

# Summary of Engineering Insurance Classes of Business<sup>\*</sup> )

## Renewable (annual) covers

### **Civil engineering completed risks (CECR) insurance**

CECR insurance is designed to grant comprehensive cover for civil engineering structures after their completion if they are exposed to a negligible fire hazard, whereas the elementary hazards, hazards emanating from the local geological conditions or arising out of the technical design of the structure or in connection with the operation and use of the structure predominate.

A corresponding coverage achieved on the basis of a fire policy would require numerous special endorsements and would thus deviate considerably from the basic fire cover.

The CECR policy is a named-perils policy on an annual basis covering:

- Fire, lightning, explosion, impact of land borne or waterborne vehicles
- Impact of aircraft and other aerial devices or articles dropped there from
- Earthquake, volcanism, tsunami
- Storm (air movements stronger than grade 8 on the Beaufort scale)
- Flood or inundation, wave action or water
- Subsidence, landslide, rockslide or any other earth movement
- Frost, avalanche, ice
- Vandalism by individuals.

The main exclusions are:

- Political risks
- Nuclear reactions, nuclear radiation or radioactive contamination
- Willful act or willful negligence
- Wear and tear, inherent defects
- Lack of maintenance
- Consequential loss.

Coverage is granted only for material damage to the objects insured. Only repair costs are indemnifiable. Costs for improvements, i.e. alterations of the original condition, will not be indemnified.

Underinsurance is applicable if the sum insured on the date of the loss does not correspond to the replacement value of the objects insured on that date (value of the new item plus customs duties plus transportation and installation charges).

Cost of removal of debris can also be covered on a first loss basis.

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<sup>\*</sup>) This summary is taken from Munich Re's booklet Technical Insurance References and is based on the examples of Engineering Insurance wordings of Munich Re, but broadly applies in general to the class of Engineering Insurance referred to herein.