**Clause Description:**

The *Contractor’s Equipment* clause is used to provide coverage, subject to the applicable policy’s conditions and exclusions, in the event that the Contractor’s owned tools and equipment become damaged or stolen while situated at the Work site. This coverage is intended to ensure that the Contractor carries adequate insurance for the protection of its tools and equipment while at a Work site as often tools and equipment are vandalized, stolen, lost or even damaged by fire or water.

As contractors rely heavily on their tools and equipment to perform their work, it is important that the contractor have first party insurance in place to pay for the cost of repairs or replacement of their essential work items in the event that they are stolen or damaged. Coverage is usually provided on a blanket basis for the various work sites that the contractor is working at.

The sooner your contractor has replacement or repairs performed, the sooner that they are back working on your project.

**The Recommended Clause – Contractor’s Equipment (Provided by the Contractor)**

The Contractor will provide “All risks” contractor’s property – equipment insurance covering construction machinery and equipment and miscellaneous tools and supplies used by the Contractor for construction at the Work site. The coverage shall be in a form acceptable to the Purchaser and shall not allow subrogation claims by the Contractor’s Insurer against the Purchaser.

The policy shall be endorsed to provide the Purchaser with not less than 30 days’ notice in writing in advance of cancellation, material change, or amendment restricting coverage. Subject to satisfactory proof of financial capability by the Contractor for self-insurance, the Purchaser agrees to waive the equipment insurance requirement.

*(The entities (i.e. Purchaser, Contractor) in red font are descriptors that you can substitute for the entities required for your own specific contract.)*