

When do I need
CONTRACT WORKS COVER





If you own or manage a business that's carrying out building, refurbishment, or repair projects, you may come across the term Contract Works cover. This guide explains what it is, and when you might need it.

What is contract works cover?

Contract Works insurance protects the building work in progress – from the first day materials are delivered, right through to completion. It's sometimes called Contractors All Risks insurance.

This insurance covers the following:



New works – extensions, refurbishments or new builds.



Materials, labour and equipment that form part of the project.



Damage from unexpected events such as fire, flood, theft or storm before the work is completed.

When do I need it?

You'll usually need Contract Works cover if:

- You're a contractor working on projects where you're responsible for materials and labour until the job is handed over.
- You're a property owner or landlord commissioning building work – depending on your contract, you may be responsible for insuring the works.
- The project involves significant structural work or refurbishment that isn't already covered by standard property insurance.
- The building contract specifies that you or the contractor must arrange this cover.

Examples

Property refurbishment:

You're adding an extension to a commercial building. Contract Works cover protects the extension during the build until handover.

Fit-out project:

A shop refit worth £150,000. If a fire breaks out before completion, the cover pays to reinstate the works.

Landlord improvements:

You commission a contractor to convert a warehouse into offices. Depending on the contract, you may need to arrange cover for the project.

What is doesn't cover

Contract Works insurance protects the work in progress. It doesn't usually cover:

- Existing buildings (these need property insurance).
- Tools, plant or hired equipment (these often need separate cover).
- Defective design or poor workmanship.

Key takeaway

If you're responsible for a building project – whether as a contractor, landlord or property owner – and the contract says you must insure the works, Contract Works cover ensures the project is protected until completion.

Check your building contract carefully. If you're unsure who should arrange cover, speak to your broker. They'll help you make sure you have the right protection in place.



Up to

88% of UK sites are
UNDERINSURED
during construction or contracts works

Charterfields Insurance Gap Report 2025





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