ABSTRACT

To determine whether construction projects are properly insured, a risk management framework was developed. The process involved the identification of parties, relationships and individual risks; with an analysis of types of economic control that were necessary for all risks, and by ensuring adequate qualitative and quantitative coverage. A risk management economic control grid was formulated to assist in the analysis.

Construction projects undertaken by the Public Works Department were analysed using this risk control system. It is concluded that risks of third party liability, damage to property by fire and statutory requirement for Workmen’s Compensation were sufficiently controlled, while risks of injuries to employees and property belonging to the Government and Contractors could be improved.

A checklist was developed to improve insurance coverage. A new type of insurance policy called "Owners’ All Risks" is also recommended to cover the inadequacies of the present system.