

SECTION 11

BUILDINGS IN COURSE OF CONSTRUCTION

Insurances of buildings in the course of construction and materials on site are to be effected subject to the following rules :

- (a) Policy is issued for the total contract value for the construction of the whole building(s) and to cover the whole period of operations on the site.
- (b) Premium is calculated on the following basis :
 - i) Basic cover - the full Tariff rate as per Section 4
 - ii) Special perils - 50% of the rates of Section 5
- (c) Building shall be classified under the class of construction as laid down in Section 2 of the Tariff, to which they will conform on completion.
- (d) The following Clause is to be inserted in the Policy :

"In consideration of the premium (under item ... of) the policy, the Insured hereby agrees to insure throughout the period of operations on the site the total contract value of the building(s). If it should become apparent that the sum insured (under item ...) or the period of cover is either insufficient or excessive, the Insured shall immediately request the Company to adjust such sum insured or period. In the event of the Company agreeing to such an adjustment, premium (under item...) shall then be recalculated as from the commencement date of the Policy and an appropriate adjustment of the premium shall be made.

Provided that if, at the breaking out of any fire the total contract value of the property is greater than the sum insured thereon, then the Insured shall, notwithstanding any subsequent increase in the sum insured be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition.

The liability of the Company under this Policy shall in no case exceed the value at the time of the fire of that part of the building already erected and materials on site.

Warranted that notice shall be given to the Company when the building(s) under construction are occupied and that the Insured shall pay a suitable additional premium if required."

NB. Where only one item appears in the policy the words in brackets in the above Clause should be omitted.

- (e) It is permissible to insure the following interest on the following basis :
- (i) Contractors' plant and equipment as per premium rate of Class Code 1410 of Section 4.
 - (ii) Temporary buildings as per their respective occupation and construction classification.
 - (iii) Architects and Surveyors' Fees as per the premium rates for the building(s).
 - (iv) Removal of Debris as per the premium rates for the building(s)

RATING FOR UNCOMPLETED OR ABANDONED BUILDINGS

Uncompleted or abandoned buildings shall be rated under "Unoccupied or Vacant risks (trade codes 1422 or 1424)" without the application of warranty 12 (vacant risk warranty). Uncompleted buildings are not eligible for special rating.