

JCT 6.5.1 INSURANCE

Designed to provide single contract or annually renewable JCT Clause 6.5.1* insurance to construction industry contractors and their employers.

WHY RSA?

- Competitive premiums
- Large capacity up to £25 million
- Ability to write cover in isolation
- Local based underwriters with decision making licence levels.

RSA RISK MANAGEMENT SERVICE

We have a dedicated in-house team of risk consultants and risk engineers based throughout the UK, ready to provide support whenever and wherever you need it. They have a deep understanding of the special risks associated with the construction industry.

Our risk engineering services include:

- Full contract site surveys to fully understand the works and risks involved in construction projects
- Desktop reviews and technical advice on construction design and methods to be undertaken
- Project reviews
- Post loss risk evaluations.

WHAT IS CLAUSE JCT 6.5.1?

Clause 6.5.1 is contained in the Joint Contracts Tribunal (JCT) Standard Form of Building Contract. It requires insurance to be arranged, in the joint names of the employer and contractor, to protect the employer in respect of their legal liability for injury or damage to any property, other than damage caused by the negligence of the contractor or sub-contractor.

SUMMARY OF COVER

JCT Clause 6.5.1 insurance is purchased to provide protection against the employer's liability for expense, liability, loss, claims or proceedings that arise due to non-negligent damage to property (other than the contract works) while undertaking a building contract due to:

- Collapse
- Subsidence
- Heave
- Vibration
- Weakening or removal of support
- Lowering of groundwater.

*(RIBA Clause 19 (2) (a) in pre-1980 editions, clause 6.5.1. in 2005 and 2011 editions).



CLAIMS CASE STUDIES

CASE STUDY ONE

A contractor was undertaking demolition and refurbishment works at three 18th century properties. Two of these were to be demolished and rebuilt while the third was to be underpinned and refurbished. A JCT 6.5.1 policy was issued in the name of both the Employer and Contractor.

In the property being refurbished, plaster was removed from a section of brickwork and shortly after this a section of brickwork actually fell out of the chimney. Cracks developed and after two weeks, damage was at such a level that a Dangerous Structure notice was served, resulting in a requirement for demolition of the property.

The advice of expert engineers was sought, and the opinion was that collapse was inevitable, although this could not have been reasonably foreseen. Therefore, indemnity was provided under the JCT 6.5.1 policy.

The total claim payment was £993,903 including £7,402 expenses. The damages included £500,000 for demolition work and £393,000 building work.

The premium paid to RSA for the JCT 6.5.1 cover was £5,500.

CASE STUDY TWO

A contractor was carrying out the conversion of a 100-year-old shop and flats into a doctor's surgery. The works involved removal of the existing roof from both buildings, demolition of internal walls and floors and construction of a new wall. (There was also some underpinning.) The first sign of damage was cracking in the bathroom of a neighbouring property sharing a party wall.

An engineer's inspection concluded that vibration/foundation adjustment from the underpinning work was responsible for the cracking. Generally the re-adjustment of foundations after underpinning does not result in significant cracking to buildings. However, the conclusion was that damage occurred as a result of the underpinning and vibration by the works.

The claim was settled for £275,000.

The premium paid to RSA for JCT 6.5.1 cover was £3,500.

OBTAINING A COMPETITIVE QUOTATION

Our proposal form guides you through the information required in order to provide the most competitive quotation. Especially when supported with site plans and method statements, where available.

Please contact your local RSA team for more details and to obtain a quotation.