

Client Briefing (2)

August 1998

INSURANCE CLAIMS NOTIFICATION Under the Adjudication Scheme for Construction Contracts

Background

Described as the most important change in construction industry law for thirty years, the Housing Grants Construction and Regeneration Act 1996, which comes into force for contracts negotiated from the 1st May 1998, creates a totally new way of resolving industry disputes by independent adjudication within a **maximum period of thirty-five days**. The party found liable must pay an award made against them before taking the dispute to court if they wish to contest the decision by the adjudicator.

This clearly has important implications for notifying claims to Insurers under your insurance policies.

N.B. The Act also allows for a contract which limits the parties to adjudication only with no option to challenge a decision through the normal legal process. This is important in a number of areas (not just insurance) and you should seek legal and insurance advice before agreeing to a contract with these terms.

The Insurance Issue

This new adjudication scheme with strict time limits will put substantial pressure on Insurers to respond quickly to insureds receiving a notice of adjudication which might cause a claim under:-

Employers' or Public Liability policies or
Contractors All Risks policies or
Professional Indemnity policies

The notice of adjudication could relate to any contract for construction work, including alterations, repairs, maintenance, painting and decorating work anywhere in Great Britain (excluding building work for homeowners).

What do I do if I receive a Notice of Adjudication?

Where an adjudication scheme matter may also be a claim under one of your insurance policies, time is of the essence in notifying your Insurers. Apart from the normal policy requirement to give prompt notice to your Insurers, in the case of an adjudication scheme claim **failure to do so could prejudice your rights to cover**.

Not all adjudication scheme matters will involve claims under insurance policies, but if you believe that there are any circumstances under the adjudication scheme matter which could give rise to a claim under one of your insurance policies, you must **tell your Insurers immediately**.

How do I tell my Insurers?

To avoid unnecessary delay, Tysers is advising all clients receiving a notice of adjudication to **report it directly to Insurers.**

We have shown below the telephone and facsimile number of your Insurers, and you should use this to notify claims without delay. Any delay in notifying your Insurers could affect the protection you have under your insurance policy.

Please also notify Tysers Claims Department or your normal Account Executive of a notice of adjudication after you have told your Insurers, but your priority must be to notify your Insurers in all cases.

Shown below is the name, telephone and facsimile number of your Liability, Contractors All Risks Insurers and Professional Indemnity Insurers and your policy number (as applicable). Please retain this notice for future reference.

Client Name:			
Type of Insurance	Name of Insurer	Policy No.	Telephone & Facsimile No.
Liability Insurance			
Contractors All Risks Insurance			
Professional Indemnity Insurance			

If you have any enquiries or require any further information, please direct these to:-

Tyser (UK) Limited, Acorn House, Great Oaks, Basildon, Essex, SS14 1AL.

**Tel: 01268 284361
Fax: 01268 288016**

**E Mail: tyseruk@aol.com
Website: www.tyser.co.uk**