

Special Conditions C.A.R. Insurance

1. WHAT ARE YOU INSURED FOR?

Section A

- A.1. The Work
- A.2. Constructional tools and equipment
- A.3. Existing Property of Client

Section B

- B. Liability

2. DESCRIPTION OF COVERAGE – SECTION A

The company covers the insured under:

Section A.1. The Work

- a. during the *building construction* against:
 - 1. physical loss or damage to Contract works regardless of the cause;
 - 2. costs of labor that must be incurred to rebuild auxiliary construction works after an indemnifiable loss to rebuild the work in the way stated in the plans and specifications;
 - 3. burglary by forcible entry and vandalism of the construction material on the Contract site that is for incorporation in the Contract works or to be incorporated in the contract works, located on the construction site.
- b. during the *maintenance* period:
 - 1. loss or damage to Contract work caused by the agreed maintenance works;
 - 2. loss or damage to Contract works happening in or during the insured construction period.
- c. during the *construction and maintenance* period:
 - costs for removal of debris caused by an insured peril. These costs are up to a max of 10% over and above the Contracts works sum insured.

Section A.2. Constructional tools and equipment's

Loss or Damage as a result of fire, explosion, lightning, catastrophic perils, and disappearance after forcible entry during construction and maintenance period of tools and equipment's located at the construction site (that is the property of the client), with the exclusion of construction elevators, compressors, motor vehicles, and other work materiel with a value over AWG 5,000,-, Excluding small hand tools and damage due to self defect.

Section A.3. Existing Property of Client

- a. during the construction period against loss or damage to the clients existing property upon commencement of the construction period, caused by the execution of the works;

- b. during the maintenance period damage to existing property of the client upon commencement of the construction period, cost by:
 - 1. damage to the contract works of the insured, of which the cause was before or during the construction period;
 - 2. an insured during works on account of obligations according to the maintenance stipulations of the specifications or the contracting agreement.

3. WHAT IS NOT COVERED?

We do not owe compensation for:

- a. loss or damage as a result of total or partial standstill or delay of the work, unless the standstill or delay is caused by a covered event;
- b. other damage than the costs of repairs and/or replacement;
- c. additional costs due to the use of different material of different type or quality than what was damaged;
- d. loss or damage as a result of the theft of insured materials if the theft is identified following an inventory check;
- e. loss or damage due to a deliberated act or omission or gross negligence of an insured party. This exclusion only applies for the insured party that has committed the willful intent or gross fault;
- f. additional expenses to restore the damage faster than is usual;
- h. damage that consists of normal wear, corrosion, oxidation, or any other gradual deterioration (own defect);
- i. damage to existing property of the client by fire or explosion;
- j. damage that has occurred because the Work has already been commissioned. This exclusion only applies if the damage would not have occurred if the “work” had not been commissioned;
- k. damage that has occurred to the Work through Fire and Explosion during the maintenance term;
- l. loss or damage as a result of theft without forcible entry with visible theft damage;
- m. loss or damage as a result of vandalism and theft of construction materials, tools and equipment's if these are stored loosely at the construction site, as stated on the policy schedule. Not insured either is damage as a result of vandalism and theft of construction materials and tools after the breaking into a steel container present at the construction site as stated on the policy schedule, if the container is not locked with theft-resistant container locks. These locks must be secured with steel tubes;
- n. damage as a result of (rain) water to non-water-resistant construction materials, tools and equipment's stored in damaged and/or not properly locked containers and/or areas present at the construction site as stated on the policy schedule;
- o. loss or damage as a result of ground subsidence and/or ground load;
- p. loss or damage that is related to degradation of the environment. It is insured, however, if the environmental damage was caused by a sudden unforeseen event. It is not insured if the event is the result of a slowly working process.

**4. COMPENSATION OF
DAMAGE**

For Section A.1, we compensate per event up to the final value of the work. With a maximum of 130% of the insured amount mentioned on the policy schedule. In case of damage covered under Section A.1. and A.3., we will not appeal to underinsurance. After damage, the insured sums will be maintained without a surcharge of fees.

5. CLAIMS SETTLEMENT

Damage and costs are determined either by mutual agreement or by two experts, one to be appointed by the party who has incurred the damage and the other by the company. If the two experts fail to reach agreement, they shall appoint a third expert. In case no consensus is reached on the appointment of the third expert, then we (*the company*) will request the competent court of law in a Netherlands part of the kingdom in the Caribbean to appoint this expert. The assessment of the third expert shall be binding and is to remain within the limits of the amount fixed by the two experts.

6. DISCHARGE

We will obtain discharge through the payment of damages to the policyholder.

