



Roads Board Nepal Report on



Training on Construction Insurance For Roads Board Nepal Officials and Government Institution February 14 – 16, 2018



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We are highly indebted to all, who were of immense help in carrying out this training. First of all, we would like to extend our sincere gratitude to Er. Krishna Singh Basnet, Executive Director, Roads Board Nepal for entrusting us to carry out this Training on Construction Insurance for Roads Board Nepal Officials and Government Institution. Similarly, we would like to extend our special thanks to Er. Sagar Gnawali, Technical Director and Ms. Chetana Thapa, Administration Director of RBN for their continuous support from the planning phase to end to make the training program success.

We would also like to extend our special thanks to Mr. Sanjib Subedi, Nepal Representative, J B Boda Group of Companies and J B Boda Academy for providing their senior expert Mr. M. Raja Ram as a leading resource person and continuous support to complete the training program successfully. Likewise, our special thanks goes to Mr. M. Raja Ram for delivering the lectures and sharing the valuable experience on construction insurance.

Our special thanks also goes to Dr. Rajendra P. Adhikari, Chairperson, ARTIst, Mr. Chunky Chhetri, CEO, Sagarmatha Insurance, Mr. Sumundya Upadhya, CEO, Premier Insurance Co. Ltd. and Mr. Surya P. Joshi, Principal Surveyor for their continuous effort to complete the program successfully as a resource person. We would also like to express our thanks to all the participants for their continuous and effective participation in this training.

Finally, we would like to express our gratitude to all members of organizing committee, staff members of Advanced Research & Training Institute (ARTIst) and Roads Board Nepal who helped in many ways in carrying out this training.

Bishnu Sharma
Chief Executive Officer
ARTIst

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Abbreviations

ARTIst	-Advanced Research & Training Institute
CEO	-Chief Executive Officer
DoLIDAR	-Department of Local Infrastructure Development and Agricultural Road
DoR	-Department of Roads
DRO	Division Road Office
ED	-Executive Director
FCAN	Federation of Contractor Association of Nepal
NEA	Nepal Engineering Association
RBN	Roads Board Nepal
SCAEF	Society Of Consulting Architectural And Engineering Firms

Executive Summary

Training on construction insurance for RBN officials and government institutions was conducted from 14 February to 16 February, 2018, which was jointly organized by Roads Board Nepal and Advanced Research & Training Institute (ARTIst) with technical support from J B Boda Academy, Mumbai, India.

The training was conducted with a view to capacitate the RBN officials and government institutions in the construction insurance. In total 14 engineers and officials from RBN, DoR, DoLIDAR & municipalities and two participants from insurance companies were participated in the training program. The Advanced Research & Training Institute (ARTIst) arranged all the required logistic facilities for the program. The course content of the training program was developed ARTIst and J. B. Boda Academy.

The sessions were full of interactive discussions focusing on practical experience of the trainers. At the end a feedback survey was conducted. From the feedback survey the participants were found gaining the knowledge on procedure of purchasing, claims of the insurance especially on construction insurance.

1. Introduction

Training on Construction Insurance for engineers and officials of RBN and Government Institution was conducted jointly by Roads Board Nepal and Advanced Research & Training Institute (ARTIst) with technical support from J B. Boda Academy, Mumbai, India. The training was started on 14 February, 2018 and concluded on 16 February, 2018 in Kathmandu.

This report covers the Training on Construction Insurance jointly organized Roads Board Nepal and Advanced Research & Training Institute (ARTIst) for engineers and officials.

2. Opening Session

Training was started with an **Opening Session**, in which Er. Krishna Singh Basnet, Executive Director, Roads Board Nepal briefly highlighted the objectives of the training and the expectation from the participants after the completion of the training. Mr. Chunky Chhetri, CEO, Sagarmatha Insurance Co. Ltd. briefly



highlighted the procedure and importance of insurances. Mr. M. Raja Ram, J. B. Boda Group of companies briefly. Following this participant introduced themselves. Session was held in Dhokema Café, Patan Dhoka, Lalitpur, Nepal. There were 16 participants in the training. List of participants is attached as appendix I. Dr. Arun Timilsina, Director, ARTIst facilitate the session.



3. Objective

The training was conducted to impart the knowledge and skills in construction insurance for engineers and officials working at RBN, DoR, DoLIDAR, Municipalities and insurance companies.

