

# JCT conditions – Project Insurance



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OLIVA

**Construction work is usually carried out under contract, which sets out the responsibilities of each party, including the responsibility to insure the contract works and associated covers.**

**The main purpose of a formal set of contract conditions for construction projects is to detail exactly:**

- ✓ What work is to be carried out
- ✓ Who is responsible for loss or damage
- ✓ Who is responsible for arranging insurance
- ✓ Specifically what insurance cover needs to be arranged
- ✓ What parties will benefit from the insurance cover and to what extent.

## JCT contract types

While there are approximately 17 different types of JCT contracts, the most popular are Standard, Intermediate and Minor Works Building Contracts.

- ✓ **JCT Minor Works Contract (2016 Edition)**  
This is the most common building contract for building and refurbishment projects. It is designed for simple contracts which are of a value of £500,000 or below
- ✓ **JCT Intermediate Contract**  
This contract is used for medium to large contracts where the contract value exceeds the £500,000 used for smaller contracts
- ✓ **JCT Standard Building Contract**  
This contract is suitable for larger, more complex projects with contract values exceeding £1,000,000.

**The typical parties to a construction contract are:**

- ✓ **The Employer** – (also referred to as the Principal) is the party requiring the work to be done
- ✓ **The Contractor** – (also referred to as the Main Contractor) is the party who is awarded the contract to complete the work, usually following a tender process
- ✓ **Nominated Sub-Contractors** – these are sub-contractors who have been appointed by the Employer\*
- ✓ **Domestic Sub-Contractors** – these are sub-contractors who have been appointed by the Contractor.

\* Situations which may result in Sub-Contractors being nominated by the Employer are usually where delivery times are longer than usual, specialist designs are being used or preferred items are ordered for complex or specialist equipment which need to be arranged prior to the appointment of the main contractor.

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## Insurance options: Who should insure depending on what clause option is in force?

JCT Minor Works	JCT Intermediate	JCT Standard
<b>Option 5.4A</b> Contractor to insure (Joint Names policy required)	<b>Option A</b> Contractor to insure (Joint Names policy required)	<b>Option A</b> Contractor to insure (Joint Names policy required)
<b>Option 5.4B</b> Employer to insure (Joint Names policy required)	<b>Option B</b> Employer to insure (Joint Names policy required)	<b>Option B</b> Employer to insure (Joint Names policy required)
<b>Option 5.4C</b> Employer to insure (Existing structure in Employer's name only)	<b>Option C</b> Employer to insure existing structures and their contents and all risks insurance of the works (Joint Names policy required)	<b>Option C</b> Employer to insure existing structures and their contents and all risks insurance of the works (Joint Names policy required)

In summary, the general rule is that if there is an existing structure involved in the works, for example a refurbishment project, then the employer should be made responsible for insuring the structure and the works (option C).

Where there is no existing structure, i.e. new build projects, the contractor would be made responsible. This supports the principle of insurable interest.

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## How DUAL can help you/your clients

### DUAL Oliva Project CAR

Covers available:

- ✓ Existing Structures
- ✓ Contract Works
- ✓ Advanced loss of profits/rent (delayed start up)
- ✓ Public Liability
- ✓ JCT 6.51 – Non-Negligent Liability
- ✓ Owned/Hired in plant.

### DUAL Oliva Contractors Combined

Covers available:

- ✓ Employers Liability
- ✓ Public Liability
- ✓ Contract Works
- ✓ Owned/Hired in plant
- ✓ Directors & Officers cover
- ✓ Optional JCT 6.5.1 extension
- ✓ Excess Layers available.

## Why choose DUAL?

- ✓ One policy to suit your client's needs
- ✓ Wide risk appetite and wording extensions
- ✓ Experienced in-house underwriters with a flexible can-do attitude
- ✓ Access to a fast and flexible service with underwriters who can guide you through the processes and covers involved
- ✓ 90 days cessation of works extension
- ✓ A rated financial strength rating
- ✓ Non-adjustable policy with no year-end declarations to worry about
- ✓ Legal expenses included free of charge with an option to extend to construction contract disputes
- ✓ The 'Oliva DNA+' innovative theft deterrent included free of charge: 50% theft excess reduction following registered application of your free DNA+ kit – signage included to be installed on perimeter fencing to deter opportunist thieves
- ✓ Temporary 6.5.1 cover automatically provided (option to add full cover).

## Other ways DUAL can help

- ✓ Land Owners Liability
- ✓ Unoccupied Properties insurance
- ✓ Contract Works in isolation insurance
- ✓ Professional Indemnity insurance.

# Get in touch

**We are open to support existing policyholders and keen to help you support your new and existing clients – [please ask us for a quote.](#)**

Send your enquiries to your dedicated underwriter or alternatively to:



**Lucy Montague**  
Senior CAR Underwriter  
+44 (0)7561 851 441  
[Lucy.Montague@dualgroup.com](mailto:Lucy.Montague@dualgroup.com)

**[dualoliva.co.uk](http://dualoliva.co.uk)**  
**[LinkedIn/dual-oliva](#)**

## Helping you do more

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