

Joint Names vs Composite Insured



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Which extension is right for your construction project?

In a recent article written by Dual Oliva, we discussed JCT Contract Conditions and who is responsible for arranging insurance for construction projects.

Here we discuss in further detail the cover provided under a project policy, how this affects each party and what extensions will suit your project

What is Joint Names?

Joint Names is a term used in construction insurance where the policy accommodates the responsibilities under contract for the employer and the contractor. This extension will apply to both new build and refurbishment/extension contracts where Joint Names will be required for both the contract works and the existing structure.

Why do we include Joint Names on construction policies?

- ✓ Eliminates the need for each party to take out a policy for their own responsibilities
- ✓ Reduces the risk of dual insurance*
- ✓ Ensures that the parties cannot claim against one another
- ✓ It makes it impossible to cancel the policy without all parties being notified

*Dual insurance is where two insurance policies cover the same subject matter for the same risk

Why do we include Composite Insured extensions to construction policies?

- ✓ Provides a “composite” policy allowing for differing interests in the subject matter to be adequately covered under one policy
- ✓ Provides comfort to lenders that their financial interest in the project is properly protected
- ✓ Does not penalise the lender for any non-payment/negligence of the party arranging the insurance policy
- ✓ Provides adequate notice of cancellation of the policy to the lender in case of mid-term cancellation by the main insured
- ✓ Includes First Loss Payee status to the lender in the event of a total loss they will receive payment of the claim settlement to cover their funds in the project
- ✓ Includes Non-Invalidation/Non-Vitiation clauses**

** DUAL Oliva’s definition is as follows:

Vitiate: to impair; to make void or voidable; to cause to fail of force or effect; to destroy or annul, either entirely, or in part, the legal efficacy and binding force of an act or instrument; as when it is said that fraud vitiates a contract.

With other words: “vitiate” is to make invalid or ineffectual and therefore non-vitiation implies the inability to make invalid or ineffectual.”

Joint Names vs Composite Insured



Why don't we just note the bank's interest, instead of applying the Composite Insured extension?

Noted interest in an insurance policy is as simple as it sounds.

It allows the bank access to details relating to the policy – i.e. confirmation of policy number, cover dates, etc. but does not protect their financial interest against any potential negligence from the party borrowing the money.

In summary, Joint Names should be applied to all construction projects as standard in line with the benefits discussed earlier in this article, where the parties all have a common interest in the subject matter of the policy. However, where funding is required, the Composite Insured extension will satisfy the lenders interest in the project which will be different to the interest of the employer/contractor.

Joint Names will be available on both annual and single project policies as standard, however, the Composite Insured extension will only be available under single project policies to insure against a specific construction project, financial obligations.

It would be impossible to note an annual policy for every lender involved in construction projects each time they occur, and the exposure to the insurer is increased meaning that they should apply a one-off project rate to the risk to accommodate this.

How DUAL can help you/your clients

DUAL Oliva Project Plus

Covers available:

- ✓ Existing Structures
- ✓ Contract Works
- ✓ Advanced loss of profits/rent (delayed start up)
- ✓ Public Liability
- ✓ JCT 6.5.1 – Non-Negligent Liability
- ✓ Owned/Hired in plant
- ✓ Terrorism.

DUAL Oliva Contractors Combined

Covers available:

- ✓ Employers Liability
- ✓ Public Liability
- ✓ Contract Works
- ✓ Owned/Hired in plant
- ✓ Directors & Officers cover
- ✓ Terrorism
- ✓ Optional JCT 6.5.1 extension
- ✓ Excess Layers available.

Why choose DUAL?

- ✓ One policy to suit your client's needs
- ✓ Wide risk appetite and wording extensions
- ✓ Experienced in-house underwriters with a flexible can-do attitude
- ✓ Access to a fast and flexible service with underwriters who can guide you through the processes and covers involved – we are fully operational and working remotely without restrictions/obstacles which might delay responses
- ✓ 90 days cessation of works extension
- ✓ A rated financial strength rating
- ✓ Non-adjustable policy with no year-end declarations to worry about
- ✓ Legal expenses included free of charge with an option to extend to construction contract disputes
- ✓ The 'Oliva DNA+' innovative theft deterrent included free of charge: 50% theft excess reduction following registered application of your free DNA+ kit – signage included to be installed on perimeter fencing to deter opportunist thieves
- ✓ Temporary 6.5.1 cover automatically provided (option to add full cover).

Other ways DUAL can help

- ✓ Property and Casualty insurance
- ✓ Unoccupied Properties insurance
- ✓ Contract Works insurance in isolation
- ✓ Professional Indemnity insurance.

Get in touch

We are open to support existing policyholders and keen to help you support your new and existing clients – [please ask us for a quote.](#)

Send your enquiries to your dedicated underwriter or alternatively to:



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