The above articles can be accessed on our website by clicking on the links above.

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In addition, please contact your Advisor to discuss your existing CAR policy.

#### In order for us to assist you, we would need to do the following:

1. Establish whether the current works will be interrupted or delayed, and the length of delay expected due to Covid19
2. Put a formal request to insurers to extend the policy, to accommodate the delay. Some insurers will seek to charge an additional premium, and we would need to negotiate with the insurer in this regard.

We would need to take note of the General Exception under the Contract Works policy as stated above. If there is cessation of work exceeding the period stated in your policy, we would need to discuss with your Insurer.