4. The Personnel

The ARTIst formed the core team and experts to work as resource persons to carry out the training. Following professional personnel were involved in the training:

SN	Name	Responsibilities
1.	Bishnu Sharma (Mr.)	Coordinator-ARTIst
2.	M. Raja Ram (Mr.)	Resource Person- J.B. Boda
3.	Chunky Chhetri (Mr.)	Resource person
4.	Sumdanya Upadhya (Mr.)	Resource Person
5.	Rajendra P. Adhikari (Dr.)	Resource Person
6.	Surya P. Joshi (Mr.)	Resource Person

5. Methodology

The participants of this training were engineering professionals who are working in the RBN, DoR, DoLIDAR, municipalities and insurance companies. Therefore, the training methodology was emphasized on participatory approach method as much as possible, which helps to share experiences among the participants. The course content of the training was developed by ARTIst and J. Boda Academy.

The training was focused on following areas/issues:

1. Risk Analysis & Risk Management
2. Fundamental of Insurance
3. Scope of Project and Construction Insurance: Policy Perspectives
4. Insurance Provision in Various Standard Bid Documents
5. Overview of Professional Liability and Professional Indemnity Insurance
6. Contractors Claim, Survey & Valuation of Losses or Damages and Compensation
7. Linking Insurance Causes & Premium, and Insurance Company & Insurance
8. Insurance Dispute and Dispute Resolution
9. Case Studies

Brief outline of each session are presented below:

Day-1 (February 14, 2018)

Session-1

Fundamental of Insurance

This session was taken by Mr. Chunky Chhetri, CEO, Sagarmatha Insurance Co. Ltd. in which he explained about the insurance definition, risk, principles of insurance, utmost good faith, insurable interest, indemnity, limitation of insurers liability, subrogation, contribution, loss minimization and approximate cause.



Session-2

Risk Analysis & Risk Management

This session discussed on definition of risk and management, role of each of the party related to insurance; insured; insurer; broker, need of implementing risk management, advantages of having risk management, classification of risks, pure risks management, corporate risk management, personal attitude of individuals, risk handling methods, risk identification, risk valuation/quantification, risk avoidance, risk minimization, risk transfer, risk financing for risk retention, rolling review, contingency planning, disaster control, mutual aid, incident/accident investigation, and interaction with insurers/engineers/surveyors. Mr. M. Raja Ram, Head of Broking Division JB Boda Insurance Broker, New Delhi Office was the resource person for this session.



Session-3

Scope of Project and Construction Insurance: Policy Perspectives

This session was taken by Mr. M. Raja Ram, in which he explained about contractual risk, project insurance, phases in project execution, pre financial close phase, lenders insurance requirements, construction phase (marine & construction insurance, ALOP/delay in start-UP(DSU) insurance & third party liability insurance), sum insured insurance under EAR policy, project period, risk exposure structures, risk exposure location, major exclusions, excess, check list for loss prevention/minimization, advance loss of profits, interest covered, MD & ALOP, financial consequences due to delay in start-up, claims management and details required by insurer.



Day-2 (February 15, 2018)

Session-1

Insurance Provisions in Standard Bidding Documents

This session discussed on the standard bidding documents for construction projects, the PPMO SBD (Insurance & SCC), insurance related issues in the SBD, works requirements (provision of insurances and bonds), insurance under FIDIC Red Book 1999, provision in the PCC and insurance in practice in Nepalese construction sector. Dr. Rajendra P. Adhikari was the resource person for this session.



Session-2

Insurance Dispute and Dispute Resolution

This Session was assigned to Mr. M. Raja Ram, in which he discussed on disputes in Insurance matters, dispute in quantum, Consumer forums, and OMBUDSMEN

Session 3

Linking Insurance Causes & Premium, and Insurance Company & Insurance

This session discussed on CAR policy rating procedures, Premium rates & premium and Flood data available. This session was assigned to Mr. M. Raja Ram.



Day-3 (February 16, 2018)

Session-1

Contractors Claim, Survey & Valuation of Losses or Damages and Compensation

This session discussed on car survey report writing & assessment, preliminary car survey report, and interim report. The session also discussed on:

- C A R claim, survey procedure & assessment
 - ✓ Steps to be taken to insured the event of loss
 - ✓ Handling large losses-loss adjuster's perspective

Mr. Surya P. Joshi was the resource person of this session.



Session-2

Case Studies

This session was assigned to Mr., M. Raja Ram, in which he discusses on clauses of CAR Policy with some cases of pipeline construction, exclusion of loss of stabilizing fluid, road construction, piling construction, abandonment of shafts, existing underground cables, contract works time schedule, temporary access road, special conditions concerning the construction of dam and water reservoir, special conditions concerning safety measures with respect to precipitation, flood and inundation, special conditions concerning removal of debris from landslides, extended maintenance cover and escalation provision.



Session-3

Overview of Professional Liability and Professional Indemnity Insurance

This session was taken by Mr. Sudyumna Upadhyay, in which he explains brief history and meaning of liabilities, insurance against on legal liabilities, definition and legal liability under professional indemnity insurance and condition of professional indemnity.

