

CONTRACTOR ALL RISKS (CAR) IN CONSTRUCTION PROJECTS

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ABSTRACT

Contractor All Risks (CAR) insurance is one of the types of insurance in construction industry. It is a form of risk management, to transfer the risk of contractor to the insurance company. This insurance separate into 2 Sections, they are Section 1: Material Damages to the contract works or items or property; another is Section 2: third party liabilities such as bodily injured to the third party labours and damages to the third party property. The policy of the Contractor All Risks (CAR) insurance is very important to the contractors. The clauses which cover for the construction projects stated in the policy such as flood, undergrounds pipes damage, fire and etc. Some of the exclusions clauses include faulty design, radioactive, nuclear and etc. Every occurrence, the insured has to bear the deductibles which stated in the policy. The standard forms of contract that discussed in this research are PAM Contract 2006 (With Quantities) and PWD 203A (Rev 2007). Some of the clauses in the both of standard forms are same, but some of the clauses are different. The research method for this research is Quantitative method. Primary data were collected through questionnaires. Total 33 valid responses and built out the feedback analysis. Most of the common losses that claim from the insurance company are the underground pipes damages. A case study of the contractor insurance claim was discussed in this research. The conclusion of this research includes those contractors had to suffer for the losses after the rejection of claim and also the wordings in the Contractor All Risks (CAR) policy are more important than the premium they paid. The research also will list out the recommendation for further research. The focus given in this research should useful to the contractors.