

Client Advisory

Construction Insurance and Covid-19

Guidance on lockdown

With the nation shifting to Covid-19 Alert Level 4 at 11.59pm on Wednesday 25 March, a large number of sites need to prepare for this unprecedented event.

The following are the steps your business should take to reduce your exposure:

1. Secure sites and premises as well as practicable:
 - protect against weather and the environment;
 - protect against unauthorised access, theft and vandalism (consider hazards such as stacked material that could injure unsupervised visitors who might access the site);
 - remove materials, tools and office equipment which may be attractive to thieves off-site if possible or into secure storage;
 - arrange appropriate security measures for sites and premises
2. Ensure all payments due in March are paid or arrangements are made with your supply chain.
3. Apply for the Government [Wage Subsidy scheme](#) if you need financial support.
4. If applicable, plan to carry out any essential work required during period of Level 4:
 - call outs;
 - storm or environmental incidents;
 - triage of essential work requests;
 - risk management for essential work;
 - Supply chain and equipment for essential work.

Guidance during Covid-19 Alert Level 4

It is important for businesses in the professional services sector of construction and building work (Engineering, design, quantity surveying and project management) to continue work on current and forward projects if work can be completed remotely from home. This means you can be ready to resume work on current and new projects as soon as the lockdown is lifted.

For businesses engaged in essential construction and building work:

- Plan for appropriate staff, equipment and supplies to be available as required;
- Plan a system to triage work – do not complete work unless it fits the [definition](#) of essential construction and building work;
- Ensure safe methods of work are established to protect staff completing essential work, including social distancing, appropriate personal protective equipment and enhanced sanitation;

Client Advisory

- Check that staff completing essential work are not 'at risk persons' or are not residing with 'at risk persons'; in respect to Covid-19
- Ensure core business processes are maintained (payroll, debtors, creditors, orders for forward supplies) and stay in contact with advisors and finance providers;
- Keep in contact with staff and workmates to support each other and watch out for those who may need help.

Insurance considerations

With all non-essential construction projects shutting down from 11.59pm Wednesday 24 March, it is required that sites are secured for the full lockdown period as per our guidance above. As with any period of shutdown during the normal course of the year such as Christmas / New Year, there are obligations as an insured to adhere to.

These obligations are:

- Taking precautions – please make every effort to take steps to prevent loss, damage or delay and comply with all statutory requirements and recommendations of manufacturers;
- If your policy is expiring during the shutdown period speak to your broker who will arrange an extension;
- If you are an insured under another party to the project's project specific policy (such as a Principal Arranged policy) we advise you reach out to this party to understand if there are any additional insurance implications of the shutdown.

We're here to help

One of our responsibilities as a broker is to ensure you have all the information you need to make informed decisions about the risks your business faces. With the effects of coronavirus being felt in a number of ways by our clients across the country, we wanted to share some proactive advice to help you protect your business during this difficult and unprecedented time. We are working with insurers daily to manage the insurance challenges until the Covid-19 Alert Level is brought down to a level where work can resume. We hope you find the information above helpful, if you have any questions please talk to your broker.