**Clause Description:**

Sometimes referred to as a CCIP – Contractor Controlled Insurance Policy, the *Builder’s Risk (Contractor Controlled)* insurance clause is used to provide coverage, subject to the applicable policy’s conditions and exclusions, for damage to the property (structure and materials) associated with a building project. The building project could be in the form of a new build construction or renovations / addition to an existing structure.

The Contractor Controlled policy is arranged and purchased by the Contractor of the project work such that the Contractor “owns” the policy and is thereby at the frontline of interaction with the Insurer(s) of the project work.

The Owner of the project may participate in discussion with the Contractor and Insurer in the event of a claim incident, but the Owner may not have a first right of participation as they do not own the policy and are not the Named Insured on the policy.

Have predetermined start and end dates for the project.

Decide in advance of the work whether you will ask your General Contractor that is awarded the work to share a copy of the CCIP, or whether you will only request they share upon a loss situation occurring.

**The Recommended Clause – Builder’s Risk (Contractor Controlled)**

**Contractor Controlled Insurance Policy (CCIP)**

The Contractor for the project will provide “All Risks” – Builder’s Risk property insurance which shall be in the joint names of the Contractor and the Owner, and all Subcontractors involved with the construction at the Work, insuring not less than the Target Price as at the Effective Date and the full replacement value of the insured property. The coverage shall be maintained continuously until the date of the Completion Certificate.

Operational testing, (start-up and test) insurance shall be in the joint names of the Contractor and the Owner, and all Subcontractors for not less than the replacement value of the materials and equipment and other insurable objects forming part of the Work. The insurance provided shall be maintained throughout the period of operational testing.

The insurance shall allow for partial or total use or occupancy of the Work.

The insurance shall provide that, in the case of a loss or damage, payment shall be made to the Contractor and the Owner as their respective interests may appear.

*(At the direction of the Owner, the Contractor* ***may*** *act on behalf of the Owner for the purpose of adjusting the amount of such loss or damage payment with the Insurers. When the extent of the loss or damage is determined, the Contractor shall proceed to restore the damaged work. Loss or damage shall not affect the rights and obligations of either party under the Contract except that the Contractor shall be entitled subject to Contractor’s Claims to such reasonable extension of time for any such delay.)*

**Deductible Payment Obligations**

The Contractor shall be responsible for deductible amounts under the policy except where such amounts may be excluded from the Contractor’s responsibility by the terms of the Contract.

**Reporting Obligation**

In the event of an incident, occurrence or loss that may result in a claim under the above policy, the Contractor shall immediately report the incident, occurrence or loss in writing to the Owner, the project’s Engineer, and the Insurer.

*(The entities (i.e. Owner, Contractor, Engineer) in red font are descriptors that you can substitute for the entities required for your own specific contract.)*