MERCURY

Construction Contract Risk Transfer and Insurance Course

15 – 26 August 2027
Kuala Lumpur (Malaysia)

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Construction Contract Risk Transfer and Insurance Course

Ref: 8041_274777 **Date:** 15 – 26 August 2027 **Location:** Kuala Lumpur (Malaysia) **Fees:** 8000 Euro

Construction Contract Risk Transfer and Insurance Course is a 2-week course for contract and project staff on building and engineering projects who decide which party carries each exposure and how it is covered. You work through main and subcontract clauses, knock-for-knock schemes, liability caps, project policies and insured claims, and you take back a Project Allocation and Cover Matrix. Mercury Training Center delivers this construction contract risk transfer and insurance course.

About This Course

On many projects the employer's terms, the subcontracts and the policies were drafted by different people, so gaps and overlaps only appear after a loss. To follow the course you should already draft, review or administer construction or engineering agreements. You practice by marking up real clause sets, mapping cover and running claim scenarios.

Who It Is For

- Contract and commercial staff who draft and negotiate main and subcontract terms.
- Project and site leaders who administer agreements and notify incidents.
- Procurement staff who prepare tender documents and back-to-back subcontracts.
- Insurance and finance staff who arrange project policies, bonds and guarantees.
- Claims and legal staff who handle losses, recoveries and disagreements.

This course is not for readers who need a general one-week overview of commercial clauses and cover across all sectors, who are better served by a shorter general course, nor for underwriters who price construction policies, who suit an insurance underwriting course.

Competencies You Will Build

- Allocation Mapping: you trace each exposure from the employer's terms through every subcontract and policy.
- Clause Drafting: you write and test cross-indemnity, knock-for-knock and limitation of liability wording.
- Cover Specification: you specify contractors' all risks, third party, employers' liability and professional indemnity requirements.
- Security Review: you check bonds, parent company guarantees and retention against the exposures they secure.
- Claims Handling: you notify, document and pursue insured losses within policy conditions.
- Resolution Planning: you set staged resolution clauses and choose between negotiation, mediation, adjudication and arbitration.

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What You Will Be Able to Do

By the end of the course you will be able to:

- From an employer's tender documents, list the exposures passed to the main contractor and mark which are insurable.
- Given a main contract and three subcontracts, find gaps where back-to-back allocation breaks down.
- Using FIDIC Red Book and Yellow Book clauses, compare how each form allocates design, ground and delay exposures.
- From a project policy schedule, check that limits, deductibles, exclusions and named insureds match the agreement.
- Given a loss on site, prepare the notification, evidence file and recovery route under the relevant policy.
- Using a disagreement scenario, choose the resolution route and draft the steps it requires.

Course Content

Day 1: Exposures on Construction Projects

- Exposure Registers for Design, Ground, Delay and Third-Party Damage
- Eliminate, Reduce, Transfer or Retain: Choosing the Treatment
- Prevention Versus Impact Mitigation Through Agreement Terms
- Title, Incoterms and Intellectual Property in Equipment Supply
- Common Law and Civil Law Differences Affecting Allocation

Day 2: Agreement Structure and Formation

- Formation, Letters of Intent and Letters of Award
- Documents Incorporated by Reference and Order of Precedence
- Standard Forms Versus Bespoke Terms
- Side Letters and Letters of Comfort
- Agency Issues on Multi-Party Projects

Day 3: FIDIC Forms and Allocation

- FIDIC Red Book Allocation for Employer-Designed Works
- FIDIC Yellow Book Allocation for Contractor-Designed Works
- Unforeseeable Ground Conditions and Employer's Exposures
- Variations, Extensions of Time and Delay Allocation
- Taking-Over, Acceptance Certificates and Defects Periods

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Day 4: Caps, Damages and Termination

- Liquidated Damages Versus Penalties in Delay Clauses
- Limitation of Liability Caps and Carve-Outs
- Exclusion of Indirect and Consequential Loss
- Suspension and Termination Rights and Their Costs
- Warranties, Guarantees and Maintenance Obligations

