Cover for Existing Property

Working Group 113
Wien - October, 21\textsuperscript{st} 2019
Eric Bentz
Stockholm City Line

Impressive works on and close to EP
Example of damages to EP

Notre Dame de Paris
2019

Glasgow School of Art
2018

Mandarin Hôtel,
London, 2018

Hôtel Lambert, Paris,
2013
Fire in the Hôtel Lambert construction site
Paris, July 2013
Hôtel Lambert case

Prestigious building built during the 17th century

Precious paintings on walls

Refurbishment works (installation of 2 elevators, thermal regulation system and plumbing) inside the building which started in 2010

While the works are about to be completed a fire occurred in July 2013

The repair works are completed in 2018
Hôtel Lambert case

The public value of the whole cost of the repairs is 130m€
EP EXPOSURE

- Spreading of fire from the works to EP
- Spreading of fire from EP to the works

Exposure of EP

- Structural
  - Ability of EP to sustain the works (1)
- Mechanical
  - Ability of the existing equipment/utilities to be connected to the new equipment/utilities (2)

Financial consequences
What load is able to sustain the existing foundations?

How they should be reinforced?
Technical documentation
Review of the mechanical characteristics of the EP: Any available report about it?
Does it work?

Case of a simple cycle power plant converted into a combined cycle plant
Technical documentation
Any underwriting information regarding the compatibility of the new equipment with the existing equipment?
REVIEW OF RISKS

To which extend the EP limit is exposed?
✓ *Example of the lambert Hôtel*

Fire fighting means and procedure to mitigate the fire exposure?

Availability of technical documentation regarding EP
REVIEW OF RISKS

Example of a restructured railway bridge
### Technical review of EP

#### Quality vs. CS (Mpa) vs. Nber

<table>
<thead>
<tr>
<th>Quality</th>
<th>CS (Mpa)</th>
<th>Nber</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>20 to 30</td>
<td>1/5</td>
</tr>
<tr>
<td>Bad</td>
<td>10 to 20</td>
<td>2/5</td>
</tr>
<tr>
<td>Very bad</td>
<td>&lt;10</td>
<td>2/5</td>
</tr>
</tbody>
</table>
REVIEW OF RISKS

Existing Deck that will be moved aside

New Deck

Methods
REVIEW OF RISKS

PRÉPARATION

Vers Saint-Nom-la-Bretèche
(gare de Marly-le-Roi)
REVIEW OF RISKS
REVIEW OF RISKS

RIPAGE

Vers Saint-Nom-la-Bretèche (gare de Marly-le-Roi)
REVIEW OF RISKS

If DSU or BI is requested does it extend to material damages to EP? In that case exposure of DSU/BI limit?

Exposure of third parties as a result of damages to EP?
<table>
<thead>
<tr>
<th>SECTION</th>
<th>COVERAGE</th>
<th>DETAILS</th>
<th>EXPOSURE</th>
<th>REMARKS</th>
<th>APPENDIX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extensions</td>
<td>&quot;Impossibility to repair as original&quot; clause</td>
<td>Let the possibility to indemnify the damages at a cost level higher than initial</td>
<td>What is the detailed value of EP?</td>
<td>Generally not detailed which means that commitment on EP limited by EP limit</td>
<td>1</td>
</tr>
<tr>
<td>Authority clause</td>
<td>Cover of additional costs to comply with the regulations to apply on the repair works</td>
<td>Updated regulation can request stronger safety factor or technical arrangements which would lead to higher repair cost and indemnification</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Phased handover</td>
<td>Parts of the project are handed over. These parts become EP but are still covered by the policy</td>
<td>Similar to property policy but nearby the works in progress with possibly an high fire exposure. Question regarding the fire fighting system in operation in the handed over parts</td>
<td></td>
<td>Case of shopping mall construction</td>
<td></td>
</tr>
</tbody>
</table>

**Material Damages**

<table>
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<tr>
<td>Process or special equipment older than...</td>
<td>During hot testing high exposure of damages to the old equipment</td>
<td>Important exclusion especially if exposure not detailed in the UW pack</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire in EP</td>
<td>Exclusion of the damages due to fire developing from EP</td>
<td>The fire spreading from the work are still covered under MD</td>
<td>In that case the property/fire policy would cover the fire damages. However the fire developing from the works to EP are covered by the CAR/EAR policy</td>
<td></td>
</tr>
<tr>
<td>Pre-existing damages to EP</td>
<td>Non compliance with fire policy detailed in the underwriting pack excluded</td>
<td>Fire exposure especially in relation to hot spot works excluded</td>
<td>The pre-existing damages need to be recorded during a survey</td>
<td></td>
</tr>
<tr>
<td>Fire policy not applied</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To apply fire policy</td>
<td>Fire covered but under provision</td>
<td></td>
<td>See above</td>
<td></td>
</tr>
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**Provisions**

**Extensions**

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<td>as a result of damages to EP</td>
<td></td>
<td>The reconstruction of EP may be fairly long in the case of historical building and exhaust the full DSU/ALOP limit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Exclusions</td>
<td>Fire spreading from EP won't trigger the DSU/ALOP</td>
<td>However if the fire reach the works the DSU/ALOP would be covered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Damages to EP</td>
<td></td>
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**DSU/ALOP**

Policy wording underwriting considerations
POST UNDERWRITING CONSIDERATIONS

Any pre-existing damages not caused by the works?
=> To make to soonest an inventory of the pre-existing damages

Surveys to assess the ability of EP to withstand abnormal conditions especially where very valuable elements exists
POST UNDERWRITING CONSIDERATIONS

To control that risk mitigation procedure are applied: Deflection control, fire mitigation procedure...

Any risk register available?