



## **INTRODUCTION – CONTRACT WORKS INSURANCE**

Wherever and whenever building work is being undertaken, for example renovating your Church, creating an extension to the Church Hall, or revamping the Manse, there is potential for loss or damage to occur whilst the work is in progress.

The type of insurance that is designed to cover loss or damage to the “works” whilst they are underway is called Contract Works Insurance.

If you are planning to extend or make any major alterations to your existing church buildings or construct something new, please discuss it with us at the earliest possible time. We can advise you whether Contract Works insurance is needed and also whether what you are planning has any other implications for cover under your Church Scheme Policy.

We don't however need to know about routine maintenance and minor building works provided that no structural changes to the buildings are involved.

### **DO YOU NEED CONTRACT WORKS INSURANCE?**

If you are undertaking the sort of work described above, then the answer is probably yes. It depends though upon the contract terms that you have entered into with your builder or are planning to enter into, in respect of the work to be undertaken.

In our experience the contract generally places the responsibility for insuring the “works” with the congregation otherwise known as the employer in the contract. The contract also often requires the insurance to be in the joint names of the congregation and the builder undertaking the work.

Your architect or project manager is probably arranging the contractual side of any work being undertaken and should be able to advise you on the precise conditions applying, for example: JCT 6.7C.



Contract works underway at this church including major groundworks.

The good news is that your existing Church Scheme Policy does provide some automatic cover for contract works up to a value of £150,000 inclusive of all fees. Subject to you having entered into a contract or agreement for the works and to the extent required by the contract conditions.

However if the value of the works, (i.e. the contract price), including professional fees and VAT is in excess of £150,000, then a separate Contract Works policy will be needed.

### **HOW WE CAN HELP**

We can assist you in arranging this separate additional contract. It will normally be required in the joint names of the congregation and the builder/contractor (although as previously mentioned this depends upon the specific contract terms you have entered into).

Your architect or project manager should provide you with their professional advice in connection with the contractual arrangements. With your permission we can liaise with them to ensure the correct arrangements are put in place



## CONTRACT WORKS QUESTIONNAIRE

In order for us to gain a clear understanding of the work being undertaken we ask you to complete a Contract Works Questionnaire. This is available by clicking [here](#).

Once we have received the completed form we can then provide you with a quotation and advice regarding the insurance required. Often the insurer will also want to conduct a survey of the site.

We strongly recommend that you notify us of any proposed works early in the process to allow sufficient time for us to agree and put in place the appropriate insurance arrangements. This should allow sufficient time for the insurance to commence in advance of the work on site commencing.

## CONTRACT WORKS COVER

Contract works insurance covers the work that is currently being undertaken on site by your builder/contractor at the Church, Church Hall or Manse against the normal range of perils including Accidental Damage.

It pays for the cost of repairing or re-doing the work in progress if it's damaged or destroyed. For example should storms rip off the partially completed roof in the photograph opposite Contract Works insurance would pay for putting it back.

It is subject to terms and conditions including a standard excess of £250 increased to £500 for storm, theft and malicious damage.

**FOR FURTHER INFORMATION REGARDING  
THESE GUIDELINES OR ANY OTHER MATTERS  
RELATING TO YOUR CHURCH INSURANCE  
SCHEME POLICY PLEASE CONTACT US.**



Major work being undertaken at this Church including replacing the sanctuary roof.

Contract works insurance doesn't cover the existing structure; this is picked up by your Church Insurance Scheme Policy, which may need to be extended to note the contractor's interest for the period of the work.

## SUMMARY

Contract works insurance is often considered a complex subject, however we are here to guide you through the process.

Please contact us in good time if you are considering any work of the sort described so we can advise you accordingly.

**Please call us on: 0131 220 4119**

**If you prefer you can e-mail us at:**

**[enquiries@cosic.co.uk](mailto:enquiries@cosic.co.uk)**

**Or visit our web site at: [www.cosic.co.uk](http://www.cosic.co.uk)**

The guidelines provided are based on our understanding of current law and practice. The Church of Scotland Insurance Services Ltd cannot accept any liability whatsoever for any errors or omissions which may result in injury, loss or damage, including consequential or financial loss. It is the responsibility of the congregation or any other person to ensure that they comply with their statutory obligations and any interpretation or implementation of the above is at the sole discretion of the congregation or other party who may read these guidelines.