**7. DESCRIPTION
OF COVERAGE
– SECTION B****The construction period**

During the *construction period*, the insurance covers the liability of the insured in their capacity of insured parties on account of damage:

1. that flows from events that are the result of the effecting of the work at the construction site;
2. caused with or by motor vehicles, cranes, and all other work material or by their loads and trailers upon the implementation of the work at the construction site. It is not insured if another insurance has already been taken out for such. The owner of these objects and the holder on account of a financing, leasing, or hire purchase agreement or of an agreement in which is stipulated the obligation for him to take out a liability insurance, is excluded from this coverage.

The maintenance period

During the *maintenance period*, the same coverage applies as during the construction period, though exclusively for events that are directly related to compliance with the obligations according to the maintenance obligations of the specifications or the contracting agreement.

Per event, the insurer compensates for all the insureds together not more than the total sum insured mentioned in the policy schedule in Section B. Loss or Damage that occurs outside the insured period is not covered, irrespective of the time of the cause of the loss or damage.

In addition, in case of loss or damage covered under this insurance, the following sums shall be indemnified above the insured sum;

1. the costs of defense in civil proceedings instituted against an insured by an injured party provided the lawsuit is conducted under the direction of the company as well as the legal costs flowing therefrom that the insured party is sentenced to pay;
2. the legal interest due on part of the principal sum as is covered under the insurance;
3. the costs of the legal assistance that is granted upon our request in criminal proceedings filed against an insured party.

8. WHAT IS NOT INSURED?

Excluded from the insurance is liability:

- a. for damage covered in Section A.; the deductibles effective for this Category are not compensated either;
- b. for loss or damage caused with or by (air) crafts, cranes, work materiel, and motor vehicles, or by their loads and trailers, insofar as the loss or damage is not insured under the description of coverage Section B.;
- c. with regard to not or not timely complying with an agreement;
- d. of an insured party versus another insured party or respectively a future owner and/or user of the work, for damage otherwise than costs of repairs or replacement of damaged goods and/or personal injury and/or impairing of health, whether or not resulting in death;
- e. for damage of the insured party due to negligence, willful intent, or gross fault. Liability for damage that someone causes with your approval is also not insured;
- f. for loss or damage arising from stipulations in respect of penalties, compensations, quarantees, protection clauses or similar stipulations other than liability which would also have attached if such stipulations had not existed;
- g. with regard to soil, air, or water pollution/degradation, unless such pollution or degradation is the result of a sudden uncertain event;
- h. for damage caused by the possession and use of weapon;
- i. for damage that is the result of sexual or sexually tinted behavior of any nature whatsoever conduct. This exclusion applies as well if the damage was caused as a member of a group;
- j. for damage caused by, arising out of or in connection with asbestos or products containing asbestos;
- k. for damage caused to underground cables, conduits, and other underground constructions;
- l. for damage caused by repairs or maintenance of ships, aircraft, or refineries;
- m. for damage that consists of business damage and/or loss of profit and/or other due to not or not timely being able to use "The Work".

Not insured either is:

1. employer's liability in case an accident happens to subordinates during the work;
2. damage to matters that someone else entrusts to your care. For example by transporting, processing, treating, hiring, loaning, or using matters. Insured, however, is damage caused by an assembled or placed part. This regards damage that the assembled or placed part causes to persons or matters;
3. damage that is related to the degradation of the environment. It is insured, however, if the environmental damage was caused by a sudden uncertain event. It is not insured if the event is the result of a slowly working process.

9. CLAIMS SETTLEMENT**We have the right:**

- a. to recognize, reject, or through payment settle claims by third parties in principle or in scope, to provide advance payments, make settlements or bargains etc. The insured are obligated to refrain from such actions;
- b. to take actual control of the proceedings from the insured party that is addressed judicially by a third party for the compensation of damages. If we exercise this right, the insured is obliged to render all assistance, such as the granting of the authorizations required;
- c. to have the insured party against which criminal prosecution is filed assisted by legal counsel. If we exercise this right, the insured party is obliged to render all assistance. If the insured is convicted, we cannot oblige him to file appeal against the sentence;
- d. to disburse the amount of the compensation of damages directly to the injured party. If the compensation of damages to be disbursed consists of period disbursements and the value of these disbursements, with due regard for any possible other compensation of damages, exceeds the insured sum, then the duration of these disbursements is adjusted proportionally.

**10. REFERRAL AND
ADVANCE PAYMENT
SCHEME**

Expressly excluded from Section B. of this insurance is all damage that is covered under any other insurance or that would be covered if the underlying insurance had not existed. If an insured party has reported the damage case with due regard for the provisions of the relevant policy/policies to the other insurer(s) and this/these insurer(s) refuse(s) to take under advisement the case of damage or reject(s) the damage, then following a written request of the insured to such effect we will take care of the handling or of any possible compensation respectively, against the cession of the rights that he can bring to bear against another insurer. A deductible of a case of damage that is covered under a different insurance is not compensated.