



## Expert Opinion

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### Clarifying Dewatering

A dewatering warranty or exclusion is commonly added to the C.A.R. policy – especially if the policy concerns a civil or infrastructure project. This article sets out to explain the reasons behind this provision and provides a clear illustration of the term “dewatering”.

#### What is dewatering?

**D**ewatering can be defined in two ways. It is the process of lowering the water table level at and around a particular contract site. Dewatering also refers to the removal of groundwater usually by pumping or evaporation, which then allows the contractor to carry out the works specified in a relatively dry environment.



Dewatering is not, as some believe, removing water from a hole that has been dug as part of the construction process or from the construction site now filled with rainwater.

To illustrate this, consider an example. Sharma Contractors have been employed to construct a five level

building which incorporates two basement levels. The two basement levels will be constructed six meters below ground level, however the site borders a river and the water table is only one meter below ground level.

If Sharma Contractors excavate to six meters, this will result in a six meter hole filled with water to five meters. This water can enter the hole in a number of ways but primarily by leaching through the walls of the excavation and perimeter piling installed to hold back the earth. The piling is not intended to be waterproof, so a dewatering system is required. Independent project engineers design a pump system to continually pump water out of the site to allow the basement to be constructed. By taking the water out of the hole, the water level in the surrounding ground will also be reduced to varying levels depending on soil type and distance from the hole. This process is called “dewatering” and lasts until construction is completed to above ground level where dewatering ceases and, in the majority of cases, the water table naturally returns to normal.

### **How does this apply to contract works insurance?**

A contract works policy principally provides cover for sudden and unforeseen loss or damage to the works being constructed. It does not guarantee the accuracy of project engineers’ assumptions and/or subsequent work. In the example above, if the engineer miscalculated the number of pumps needed to continually pump the water out of the construction area of the basement levels, resulting in damage and delay to construction, then the responsibility lies with that engineer. Due to the dewatering warranty or exclusion there will be no cover for such loss under the contract works policy.

However if, for example, water damage was incurred to the site or building as a result of the dewatering pumps being stolen or faulty, the contract works policy may provide cover because this loss was sudden and unforeseen.

### **What if there is an influx of water for example, in the case of a rain storm?**

A contract works policy will usually respond to this situation. The C.A.R. excludes the additional expenses incurred in dewatering. However, this does not include “dewatering” costs directly caused by insured perils. In other words if the engineer anticipated that two pumps were needed instead of five to dewater, due to this being a professional miscalculation, the policy would not provide cover for the additional cost associated with this. However, a storm is not related to assumptions made by the engineer so if the site is flooded the policy will normally respond.

## **What about getting water out of a hole?**

In the example outlined above, part of the contract may be to dig footings for veranda posts just 500 millimeters below the original ground level. Once the footings have been dug, the hole will fill with water if it rains overnight. In order for construction to continue this water will need to be extracted. This process is getting water out of a hole – and not classed as dewatering. Other provisions of the policy would then come into play in the normal manner.

For more information on Contractor's All Risk Policy or other insurance products to cover construction risks, write to us on [info@optima.co.in](mailto:info@optima.co.in)

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