6. LogisticArrangement

The ARTIst arranged all the required logistic for the training. The venue of the training was Dhokema Café, Lalitpur, Nepal.

7. Evaluation of the Training

Participants made the course evaluation. For this purpose, a questionnaire (which includes course content, relevant of course with job, performance of trainers, material and logistic arrangement) was developed and distributed to the participants. The participants were found satisfied with the training program. As per participants they were able to receive the intended benefit of the training and as a consequence the participants are found with confident to work. The result of course evaluation is presented in Appendix IV.

8. Certification

A certificate of completion has been awarded to participants after completing the training.

9. Closing Session

losing Session of the training was held on March 16, 2018 at Dhokema Café, Lalitpur, Nepal. The session was conducted informally. Expressing the view on behalf of participants Mr. Mahesh Chandra Neupane, SDE, DoLIDAR assured that all participants are confident to work in the field of insurance after this training. He also requests to organize such types of trainings in future also. In response to this, in the closing remarks Er. Krishna Singh Basnet, Executive Director, Roads Board Nepal inform

that they are planning to conduct such types of trainings in coordination with stakeholders, such as DoR, DoLIDAR and Municipalities. Furthermore, he states that he hopes participants may able to solve the problems seen in insurance in bid document and BOQ after this training and congratulates to all participants for successfully completing the training.

Mr. Bishnu Sharma, CEO, ART1st thanks Er. Krishna Singh Basnet, Executive Director, RBN for his regular presence in the training which helps to make training successful. Similarly, He also thanks to Er. Sagar Gnawali, Technical Director, RBN, Ms. Chetana Thapa, RBN and Mr. Sanjib Subedi, Nepal Representative, JB Boda Group of Companies for their continuous support to make the training program successful. He also thanks to all participants and member of organizing committee for their kind cooperation to make the training successful.



Er. Krishna Singh Basnet, ED, Roads Board Nepal expressing his closing Remarks



Mr. Mahesh Chandra Neupane, SDE, DoLIDAR, expressing View on behalf of participants



Er. Krishna Singh Basnet, ED, Roads Board Nepal distributing the certificate to participants

Conclusion and Recommendations

9.1. Conclusion

- i. The program was conducted at Dhokema Café, Patan Dhoka, Lalitpur. Because of the adequate facilities (training room, multimedia projector, overhead projector etc.), the training was run smoothly.

- ii. Collaboration among ARTIst and RBN was highly effective. Formal and informal meetings were held in coordinated manner and visits were effective to make decisions as and when necessary.
- iii. This training has imparted confidence in the participants to work in insurance provision in bid document and BOQ.

9.2. Recommendation

- i. Participatory approach is highly effective to run session and should be continued in future trainings also.
- ii. There was effective collaboration between ARTIst &RBN and should be continued in other trainings also.
- iii. Training was seen very fruitful for the official of RBN and Government Institutions to work in the provision of insurance in bid document and BOQ and should be continued in future also.

Appendix I-List of Participants

List of Participants

In total 16 participants were participated in the training from RBN, DoR, DRO, KMC, LMC, NEA, SCAEF, FCAN and Insurance Companies. List of participants is as presented below:

S. N	Name	Organization	Designation	Mobile No.	Email
1	Ram Chandra Nepali	KMC	Engineer	9841667997	ramchandranepli1985@gmail.com
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4	Mahesh Chandra Neupane	DoLIDAR	SDE	9851219555	neumanemc@gmail.com
5	Dharma Raj Upadhyay	RBN	Engineer	9841689748	upadhyaydharma@yahoo.com
6	Nirmal Prasad Koirala	RBN	Sr. f. Officer	9841500362	nirmalpdkoirala@gmail.com
7	Shyam Bikram Khana	NEA	Manager	9851095192	sambikram@hotmail.com
8	Jagannath Gautam	F.C.A.N	Engineer	9851069786	jngautam.2010@gmail.com
9	Sanu Babu Prajapati	RBN	Sr. Engineer	9851247167	prajapati.16@hotmail.com
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11	Prakash Chandra Bhandari	DoR Lalitpur	D.E	9841369674	pcb.dor@gmail.com
12	Dev Kumar Tamang	DRO Ktm, 2	SDC	9851145271	tamangdk@yahoo.com
13	Laxmi K C	DoR	SDC	9851087472	lux.mee10@gmail.com
14	Ram Pukar Chaudhary	SIC	Jr. Officer	9856031155	rampukar@sagarmathinsurance.com.np
15	Murari Regmi	SIL	DGM	9851110275	murari@siddharthinsurance.com
16	Bindeshwar Prasad Sah	SCAEF	Engineer	9851107147	bshah851@gmail.com

Appendix II-Training Schedule

Appendix III- Attendance Record of Participants

Appendix IV- Course Evaluation Result

Appendix V-Training Handouts