Day 5: Indemnity Regimes

- Meaning and Scope of Indemnities in Construction Agreements
- Knock-for-Knock and Cross-Indemnity Schemes for People and Property
- Indemnities Irrespective of Negligence: Lessons From Offshore Litigation
- Catastrophe Exposures and the Value of a Covenant
- Indemnity Limits Under Civil Law Systems

Day 6: Project Policies

- Contractors' All Risks and Erection All Risks Cover
- Third-Party Liability and Employers' Liability Cover
- Professional Indemnity for Design Responsibility
- Goods in Transit, Marine Cargo and Delay in Start-Up Cover
- Pollution, Business Interruption and Motor Cover on Site

Day 7: Who Insures and for Whose Benefit

- Employer-Controlled Versus Contractor-Controlled Cover Arrangements
- Named Insureds, Co-Insurance and Waiver of Subrogation
- Extending Cover to Subcontractors and Suppliers
- Duty of Disclosure, Policy Conditions and All Risks Wording
- Self-Insurance, Deductibles and Retained Exposures

Day 8: Security and Claims

- Performance Bonds, Advance Payment Bonds and Unfair Calling Cover
- Parent Company Guarantees and Retention
- Loss Notification, Evidence Files and Timely Claims
- Working With Loss Adjusters and Insurers on Project Losses
- Recovery From Responsible Parties After an Insured Loss

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Day 9: Resolving Disagreements

- Staged Resolution Clauses: Negotiation, Mediation and Adjudication
- Expert Determination and Early Neutral Evaluation
- Arbitration, Litigation and Enforcement of Awards
- Dispute Boards Under FIDIC Forms
- Drafting Clauses That Prevent Common Disagreements

Day 10: Practice Building the Project Allocation and Cover Matrix

- Exercise: Back-to-Back Review of a Main Contract and Subcontract
- Exercise: Knock-for-Knock Drafting for an Offshore Installation Scope
- Exercise: Policy Schedule Check Against Agreement Requirements
- Exercise: Claim File for a Collapse During Erection
- Completing the Project Allocation and Cover Matrix for Your Project

Case Studies and Exercises

These are suggested activities.

- Case study: a building contractor's crane damages a neighboring property and the subcontract is silent on third-party cover; you decide who pays and how the gap is closed.
- Case study: an offshore installation contractor faces a personnel injury claim under a knock-for-knock scheme; you trace which indemnity and policy respond.
- Exercise: a power plant EPC agreement caps liability below the expected delay damages; you redraft the cap and carve-outs.
- Exercise: a road project suffers flood damage to partly completed works; you prepare the notification and evidence file under the all risks policy.

What You Take Back

The Project Allocation and Cover Matrix is the document you complete for one of your own projects during the course. In your first month back, you use it to review the next subcontract package, brief your insurance adviser on gaps and agree claim notification steps with site leaders.

- An exposure register with the party carrying each item.
- A clause map of indemnities, caps and exclusions across all tiers.
- A cover schedule of required policies, limits and named insureds.
- A claims and resolution procedure for site teams.

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Quick Answers FAQ

What should I know before construction contract risk transfer and insurance training?

You should already draft, review or administer construction or engineering agreements and know the basic project roles of employer, contractor and subcontractor. No legal qualification is needed.

How does construction contract risk transfer training differ from a general commercial clauses and cover course?

It applies the subject to building and engineering projects over two weeks, with FIDIC forms, multi-tier subcontracts, project policies and site claims. General courses cover clauses and cover across all sectors in less depth.

What is a knock-for-knock clause in construction and engineering projects?

It is a reciprocal arrangement where each party takes responsibility for injury to its own people and damage to its own property, whoever caused it. Each party then insures its own exposures, which reduces overlapping claims and cover.

What do I take back from the Construction Contract Risk Transfer and Insurance Course?

You take back the Project Allocation and Cover Matrix for one of your projects: an exposure register, a clause map across all tiers, a cover schedule and a claims and resolution procedure.

For Your Manager

After the course, the team member can map exposures through main and subcontracts, draft indemnity and cap clauses, specify project policies and manage insured claims. They return with a Project Allocation and Cover Matrix for a current project, first used to review the next subcontract package and close gaps with the insurance adviser.