
Construction Insurance Programmes: Contractors All Risks, Claims and Risk Transfer Course

5 – 9 April 2027
Cape town





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Programme Summary

Construction insurance programmes for capital projects are the subject of this one-week training course for project directors, contracts heads and risk managers at advanced level, culminating in a project insurance and claims playbook. Cover bought late and left to clash with the contract leaves gaps that surface only after a loss. The approach moves from policy structure and contract allocation, through programme design and placement, to claims preparation and recovery. Mars Training Centre UK delivers this programme in construction insurance and risk transfer.

The Business Case

On large projects, insurance is one of the few tools that converts a catastrophic event into a recoverable cost. Yet cover is often duplicated, defects and delay left uninsured, or recoveries lost through weak evidence. Leaders who set the insurance strategy before tender, and align it with the contract and the bonds package, protect both the budget and the schedule when a loss occurs.

- Retained Loss Exposure: Falls as gaps between the contract, the policies and the deductibles are closed before work starts.
- Claim Recovery Rate: Rises as notifications, evidence and loss quantification meet insurer and loss adjuster expectations.
- Total Cost of Risk: Reduces as duplicate cover is removed and deductibles are set against real risk appetite.

Principles and Evidence Base

- FIDIC 2017 Clause 19 and Clause 17: The insurance obligations and the care of the works and indemnities provisions frame the allocation exercises in Session 2.
- CAR and EAR Policy Structure: The split between Section I material damage and Section II third party liability shapes the policy reading in Session 1.
- LEG Defects Exclusion Clauses: The LEG 2/96 and LEG 3/06 wordings anchor the analysis of design and workmanship exposures in Session 2.

Intended Participants

- Leaders deciding which project risks to insure and which to retain.
- Heads of contracts who draft or negotiate insurance and indemnity clauses.
- Risk managers who place project policies with brokers and insurers.
- Commercial directors who prepare claims after damage or delay.



The programme serves building, infrastructure, energy and industrial plant projects in both public and private organisations.

Learning Outcomes

1. Participants will be able to diagnose cover gaps and overlaps between a construction contract and its insurance policies.
2. Participants will be able to evaluate contractors all risks, third party liability, professional indemnity and delay in start-up wordings against project exposures.
3. Participants will be able to justify an owner-controlled or contractor-controlled insurance programme for a given project.
4. Participants will be able to prioritise deductibles, limits and extensions against the organisation's risk appetite.
5. Participants will be able to construct a claim notification and evidence file that meets insurer and loss adjuster requirements.

Programme Structure

Day 1: Construction Insurance Foundations and Policy Anatomy

What does each project policy actually cover, and where does it stop?

- Contractors All Risks Section I Material Damage
- Erection All Risks for Plant and Equipment Installation
- Section II Third Party Liability and Cross Liability
- Professional Indemnity for Design Responsibility
- Policy Schedules, Insured Parties and Periods of Cover

Day 2: Contract Allocation and Exclusions

How does the contract decide who carries each loss before any policy responds?

- FIDIC 2017 Clause 17 Care of the Works and Indemnities
- FIDIC 2017 Clause 19 Insurance Obligations
- LEG 2/96 and LEG 3/06 Defects Exclusion Wordings
- Waivers of Subrogation and Named Insured Status
- Contract and Policy Gap Analysis Matrix

Day 3: Designing the Project Insurance Programme

Which programme structure gives the project the right cover at the right cost?



- Owner-Controlled and Contractor-Controlled Insurance Programmes
- Delay in Start-Up and Advance Loss of Profits Cover
- Deductible, Limit and Sub-Limit Setting
- Broker Selection, Market Submissions and Underwriting Information
- Interface With Performance Bonds, Guarantees and Retention

Day 4: Claims Handling and Loss Recovery

How is a loss notified, proven and quantified so that it is paid?

- Notification Conditions and Insurer Consent Requirements
- Working With Loss Adjusters and Forensic Experts
- Quantifying Physical Damage, Extra Costs and Delay Losses
- Coverage Disputes and Reservation of Rights
- Subrogation and Recovery From Responsible Parties

Day 5: Applying the Construction Insurance Playbook

Is the insurance strategy for a live project ready for approval?

- Applying the Day 2 Gap Matrix to a Live Contract
- Testing the Day 3 Programme Design Against Loss Scenarios
- Rehearsing a Day 4 Claim Notification and Evidence File
- Insurance Governance and Reporting to the Project Board
- Completing the Project Insurance and Claims Playbook

Methodology

The programme relies on case analysis of loss events in buildings, roads, power plants and process facilities. Participants read policy wordings beside contract clauses, map who carries each risk and rebuild claim files from incident to settlement.

- Suggested activity: Mapping a flood loss through the contract, the CAR policy and the deductible.
- Suggested activity: Comparing an owner-controlled and a contractor-controlled programme for one tender.
- Suggested activity: Briefing a loss adjuster after a crane collapse.

Capstone Output

Each participant completes a project insurance and claims playbook for a project of their choice. It contains a contract and policy gap matrix, a recommended programme structure, a deductible and limit rationale, a bonds interface note and a claim checklist. It is used to brief the board and instruct brokers.



Frequently Asked Questions

Is construction insurance training at this level suitable for senior project leaders?

Yes. It is set at advanced level and assumes experience of construction contracts, budgets or risk, but no insurance specialism.

Which standards does the construction insurance programme rest on?

It rests on FIDIC 2017 Clause 17 and Clause 19, the standard structure of contractors all risks and erection all risks policies, and the LEG defects exclusion wordings.

How is the construction insurance and claims playbook used at work?

You can use it to brief your board, instruct brokers and run the first days after a loss.