



BUILDER'S RISKS INSURANCE (SHIPS)

Builder's Risks insurance covers a new ship/vessel being built before the owners take possession of the vessel.

In addition, if the owners of a vessel have contracted a ship building/repair yard to carry out major repair or conversion work on their vessel, their Hull and Machinery insurance will not provide cover due to the increased risk. In such cases the owners can arrange for a Builder's Risks insurance.

The owners/yard should be able to protect the value of the new vessel being constructed or the vessel undergoing major repair/conversion works during such construction or conversion. A Builder's Risks policy covers loss or damage to the vessel from accidents right from the initial keel laying stage to the final delivery including third party liabilities.

PERILS COVERED (ALL RISK BASIS)

- › Physical loss & damage.
- › Faulty design.
- › Launching and Sea trials.
- › Collision liability.
- › Protection & Indemnity.
- › Total loss of the vessel.

Sum insured is based on final contract value including additional work/changes and owner furnished equipment.

OPTIONAL EXTENSIONS

- › Extra costs of rebuilding.
- › Owners' accrued interest on instalments paid following loss covered under Builder's Risks policy.
- › Delay in delivery due to loss covered under Builder's Risk policy.
- › War Risk Insurance.
- › Delivery voyages.

MAJOR EXCLUSIONS

- › Earthquake and volcanic eruption.
- › Betterment or alteration in design in respect of losses due to faulty design.
- › War, strikes, malicious acts and nuclear risks.