

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
OFFICE OF THE SECRETARY  
MANILA

097-13 Draft (P)  
11-2-94

CEM 2257  
1-12

October 19, 1994

DEPARTMENT ORDER

No. 172  
Series of 1994


SUBJECT: REQUIRING CONTRACTOR'S  
ALL RISK INSURANCE PO-  
LICY CO-TERMINOUS WITH  
PROJECT COMPLETION

It has been observed that the Department has been made to reimburse Contractors for the amount paid in renewing Contractor's All Risk (CAR) insurance policy in cases where the implementation of the project is extended due to reasons beyond the Contractor's fault or negligence.

Considering that the premium paid for securing CAR insurance policy is based on the full value of the project, it is injudicious for the Government reimbursing the Contractors in the case aforesaid where contract time is extended but the project cost remains the same.

To address the situation, it is directed that, henceforth, only CAR insurance policy co-terminous with project completion shall be required/accepted by the Department.

Additional premiums shall only be paid in cases where contract time is extended due to additional works or where project cost is increased for similar reason without necessarily extending the contract time. The additional works shall be insured upon approval of the applicable variation order (Change Orders, Extra Work Orders, Supplemental Agreement) in the full value of the approved additional works.

  
GREGORIO S. VIGILAR  
Secretary