UNDERSTANDING CAR/EAR INSURANCE COVERAGE IN BUILDING CONSTRUCTION

A Clear Guide to Coverage, Exclusions, and Claims

November 16, 2026



OVERVIEW OF CAR/EAR POLICY COVERAGE

Protection for your construction project from site to completion.

Damage to insured property
new structures, contract works, and existing items on site

Damage to machines and work equipment

Bodily injury to employees and third parties
with approval

Additional related costs



GENERAL EXCLUSIONS TO COVERAGE

- Claims not paid due to **non-payment of premiums**
- Claims notified late, **beyond 14 days**
- **Fraud, intentional damage** or self-inflicted risks
- Work stoppage, damage outside policy period, or **lack of preventive measures**



DAMAGE AND THIRD-PARTY EXCLUSIONS

Damage exclusions

- Consequential losses, design defects, inherent defects, workmanship faults
- Natural wear and tear or pre-existing damage
- Vehicles for public roads/water/air
- Documents, drawings, securities

Third-party exclusions

- Vibrations, weak supports
- Public vehicles
- Insured's employees and items under insured responsibility
- Promises or guarantees not covered



CALCULATING INDEMNITY AMOUNTS

How compensation is determined for different types of damage.

PROPERTY DAMAGE	New construction: contract price minus VAT, contractor profit, joint liability, and deductible Existing property and third-party property: repair costs up to insured value minus deductible
MACHINERY DAMAGE	Partial damage: repair cost minus joint liability and deductible Total loss: market value minus deductible
BODILY INJURY	Medical costs and disability compensation minus deductible



COVERAGE DURING THE MAINTENANCE PERIOD

MAINTENANCE WORK COVERAGE

Protection for damage caused by maintenance work itself

EXTENDED MAINTENANCE COVERAGE

Protection for damage due to maintenance work plus other damage related to construction work

LONG-TERM RISK MANAGEMENT

Maintaining coverage beyond construction helps safeguard your investment



SUMMARY AND NEXT STEPS

- **CAR/EAR** provides **broad protection** for construction risks.
- Timely **premium payment** and **claim notification** are essential.
- Understand **indemnity calculations** to set realistic expectations.
- Ensure coverage **extends through maintenance phase** for full protection.
- Work with **insurance experts** to tailor policy terms to your project.

