



TTM Risk (Pty)Ltd  
Company Reg. Number: 2005/021322/07  
VAT Registration Number: 4450224862  
An Authorised Financial Services Provider  
FSCA License Number: 24875

## PROPOSAL FOR BUILDERS' RISK INSURANCE

### PROPOSER

Full name of Proposer \_\_\_\_\_

Proposer's Address \_\_\_\_\_

Proposer's Postal Address \_\_\_\_\_

Proposer's Contact No's \_\_\_\_\_

### OTHER INTERESTED PARTIES

Name and address of mortgagee or other interested party \_\_\_\_\_

Detail their interest (mortgagee, lessee, subsidy provider etc.) \_\_\_\_\_

### PERIOD OF CONSTRUCTION

Period of construction – commencement date \_\_\_\_/\_\_\_\_/\_\_\_\_

Estimated completion date (i.e. date of hand-over) \_\_\_\_/\_\_\_\_/\_\_\_\_

Cover requested from \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_

### THE VESSEL

Type of vessel being constructed \_\_\_\_\_

Name of Builder \_\_\_\_\_ Value of Hull & Fittings R \_\_\_\_\_

Estimated completion value R \_\_\_\_\_ Engines R \_\_\_\_\_

Construction Material \_\_\_\_\_ Special Equipment R \_\_\_\_\_

Dimensions: Length \_\_\_\_\_ Beam \_\_\_\_\_

Depth \_\_\_\_\_ Draft \_\_\_\_\_

Tonnage (GRT) \_\_\_\_\_

Is the vessel to be built under survey? Yes ☐ No ☐ If yes, name of classification society or authority. \_\_\_\_\_

### Machinery Details:

New or secondhand \_\_\_\_\_ H.P. \_\_\_\_\_

Manufacturer \_\_\_\_\_ Auxiliaries \_\_\_\_\_

Fuel \_\_\_\_\_

**This proposal applies to single vessels.**  
**Builders require cover for all vessels commenced during the period of a year should give approximate range of vessels anticipated. Full details of each individual vessel should be declared prior to commencement.**

**THE YARD**

Location of building yard or site

Maximum value under construction in yard, any one time     R \_\_\_\_\_

Construction of building

Description of security / alarms

Description of fire fighting facilities

Type of vessels normally built

Details of yard including slipway, cranes, travel lifts etc.

Number of employees \_\_\_\_\_ Are subcontractors used?    Yes ☐    No ☐    If yes, what % of work? \_\_\_\_\_

Do you require this insurance to cover contractor's liabilities?    Yes ☐    No ☐

Do they have adequate cover?        Yes ☐    No ☐

Please detail your requirements

How are vessels launched?

Full details of transport, loading, distance etc. if launched away from site

## GENERAL

What sea trails are anticipated and where?

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Is delivery to be at yard? Yes ☐ No ☐ If no, is delivery voyage to be covered? Yes ☐ No ☐

Details of delivery voyage

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## PRIOR HISTORY (LAST 5 YEARS)

How long has business been established? \_\_\_\_\_ Years

Due date of current insurance \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Name of present insurer \_\_\_\_\_

Has any insurer declined insurance or imposed any special conditions? Yes ☐ No ☐ If yes, please detail

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Claims record as ship builders for the last five years (including incidents reported and claims not paid).  
Include vessel's name and type of incidents.

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## ADDITIONAL INFORMATION

Please detail any additional information relating to the proposed risk.

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**Law** – The insurance, if accepted, will be subject to South Africa law and may be subject to the provisions of the Marine Insurance Act 1906.

If this proposal form is completed in whole or part by any person other than the proposer then such person shall be deemed to be the agent of the proposer and not the agent of TTM Risk (Pty) Ltd.

The proposer who completes this proposal form has his attention drawn to the contract of marine insurance that may be made and which may have as its basis the material contained herein, is a contract based upon the utmost good faith and in the absence of such good faith, may be avoided. Further the proposer is informed that there is an obligation to disclose to the insurer all material circumstances which is known to the proposed insured and/or which, in the ordinary course of business, ought to be known to the proposed insured. Every circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether he will take the risk. If there is a failure to make such disclosure, the insurer may avoid any contract of insurance that may be made.

**Duty of Disclosure** – Before you enter into a contract of general insurance with the insurer you have a duty under the South African Insurance Act to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and if so on what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance. Your duty does not require disclosure of matter

- That diminishes the risk to be undertaken by the insurer
- That is common knowledge
- That the insurer knows, or in the ordinary course of its business, ought to know
- As to which compliance with your duty is waived by the insurer.

**Non-disclosure** – If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent the insurer may also have the option of avoiding the contract from its beginning.

## DECLARATION

I/We hereby declare that to the best of our knowledge and belief

1. the information provided herein is true and correct in every respect and I/we have not withheld any material information
2. I/we have received the proposal/information sheet and agree to accept the insurance subject to the terms, conditions, exclusions and limitations of the policy.

Signature ..... Date .....

# **BUILDERS RISK PROPOSAL**

## **THE POLICY**

As a ship builder you may suffer loss of or damage to the hull and machinery of vessels you are constructing (including materials in your possession allocated thereto) from wide variety of causes.

In addition you may become legally liable for loss of or damage to property belonging to others or for death or personal injury caused to third parties during the construction.

TTM Risk provide cover against such eventualities using the internationally recognized Institute Clauses for Builders' Risks (1/6/88) (CL.351) a copy of which is available upon request.

The policy gives you the flexibility to select either specific contracts for individual clients, or to insure all vessels constructed at specified yards during the policy period or any renewal thereof.

## **RISK COVERED**

Subject to the exclusions detailed in the policy wording the insurance is against all risks of loss of or damage to the subject-matter insured caused and discovered during the period of insurance, including latent defect. In case of failure of launch, the policy covers all subsequent expenses incurred completing the launch.

The policy also covers loss of or damage to the subject-matter insured caused and discovered during the period of insurance arising from faulty design of any part or parts thereof but not including the cost or expenses of repairing, modifying, replacing or renewing such part or parts nor any cost or expense of betterment or alteration in design.

## **PRINCIPAL RISKS EXCLUDED**

Loss damage liability or expense caused by

- Earthquake
- Volcanic eruption.

The cost of renewing faulty welds.

Liability costs or expenses arising in respect of

- Workers compensation
- Punitive and exemplary damage
- Pollution or contamination

## **PREMIUM**

This is based on the estimated completed contract value and the type of vessel being constructed, the estimated period of construction, the claims history of the yard, the deductible level selected, launching, trailing and delivery details.

A deposit premium, based on the above, is charged at the commencement of the contract. This is adjustable on expiry of the policy period taking into account the final construction value and the actual period of construction.