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Construction All Risks Insurance

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***Const. L.J. 169** According to the Office For National Statistics, over the last 20 years the UK construction industry contributed about 6 per cent per annum to the total UK economy. All the standard forms in use over that period contained terms requiring one party or the other to arrange insurance covering many if not all the risks inherent in the construction process. It is therefore surprising that during the same period, the law relating to the insurance of such risks received comparatively little attention in the standard works on either insurance law or construction law with some limited if notable exceptions such as Sir Antony Edwards-Stuart's chapter on the topic in *Emden*.

The gap was filled in 2014 with the publication of the first edition of Paul Reed QC's *Construction All Risks Insurance*. In the Foreword, Mr. Justice Jeremy Stuart-Smith expressed the wish that "this book had been available when I was advising on CAR Insurance while at the Bar" and predicted that it would find its way onto the shelves of all those who have any serious interest in the subject. This turned out to be a safe bet because *Construction All Risks Insurance* is an excellent book. The second edition has achieved the difficult task of being even better than the first.

Many of those approaching the subject for the first time will specialise in insurance law or construction law but not both. For the former, the first three chapters analyse the risks which a typical construction policy is meant to cover. For the latter, Chs.4 and to 13 contain a clear and concise summary of the fundamental principles of insurance law such as misrepresentation, warranties and the interpretation of policies. Anyone searching for a helpful introduction to the law of insurance generally could not do better than to read these chapters. Amongst them Ch.10 has the most comprehensive explanation anywhere of the law relating to fortuity. Chapter 5 is new and covers the Insurance Act 2015. It includes an interesting discussion of some of the equivalent legislative provisions in force in Australia and New Zealand and the differences between them and the ones in the 2015 Act.

The remainder of the book deals with issues relating specifically to construction policies. For example, the question of what constitutes damage for the purposes of the cover provided by the various sections of a typical policy—in particular the sections providing property cover and liability cover respectively—is addressed in detail and includes a thorough explanation of the various authorities. There is a masterly account of the effect of the DE clauses and of the topic of co-insurance, which can raise particular difficulties in the context of construction insurance. In areas where the authorities are silent or are occasionally in apparent conflict, Paul Reed QC and his team offer their considered views based on a wealth of experience of this area of the law. ***Const. L.J. 170**

In short, *Construction All Risks Insurance* is an indispensable guide for anyone who advises on construction insurance. The second edition will boost its already excellent reputation.

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